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Speaker: The Honourable Donald M. Stewart, M.L.A.

# LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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TABLE OF CONTENTS

MONDAY, FEBRUARY 11, 1985

	<u>PAGE</u>
Prayer	74
Oral Questions	75
Written Questions	80
Tabling of Documents	81
Consideration in Committee of the Whole of:	
- Bill 7-85(1) Appropriation Act, 1985-86	81
- Department of the Executive	81
Report of Committee of the Whole of:	
- Bill 7-85(1) Appropriation Act, 1985-86	115
Orders of the Day	115

YELLOWKNIFE, NORTHWEST TERRITORIES

MONDAY, FEBRUARY 11, 1985

MEMBERS PRESENT

Mr. Angottitauruq, Mr. Appaqaq, Mr. Arlooktoo, Mr. Ballantyne, Hon. Tom Butters, Hon. Nellie Cournoyea, Hon. Tagak Curley, Mr. Erkloo, Mr. Gargan, Mrs. Lawrence, Mr. MacQuarrie, Mr. McCallum, Hon. Bruce McLaughlin, Hon. Richard Nerysoo, Mr. Paniloo, Hon. Dennis Patterson, Mr. Pedersen, Mr. Pudluk, Mr. Richard, Hon. Nick Sibbeston, Hon. Don Stewart, Mr. T'Seleie, Mr. Wah-Shee, Hon. Gordon Wray

ITEM 1: PRAYER

---Prayer

SPEAKER (Hon. Don Stewart): Orders of the day for Monday, February 11th. Item 2, Members' replies. Mr. McLaughlin.

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. Just on a point of privilege, is this the opportunity for me to say something about press coverage? Where would be the best time on the orders of the day to do something about that?

MR. SPEAKER: If it is press coverage with you personally, it comes under a point of privilege. Proceed.

HON. BRUCE McLAUGHLIN: I have a statement that I would like to make now.

SOME HON. MEMBERS: Agreed.

---Agreed

Point Of Privilege

HON. BRUCE McLAUGHLIN: Yes, Mr. Speaker, thank you. Last meeting day, on Friday, in response to Mr. Pedersen and a supplementary by Mr. MacQuarrie, I indicated what our government's position is on a transient centre for the Kitikmeot residents in Yellowknife. On the CBC radio this morning they said our government will be constructing this facility and operating it, and I would like to make it clear to Members of the House, especially the Members of Kitikmeot, what I said is, and I quote, "It is contingent on coming to an agreement with northern medical services branch of Health and Welfare Canada." So, in other words, Mr. Speaker, our government wants to do this but the fact that it will be happening is not correct. It is contingent on what we can do with the negotiations with Health and Welfare Canada first. Thank you.

MR. SPEAKER: Thank you, Mr. McLaughlin. That, honourable Members, is a point of privilege. We very seldom see one so it is nice to have one that we can hold up as an example.

---Applause

Item 2, Members' replies.

Item 3, Ministers' statements. Item 4, oral questions. Mr. Erkloo.

ITEM 4: ORAL QUESTIONS

Question 32-85(1): Reimbursement Of Air Fares For Court Appearance

MR. ERKLOO: (Translation) Thank you, Mr. Speaker. My question is directed to Mr. Nerysoo, the Minister of Justice and Public Services. I received a phone call from Hall Beach that there were five people going to court in Igloolik and had to pay their own air fare. My question is, are they going to be able to get the money back that they used for their air fare, when they get back to Hall Beach? Thank you.

MR. SPEAKER: Mr. Minister.

HON. RICHARD NERYSOO: Yes, Mr. Speaker, I am not aware of the circumstances that the honourable Member is speaking of. I will review the circumstances of the question concerned and report back to the House. In other words, I am taking the question as notice.

MR. SPEAKER: Thank you, Mr. Minister, taken as notice. Oral questions. Mr. Ballantyne.

Question 33-85(1): Details Of Formula Financing Agreement

MR. BALLANTYNE: Thank you, Mr. Speaker. I would like to ask a question of the Minister responsible for Finance and it is to do with formula financing. As I understand it we either have or are about to get, a final agreement on formula financing with our government and with the federal government but I wonder at what point during this budget session would the Minister of Finance table the details of that agreement so that everybody in the House is aware of the implications of formula financing?

MR. SPEAKER: Mr. Minister.

Return To Question 33-85(1): Details Of Formula Financing Agreement

HON. TOM BUTTERS: Mr. Speaker, I would like to thank the honourable Member for giving me notice of this question. The two documents in question: The memorandum of understanding between this government and the federal government, and the first years agreement between the two governments, are ready for examination by the standing committee on finance this Thursday and I would expect soon after that, sir.

MR. SPEAKER: Thank you. Oral questions. Mr. Paniloo.

Question 34-85(1): Registration Of Inuit People

MR. PANILOO: (Translation) Thank you, Mr. Speaker. This is directed to Richard Nerysoo, Minister of Justice and Public Services. In the last registration of the Inuit people of the NWT some of the dates were mistaken. There were wrong dates -- like their birth dates, some a bit older than what their actual age was. I was wondering if they could reregister the Inuit because a lot of people did not have the proper birth dates and proper ages when they first did the registration for the Inuit people of the NWT. Thank you.

MR. SPEAKER: Mr. Minister.

HON. RICHARD NERYSOO: Yes, Mr. Speaker, I certainly will look into the suggestion of my honourable colleague and take his question as notice and report back to this House with a solution to the concern the honourable Member has raised.

MR. SPEAKER: Thank you, Mr. Nerysoo. You are taking this question under advisement. Oral questions. Mr. Arlooktoo.

Question 35-85(1): Radio And TV, Lake Harbour

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. My question is directed to the Department of Information. Our radio station is really inadequate in Lake Harbour and also our TV satellite is inadequate. I am just wondering if there is anything the Department of Information could do with that satellite in Lake Harbour? If there is a wind, it blows down, I am just wondering if they could do anything about this. Thank you.

MR. SPEAKER: Ms Cournoyea.

Return To Question 35-85(1): Radio And TV, Lake Harbour

HON. NELLIE COURNOYEA: I am not quite sure about the question but if the question relates to the fact that there was a problem with the satellite dish blowing down, then that is presently being taken care of by the Department of Information. We realize the problem that has occurred so that is in hand and we hope that we will be able to have everything back in place within the next week and a half. If it relates to the other problem that has been brought up by Lake Harbour of extending the transmittal range that the GNWT presently provides, this is a concern that has been brought forward on many occasions from communities. I realize that in providing communications systems to communities, particularly in radio, there is a dissatisfaction that our communications do not go far enough to serve the hunters and trappers and people out on the lands. We will have to discuss with the Executive Council what we are going to do about that, to extend that type of service. If it relates to the first matter on what has recently happened in Lake Harbour, we hope that we will have that in place in a week and a half.

MR. SPEAKER: Thank you, Ms Cournoyea. Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) This television dish is our main concern. We do not have that many problems with the hunters' and trappers' radio equipment, it is only a TV dish in Lake Harbour.

MR. SPEAKER: Ms Cournoyea.

HON. NELLIE COURNOYEA: Mr. Speaker, on that matter, the Department of Information is aware of the problem and they presently have people in place to have the dish put back in place and the facility repaired.

MR. SPEAKER: Thank you. Oral questions. Mr. Ballantyne.

Question 36-85(1): Private Member's Bill On Condominium Legislation

MR. BALLANTYNE: Thank you, Mr. Speaker. I would like to direct this question to the Government Leader. It is to do with the Private Member's Bill that Mr. Nickerson is taking through the process in the House of Commons to do with changing the enabling legislation so that we can proclaim a condominium ordinance. I understand from Mr. Nickerson that he is somewhat confident that he can get it through as a Private Member's Bill but I wonder, in the eventuality that he is not successful, has the Government Leader developed a process where this government will get the Tory government to present it as a government bill in Ottawa?

MR. SPEAKER: Mr. Nerysoo.

Return To Question 36-85(1): Private Member's Bill On Condominium Legislation

HON. RICHARD NERYSOO: Yes, Mr. Speaker, just to indicate to the honourable Member that we did raise the particular item recently with the Minister. Also, I should mention that we raised it with the Members of the standing committee on Indian and northern affairs, the importance of that bill being supported by all Members of Parliament. I believe that there might be a change in process. As opposed to having it as a Private Member's Bill, it may be introduced as a government bill which I believe will be a lot more proper, and would receive more support in its approval. We are already reviewing that situation and I have indicated a need to rush the bill through the House so that we can encourage some investment with regard to condominium construction in the Northwest Territories. So, we have that issue in hand right now.

MR. SPEAKER: Thank you, Mr. Nerysoo. Oral questions. Mr. Pedersen.

Question 37-85(1): Auditor General Report On NWT HC

MR. PEDERSEN: Thank you, Mr. Speaker. My question is directed to the Minister responsible for the Housing Corporation. I refer to the Auditor General's report that was tabled on February 7th, Tabled Document 3-85(1), in which it says that the Auditor General has examined the books of the Northwest Territories and has reported thereon to the Commissioner of the Northwest Territories, and I quote, "and in the case of the Northwest Territories Housing Corporation, to the Executive

Member responsible, as required by their respective ordinances". I think it would be very helpful to me at least if we could see that report prior to dealing with the NWT Housing Corporation's budget. I wonder if the Minister would table it prior to that?

MR. SPEAKER: Mr. Wray.

HON. GORDON WRAY: Thank you, Mr. Speaker. I will take the Member's question under advisement and let him know at a later date. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. Mr. Angottitauruq.

Question 38-85(1): Taxation On Furs

MR. ANGOTTITAUURUQ: Thank you, Mr. Speaker. My question is going to be directed to the Renewable Resources Minister. I was informed by one of the chairmen of the hunters and trappers in my constituency that he was told by someone that the furs for trading were going to be taxed. At this time the person and the people in my constituency would like to know. So, my question will be, is the territorial or federal government applying any tax to the fur-bearing animals?

MR. SPEAKER: Ms Minister.

HON. NELLIE COURNOYEA: Mr. Speaker, the matter of taxation properly rests with the Department of Finance and I will defer to Mr. Butters for the answer to that question.

MR. SPEAKER: Mr. Butters.

Return To Question 38-85(1): Taxation On Furs

HON. TOM BUTTERS: Thank you, Mr. Speaker. I did have some notice that this question might be made today. I would therefore like to read a portion of my response and that is that in the historical evolution of this matter, in October of 1983, the Minister of Finance of the Northwest Territories made recommendation to the federal Minister of Finance, Mr. Marc Lalonde, for improvements to the taxation treatment of hunters and trappers. These recommendations highlighted the special circumstances facing the hunting and trapping industry and identified the need for special tax legislation and special education and procedures to recognize that unique position. The response to this government's letter, which was written approximately one year later, that is, the reply on August 15, 1984, was not favourable to our request. In addition to that letter to the Minister of Finance, we also approached the Minister of Revenue Canada, Mr. Bussieres, and I had a number of meetings with him and his staff with regard to the requirement to set up a taxation regime for trappers, and while there was interest in the initiative and the concept, he too deferred it to the Department of Finance. So, the answer I have given you from the Department of Finance was obviously the position of the previous Minister of Revenue Canada.

Because of this unfavourable response and our government's desire to ensure that there is a fair tax treatment for people in the hunting and trapping industry in the Northwest Territories, the government undertook a more thorough study in order to develop a more well-substantiated proposal to the Government of Canada. This study which is in process right now will make recommendations based on a thorough examination of the current circumstances facing hunters and trappers in the Northwest Territories.

Detailed questionnaires have been developed in co-operation with the Department of Renewable Resources and these questionnaires are being reviewed individually with hunters and trappers. When the findings have been summarized, a second representation will be made to the Department of Finance of the Government of Canada. It is expected that the study will be completed by mid-February and the representations will be made shortly thereafter, following the Executive Council review. In keeping with that initiative, I have also approached the Department of Revenue Canada indicating to them that there would be a new initiative in this area and attempted to seek, as far as possible, support in giving it favourable consideration and seeing it forwarded. Thank you.

MR. SPEAKER: Thank you, Mr. Butters. I presume you are taking this question as notice and will report back to the House when a decision has been made.

HON. TOM BUTTERS: Mr. Speaker, if you are suggesting that the report will be made during this session, I think that is impossible. At some subsequent session of this House.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. Mr. Paniloo.

Question 39-85(1): Funding For Inuktitut Curriculum

MR. PANILOO: (Translation) Thank you, Mr. Speaker. My question is directed to the Minister of Education. Some money is allocated to the communities to be used for the Inuktitut curriculum or Inuktitut teaching material. The money that is given out to the communities to be used for these needs are only up to a year or two year contract. My feeling is, is this how it is going to be until the languages of the Inuit people and the Dene people are recognized as official languages? I want to know if you can tell me as to how far the development has gone? I was wondering if the education system in Baffin Region is able to be allocated some source of funding for these. That is all I want to know, thank you.

MR. SPEAKER: Mr. Minister.

Return To Question 39-85(1): Funding For Inuktitut Curriculum

HON. DENNIS PATTERSON: Yes, thank you, Mr. Speaker. First of all I can tell the Member that the Department of Education is working on an Inuktitut curriculum from grades one to six which will be finished and implemented in the schools very soon. But, I think also, Mr. Speaker, the Member is asking about community language projects like the kind that were funded under the indigenous languages development fund over the last couple of years. I would just like to tell the Member that the creation of the Official Languages Ordinance and the recognition of aboriginal languages in that ordinance, and the arrangements that we are making with the federal government to further support those languages will be discussed by Mr. Nerysoo, who has been responsible for that initiative during this session, in committee of the whole and that initiative will include the future of the community projects that were formally considered under the indigenous languages fund. I would suggest that the honourable Member can get more detailed answers to his question when we have that discussion with Mr. Nerysoo's report to this House. At that time, Mr. Speaker, the continuation of current projects can be discussed, as well as possible new initiatives that we have already heard requests for. Thank you.

MR. SPEAKER: Thank you. Oral questions. Mr. Angottitauruq.

Question 40-85(1): Hamlet Employees Unionized, Gjoa Haven

MR. ANGOTTITAUURUQ: Thank you, Mr. Speaker. My question will be directed to the Minister of Local Government. In Gjoa Haven, the hamlet employees there joined the union not too long ago and the hamlet councillors are worried about their funding. I would like to know from the Minister at this time whether there is any threat to the hamlet funding if the hamlet employees become unionized.

MR. SPEAKER: Mr. Minister.

Return To Question 40-85(1): Hamlet Employees Unionized, Gjoa Haven

HON. NICK SIBBESTON: Mr. Speaker, Mr. Angottitauruq asked if there is a threat to the hamlet funding. I would imagine that he is concerned as to what will happen in event that negotiations occur and the employees of the hamlet seek higher wage and benefit from the hamlet. The Government of the Northwest Territories provides funding to all of the hamlets to the North based on a certain formula and, thus far, the government has found that the funding has been adequate for the hamlet councils. I am aware that there is activity in various parts of the North, particularly the Kitikmeot and Keewatin area by the PSAC, Public Service Alliance of Canada, to unionize hamlet employees. Of course, as a government we are concerned about the effect of this on the hamlets as to whether the hamlets will seek further funding from us.

I have had a chance to consider the matter very briefly and I would say, offhand, that the government is not inclined to give hamlets more funding as a result of hamlet employees being unionized. It is my hope that the hamlets will be able to provide for their employees whether they are unionized or not. But it is a matter that we will be monitoring very closely. So, I want to say to the Member that I am aware of the activities in Gjoa Haven in particular and the issue



there, of course, is the benefits and wages package for the employees. I would say offhand that if the union is able to negotiate for higher wages for its employee the effect may be that the hamlet may only be able to hire a certain amount of staff so the number of hamlet staff may be decreased in order to provide for the benefits won through the collective bargaining process.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. Mr. Pudluk.

Question 41-85(1): Funding For Community Hall, Grise Fiord

MR. PUDLUK: (Translation) Thank you, Mr. Speaker. The people of Grise Fiord have a concern regarding their recreation hall or community hall. In 1985-86, they do not have any money to use to go toward their community hall. What they would like to find out is are they going to be able to get some funding for 1985-86? They would like this funding because the younger people do not have much to do and there are a lot more people who are involved in crime. So the Grise Fiord residents would like to know what is going on with their community funding up to today. Qujannamiik.

MR. SPEAKER: Mr. Minister.

HON. NICK SIBBESTON: Mr. Speaker, the matter of community hall in place for the people of Grise Fiord is a matter that my department is presently dealing with. I am not able to say today what my department is able to do and I would ask if the Member would permit me to have a little more time so I can give him a definite answer.

MR. SPEAKER: Thank you, Mr. Minister. Then you are taking it as notice. Thank you. Oral questions. Mr. Ballantyne.

Question 42-85(1): Discrepancies In Percentages In Estimates

MR. BALLANTYNE: Thank you, Mr. Speaker. I am asking this question to the Minister of Finance in the way of explanation. It is to do with the budget process and because right now we are dealing with the Executive and Government Leader, I thought this may be an appropriate time to ask the question.

Yesterday Mr. McCallum pointed out some inconsistencies and the figures that were given as we looked through the Department of the Executive some of the percentage figures are in fact wrong. I think we all recognize the difficulty for the government and for the committee of trying to amalgamate budget adjustments and priorities into this budget book. But as it is now some of these percentages are misleading and it seems to us that instead of the percentage increases between the old figure and the new figure, the percentages shown are in fact the difference as the percentage of the new figure. In the salaries and wages it goes from \$1.138 million to \$1.578 million, which is an increase of \$440,000 which is in fact 38.6 per cent increase, but the 28 per cent that is shown in the book is what that \$440,000 is in percentage of the new figure. So, it really bears no relation to anything we are dealing with. I wonder, is this discrepancy found through the whole budget book and if it is will it be rectified so that everybody knows that we are all dealing with the proper figures here? It is giving us some problem.

MR. SPEAKER: Mr. Minister.

Return To Question 42-85(1): Discrepancies In Percentages In Estimates

HON. TOM BUTTERS: Yes, Mr. Speaker, I thank the honourable Member for giving me notice of this question. The answer to the last two questions are "yes" and "yes". It is exactly as -- well, not exactly because Mr. McCallum raised the matter on Friday, not yesterday and he did point out that there were discrepancies in the percentages. This is true and what I will do to correct this is to provide an errata which will indicate the various corrections that have to be made to the departments. The reason that this occurred was raised by the honourable Member at the time the discussion occurred on Friday and is that it was the introduction at the last minute of the additional priorities, additional funds, and in the process a few percentages got twisted up. So, those will be corrected, yes.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. Mr. Pudluk.

Question 43-85(1): High Arctic Medivacs To Greenland

MR. PUDLUK: (Translation) Thank you, Mr. Speaker. Just a brief note before I ask the question. In 1959 and during the 1960s, the patients coming from the high North were sent to Thule, Greenland on emergency medivacs. At the present time it is not so and the white people living in Thule had changed. The people in the High Arctic have been wondering if it is possible to send the patients, in emergency cases, to Greenland because in the High Arctic the emergency cases have to go to Frobisher Bay. That is the closest place you have and it is a three hour flight. At the present time they are wondering if the residents of Grise Fiord and perhaps Resolute Bay, in cases of real emergencies, might be able to be medivaced to Thule, Greenland. More than once there have been patients who have died in flight before they reached the hospital. From Grise Fiord to Thule is a one hour flight. Also it is evident that the residents of Greenland to Frobisher have their regular scheduled flights, so I am sure that they will be able to return back through that route.

I was wondering if you have ever been approached by the Minister of Health and Welfare concerning this topic I am talking about. Or have you ever heard anything about the written documents from the past? I will table them later on. I think that it is evident that the High Arctic residents will be happier if emergency patients are able to reach a closer place. I was wondering if anybody had approached you on this, for the Minister of Health and Welfare.

MR. SPEAKER: Mr. Pudluk, that was a fairly long question. Mr. Minister.

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. This is the first I have heard of this problem or heard of a request like this. I will have officials from my department speak to the northern medical services branch of Health and Welfare Canada and take this as notice and get back to the Member with an answer. Thank you.

MR. SPEAKER: Thank you, Mr. McLaughlin. Oral questions. That appears to conclude oral questions for today.

Item 5, written questions. Mr. Appaqaq. One moment, please. We are not getting a translation.

ITEM 5: WRITTEN QUESTIONS

Question 44-85(1): Sanikiluaq Radio Station

MR. APPAQAQ: (Translation) This question is directed to the Minister of Renewable Resources. I have received a letter requesting a new radio station from the people of Sanikiluaq. I understand there are no funds available for a new radio station this fiscal year. The present radio station does not have a toilet or any other facilities and there are always a lot of people at the radio station day and night. Will there be funds allocated for Sanikiluaq in 1986-87 fiscal year?

MR. SPEAKER: Thank you, Mr. Appaqaq. Are there any further written questions? Mr. Arlooktoo.

Question 45-85(1): Aulatsivvik Youth Program, Cape Dorset

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. This written question is directed to the Minister of Social Services. Thank you.

MR. SPEAKER: Thank you. I wonder, Mr. Arlooktoo, if you could give us just a little idea of what the question is about? You do not have to go into much detail but more than just the fact that you are asking a question.

MR. ARLOOKTOO: (Translation) Yes, thank you, Mr. Speaker. I met with various committees in Cape Dorset and was asked to relay a request to Social Services. The residents in Cape Dorset are requesting funding in the amount of \$5000 to be used this spring by "Aulatsivvik" to send young people to outpost camps to prevent them from committing crimes. Would the Minister responsible for Social Services look into this and reply at the earliest opportunity.

MR. SPEAKER: Thank you, Mr. Arlooktoo. Are there any further written questions?

Item 6, returns. Are there any returns today?

Item 7, petitions.

Item 8, reports of standing and special committees. Item 9, tabling of documents. Mr. Pudluk.

ITEM 9: TABLING OF DOCUMENTS

MR. PUDLUK: Thank you, Mr. Speaker. At this time I would like to table Tabled Document 8-85(1), a letter written to the zone director, General Hospital, Frobisher Bay concerning medivac between the High Arctic and Thule. Thank you.

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

MR. APPAQAQ: (Translation) Thank you, Mr. Speaker. Tabled Document 9-85(1), a letter written on January 31, 1985 directed to Baffin MLAs. It came from the Baffin Regional Alcohol and Drug Information Committee. Now they are having some concerns about their funding, the budget cutbacks. So, I would like to table that document. Thank you.

MR. SPEAKER: Thank you. Tabling of documents. Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. Tabled Document 10-85(1), is a letter written to me from the Full Gospel Church in Cape Dorset concerning day care. They would like to have some source of funding allocated to them. So, I will be tabling that, thank you very much.

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

Item 10, notices of motion.

Item 11, notices of motion for first reading of bills.

Item 12, motions.

Item 13, first reading of bills.

Item 14, second reading of bills. Item 15, consideration in committee of the whole of bills and other matters: Bill 7-85(1), Appropriation Act, 1985-86 and Bill 3-85(1), Workers' Compensation Act, with Mr. Wah-Shee in the chair.

ITEM 15: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 7-85(1), APPROPRIATION ACT, 1985-86

Department Of The Executive

CHAIRMAN (Mr. Wah-Shee): The committee will now come to order. Does the Minister wish to invite his witnesses before the committee?

HON. RICHARD NERYSOO: Yes, Mr. Chairman, I would like the concurrence of the Members of the committee of the whole to invite Mr. Bob Pilot and Mr. Dick Abernethy into the committee.

CHAIRMAN (Mr. Wah-Shee): Does the committee agree?

SOME HON. MEMBERS: Aqreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): I would like to remind Members that we are dealing with the Executive Council secretariat under the Department of Executive. For the record, would the Minister identify the witnesses, please?

HON. RICHARD NERYSOO: Yes, Mr. Chairman, to your left is Mr. Bob Pilot, who is the deputy minister of the Executive Council and to your right, Mr. Chairman, is Mr. Dick Abernethy, the deputy secretary to the Executive Council.

CHAIRMAN (Mr. Wah-Shee): Thank you. I believe we are now ready for general comments, page 2.5 under the Executive Council secretariat. General comments. Mr. Minister.

HON. RICHARD NERYSOO: Just a question, Mr. Chairman. I believe we had gone through Commissioner's Office and Ministers' Offices already and that we were on a specific item of the Executive Council secretariat.

Executive Council Secretariat, Total O And M

CHAIRMAN (Mr. Wah-Shee): We are presently on general comments under the Executive Council secretariat for \$2,702,000. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman, I will try and ask a fairly general, specific question on this page.

MR. BALLANTYNE: Right on!

MR. MacQUARRIE: Only specific, general questions allowed.

Transfer Of Responsibilities

MR. RICHARD: Mr. Chairman, there is a note on this page to the effect that there is in this coming year to be established a temporary group to lead negotiations on the transfer of federal funds. As the Leader is also responsible for Justice and Public Services, I am wondering if Mr. Nerysoo could indicate how that temporary group ties in with the group indicated on page 8.1, providing legal support for the negotiations on transferring responsibilities. That is part of the question. As it is said to be a temporary group, does that indicate, Mr. Chairman, that this is the year when we might achieve some of these transfers? The examples mentioned on page 8.1 are prosecution and labour relations. If the Minister could give us an indication of the status of those transfer negotiations.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. RICHARD NERYSOO: Yes, Mr. Chairman, certainly the idea is to firstly bring a co-ordinated approach to the whole question of devolution and the question of transfer of federal responsibilities now in the hands of the federal government to this government. What is happening at the moment is that there is no co-ordinated, central agency that is bringing together the strategy, the priorities, with regard to those types of transfers, to a central location. We want to have someone head up and be responsible for the development of an overall government strategy. We have had in the past a series of strategies and discussions that have gone on between this government and the federal government with regard to transfer of responsibility but it affects a number of departments when transfer takes place and the intent of this group is to bring together the strategy, to develop a co-ordinated approach to any type of transfers that would occur to this government from the federal government. I guess the word "temporary" is not a very good word because we have identified funds for three years for this particular group to work within that three years and to bring some...

AN HON. MEMBER: (Inaudible comment)

HON. RICHARD NERYSOO: ...I certainly hope that we can achieve within this next year a number of transfers that I believe have the support of the Members of this Legislature plus the native organizations. I do know that the whole question, for instance, of forestry has received support from the Dene Nation, has received support from other native organizations plus has received support from Members here. I do hope that we deal with that question and that particular transfer. The actual negotiations will obviously be taken on by the appropriate Minister but there is still a need to ensure that we have the appropriate work done and the effect of that transfer be realized by all departments if there is a realization of an after-effect of taking over that particular responsibility.

Effects Of Devolution And Division

With regard to the Department of Justice, there is no question that in reviewing what that group will do, in developing the actual mandate, we have not yet developed specific terms of reference and once we agree at the Executive Council that there is a certain role -- you must also remember that there is a role in the whole question of Aboriginal Rights and Constitutional Development Secretariat, that we have not had the opportunity to review. That is why if you note that there is

a question of three man years and the word "temporary", it may be that we have within our system now the required person years, the required professional support that we need, but we still need some money to have a lot of the research work done with regard to community work or consultation with those peoples and groups that might be affected plus developing the overall strategy document that would be required. Because as much as we could say that the whole question of devolution might be directed to this government, there has, again I repeat, there has to be recognition that it would affect a Nunavut government and we would have to indicate what that effect would be and what type of transfers would occur. With regard to the transfer of federal functions, we also have to look seriously as a government at what effect the question of division will have on this present government in dividing the responsibilities to a Nunavut government and to a western government.

So, those are things that have to be done and we have, at the moment, no central co-ordinated approach to it and that has been given to me as a responsibility and I do need and require the people to do that job. That is why, as I said, it is temporary but it is temporary to an extent of three years in that we have approved funding for a three year cycle and as a priority item.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. General comments. Mr. Ballantyne.

MR. BALLANTYNE: Just a question of clarification. I think the Government Leader has said that sometime later in the session he is going to give us some information as to possible reorganization of government structure and attainment of certain priorities. But I am a little unclear -- it seems that this new group that will be set up will be looking at that also. So, do I take it that the document or the paper or whatever form it is coming in that the Leader is going to give to us, is only going to set out the parameters of this group, or have some of these decisions been made? Is the government going to come up with some interim steps of reorganization right now and then is this group going to look at some long-term strategy dealing with other governments? Just some clarification.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. RICHARD NERYSOO: Mr. Chairman, I think that there is no question that we know and we establish the set-up of the Executive Council offices. I indicated earlier there are two elements to the Executive Council. One dealing with the administration and one dealing with the political side. What we have not developed in the past is the political relationship that exists between the Government Leader, the Ministers, the Executive Council in general to Members of the Assembly and, also, establishing a political office that dealt with the general public. That has never been clearly defined within any charge or organizational structures that have been published to date and we want to clarify that there is that political relationship and not only an administrative one.

#### Strategy On Priorities

With regard to the question of strategy on priorities. The priorities exercise is something that fits in, not only within the financial guidelines that we have laid out for a three year period or a five year period, depending on how we look at it, with O and M or with capital. We try to prioritize what we consider to be those items to ensure that they have the appropriate funds for a three to five year period. But there are also priority items that arise during the year of importance to Members of the Legislature or of importance to the community, either because we have to deal with new projects or with projects that we have not anticipated that have to be dealt with because of their importance.

There would, of course, be projects where community halls burn down or houses burn down, so we have to try and find additional money to deal with those particular emergency items. Now, in those particular cases we try to fit the process itself. Nothing can be done if you disallow the option for Executive to make decisions on emergencies or what they consider priorities from discussions in this House. It leaves very little leeway in the sense of long-term or short-term planning.

#### Strategy On Devolution Of Responsibilities

Now, with regard to the strategy itself, it has to do with the devolution of powers to this government now. It has nothing to do with what is occurring right now in this government. Those are issues that we have to deal with on an ongoing or daily basis, but what we have not done is develop a general strategy and prioritize those items that we wish to transfer to the Government of the Northwest Territories. There is still a lot of work to be done. As much as we would like to

transfer under one administration the question of nursing stations and hospitals throughout the Northwest Territories, we still have to deal with the Dene Nation and we have to deal with the native communities particularly in our approach to those types of transfers. In the case of the Baffin, there is no question that the communities -- the Baffin Regional Council, Baffin Region Inuit Association, the Keewatin -- they do want those transfers to occur as quickly as possible but the strategy would be, okay, if we transfer in that particular region what then do we do in the West, where they do not want the transfer to occur?

In developing this strategy on those kinds of transfers, you see that there is a problem in those particular cases. I would think that the same thing would occur in legislation. In order for us to take on any responsibility, there is a need to develop legislation. This group would co-ordinate, or indicate to the Department of Justice, the need to develop legislation to take on that particular responsibility. They would have the departmental role and responsibility of developing that legislation -- if we were to take over forestry, the whole question of reorganizing the Department of Renewable Resources to be able to assume that particular responsibility, either through an increase in man years or an increase in dollars with regard to assuming that responsibility. There has to be a transition. What that transition will be, which people would not or would be out of a job if that transition took place -- we have to understand that any kind of transfer, in fact, would have that effect, that the people would lose their jobs -- I would not say "would", but may lose their jobs. How do we then accommodate those people?

So that is the reason for this particular group being established. The other issue of the overall reorganization of the Executive, I will come back, as I said, during this session and develop, but this group is to deal with the question of transfer. The whole question of transition, legislation and departmental responsibility, departmental co-ordination -- generally that is the intent of this particular group.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: Thank you, I think it is a little bit clearer now. As I see it, there are really two reviews taking place. One is the review of the existing departmental administrative roles and authorities and one is the review of whatever external change is as far as taking-over legislation, what impact that will have on our government. Okay, if I could ask, then, a question about the first strategical review, the review of our existing structures which will come to the House. I wonder, who is undertaking that review and are there any basic terms of reference that we are looking at?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

#### Review Of Existing Organization

HON. RICHARD NERYSOO: Yes, Mr. Chairman. We have given the responsibility of chairing the working group of deputy ministers to Mr. Bob Pilot, who is the deputy minister of the Executive, to co-ordinate a review of the structure, the organization as it exists today, with a view to changing those structures and the mandates of those organizations or departments. There have been a number of suggestions as to whether or not certain departments should exist or their names should change or whether or not there should be an integration of certain responsibilities now held by other departments, within a different department. That, in itself, is now being reviewed within government and the idea is to bring a report back to the Executive Council within the next month or so, I believe, which we as a government, the Executive Council, will review and make certain recommendations as to which direction we should be going with regard to overall government structure. But, this will, no doubt, have to be considered in light of the possible transfers that could occur to this government and if we do not structure our organization to take on the responsibilities that we might be taking on in future, or in fact, to ensure that we have the possibility of restructuring our departments to take into consideration those transfers, then we will be no further ahead in the sense of having our organization properly ready to take on any new responsibilities if the responsibilities presently being held by those particular departments are not the responsibilities that they should be holding.

All I have to do is to go to the Department of Justice, again, and that is a department that is within my jurisdiction. We have a number of responsibilities -- I should say, it is the Department of Justice and Public Services -- that is the name. I have had a report done and in the review we have asked whether or not there should be a Department of Justice alone, not a Department of

Justice and Public Services. We have even within Public Services certain responsibilities that I am not sure should be within any Public Services Department in future. We have consumer and corporate affairs, we have such things as mining inspection, safety, occupational health. The question I am asking the working group is, do these responsibilities truly fit within the Department of Justice and Public Services, or do they fit within another department and, if so, what department might that be?

That is the analysis and the review that we have asked our deputy ministers to take on and review and to bring back to us some recommendation as to maybe, giving a much broader mandate to suggest recommendations on changes -- because we have not said that but to review where changes might take place. If that is the case then we will possibly give that mandate to a Minister, or for that matter, it could be assigned to this particular working group here to do the analysis. So, that is what is happening with regard to the administration which as I said is very different from the actual transfer responsibilities.

For instance, just looking at organization, we have a Ministry of Culture -- a newly established Ministry of Culture, yet within the Public Services side of the Department of Justice we have the museum section, which in my opinion is a cultural responsibility. And yet it is within my mandate. So, in the review we will look at those kinds of things and say, "Well, do they fit there or don't they fit there in a Department of Justice?" The question of corrections is now within the Department of Health and Social Services. Does it really fit there? The question of prosecution, where would it go? Those kinds of things. I think that that type of thing is what we want to look at with regard to administration.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Ballantyne.

#### Decentralization And Ministerial Responsibility

MR. BALLANTYNE: Okay, we are maybe getting a little bit closer here. Within the internal review we are talking about, which is opposed to the external review dealing with transfer of responsibilities, I see, and I think the Leader has alluded to that, two parts of that. Now, there is obviously the nuts and bolts administrative changes, departmental reorganization on one hand, which I see quite rightly that Mr. Pilot and a committee of deputy ministers are looking at. Okay, is there a corresponding political committee like the planning and priorities committee that are looking at the political implications of ministerial responsibility of decentralization, its impact on ministerial responsibility as to the relative powers of regional directors in this whole system? Is that happening simultaneously or is this committee also looking at that political aspect of it also?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. RICHARD NERYSOO: Mr. Chairman, just one correction I should say, not that we want to but we are doing this work already. With regard to the political implications when we do the reorganization restructuring change, you will see that we will begin and I will be able to give some direction to get that type of work done.

With regard to the effect on ministerial government there is no question that there is. I think that that has to be part of the review that takes place with regard to devolution of responsibilities plus the evolution of ministerial government in relation to reorganization of government and the transfer of future responsibilities to this government. The effect that it might have to the regions and also to the Members of the Legislature. That has to be done, there is no question about that. This particular group will in fact provide that along with priorities and planning. This group will provide that analysis and that support.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: There are a lot more questions I want to ask but I will wait until we actually see that particular action plan and we can go into it at a later date during this session because we have reserved the right for comments on it. Thank you.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Ballantyne. I would like to also remind the Members that we will not be in a position to approve the Executive Council secretariat at this time for the amount of \$2,702,000, mainly because the Highway Transport and Public Utilities Boards will be

dealt with separately, so, if there are no further general comments on this particular section, we will defer it and then go on to Priorities and Planning Secretariat. Any further general comments on the Executive Council secretariat? Mr. McCallum.

MR. McCALLUM: Mr. Chairman, just to try to reaffirm something that I would hope the administration is looking at. And that is in the transfer or in the negotiations to effect a transfer that this government would want from the federal government, I hope the premise or the basis still is that you will not be asking for any transfer unless it is properly funded along the lines of the present amount that the federal government is spending in the North, or any kinds of amounts that they possibly foresee where they are to retain that kind of transfer. I hope that that particular premise still exists with the government.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. RICHARD NERYSOO: Certainly that is a premise that we are presently going into negotiations with. But even as important as that is the whole question of duplication -- duplication of services, programs and whether or not as a government if we took those programs over we could create a better service and deliver better programs to the general public and to the people of the NWT. That is a very important vital element to those discussions.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. General comments under the Executive Council secretariat. Mr. Patterson.

#### Devolution And Division, Parallel And Complementary

HON. DENNIS PATTERSON: Mr. Chairman, if I just may make a brief comment. I have listened with interest to the comment of some Members about devolution and the need to move quickly in that area and I think we have got some very encouraging signals from the Minister of Indian Affairs in this House recently on a willingness to devolve significant powers to the North. I certainly support that but we also got strong signals about division of the NWT and I would just like to for the record mention that I think while we are negotiating devolution and transfer of powers that are very important in many areas -- although forestry and highways are not big issues in my constituency, I know they are very important issues -- I would like to also mention that we have the major issue of division as well to plan for and work on with the federal government. I think that will likely be discussed in more detail when a report of the Constitutional Alliance comes to this House, but I just wanted to mention as well that we have another major task in constitutional development and that is preparing for division. I would not want to see it lost sight of while we are discussing devolution. I think they have to be parallel and complementary. It is a big order but I think we cannot do one without the other. Thank you.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister, for that enlightenment.

---Laughter

General comments. Mr. Richard.

#### Terms Of Reference For Working Group

MR. RICHARD: Thank you, Mr. Chairman. I would only reiterate Mr. Patterson's remarks that they have to proceed. Clearly the issues he mentioned, forestry and highways, are more applicable to the West, but they are ones that this government has worked on for some time and the two that are mentioned in this material are prosecutions and labour relations that I think apply equally well to two divided territories and I think there should continue to be work on them. I mean, we are being asked for funding here of \$325,000 to set up this group, to continue to work parallel with work on division and I am wondering, Mr. Chairman, if, directing the question to the Government Leader, if it would be too much to ask if we could not in the near future see perhaps the terms of reference of that group that is leading the co-ordinated negotiations, as you put it, with the federal government -- either the terms of reference or perhaps in addition to that some indication such as a periodic progress report. I am new to this forum but I certainly recall prosecutions, labour relations, forestry and highways being spoken of time and time again and I am wondering if we could not look at getting, in this House, a report as to where we are at. Mr. Patterson's point, I think, brings it out more. I guess I want to see both being worked on too. We have to work on division as he says, but we cannot put these specific devolution issues on the back burner



in either territory and put 100 per cent of the efforts into division and, I guess, on this side of the House I will only know that if I can see maybe a periodic report as to how far we are going, or how far we have gone, I should say, on negotiations.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. RICHARD NERYSOO: Yes, Mr. Chairman. No, I have no problems with reporting periodically back to this House or whenever we are sitting during any session and reporting on the actual negotiations and the extent to which negotiations have occurred. I do not feel that it will be of any hindrance to me at all or complicate the work I have got to do. I just think though that the terms of reference of the working group -- I have some idea of what they might be but I have not sat down and written the terms of reference, mainly because we are doing other reviews at the moment, as I said, the organizational mandates.

We are reviewing the whole question and we will be reviewing the mandate of Aboriginal Rights and Constitutional Development, how they fit within this process. We will be reviewing the constitutional side with regard to the responsibility now held by Justice and Public Services and then looking at how we can integrate those responsibilities so that we ensure that the direction that we take is a very co-ordinated approach as opposed to the uncertain and unco-ordinated. Also, in the strategy itself, clearly we have got to indicate the responsibility. While I have the responsibility of co-ordinating the negotiations and developing the priorities, it still remains the responsibility of each Minister to actually carry out those negotiations and discuss with their federal colleagues, or federal counterparts, I should say, those types of transfers that we would like to see occurring to the Government of the Northwest Territories. The point that was raised was that division should always be a part of that strategy as we discuss the types of transfers that can occur, because I believe that any types of transfers that occur should be of benefit to the Nunavut area not a hindrance or a stumbling block over which people stumble and those things do not occur that cause problems for Nunavut. It should be working to complement the possibilities, not only possibilities but direct turnover so those types of responsibilities we in the West or this government will take, occur in conjunction in the Nunavut area when Nunavut comes into existence.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Richard.

MR. RICHARD: Mr. Chairman, in the context of the request to this Assembly for funding of this size, \$325,000, I take it that will be the case for this three year temporary period. I do hope that the Minister will, either before the new fiscal year or very early in the fiscal year, in fact establish terms of reference for that group and that we, perhaps at the next session, might have access to those terms of reference. I guess this is the question in my time in the standing committee on finance, brief as it is, throughout the budget discussion. I feel it is important that when we are asked for expenditures of large sums of money that there be a plan in place. It is easier to rubber-stamp or to give an individual year or nay to something if you can be satisfied that there is a plan in place and it is just not blocks and blocks of money with nebulous purposes. But I think the point has been made, Mr. Chairman. I think the Minister has given an undertaking of that nature.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Richard. General comments. Does the committee agree that we defer the Executive Council secretariat for the time being and carry on to the Priorities and Planning Secretariat? Is it agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. We will take a 15 minute coffee break.

---SHORT RECESS

Priorities And Planning Secretariat, Total O And M

Order please. We are now dealing with Priorities and Planning Secretariat. In the absence of the Leader of the Government I would like to ask Mr. Butters if you would like to have any opening remarks with regard to Priorities and Planning Secretariat? Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, no, I have no opening remarks. The Priorities and Planning Secretariat performs the same function that it has in previous budgets. I would suggest that the witnesses are here to respond so if there are any general questions we would take those.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Butters. General comments. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman.

CHAIRMAN (Mr. Wah-Shee): Mr. Richard, could you just hold it? There is no translation in Inuktitut from the remarks made by Mr. Butters. Okay, Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. Mr. Chairman, this is one secretariat that I had planned on asking a question on. In the standing committee on finance, when we dealt with this secretariat, the Government Leader kindly arranged for Members of our committee to receive some of the documentation which describes the work of the priorities and planning committee and its secretariat and throughout the standing committee's examination of the budget proposals of various departments, we did ask questions as to whether this government is evaluating its programs and being one who is very interested in government efficiency I took the time to read through this document entitled "The Role and Function of the Priorities and Planning Committee". In there to my delight I see that there is a role of this committee and secretariat of program evaluation and assessment and I see that there are three levels of that function. The first being strategic reviews which are initiated by the Executive Council, secondly, program evaluation initiated by each Minister, presumably for his or her department and thirdly, performance measurement initiated by an individual program manager.

My question, Mr. Chairman, at this stage and we will be asking questions as we examine each department, my question perhaps of anyone on the Executive Council is how many strategic reviews were initiated in the past year? I appreciate that Mr. Nerysoo has already given us some explanation of one that is presently under way. How many of these strategic reviews were initiated by the Executive Council in the past year or perhaps if that is too short a time, the year before that, and specifically what were these strategic reviews dealing with?

CHAIRMAN (Mr. Wah-Shee): Mr. Nerysoo.

HON. RICHARD NERYSOO: Well, I would have to do a fairly in-depth analysis of that and have my departmental or my secretary do a review of that. I could not give it to you off the top of my head. The only one that I know of, that I have done and have been involved in is my particular responsibility, the Department of Justice and Public Services. That report has come back. Now I would like, maybe, to have some time to have the people that are involved in the secretariat do a report for you and to table it in the House here.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. General comments. Mr. Ballantyne.

MR. BALLANTYNE: I wonder if the Government Leader could explain the function of the Priorities and Planning Secretariat. I think what has happened over the last two or three years with the evolution of central agencies in our government, is that there is some confusion among ordinary Members and I think sometimes among Executive Members and the public. Exactly how does this particular central agency plug in to the process? Give me just a brief explanation of their role and function.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

#### Role And Function

HON. RICHARD NERYSOO: Mr. Chairman, this particular central agency, as one might call it, is to develop the priorities and the policies for government, whether it is a program policy or whether it is a department policy, whether it is a policy initiative on the part of direction received from the Members of the Legislative Assembly. Now, there has been uncertainty about the co-ordination of the role or, I guess, the definition of the role of the secretariat and how it fit into the central agencies but since we created the Priorities and Planning Secretariat, the Financial Management Board and, also, the Executive Council meetings there was none of the policy issues that should be going to the Executive Council because that is really the final decision-making authority. They should not be going to the Executive Council and going back to the central

agencies. There are times when that happens. But the reality is that any policy initiative, either on a department or an executive or program basis, should, in fact, be beginning at the Priorities and Planning Secretariat. It should not be going to the Executive Council.

So it goes through that process. A discussion occurs at the policy level and at the priority level and then, through recommendation, it goes up to the Executive Council for final approval. That would be the same thing for the other committees that we have established in the Executive Council as well, which have not been identified here, which I have chaired. There is a group which deals with resources and there is a group which deals with the constitutional side. We have established a special committee which deals with languages, of the Ministers who have had certain responsibilities in providing programs and services, that could have an effect on the whole question of language services and effects the delivery of services or programs in various languages across the Northwest Territories. These make recommendations to the Executive Council. Priorities and planning deals with the whole question of formulating or initiating any changes in policy or directing changes in policy. Of course, there are times when the Executive Council recommends a certain change in policy, I guess at times because of political pressure or after a review of their own department they find that maybe there is a need to review that policy and make those appropriate recommendations.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: Okay, just to try to get a concrete example. Now there is an interdepartmental committee chaired by Mr. Pilot which will be making recommendations as to possible departmental changes. Now, are this committee's recommendations vetted through the Priorities and Planning Secretariat and then do they go from there to the planning and priorities committee which, I believe, you chair with three other Members? Is that the process in this particular case?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. RICHARD NERYSOO: Yes, Mr. Chairman. At present the work that the deputy minister of the Executive is doing with regard to reassessment of the organization, the responsibilities of government, is in fact reporting to me directly. I in turn am reporting to the Executive Council because we have not made a final decision as to the direction we would be going in our directions to the priorities and planning group or the departments, either in reviewing their mandate -- and certainly that is one of the responsibilities of the Priorities and Planning Secretariat, a review of the mandates of departments. Then we would be doing that but we have not made that decision. Usually we make a decision on review of a policy; we get the secretariat co-ordinating the input of the affected department or departments if there are two or three, depending on what departments are affected. But at this time, the work that is being done, as I said, they are reporting directly to me. I report back to the Executive Council and we will hopefully be recommending some direction on how to deal with this particular issue.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. General comments. Mr. Ballantyne.

Secretariat's Terms Of Reference

MR. BALLANTYNE: Now, I assume that the Priorities and Planning Secretariat is still working under the terms of reference of this document. Unless there has been a change we do not know about, this is the operative document under which the secretariat is working.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. RICHARD NERYSOO: Yes, that is the document I made available to the Members of the standing committee on finance and certainly that is the document that we are still working from. There is always a possibility of certain changes occurring and at the appropriate time those changes will be identified.

One thing I would like to indicate to the Members here or to the committee, is that policies in my opinion are really political direction, not only departmental organizational direction but political direction. And they should form the basis on which programs and initiatives are taken with regard to priorities. As well, priorities should be the basis on which new policies are formed. But in the past, this particular secretariat has been looked at more as an administrative function. In my opinion, it is not an administrative function. And that too will be restructured

in the upcoming document because I find that in this case, for instance, in the federal government there is a priorities and planning group of cabinet that lays out the ground rules. There is also a policy section and that deals with the policy development as approved by the policy and priorities committee. We would hope that such a change would in fact recognize that that will occur in this government as well.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: I think we must recognize the difficulties of trying to adapt the Ottawa system. We are a very small government and they are a very large government and sometimes it is necessary for them to make that distinction while for us maybe there is a lot more overlapping on these issues. But, again just to clarify this, now, my understanding of a Priorities and Planning Secretariat is that it is a resource group to the priorities and planning committee. One of the objectives of the committee is to establish Executive control over proposed major organizational change within government. I saw it essentially as a political group that could vet administrative recommendations, look at their political implications and make recommendations to the proper committee, or in this case to the Leader directly. Now, it seems to me that that step is being by-passed and I just wonder why have this secretariat if it is not going to be used, you know, in this instance when it is really the first real opportunity for it to do its work -- to provide that sort of political input to administrative decisions or recommendations?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

#### Political Direction

HON. RICHARD NERYSOO: Yes, Mr. Chairman. I must say that is exactly how we function. We do vet in fact the direction and I must say it is not administrative priorities, administrative policies. That has been the problem because policies, priorities are not established on the basis of administration. It is on the basis of political direction which the priorities and planning committee are. They are part of the Executive Council and I believe that that is the basis on which you begin new priorities or new policies or amending present policies. We do vet the direction. Sure there are recommendations from each department, in fact they have to come via the Minister. The Minister must bring them to the agenda. He must request that they be placed on the agenda. No deputy minister can come and say "Well, this is an item for the agenda." That is not the case, it must be on the basis of having had that political support and direction from the Minister. There are times, of course, when the Minister does not appear but it is on the basis that they have received approval that that item will be placed on the agenda after discussion with me but not before that. It is not a matter of administrative priorities and policies. I think that notion has to go. If you are going to be the political leaders of the NWT, developing political direction, that notion of administrative policies and priorities has to go as political direction, political priorities. That is the key. That is exactly how we have developed this committee to become that central agency. Also, I must say that being a review agency part of the administration could cause more problems than to become an outside or independent agency with no authority, no influence in the advice it gives to the Executive Council.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. I would like to remind Members to address the Chair please. Mr. Ballantyne.

MR. BALLANTYNE: I would like to address the Chair. Okay, I understand how it is supposed to work. I am not quite sure if it is clear if it is actually working that way but I am using this one example. I agree there has to be political direction. But talking about this one specific interdepartmental committee, it will be making recommendations about departmental changes, recommendations which will have obvious political implications. In this particular case, why is this secretariat being by-passed? Why are they not asked for their input into the implications? Then it goes to you and your committee and at that point you can make those decisions. It seems to me it is going directly from the deputy ministers to you without anyone vetting it. Maybe I am missing something here.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. RICHARD NERYSOO: Mr. Chairman. You are right, you missed the boat! The reality is what I am saying is that this process is in place. Now, if you read your organizational chart, you will see that there is that group; priorities and planning committee, Financial Management Board and the Executive Council and they all function separately. They meet on different days and they have

certain responsibilities. I must say that the mandate of the committee dealing with the organizational structural changes may not in fact come back to me with a recommendation of -- I must say also that the priorities and planning group are part of that committee. Now, they may come back to me and say that there is a need to do a further review, that what we are talking about is a little more complicated than what was initially anticipated and that we need further work. It should be that the Priorities and Planning Secretariat do further in-depth analysis of what we are trying to do, but I must say that they are presently on and working in that particular committee, if that is the question you are asking.

It is also incumbent on me to make a recommendation to which committee this particular item goes and it has been going to the priorities and planning committee. So, in that sense, we have not got it yet into the process. The only process we are doing is a review and analysis of where we should be going. I think that it is necessary we do that work. I do not want to give illusions to people that we are going to make significant changes until I know from the deputy minister whether or not those changes are appropriate.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Priorities and Planning Secretariat, \$366,000. General comments. Mr. Ballantyne.

MR. BALLANTYNE: Thank you, Mr. Chairman. Again I have other questions I will ask once we get into this again when the Leader comes back with some sort of action plan. I guess it is just a general statement. It seems to me that for a very, very small government we are getting overly complex. It seems that whenever a new problem comes up we end up with a new group to deal with it when we have existing structures which may be not utilized to their best advantage. I think we have to be very careful that essentially a small extended municipal government -- which we really are, if you want to put it into real terms -- that we get so complex that nobody understands the process. I am saying that every time we turn around there is a new group doing a new study and it just gets confusing, I think, for everybody including the major players who are the Executive Council. So, that is my comment now and I will reserve further comments until we see the paper that Mr. Nerysoo is going to give us later on during the debates.

Priorities And Planning Secretariat, Total O And M, Agreed

CHAIRMAN (Mr. Wah-Shee): Any further general comments on Priorities and Planning Secretariat for the amount of \$366,000? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): I understand that the Aboriginal Rights and Constitutional Development Secretariat will be done separately so we will defer that at the present time. As well, Energy, Mines and Resources Secretariat will also be deferred at this time and we will go to the Audit Bureau. Mr. Nerysoo, would you like to introduce the Audit Bureau, page 2.9?

Audit Bureau, Total O And M

HON. RICHARD NERYSOO: Thank you, Mr. Chairman. Can I ask the deputy minister to introduce this section?

CHAIRMAN (Mr. Wah-Shee): Mr. Pilot.

MR. PILOT: Mr. Chairman, the Audit Bureau supports the Executive Council as indicated in the introductory remarks at the top of page 2.9 by conducting comprehensive internal audits of the various regions...

CHAIRMAN (Mr. Wah-Shee): Could we have a little order in the House, please? Continue, Mr. Pilot. Order, please. Mr. Pilot.

MR. PILOT: Mr. Chairman, the Audit Bureau reports to the Executive Council through the Minister of Finance and their role is, of course, to be involved with the auditing of, as I said earlier, internal government departments and also they are responsible for audits of hamlets upon the request of that hamlet and Local Government. They also have a responsibility to monitor federal and territorial cost-sharing agreements.

CHAIRMAN (Mr. Wah-Shee): Thank you. Audit Bureau, \$1,305,000. Agreed? Mr. Ballantyne.

MR. BALLANTYNE: Just for clarification. The Audit Bureau obviously has an internal function, how do they report to the Executive Council? Does it come in terms of timely reports on certain issues or is there an annual report which is presented to the Executive Council with recommendations of things that could be tightened up and improved? What is the methodology?

CHAIRMAN (Mr. Wah-Shee): Mr. Pilot.

Role Of Audit Committee

MR. PILOT: Mr. Chairman, we have developed a group of senior managers within the government who form what they call an audit committee which in turn review the various concerns raised by the Audit Bureau and we present those concerns to the Commissioner and in the future as the acts change, we will be reporting that directly to the Minister of Finance.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Pilot. General comments. Mr. Ballantyne.

MR. BALLANTYNE: Thank you, Mr. Chairman. So I see that this audit committee looks at concerns raised by the Auditor General. Do they also raise other concerns that they might have within the operations of government generally and the Executive in particular and what happens if they do make those recommendations? Is there any process whereby those recommendations can be accepted, rejected, refused? How does it all work?

CHAIRMAN (Mr. Wah-Shee): Mr. Pilot.

MR. PILOT: Sorry, Mr. Chairman, we have not reached that point in the development of our audit committee whereby we have made recommendations or have got to the process of making recommendations to the Executive Council or to the Minister of Finance. We have completed our terms of reference for an audit committee and the process now has to be reviewed to see how the audit committee will blend in with the Auditor General's Report and how we can act as an advisory group to the Executive Council when it comes to the audit process.

CHAIRMAN (Mr. Wah-Shee): Mr. Butters, would you like to elaborate further on this?

HON. TOM BUTTERS: Yes, thank you, Mr. Chairman. Just to indicate that the recommendations and observations of the internal auditor and his staff are taken, in my experience, very seriously by this government. When an assignment has been made to the audit group to examine this function or that function of the administration, a report is made which contains observations. This report is then referred to the Minister responsible for the department being audited. The role of the department is to examine those observations and then respond to them in terms of what action was taken to fulfil the requirement of the auditor and the date on which that action was taken. So a response is made from the department to internal audit observations.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Butters. Mr. Ballantyne.

MR. BALLANTYNE: I guess I should have asked two questions; what is the process whereby the Audit Bureau makes recommendations and the second question is the role of the audit committee. I think Mr. Pilot very cleverly answered one part of the question, that you actually have not developed the audit committee enough to make recommendations but there are recommendations made by the Audit Bureau which are looked at. Is there any sort of accountability? For instance, and I am not saying this happens, but if the Minister of Finance disagrees with the recommendations, I take it at that point they become a moot point.

CHAIRMAN (Mr. Wah-Shee): Mr. Butters.

HON. TOM BUTTERS: No, Mr. Chairman, I do not think they have ever become a moot point, the reason being that our external auditor is the Auditor General of Canada and we find that our internal auditors work in very close harmony, in conjunction with our external auditor so if there was a movement away from observations or recommendations made by the internal auditor, I am quite sure that it would not be long before the Auditor General of Canada was onto us.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Butters. General comments. Mr. McCallum.

MR. McCALLUM: A question of the Minister -- these are not just fiscal audits, they are comprehensive audits of departments. Are they mandatory on a periodic basis or on a periodic basis of once a year, twice a year? A further question, are audits mandatory on contributions that are being made to various organizations?

CHAIRMAN (Mr. Wah-Shee): Mr. Butters.

HON. TOM BUTTERS: I believe that possibly Mr. Pilot can best respond because my understanding is that it is the committee that examines the requirement from ongoing audits and indicates what audits would be carried out. They are not all comprehensive audits, no. Where a comprehensive audit is requested or required then it is carried out, such as was the case for the financial information system. But these, as I understand it, ongoing audits of various departmental responsibilities, not the total department but the particular aspects of each department and the identifying of these requirements, I believe, falls to the committee. I do not get involved with them and neither does the Executive Council.

CHAIRMAN (Mr. Wah-Shee): Mr. Pilot.

MR. PILOT: Mr. Chairman, the audit committee is presented with a list of requirements by department. The deputy ministers develop the list and present it to the Audit Bureau and from that list the audit committee develops the program that the Audit Bureau will conduct during that year. It is called a work plan and you can imagine the amount of work that is requested by the departments far exceeds the time or manpower that the Audit Bureau will have. Therefore, the committee examines the list very thoroughly to see that those areas that have an urgent and pressing need are attended to first. The comprehensive audit does, indeed, include areas of -- for example, in Personnel, to see that the leave and attendance forms have been properly adhered to and that records have been properly kept. So it is a comprehensive audit in that respect and in the area of mandatory audits that are indicated by our Legislative Assembly, they take, of course, the priority of the time of the Audit Bureau.

Audit Bureau, Total O and M, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Pilot. General comments. Audit Bureau, \$1,305,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Regional Operations, Total O And M

CHAIRMAN (Mr. Wah-Shee): Regional Operations, \$3,523,000. Mr. Nerysoo, would you like to introduce this section?

HON. RICHARD NERYSOO: Yes, Mr. Chairman, this is the section that deals with regional directors and their relationship to the Executive Council. Regional directors are now reporting to me directly. However, they still carry out a very important responsibility for each Minister in that they are accountable for overall government program and services delivery at the regional level and, therefore, I guess you could consider them to be deputy ministers of the total Executive Council in the way they operate and reporting relationships. But that, as I indicated before, will be an item that we will be also reviewing over the next year and will be reviewing in the context of probably developing new terms of reference for the particular regional directors and also in identifying the responsibilities as they relate to ministerial government because there seems to be some confusion in that and that is something that we are going to review. But that is in the upcoming year as opposed to happening right at the immediate time.

CHAIRMAN (Mr. Wah-Shee): Thank you. General comments. Mr. McCallum.

Reporting Relationships

MR. McCALLUM: Thank you, Mr. Chairman. Just to clarify again what the Minister indicated, that rather than having the regional director report to the deputy minister of the Executive Council that he is contemplating having regional directors report directly to him, as the Executive Member responsible for the Executive. Is that what he is indicating?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. RICHARD NERYSOO: I indicated that they would be reporting to me. No doubt they would be reporting still through Mr. Pilot who is the deputy minister. Previously they used to report to the Commissioner and what is now changed is that reporting relationship is now with the Government Leader and not with the Commissioner.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. General comments. Mr. McCallum.

MR. MCCALLUM: Mr. Chairman, that is exactly what I wanted to get straight. It was not to the Executive Member responsible for the Executive but to the Government Leader as such, so, thank you for that. I just have a comment on this and I recognize the difficulties involved but it seems to me that there is still a great deal of difficulty among people in a community served by the regions and that is, of course, communities outside of Yellowknife, that are involved with a regional director. That is this whole topic of regional operations. Most people still regard the regional operations as a regional government and with the initiatives of the government now in terms of regional councils or tribal councils with the spectre -- maybe that may not be the proper term but with the idea of regional governments coming in there seems to be in the minds of people in communities, still the distortion as to the actual role.

#### Regional Government

I have no difficulty, myself, in terms of referring to the regional directors and the regional administrative set-up but not in terms of a regional government but, invariably when you talk to people, and especially when we are talking about the development of these regional councils, people tend to still regard the regional director as the regional government. I just wonder if the Leader and his Executive have any comment on that and how to get away from the use or the distortion of what the regional director and his staff do as opposed to what had occurred years ago when in fact they had more overt presence, if you like, even than now, given that we have ministerial government and the strides that have been made. But I know that there is still a concern being expressed by people when they talk about setting up regional councils. They distort that. They talk about setting regional governments or area governments and they refer to the regional directorate in any particular area or region as being a regional government. I wonder if the Executive through their secretariat, have been able to do anything to bring about a definitive meaning, if you like, as to what the purpose of the regional set-up is.

CHAIRMAN (Mr. Gargan): Thank you, Mr. McCallum. Mr. Minister.

HON. RICHARD NERYSOO: Yes, Mr. Chairman, thank you. No, we have not been able to come to definitive terms of reference, you might say, for the regional director. Certainly, the issues that you point out are complicating factors and that is the reason that we are going to begin in the upcoming year to try to develop some terms of reference that might give some guidance and shed some light on the responsibilities of each regional administration. The other complicating factor, of course, is the ministerial government role and the Ministers and the reporting relationships that the regional superintendents should or may have in future with respect to the departments here in Yellowknife, because presently the reporting relationship of each regional superintendent, whether it be Economic Development, Renewable Resources or Justice and Public Services wherever they may be or Finance or Government Services, is directly to the regional director. It is not to any other individual, even though there are deputy ministers in existence. So, in that sense it is complicated.

#### Relationship To Regional Councils

The other question, of course, that arises is the whole question of what kind of reporting relationship do the regional directors have to regional councils. What is the working relationship? I shouldn't say a reporting relationship or at least in a sense of being accountable but there could be a reporting relationship in the sense of reporting on the administration, the co-ordination of programs and services in any particular community or region. Now that has to be resolved. We have come to some conclusion on that but that still has not resolved some of the outstanding issues.

The other thing is this notion that you pointed out that these administrative offices are regional governments, and they are not. The reality is that they are not, they have a reporting relationship directly to this government and they are accountable to this government. They are not



entities in themselves. I think that in the past that might have been so, but with the evolution of ministerial government, certainly we have a lot of concerns as to that reporting relationship. Yet, I do not believe that we want to completely destroy those administrative centres because they have performed a duty and carried out a responsibility that at the headquarters, even with regard to ministerial government, would not have been able to surpass. Nor do I think can we carry out in future without those centres being where they are.

I guess the issue at hand is what is the reporting relationships of those people in the region. We want to try to deal with that in the upcoming year and hopefully by the end of this year, we can have a fairly detailed report to table before the Legislature, so that we can have a fairly good review of that particular item and its responsibility because even with regard to regional directors, there is the whole question of area offices as well. You know, what is the reporting relationship? Because there is some confusion with regard to that, I think that those are things that we would like to address in the upcoming year.

Without question, the regional directors have to play a role in that because they have been involved at the regional level. Yet I assume that the Ministers themselves would like to play some role. No question, we would have to probably seek the advice of Members of the Legislature as to what they see with regard to the future of regional operations and the functions of the regional operations secretariat or group.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. McCallum.

MR. McCALLUM: Well, Mr. Chairman, I appreciate what the Minister is saying. There is no question that the role has changed and it is a very complex one because of the way in which the regions were set up and the ever-changing role that they have now. I agree with the Minister that they are not a government unto themselves and that they are simply attempting to make the administration of government, in total, reach people. That is difficult. I want to indicate now that as far as I am concerned that we are well-served by people who are in the regions in making things happen because of the changes and policy of government over the last few years in terms of making government services and programs really available to people.

Under the policy of regional councils, I think it is not in legislation but it is certainly a policy, as I understand, that the regional directors and/or their staff are available to regional councils on an advisory basis. At least, I would think it would be advisory. They can also be called into a regional council meeting set for that purpose to be accountable to the regional councils for the way in which they have administered the programs under their authority. I do not have any difficulty with that. It depends upon how far the regional councils go and what they are going to be able to do. But I raise this issue because it has been an ongoing one and it is complex. Because it is complex then it creates a great deal of difficulty in the minds of people as to what purpose the regional set-up is actually made for. I would hope that in the review of their authority and responsibilities that it would be possible -- I am not too sure that you are going to be very successful in trying to be specific as to what they do. I recognize the problem but I just wondered if there has been anything done via direction policy to the regional directors to try to impress upon people that they are not the government, that they are administrative personnel only, that they are open for advice and they are open for accountability as to what goes on in a particular region. Notwithstanding there are these three masters that they have to serve, the deputy minister or Minister if you like, of a department and now, or coming on soon, the Leader of the government. So, I wonder if there is any kind of means that you say have been developed but I would hope then that in the review there would be some way that you could impress upon people within the regions that they are there for a specific purpose, not as a government but as a means by which people can have access to government goods and services and programs and that they still must have a reporting relationship further to either a Minister or to the Leader.

CHAIRMAN (Mr. Gargan): Thank you, Mr. McCallum. Mr. Minister.

#### Review Designed To Improve Services And Programs

HON. RICHARD NERYSOO: Yes, Mr. Chairman, certainly I intend to convene a meeting with the regional directors very quickly, probably within the early part of this year to begin that particular dialogue and discussion. I must say that my colleagues have raised those items of concern as they relate to reporting relationships of staff and we have got to begin to try to improve that

relationship, otherwise I think that the success we have had in providing services and programs to the regions through these regional offices, will suffer. I think the intent of the review is not to necessarily destroy what we have done but to improve the services and the programs and to provide them in a better way. There are all kinds of recommendations that can be made. We have improved it in a number of ways.

Mr. Chairman, Mr. McCallum knows that during his time as a Member of the Executive Council we established additional area offices which improved the reporting relationship. We also created an additional region. So, those are ways in which we have tried to improve the provision of programs and services as a government to communities and it is our intention to try to continue to improve that but as much as looking at the creation of new ideas or new structures, it is certainly not our intention to do that but rather to indicate really what their purpose as a regional administration is, and really to protect and ensure that our Ministers have some accountability of staff in the region as well as some accountability of the regional directors.

There is no question that we have already made the decision -- there is a reporting relationship of the regional directors to the regional councils in existence because we have to recognize that they have a role to play in helping this government develop better mechanisms to provide better services to certain communities. But, I think that it also has to be understood that we still remain the government. We have the final say in whatever decisions are to be made in the final analysis and that has to be recognized. It is not a matter that the councils are set up to make final decisions because we are accountable to the Members here for any decisions that are made with regard to expenditures of funds, moneys and any new policies that are approved or developed in conjunction with those regional councils. We still have to ensure that we are accountable to this Legislature and this House and that is the nature and the reason as to why you have been elected. There is no question in my mind that that has to be told to other Members. On the other hand, they do represent communities and we have to try to work in conjunction with them and hopefully Members of this Legislature can and will work with the regional councils so that we develop a very good working relationship with those members that have been elected and those people that have been elected in the communities and improve that working relationship as opposed to, I believe, creating too many obstacles to making any final decisions.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. General comments. Mr. Pedersen.

#### Economic Impact Of Regional Centres

MR. PEDERSEN: Thank you, Mr. Chairman. I am very pleased to hear from the Leader that we will be having a review of regional operations and I would like to suggest that during this review the economic impact of regional centres not be overlooked. For a great many years I have felt that the income level in regional centres was far greater than that in other centres within the same regions and we have had recently given to us a publication from the statistical people of our government called "Personal Income Statistics in the Northwest Territories 1976-81" which certainly bears out this belief that I have had, particularly in the three, what we call the Eastern Arctic regions, Frobisher Bay, Rankin Inlet and the Kitikmeot Region.

I would like to just mention some examples in my own region. The regional centre is Cambridge Bay. The figures available under the heading of "total and average income by region and community" are available only for 1979, 1980 and 1981. For Cambridge Bay those figures were, respectively, \$14,100, \$15,700, and \$16,900. For a community of the same size and very close to it, Coppermine, the income for the same years was \$7500, \$8400 and \$10,000. Gjoa Haven, the third largest community, \$5800, \$6700, \$7700. It varies anywhere from twice the average income in the regional centre to -- the best equation is only 63 per cent better. The same goes for the Keewatin Region where Rankin Inlet of course is the regional centre. We have similar discrepancies there for the three years in question. It is \$11,700 for Rankin, \$12,800 and \$14,000. For a place like Eskimo Point, which is a very large community, those figures are \$6600, \$7100 and \$8700. Frobisher Bay region corresponds to this.

#### Transfer Of Regional Functions

These are tremendously big differences and I would like the Executive, when they do the review, to consider the possibility of transferring certain functions of our government from the existing regional locations into other communities in the region. There are some of the program departments which I feel could be quite easily transferred and could work efficiently without necessarily being

in the same community. It would be such things as, I think, Housing, Renewable Resources, Education and Economic Development. With the establishment of regional centres, I really do not know whoever decided on which community was going to become the regional centre. Someone did some years back, but we have in fact, and the statistics now bear it out very clearly, we have created have and have-not communities and I feel the differences are too great and I would like Mr. Nerysoo's comments on and if possible his agreement that they would indeed look at the feasibility of establishing some functions in other communities.

In our own region, the Kitikmeot Region, it certainly could be done. I notice that our regional centre, Cambridge Bay, has a requirement for 16 additional staff housing units. Rather than perhaps building them in Cambridge Bay, they could be built elsewhere. I am not suggesting only Coppermine, there is Gjoa Haven, Spence Bay, all the other communities as well. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Pedersen. Mr. Minister.

HON. RICHARD NERYSOO: Yes, Mr. Chairman. We have not yet had an opportunity to speak with the regional directors, or I have not had the opportunity, and certainly the advice that Mr. Pedersen has given us, I certainly will raise that as issues that have to be addressed in any kind of review with regard to regional operations that we undertake over the next year. I do want to say one thing though that, in the case of moving certain responsibilities from one regional centre to another community, I think the other side of the argument could be taken in that particular item and that is it might have a positive effect with regard to the economy of a particular community. It might have a negative effect on the community that it leaves and if we look at it in that context or at least take that into consideration, we might be able to find ways of solving and ensuring that those kinds of problems do not occur if there is a decision to make to move certain responsibilities out of a regional centre. But that is something that we will probably have to review in the context of any suggested review that we take and, certainly, I will take the advice of my colleague and ensure that those are considered.

Of course, any review will have to be done in conjunction with the idea of possible devolution of more responsibility to this government as well. I have not, as I said, given any direction to date. Just that we have to review it and, certainly, I will take your advice as part of the advice I will give to the regional directors.

CHAIRMAN (Mr. Gargan): Thank you. Mr. Pedersen.

MR. PEDERSEN: Thank you, Mr. Chairman. I do not think, myself, that it would be that detrimental to the community from which we may transfer. The reason for the much, much higher income is, basically, because of the wages we pay to our personnel. I think the impact on the community would be very small, it might be just a trade thing.

#### Employment Opportunities

There is also another factor that we should not forget and that is, as a government we are committed to providing better employment opportunities for our native people and the communities I mentioned earlier, there can be no question in anybody's mind, are predominantly native communities, Inuit communities. In the communities outside of the regional centres there are far more native people available with the skills required than there are in the regional centres now, because the regional centres have pretty well absorbed the qualified available people in the positions already. Whereas in many of the other communities the availability is far greater. In my home community of Coppermine, for instance, I know that at the moment seven fairly recent grade 12 graduates are walking the streets unemployed. I certainly do not know of any in Cambridge Bay, so we may consider that as well. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Pedersen. Mr. Minister.

HON. RICHARD NERYSOO: I think that in also dealing with this particular item, it may not necessarily be that we move those responsibilities that are presently in the regions, but if we make a decision to transfer new responsibilities rather than going to the regional centres as we know them, we might be able to move to other communities to absorb any new transfers that might occur of responsibilities. So, I just want to indicate that I will consider what you have said and note that in the direction that would be given to the regional directors.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Wah-Shee.

Accountability To Regional Councils

MR. WAH-SHEE: I wonder if the Minister could clarify the accountability of regional directors because some time ago in the past a statement was made, I believe, by the Minister of Local Government and I had a meeting with the Baffin Regional Council that the regional director will be accountable to the Baffin Regional Council in regard to the Department of Local Government in the East and now we hear that the regional director will be directly accountable and reporting to regional operations and that a Minister would be responsible for the actions of the regional directors. I would like to know what the Minister has to say in regard to the understanding that he has in regard to the accountability of regional directors vis-a-vis the Baffin Regional Council. What understanding has been made between the two levels of government in regard to accountability?

CHAIRMAN (Mr. Gargan): Thank you, Mr. Wah-Shee. Mr. Minister.

HON. RICHARD NERYSOO: Yes, just for a point of clarification, Mr. Chairman, the regional directors are considered under the whole issue of regional operations and it is presently my responsibility in the sense of reporting to the Executive Council and, therefore, they do, in fact, report to me in the sense of ministerial responsibility. Also, with regard to a reporting relationship they file reports with me when they attend certain regional meetings or meetings of importance to the administration of programs and services and I, then, report to my Executive Council colleagues indicating the various areas of concern and responsibility they have.

With regard to the question of a regional director reporting to the regional councils, that is a policy that is in effect for all regional councils. It is not so much a reporting in a sense of accountability to the regional councils, but it is in a sense of reporting to these councils on the basis of programs that are presently in effect, new policies that might come into effect. My personal opinion is that while the regional directors are always closer at hand, it is always, I believe, a lot easier when Ministers appear at these regional council meetings but that is not always possible and, therefore, our regional directors really assume the responsibility on our behalf as a deputy minister in the particular region. That is basically what happens.

As I said earlier, the policy is in effect for all regional councils and it is not a matter of accountability and still the Members here have participated in regional council meetings. You know how it operates. The scenario that these regional directors are the regional governments should not be promoted because that is really sometimes the case but they are really the co-ordinators for programs and services that we offer at the regional level. We still, as Ministers, are accountable for whether or not there are programs that are developed to respond to various concerns or develop policies that respond to the people in the community. I think that that should not be considered as part of the mandate of the regional director. I think that that is something that we have to really clarify with regional councils, that while this reporting relationship is there, that it still is the government and Members of this Legislature that will make the final decisions on expenditure of money. I think what we are trying to do is to create a better working relationship with the regional councils so that we do not develop policies that are in opposition to the needs of the particular communities. But at the same time, we have got to make them understand that there is still that political accountability that is in this House as well. As Ministers we are still politically accountable to Members here. Before we make some of the final decisions, particularly as they relate to expenditure of funds, moneys, I think that is still the case. Certainly with regard to the policy on regional directors and the reporting relationship, I have nothing to hide. I will table that document in this House, in that case, just to show people here that I am not secretive about the reporting relationships I find people should have.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. We will take a 15 minute coffee break.

---SHORT RECESS

Order, please.

MR. WAH-SHEE: Mr. Chairman, I would like to still ask the Minister in regard to the accountability in reporting of regional directors. It is not very clear at this point in time whether the regional directors not only report to regional operations but it would appear that they also have

accountability to the regional tribal councils. There appears to be a gray area. I would like to know from the Minister if the regional directors are accountable and reporting to regional operations, to a specific Minister, and that the regional tribal councils are only advisory to the regional directors at this time. Because from his point of view of the regional tribal councils there appears to be some confusion. It does not appear logical to me that the regional director should be accountable in reporting to regional operations and at the same time they serve the same function to the regional and tribal councils. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Wah-Shee. Mr. Minister.

HON. RICHARD NERYSOO: Yes, Mr. Chairman. I just want to say again that the regional directors are identified under the regional operations secretariat group and they report to the deputy minister, to me. That again, as I indicated earlier, has changed from previously when I believe they reported to the Deputy Commissioner. Also recently there seems to have been a relationship to the Commissioner but we have now said that that relationship is directly to the Government Leader.

The question of accountability -- the regional directors could never be accountable to anyone but this government and to the Ministers of this government. They can report on the concerns of the regional and tribal councils, the concerns they have with regard to policy, initiatives, the concerns that they have with regard to the way in which the government is providing services and how best to improve that. So, in that sense with regard to government responsibilities that is the way in which we find or suggest that it happens.

#### Policy Paper To Be Tabled

Now, as I indicated I will table the policy that gave the direction that we did to the regional directors and also I believe made the regional and tribal councils aware of the reporting relationship. I will table it in this House so it is very clear.

With regard to tribal councils, they at times deal with more. In fact the regional councils deal with more than just Government of the Northwest Territories programs and services. They deal with such issues as economic development for bands and the relationship that they have with the Dene Nation, those kinds of relationships, as well. So, it is not so straightforward or clear-cut, you might say, as in other areas in the NWT. But each organization still has a reporting relationship.

Now, as I indicated earlier, it would be probably more appropriate that the Ministers appear, because they are, you might say, more accountable for the actual programs and the policies in those departments. But that is not always the case and therefore the regional director must represent us at those meetings. What we are now saying is that there is a reporting relationship that we have established. Previously there was no policy indicating that. We now have a working relationship between the regional and tribal councils and the regional directors. Really, in identifying the regional directors under the regional operations, it is where we account with regard to budget and with regard to the financial expenditures of our government for those particular regional directors. So, it is more or less identified, as I said, in regional operations; we still have regional directors under that.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Wah-Shee.

MR. WAH-SHEE: Mr. Chairman, it is quite clear then, in regard to the accountability of the regional director, that the regional tribal councils are in the advisory capacity vis-a-vis regional director. Am I correct?

CHAIRMAN (Mr. Gargan): Thank you, Mr. Wah-Shee. Mr. Minister.

HON. RICHARD NERYSOO: That presently is the case. They also allow for the invitation of regional superintendents, as well, in that process but it is in conjunction with the regional director, always with the regional director.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Wah-Shee.

MR. WAH-SHEE: Mr. Chairman, are there any plans in regard to doing a review of the existing regional offices vis-a-vis the pending division that we would have to address ourselves to? And if there is a review, will the regional and tribal councils and the various municipalities plug into a process to have input in regard to the assessment of these existing regional offices? Also a review, perhaps, of the accountability of the regional directors as well?

CHAIRMAN (Mr. Gargan): Thank you, Mr. Wah-Shee. Mr. Minister.

Plans For Review Of Responsibilities And Reporting Relationships

HON. RICHARD NERYSOO: As I indicated earlier there will be a review of the role and responsibilities of regional directors. However, I have not yet made a decision to extend it to a public review that would include regional councils or regional and tribal councils. I think that much as I probably would like to see it as a public review, I would really like the opportunity first to do an internal review of the responsibilities of regional directors and also a review of the role of regional directors in light of ministerial government, and then look at what other policies might be affected if any significant changes are going to take place with that role. But I would really like to do that internal review first before I went out and did it in conjunction with other policies and other organizations that we have and work with because I think that we might be able to resolve some of the problems internally prior to it coming and being a public issue.

At the same time there is no question that we are probably going to look at the idea of involving, at some time in the future, the regional councils and the input of regional councils. But I believe that they have already indicated some advice to the Executive Council previously and to this Council and that was the reason we made the decision and established the policy of the reporting relationship that the regional director has had to the regional and tribal councils. That was one of the reasons we tried to address it through that particular policy.

There is no question there are a number of other issues since that policy has been put into place that we feel -- I feel, particularly, since there is a reporting relationship to me -- have to be addressed, particularly if we are to provide better services and better programs in a number of areas. That is why the internal review is going to take place first and then we will look at the idea of a more public review.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Wah-Shee.

MR. WAH-SHEE: Mr. Chairman, when can we expect the completion of the internal review and when can we have this information of the completed review tabled in this House? As well, at what point in time does the Minister expect that the regional and tribal councils will have an opportunity to plug into a process that will allow them to indicate their feelings in regard to the proposed restructuring of our present make-up of the government, as well as the regional operations?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. RICHARD NERYSOO: Mr. Chairman, one of the things I have not done to date is, as I indicated earlier, had an opportunity to meet with the regional directors because there are a number of issues I would like them to have done. The comments that I am making now are really comments that have not been previously made public to anyone and just to make other Members here aware that that audit, that review was going to take place; to make you aware that any discussions which might arise in regional councils in the future will be on the basis that that review was taking place, that possibly some suggestions could be made with regard to a relationship that could be established with the regional councils, and also what that relationship could be. Now, that, as I said, I do not have any indication as yet as to how long that report will be, what it will entail. I have not had the opportunity yet to meet with the regional directors but I indicate to you, the Members of this Legislature, that we will be doing that audit, that review.

Right To Give Direction

Certainly I have no concern in the sense of your role that you have every right to recommend, give me some direction and some advice on what might be changes for improvement for the delivery of programs and services to the people of the Northwest Territories. I do not think that we should, as I indicated, be looking at the process of review in the context of completely destroying what we have in place now without first knowing what we are trying to replace it with. It is going to serve the interests of the people of the Northwest Territories and also take into consideration those present relationships that have been established and how to improve that as opposed to destroying what we have got. That is basically what we are trying to do and I just want you to be aware that that review was taking place.

I have no preconceived agenda and I have no preconceived notions as to what is going to be done or what relationships or what reporting and what participation the public is going to have in that process yet. I just would like to meet with the regional directors first and seek their advice on some of the ideas that we have and, of course, you know some of the ideas that I made mention of today. I am not trying to hide anything from people or confuse them by not making you aware that we are going to review the set-up of regional operations and also the reporting relationships because it has caused some concern in government. Because of that we have to do an analysis of the reporting and the reporting relationships of staff and regional directors because inasmuch as we are reviewing the question of the regional directors, there is still the question of regional staff, the regional superintendents.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Wah-Shee.

MR. WAH-SHEE: Mr. Chairman, I appreciate that we will have an open government for the next two years before we finally resolve this whole question of division and that information that is being requested by ordinary MLAs will be readily available to us so that we can assist the Executive Council in making the appropriate decision which would reflect the interests of all of us concerned. In that regard, I wonder if the Minister could indicate to this committee whether the internal review that is being done in regard to the regional operations will also touch on the maximum authority that will be considered in terms of devolving various responsibilities to the regional and tribal councils. I wonder if there is any consensus on the Executive Council in regard to how much authority and power should be made available to the regional and tribal councils.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Wah-Shee. Mr. Minister.

HON. RICHARD NERYSOO: Mr. Chairman, we are a very flexible government and we can accommodate...

SOME HON. MEMBERS: (Inaudible comments)

HON. RICHARD NERYSOO: No, I think that that...

MR. McCALLUM: (Inaudible comment)

HON. RICHARD NERYSOO: Well, I guess that that is true, too. However, I do not want to say that there is no consensus on what...

AN HON. MEMBER: (Inaudible comment)

HON. RICHARD NERYSOO: No. I think I can say this that there is a consensus that we are working from the policies that are presently within government. Whether or not those policies change is another question. That is another question. And there is no question that you will know when those changes are going to take place. I think much as you might want to review the authority of regional councils, in my opinion, that is still work that ought to take place with the forums, with the Constitutional Alliance and with those regional organizations that would like to look at the various options of regional authorities and whether it is regional government or regional councils, I think is something that has to be dealt with in that process.

We are working on a consensus basis that the ordinance that is now in place is the basis on which we are beginning, but that does not mean that we will not change that nor does it mean that is the end of the process. But again, as I indicated, we have not made any decisions to move forward on that, we have not seen any changes and amendments to the Regional and Tribal Councils Ordinance, that in fact is not before us at the moment, and really that presently is government policy and the position of government. That does not mean that would not change in future. I would be extremely foolish if I said that that were the case. On the other hand Members here, particularly Members that have been part of the Constitutional Alliance and on the two forums no doubt have been looking at the various options of regional government and will be discussing those items as well.

#### Present Ordinance Basis Of Future Recommendations

As a government we will at some time come forward with our recommendation of various changes but not without approval in this House. As I say, we have not amended the Regional and Tribal Councils Ordinance. There are no amendments. We are working on the basis of that particular document and

whatever happens between now and the next session is clearly up to Members on the Executive Council and the appropriate Minister, the Minister of Local Government, and Members of the Executive Council to recommend what those changes might be. It would have to come before this House because it is an amendment to a piece of legislation that has and must receive the support of the majority of this House. In that sense I can only say that that is the basis on which we are working. But like I said, that does not mean we would not come back with any future changes or seek any future changes because we probably will come back.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Wah-Shee.

MR. WAH-SHEE: Mr. Chairman, it would be interesting to know at this point in time just basically whether the Executive Council is at the present time in the process of formulating the position in regard to how much authority or jurisdiction might be devolved to regional and tribal councils, in the midst of addressing ourselves to the whole question of division and which may have an implication on the role and function of regional directors in the future. So I would like to ask the Minister whether the Executive Council at the present time has formulated a position, just basically how much authority they are prepared to turn over to the regional and tribal councils or are they in the process of formulating that, and whether the regional and tribal councils will have an opportunity to plug into a process that may be set up by the Executive Council. As well, what relationship would this have with the role and function of the Constitutional Alliance and the two constitutional forums? Has the administration any idea of perhaps taking over the responsibility of the two constitutional forums, for instance? That again would give us some indication of what their thinking is in regard to addressing themselves with the whole question of division.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Wah-Shee. Mr. Minister.

HON. RICHARD NERYSOO: Mr. Chairman, what we have found is that there were some problems that have arisen that are causing some conflict between the present reporting relationship of the regional directors, regional staff, the working relationship between the regional staff and people at headquarters here, the deputy ministers reporting to appropriate Ministers. There seems to be some confusion, some concern, and we certainly want to review those relationships. If we are going to have a proper government that is run by Ministers then there has to be that accountability both at the regional and at the headquarters level. It cannot be only on the basis of that relationship at headquarters. That really has been the basis on which we have begun this particular review.

There may be other items that arise in the discussion with the regional directors that cause us to do a further and a larger review because we find that it is necessary to improve. What we are trying to do is we are trying to improve the programs and services we offer to people. That is the important thing and as Ministers we are accountable to people then we have to ensure that there is that particular accountability to the public. How do we do that? That is the question that I guess we all would like to have answered.

With regard to doing the review in isolation of dealing with the question of division I do not think we could do it in isolation. Any review that we do now of government has to take into its mandate a review of possible scenarios that could occur when division occurred. Now you know I could never forecast what the reporting relationship will be five years from now if there was a new constitution in Nunavut and the western territory. But everything that we do between now and then could always improve that relationship that exists between this government and the general public of the Northwest Territories. That is basically what we are trying to do and I'm trying to do at the moment.

#### Problems In Administration

Now we certainly do not think that we are going to replace the constitutional forums but we do see, as I indicated previously, some problem areas because as an administration which is responsible for delivering programs, bringing forward legislation to respond to concerns of people, we have spotted some areas that could cause some problems. That is the reason we are not necessarily debating the need for the Constitutional Alliance but really to review how as a government we could serve the people of the Northwest Territories yet not conflict with the kind of direction that the constitutional forums wish to go. That is a problem that we have noted and being responsible for the government administration program services now, I can honestly tell you there are problems and



if we do not address them very quickly those will be the most difficult obstacles as opposed to coming forward with new constitutions and new direction. That will cause a lot of the problems if we don't address that. We ought to be working in conjunction with one another not in opposition to one another. We are not challenging the authority that has been placed in the hands of the Constitutional Alliance, but we do see where we can be allowed to help and in the process a lot of the issues may resolve themselves in the overlap concerns that we do have.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Wah-Shee.

Timing Of Internal Review

MR. WAH-SHEE: Mr. Chairman, in regard to the internal review, I would like the Minister to indicate when this review will be completed and when it can be made public because I really think it is really important to the regional and tribal councils that have been established by our territorial ordinance, what kind of future the regional and tribal councils may have in the aftermath of having resolved this whole issue of division. So to that end, I think it would be good to know when this internal review will take place and I gather that at the present time the Executive Council does not have a consensus in regard to the amount of authority and jurisdiction that they may consider turning over to the regional and tribal councils. Am I correct, Mr. Chairman?

CHAIRMAN (Mr. Gargan): Thank you, Mr. Wah-Shee. Mr. Minister.

HON. RICHARD NERYSOO: Yes, Mr. Chairman, just to indicate that we have raised the item of authority of regional councils but we have not made any final decisions nor have reached a consensus on a final direction that we wish to take. That issue has been raised but I do say that we are still working on the basis of the Regional and Tribal Councils Ordinance that was passed by this House. That is the basis on which we are working right now. We could look at the idea of political change in the reporting relationships or political change with regard to the regional directors, but that has not been the issue on which I wanted to raise the review of the regional reporting relationship of the regional directors. It was the administrative responsibility that was the key because it is administration of government that we now have responsibility for as a cabinet, and we found some administrative problems.

Review Administrative Not Political

With regard to the political changes, that could be a further review but that at the moment is not the issue or the basis on which I want to review it. It had to be on administration and that is why I made you aware of it, that I was going to be doing that review and certainly if you have any advice I would certainly have no problems receiving that advice from Members of this House but we did have some administrative problems and we want to try to correct those administrative problems before they create problems in delivering services and programs. We wanted to just improve government as opposed to causing problems for other communities in this issue. On the whole question of changes in the reporting relationship of area offices, we still have not resolved that completely. We would like to review that. I would like to review that and have my staff review it and talk to the regional directors on that particular item and certainly you, Mr. Chairman, as well as other Members in this House have had relationships and know how area offices function. It had to do, like I said, with the whole issue of administrative change. Political change, I think, will evolve as we made changes either to the ordinances of the government or introduce new structures of government into the Northwest Territories.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Wah-Shee.

MR. WAH-SHEE: Mr. Chairman, am I correct in assuming from the remarks of the Government Leader that the Executive Council does not have any intentions thus far in taking over the role and function of constitutional development forums in regard to addressing themselves to the whole question of division and resolving it?

CHAIRMAN (Mr. Gargan): Thank you, Mr. Wah-Shee. Mr. Minister.

HON. RICHARD NERYSOO: Mr. Chairman, I would not say that we had any ideas that we wanted to take over the function of constitutional change or the constitutional responsibility of the Constitutional Alliance but I do believe that we have, as a government, certain experience and also

some concerns with regard to how the process is now going that could cause a very serious problem for both the Constitutional Alliance and this government as well as this Legislature and were we not allowed at some time to point those out, then it could cause a lot more problems in how we resolve the question of division. Rather than waiting until later to raise those concerns we would like to raise them sooner so that we help the process along and provide some benefit of our experience along with the benefit of my former colleagues who know how the administration of government works and the problems that could arise. I think that that is basically what we are trying to point out that there could be some problems.

#### Objective To Help Not Hinder

The other thing is that there are some decisions that have been made or at least some approvals that seem to have been provided and arrived at during this session that the Minister is prepared to devolve certain authorities. It is all well and good, we can devolve those authorities and we certainly support that and want to move on it but at the same time in our devolution process we do not want to hinder the process, we want to make sure that it comes out better than it started and that we provide better advice and better administration of government services, government programs, that whatever transfers of authority help the process as opposed to being an obstacle. That is basically what we are trying to do and this review of regional operations, as I said, came about and it really is an initiative on my part which came out of a concern of the Executive Council that there were administrative problems with the way in which ministerial government was supposed to function and the way in which the regional organizations were set up. There was no clear reporting relationship to the Ministers responsible and really no accountability to the Ministers that were accountable.

In that sense, like anybody else who is going through this process of review of institutions and structures of government, we have to go back and review the administration of government in the context of improving it and providing some solutions, some answers to the Constitutional Alliance and the forums, the Western Constitutional Forum and the Nunavut Constitutional Forum. All we are trying to do is help in that process. It is not that we want to challenge that authority but we do think there is a real responsibility we have, as a government, to provide any assistance possible to this process. While we have had members of government sitting in the constitutional forums, if you remember, the mandate that was laid out for the Constitutional Alliance was on the basis of representation of this House. It had nothing to do with representation of government and some reporting relationship of the government to that Constitutional Alliance. What we are trying to say and I am trying to say is that we now have to come to grips with that particular issue and we are just trying to help in the process here, not to set in front of anyone obstacles that could cause problems, then anybody else that wants to take over government in future will at least know that we tried to improve government as opposed to creating some problems in government.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: If it is possible right now to try to sum up what we are getting here, it is getting a little bit nebulous. As I understand it, the roles of regional and tribal councils are under review. The role of regional directors and operations are under review. The impact of decentralization of departments are under review. The role of central agencies are under review. The priorities and planning process is under review. The realignment and responsibility of different departments is under review. Devolution of responsibility from the feds is under review. Division is under review. Ministerial and political responsibility is under review. The role of the Legislative Assembly is under review. The role of the Constitutional Alliance is under review. The administration of government is under review. Probably we should have asked what is not under review and why you like it as it is.

---Applause

#### Discussion In May Session Suggested

But, I say and I think a lot of us have been saying for the last year that it is about time that all these things were under review. I think a lot of the functions of this government have been developed over the years in an ad hoc piecemeal fashion. I think it is very important to try to co-ordinate now and develop some overall strategy. Now, there are going to be obviously different groups and forums in which the strategy is going to be developed. Now, the Leader is going to come back to us during this Assembly with a discussion paper on some or all of these questions because I

think it is very important that Members of this Assembly, all of whom have, I think very, very fundamental concerns in all these areas, have some input into this process. So I am a little bit disappointed that it has taken this long for the very fundamental workings of our government to be under review. It is a big task for everybody to undertake and a very complex task. Now, I just hope that the...

AN HON. MEMBER: (Inaudible comment)

MR. BALLANTYNE: Well, yeah, I just hope that the methodology that is put into place...

AN HON. MEMBER: Four years previous.

MR. BALLANTYNE: ...is going to be adequate in order to carry this on. So, I think in the May session this deserves a full discussion in all these areas. I hope that the Leader will come back to us in this House with some idea, some terms of reference of who the various groups are that are going to carry out these reviews -- in May, before anything is finalized so that we have a clear debate in this House as to all the problems of individual Members, the concerns and the ideas of individual Members about how to approach all this, because we are really talking about the fundamentals of government here, which is under review.

AN HON. MEMBER: (Inaudible comment)

CHAIRMAN (Mr. Gargan): Thank you, Mr. Ballantyne. Mr. Minister.

HON. RICHARD NERYSOO: Isn't it amazing that we have such an open government that we can reveal all the secrets that we have!

---Laughter

AN HON. MEMBER: That's for sure.

HON. RICHARD NERYSOO: Well, you are right. I do say that there is no question that there is need. I think that without me even having to reveal that, reality is that the process of constitutional evolution in the NWT creates that atmosphere for a thorough review of how we function as a government, how we, as a government provide services and programs to the people of the NWT, not only in the manner in which we operate as a government internally as an administration but also a review of our political relationship. That is important because we can talk about the review of the administration but administration is only part of government. There has to be clearly a relationship, in my opinion, between government and Members of this Legislature. That has to be put into place and there can be no doubt in the minds of Members of this Legislature that that relationship is there. I just think though that...

AN HON. MEMBER: (Inaudible comment)

HON. RICHARD NERYSOO: Well, that is exactly it. I think that it is a matter I guess at times for government to make those recommendations and to really take the lead in providing some advice as to what we consider to be the most appropriate. It may change but under these particular circumstances, there may be only one or two or very few options that are available to us.

Now, there is no doubt that the issue of change to government institutions can take a number of routes. Inasmuch as a Member could wait until a particular session to deal with this issue, well, you now have an opportunity to give me advice because I think that I have no preconceived ideas about how the government should actually function. I see some problems, I have some concerns. The Executive Members have concerns and certainly we have no preconceived ideas as to where changes should occur. We have ideas about them but that does not necessarily mean we are going to make the appropriate changes immediately.

AN HON. MEMBER: (Inaudible comment)

HON. RICHARD NERYSOO: I do say that my colleague has an ideal opportunity now to provide some advice to me as to areas that he sees as requiring further review and some changes. So do all Members in this House. I just want to say one thing on the question of an internal review of the regional item to date. That issue has been of public concern. It is an item that the

constitutional forums are dealing with and no doubt individual Members of the Executive Council have concerns and they are now trying to grapple and deal with those particular items. Whatever advice you can provide us in trying to come to some agreement, some conclusion on providing a better council or better regional authority, the better it is for everyone. I do not have all the answers to that particular item and I certainly would appreciate the advice of Members in this House in dealing with that particular item because it is not a very simple item to deal with.

The other issue is that I have no concerns at all about, as I indicated earlier, is receiving advice on other issues of government and the way government functions. You now know that the government is under review. We would hope though that government itself and the structure of government would not be the only thing under review, that we would go further than that. In some cases, the Ministers will show you that they have reviewed programs and are coming forward with initiatives that have received the approval of the Executive Council to other change or remove particular programs because they were not doing the job that they were intended to do. So we have taken on new initiatives that will in fact try to address the concerns we have. The Ministers will respond appropriately to those.

#### Advice Of Legislature Sought

No doubt, in future, we will continue to review programs, particularly those programs that are outdated, that are not relevant any longer and to address some of the concerns that you have. There are things that we certainly want to establish, programs that address priorities that Members in this House have spoken about and also priorities that we see after having had an opportunity as a government to speak to communities. That is what we intend to do. But as I said, I seek your advice and certainly we will use your advice in dealing with the process of review if you are prepared to provide that advice.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Wah-Shee.

MR. WAH-SHEE: Thank you, Mr. Chairman. I find this discussion very interesting, rather stimulating and very enlightening because we have such a fine group of honourable Members that sit on the Executive Council who are so open.

AN HON. MEMBER: Hear, hear!

---Applause

MR. MacQUARRIE: Hansard please note that was "limited" applause!

MR. WAH-SHEE: For the first time since...

MR. McCALLUM: Don't get carried away.

MR. WAH-SHEE: ...since they have been appointed to that position they are more than willing to listen to this side of the House. Recently, the Minister of Indian and Northern Affairs has made a statement to this House that he would hope that the division issue in the Northwest Territories would be resolved by 1987. That, basically, only gives us two years and with that kind of timetable I would like to know when all these various reviews that have been indicated will be completed and when can we have a timetable along with the proposals, how the Executive Council intends to deal with the whole question of evolution toward the creation of two separate territories.

#### Many Interests Involved

If the Executive Council would like to take on more responsibility in terms of formulating a plan, then I would hope that the Executive Council would take into consideration the interests of the eastern territory as well as the interests of the western territory because, you know, the present make-up of the representation on the two constitutional forums is such that you have a Minister that is in the Aboriginal Rights Secretariat who is chairman or chairing the Nunavut Constitutional Forum. We also have a Minister that is chairing the Western Constitutional Forum, so these two Ministers do have an opportunity to put on one hat as chairman of the two constitutional forums and then, on the other hand, they put on their ministerial hat as a Member of the Executive Council.

So, in the process, the concern that I would have is that I want to ensure that the Ministers that do sit on the Executive Council, that do represent the interests of the western territory, will do so. There has to be a workable arrangement and input not only from the MLAs of this House but, also, I think there would be a need to plug in the various interest groups, so I think we still have to go through a public process in that sense. There is a lot of work that has to be done and I would hope that the administration will come forward with their plan in regard to how we are going to address ourselves to the whole issue of division because, as you know, we have regional tribal councils, we have regional operations, we have the concerns that the honourable Member expressed that there is concern in regard to the authority of Ministers. I am sure that we can appreciate that. However, I would not be overly protective in that area if I may say, since we are evolving into a creation of two territories.

So, in that sense I wonder if the Minister can give us some indication as to how he sees us addressing this whole thing and whether a separate sitting might be appropriate to address this whole issue. Otherwise, I see in the next session where we have to deal with the recommendations of the special committee on housing which, I am sure, we are all concerned about because not all of us in our regions are getting our share of housing.

---Laughter

However, that is a separate issue, we are more concerned with constitutional development at this point. Thank you.

MR. McCALLUM: I think you kind of touched all bases.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Wah-Shee. Mr. Minister.

HON. RICHARD NERYSOO: No, I do not necessarily propose the idea of dealing with this particular issue at some time. I have not spoken to my colleagues yet about whether or not there should be an item of a separate session but I do say this, that there already have been some changes in the government. I have spoken about it the last couple of days where certain reporting relationships according to the organizational chart will change; they will change, titles will change. We will clearly indicate to you what are the administrative responsibilities still with under my jurisdiction and, also, clearly identify what we consider to be those items that are clearly political in the sense of the way in which they carry out their duties and responsibilities. Those changes will be pointed out.

I just want to say again that the whole question of review of government is this government's initiative. If we did not think it was important then we would not have taken on that duty. I do say one other thing is the question of constitutional development, particularly as it relates to the Constitution of Canada, and the question of devolution. The whole question of division has been mandated to me as the Government Leader and in the sense of the reporting relationship of the people that are in the Executive but there is still the review that has to take place of the Aboriginal Rights and Constitutional Development Secretariat and also the working relationship of Justice and Public Services. So, in that sense I think that we still have to work that out, but those changes have taken place. I should say that the whole question of devolution and the question of developing an overall strategy has been placed in my hands but the actual negotiation and responsibility, as I indicated earlier, are the responsibility of the appropriate Ministers but we do need a strategy with regard to the review, there is still a need for strategy as to what ought to be done.

I have indicated some of the things we feel have to be reviewed and Mr. Chairman, I do not believe that we have made any decisions of what changes are going to occur with exception of some of the ones I would be bringing forward to this House. If there are any new changes in the future they will be on the basis that we have had an opportunity to seek advice from Members of this House and, also, seek advice from members of our staff and seek advice of those organizations that might be affected in any change that we do make. So, I do not think I would be so narrow. On the other hand, I think we are doing it right now purely on the basis of administration of government programs and services and not necessarily on major political change.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. MacQuarrie.

Unilateral Action Should Not Be Taken

MR. MacQUARRIE: Thank you, Mr. Chairman. I would like to make a couple of comments on the approach to constitutional questions that was outlined by the Government Leader. From its unique experience in running government and its special position in law, I think that when the Government Leader indicates that he feels it proper for the government to recommend, to make certain recommendations in respect of this and to give advice, that those comments are valuable and very appropriate. I agree that the government must have that right and that opportunity. My only concern then is that, and so it is a kind of caution, my only concern is that the government do not unilaterally take action on positions either promoting or retarding constitutional change, for example, suddenly deciding to give a great deal more authority to regional councils, or something like that, or in regard to shaping the process that is in place -- that is the role of the government -- that positions, action not be taken on those positions that have not been debated and approved in this Assembly.

That is what is critical to me because if the government has advice to give and recommendations to make and they are made in this Assembly and debated and approved or approved as modified then that is perfectly acceptable, and of course, the Executive Council then can take that direction from the Assembly and have every right to exercise its authority once the Assembly has spoken. Then of course, the Assembly position will be direction for those of us from the Assembly who are Members on the alliance. So, as long as that element is always kept in mind then I am certainly satisfied with the remarks that the Government Leader has made.

CHAIRMAN (Mr. Gargan): Thank you, Mr. MacQuarrie. Mr. Minister.

HON. RICHARD NERYSOO: Yes, Mr. Chairman, I do not believe that there will be any attempt on our part to evolve unilaterally any responsibilities that have not received the approval of this Legislature. On the other hand, I think as a government we have to be able to move at times a lot quicker than maybe Members of the House want us to move, mainly because maybe the circumstances under which those arrangements are made for transfer may be the most ideal or the most suitable to the people of the Northwest Territories.

But, the other point I just want to raise and it is a point that I think people have ignored for too long and that is the fact that with regard to constitutional change that constitutional discussions do not go on generally between outside agencies beyond government. It is always a government-to-government responsibility and function of constitutional change, development of constitution and also whatever types of changes to responsibilities are usually suggested by government. We have not, in fact it is not our opinion that we do that. We must work with the Constitutional Alliance and the constitutional forums, for us to be successful in any kind of constitutional change, constitutional evolution that occurs in the Northwest Territories. We understand that but inasmuch as that relationship that now exists or has been traditionally in this country between government, the central government and the provincial governments, that also must be recognized. I just hope that in any future discussions that you will recognize that maybe -- earlier I pointed out that there were some problems that I would point out to you in future that I saw that could cause problems and that might be one of them. There are others as well that, particularly as they relate to government position on such things as economic strategy, economic policy, that might affect national policies. Those are the kinds of things that we feel that probably have to be addressed at some time.

I think that it is incumbent upon me and upon the Executive Council to point out there are problems and when we do see those problems Mr. Chairman, if we point those items out our colleagues in the Legislature, you will see that there do exist some problems that we have to deal with. I am not pointing this out as a good reason not to work together but because I think there are solutions to the issues I am raising and we can find answers and ways in which we can get around those particular problems and continue the working relationship that I feel that has been a good working relationship in the Constitutional Alliance. I do hope that it includes government in that working relationship but to this date it has not, you might say, involved government in the context that I say it should involve government. It has not addressed some of the concerns we have as a government, because, as I indicated earlier, while we do have Members of the Executive Council in it, it is still on the basis of representatives of this House, Members of this House, not on the basis of representing government on that constitutional forum.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. MacQuarrie.

MR. MacQUARRIE: Well, I would like to point out that the statement that the Government Leader made that constitutional change is carried out on a government-to-government basis is an inaccurate statement, that in fact there was a time in the world when there were no formal governments and that it is people who got together to create constitutions that would thereafter create governments...

MR. BALLANTYNE: Big clubs they had.

MR. MacQUARRIE: ...and in that sense it is the people's right to determine a constitution for themselves. It is just that we have in this territory sort of an anomalous situation where there are elements of both things, true and existing, but also a government which did not in the fullest sense have the approval and support of all people in the territory. So there has been this unique creature, the alliance, created to try to resolve what was a very difficult constitutional situation. So in that, without question, the existing government has some concerns that ought to be made known in all of that process, and so do people generally. It is an attempt to get all of those inputs.

Government Answerable To Assembly

But my point of view is that the government that exists should not have positions that are different from this Assembly as a whole, that it is answerable to the Assembly and when it gets Assembly approval then can advance, take action on whatever positions are taken. But I still do not deny the right of the government to come to this Assembly and say, "Here are things that we think ought to be done" and seek the approval of the Assembly in doing them. That is the way I see the process anyway.

CHAIRMAN (Mr. Gargan): Thank you, Mr. MacQuarrie. I would like to remind the Members that we are talking about regional operations.

---Applause

Could I ask the Members to stick to regional operations, stick to the topic, please? Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: Well, I will try to ask some specific questions. I guess with so many reviews coming up that people in the Territories are going to think of us as a Broadway musical and not as a government. We have to be careful I think. I am not government, eh, I am an ordinary MLA. But if I could get into the capital planning process I think it is probably more appropriate and maybe we could make some specific examples of where there are problems. In the capital planning process first of all as a general question: historically the capital planning process has been separate from the O and M planning process even though it obviously had to interrelate and we have come up with two separate processes with some cross-fertilization.

AN HON. MEMBER: How did you get that?

MR. BALLANTYNE: What is that, cross-fertilization? It is a medical term. You told me that.

---Laughter

But now under formula financing we are going to be looking more at a single pot. Is there any reason not to totally integrate capital and O and M planning in one process and not have a separate and distinct process for capital planning?

CHAIRMAN (Mr. Gargan): Thank you, Mr. Ballantyne. Mr. Butters.

HON. TOM BUTTERS: The answer is no.

AN HON. MEMBER: To all that?

CHAIRMAN (Mr. Gargan): Thank you. Mr. Ballantyne.

HON. TOM BUTTERS: To waste your time even further is, that we are moving to effect that type of consolidation.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Ballantyne. Order please. Could I get some order here? Mr. Ballantyne.

AN HON. MEMBER: I would not let that go if I were you.

---Laughter

MR. BALLANTYNE: That is really good. It is good to see that this government is capable of one quick response. Nevertheless we expect to see that in next years process, the amalgamation of those two functions in one particular process. Is that right?

AN HON. MEMBER: This year.

HON. TOM BUTTERS: This year.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Butters.

#### Examples Of Problems

MR. BALLANTYNE: Okay then. I guess this question, obviously because this is going to be changed in a year from now, probably will not be appropriate but I will ask it now. The Leader asked for specific examples of where there are some problems right now in the interaction of regional departments or regional directors and their agencies and with the central government in Yellowknife. One is with the interaction of the Housing Corporation with the five year capital plan with the rest of government. They are just starting that process this year and that is a problem, how those two interrelate. Another problem, because Local Government is decentralized and they have some of their planners in the regions, is trying to rationalize that communication between the Department of Local Government at the regional level and with other departments who are more centralized in Yellowknife. These are some of the things that are under review, I know. I do not know why I even asked this. These are some specific examples of some of the problems that we have brought up over the last year so it is not as though only you were aware of it. We have been saying for at least a year that there are some real problems that have to be rationalized.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Ballantyne. Mr. Minister.

HON. RICHARD NERYSOO: Yes, you can say it but we are doing something about it. That is the most important thing that I can say. I do say though, that with regard to the question of the Housing Corporation, the Minister responsible can respond but I do know that he has taken it upon himself to develop some longer and more thorough planning processes for capital expenditures. That was an initiative that was started by the honourable Member and certainly has received the support of the Executive Council so we are trying to resolve that particular item in conjunction with a longer capital plan.

While we have noted and are trying to improve the capital planning process, while we feel that at times we have worked out with the regional organizations, a lot of the problems, I must say, come from what might be considered the political priorities of each individual Member of this House. When the community comes to us and says it wants one thing, the Member here says, "I am sorry that is not what the community wants; this is what they told me they want." So in that sense, you change again the capital planning process. I think that that has to be addressed.

Again, I believe that I said this when I spoke about the question of the water and sewer system of Yellowknife in particular. There seemed to be an indication that this government had not done anything but that was not the reality. We had done something with regard to the water system but at no time had there been an identification that there was a need for further money for the sewer system. There was an identification that, for instance, there was a study to be done to look at and review the extent to which financial requirements were needed but there was never an identification of a certain amount of money so that we knew we were committed to those particular projects, either increasing in future or decreasing depending on the requirements.

#### Capital Projects Imply O And M Costs

In those kinds of circumstances we cannot afford to wait so long and I think that is the same thing with every other community. We go to develop a particular project and when we are almost at the stage of construction, the community says, "No, that is not what we want, we want something else."



We cannot afford to do that. We have to be honest and say that those are the plans we have developed because of those priorities two or three years previously. That is the basis on which we are trying to develop a longer-term capital plan. I have no problems in saying to you that we are trying to improve the capital planning process. That is why we are trying to integrate it into an overall plan. Our ability to manoeuvre funds from O and M to capital is a lot easier -- I should not say a lot easier but we have a little more flexibility now. Every capital project we develop always has an O and M implication. Always no matter what capital project it is, there is an O and M implication. A community hall, a fire hall, a school, all these projects have an O and M implication, have ongoing financial commitments that people have to understand are there. I just hope that when we suggest we have to make these changes when we are looking at capital, people understand there is that ongoing O and M implication, that is required. I think that sometimes that is not the case, that we look at the capital plan and say that is the end of the expenditure. Well, it isn't. It goes on and on depending how long that particular project survives or exists.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: I agree that there are those implications. That is why by integrating the two processes into one and having each department develop an O and M and a capital plan, each time we decide to build a school somewhere, we are quite aware of the financial implications to the department that is going to pay the O and M cost. I think it is a step in the right direction to integrate those two processes.

But the other point is, I think, we've got to make a distinction. Emergency funding is something which any government has to face in the course of any year; some things will come up which we cannot anticipate. Any government has to have the flexibility to deal with something of an emergency nature. But we have to make a distinction between that and priority funding, where we have to have a little bit longer-term analysis and decide what, over the next three years, for instance in housing or whatever, the particular priorities are and develop a plan based on that over a longer period of time. So, there is a distinction, I think, between priority funding and emergency funding. I think that it is something that has to be worked at more than it has been and I think the Minister of Finance is aware of some of those problems.

Regional Operations, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Ballantyne. Regional operations. Total O and M, \$3,523,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Grants

CHAIRMAN (Mr. Gargan): Thank you. Status of Women Secretariat, deferred. Department of the Executive, total grants, \$864,000. Mr. McCallum.

MR. McCALLUM: Mr. Chairman, I just have one question. Are these in fact outright grants or are they contributions? Or a mixture of both? They are totally grants.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. RICHARD NERYSOO: No, I believe there are some grants and also contributions. There is a contributions policy now that we have.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. McCallum.

MR. McCALLUM: Mr. Chairman, the money that is here under grants to the development impact zone groups. Are they grants or are they contributions?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. RICHARD NERYSOO: Yes, I must say that they are contributions in those particular cases.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. Mr. Chairman, my question was the format in which grants are set out for this department as opposed to the others where there is some detail as to the name of the recipient and the amount that is proposed for the coming year by way of grants. There is nothing here under grants to non-profit organizations. I notice from the material that was provided earlier that there are repeat grants for the Boy Scouts and the Girl Guides and the St. John Ambulance, etc. Is there any reason why this detail is not provided for this department as in the other departments?

CHAIRMAN (Mr. Gargan): Thank you, Mr. Richard. Mr. Minister.

HON. RICHARD NERYSOO: Well, mainly because there are probably a lot more in the sense of the numbers. Certainly, I have no serious problem with making those available to you if you have a problem with that.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. I, for one, would like to see those if they are available, if the Minister can provide them.

A second question on this page, Mr. Chairman, the \$75,000 grants for northern native cultural and historic development. As part of the promised organizational review, it occurs to me that these would more appropriately be in this new Ministry of Culture, or will those be combined eventually with the other?

CHAIRMAN (Mr. Gargan): Thank you, Mr. Richard. Mr. Minister.

HON. RICHARD NERYSOO: Certainly those are some of the items that are under review. All the grants, contributions, the government organization and where it all fits is basically what is under review. We have not made any decisions as to whether or not that should move. Until such time as we make a decision to make those changes then it will remain in this particular department. These grants are really contributions to the native organizations; I believe to ITC, to the Metis Association and to also the Dene Nation. But it varies depending on the amount. There are some that go to other organizations as well.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Department of the Executive. Mr. Ballantyne.

MR. BALLANTYNE: The \$388,000 shown here, is that the same \$388,000 that is shown under Energy Mines and Resources Secretariat? When we get to that secretariat, could we ask some specific questions of how that relates to some of the policies and the secretariat?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. RICHARD NERYSOO: Mr. Chairman, that is correct.

CHAIRMAN (Mr. Gargan): Thank you. Mr. Ballantyne.

MR. BALLANTYNE: I wonder if the Government Leader can either explain or provide to us at a later date the criteria under which grants are given out by the Executive. If you could provide it at a later date that would be acceptable.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. RICHARD NERYSOO: Yes, we certainly can provide the criteria, also the groups that receive the funds.

AN HON. MEMBER: (Inaudible comment)

HON. RICHARD NERYSOO: Yes, it is a policy.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Department of the Executive, total grants. Mrs. Lawrence.

MRS. LAWRENCE: Thank you, Mr. Chairman. I would just like to make a comment on the development impact zone group grants. I realize there are a lot of societies that have been organized just so that they can get funding. I am questioning some of their mandates and how effective some of these development impact zone groups are. I would like to know the detail of how much money is going to that Slave River Dam or...

MR. BALLANTYNE: Sawmill.

MR. McCALLUM: No, no, not the sawmill.

MRS. LAWRENCE: I said development impact zone groups. Maybe that could be translated into whatever -- Dogrib maybe. Is it possible for me to get information on how much money is going to different development impact zone groups?

CHAIRMAN (Mr. Gargan): Thank you, Mrs. Lawrence. Mr. Minister.

AN HON. MEMBER: It's under review.

HON. RICHARD NERYSOO: My colleague says it is under review. Mr. Curley is going to make a presentation with regard to Energy, Mines and Resources Secretariat which is responsible for recommending approval for expenditures with regard to development impact zones and at the appropriate time he will make that presentation.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Department of the Executive. Total grants, \$864,000. Mr. McCallum.

MR. McCALLUM: Mr. Chairman, I do not think we can approve the grants until we hear from the EMR Secretariat because they are grants of the development impact zone groups.

SOME HON. MEMBERS: Agreed.

AN HON. MEMBER: You could.

MR. McCALLUM: I could but I won't. How is that?

---Laughter

CHAIRMAN (Mr. Gargan): Does the committee agree then that we defer this?

SOME HON. MEMBERS: Agreed.

---Agreed

Regional Operations, Total Capital

CHAIRMAN (Mr. Gargan): Detail of capital. Regional operations, total department is \$150,000. Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. Yes, this looks suspiciously like a high school budget. Each region \$30,000. You know, it sounds like a real -- it has just been placed there to cover certain exigencies or something...

MR. BALLANTYNE: No, no. It is first year university.

---Laughter

MR. MacQUARRIE: And I did not have the benefit of being with the standing committee on finance. Could I just have a little indication of whether that is what is done? It is very suspicious that each region has \$30,000 worth of projects that are coming up.

CHAIRMAN (Mr. Gargan): Thank you, Mr. MacQuarrie. Mr. Minister.

HON. RICHARD NERYSOO: Well, the reality is that this is basically traditional expenditures that we have encountered over the past number of years. I could maybe ask Mr. Pilot to give you further detail on it.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Pilot.

MR. PILOT: Mr. Chairman, the \$30,000 is for unforeseen emergencies that may arise within a region. It has been used in the past, for example, if a community required a desk for a settlement office. The regional director could respond by having some capital dollars available within the region to provide that. So, it has been used in that way over the past number of years as an emergency contingency fund.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Pilot. Mr. Richard.

MR. RICHARD: Mr. Chairman, I appreciate that that is probably what has happened in the past, but given the Minister of Finance's statement in the budget and the new formula financing and the new regime and the maturity of our government and that there is now to be a reserve, both O and M and capital reserve amounting to \$10 million for a fiscal year, I take it there should not, in the future anyway, be reason any more to put \$150,000 aside here and there without having specific capital acquisitions in mind, that it should be deleted from here and included in the \$10 million, perhaps the next time we do this. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Richard. Mr. Minister.

HON. RICHARD NERYSOO: Well, Mr. Chairman, I think that while we do identify the reserve, we should still in some cases identify small amounts of capital reserve for a particular region because I think you could end up finding yourself depending too much on the reserve and not allowing the communities or the regions to make quick decisions about some small capital expenditure. I think it has helped us in the past for us to identify minor projects. Maybe that is a bit inappropriate but none the less it has helped in the past to offset some additional capital expenditure or capital problems they have had in the regions. If we had to wait every time to come back to the Financial Management Board for small, minor things like \$2000, \$4000, \$5000 expenditures then we would wait a long, long time. It just allows some opportunity for leeway of expenditures of up to \$30,000 for the regional director. If there are more than that then of course the Ministers are all responsible for that.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. MacQuarrie.

MR. MacQUARRIE: But I suppose it also offers opportunity for maybe unneeded expenditure at times. Could I ask specifically with the money that was apportioned last year, was the whole amount in fact spent by the regions?

CHAIRMAN (Mr. Gargan): Thank you, Mr. MacQuarrie. Mr. Minister.

HON. RICHARD NERYSOO: Mr. Chairman, I am not aware of the details of that and maybe I can ask my staff, but we probably do not have the details of what expenditures were made. I could maybe have the indulgence of the Members of the committee to provide that particular detail at an appropriate time.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Pilot.

MR. PILOT: Mr. Chairman, I believe it should be made clear that to access this funding, all of the financial procedures that this government has in place must be utilized and all the necessary approvals have to be given before the money is actually expended. It is not a slush fund sitting in the drawer of the regional director. It is indeed accountable, fully accountable.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Pilot. Mr. MacQuarrie.

MR. MacQUARRIE: Yes, that was very comforting. But I did ask whether in the last fiscal year, the total amount apportioned was in fact spent by the regions, that is the question.

CHAIRMAN (Mr. Gargan): Thank you, Mr. MacQuarrie. Mr. Pilot.

MR. PILOT: I can provide the full listing of what that amount of money was spent on tomorrow, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Pilot.

AN HON. MEMBER: Report progress.

CHAIRMAN (Mr. Gargan): We will rise now and report progress.

MR. SPEAKER: Mr. Gargan.

ITEM 16: REPORT OF COMMITTEE OF THE WHOLE

REPORT OF COMMITTEE OF THE WHOLE OF BILL 7-85(1), APPROPRIATION ACT, 1985-86

MR. GARGAN: Thank you, Mr. Speaker. Your committee has been considering the departmental details of the 1985-86 main estimates and wishes to report progress.

Motion To Accept Report Of Committee Of The Whole, Carried

Mr. Speaker, I move that the report of the committee of the whole be concurred with.

MR. SPEAKER: Thank you, Mr. Gargan. Members have heard the report of the chairman of the committee of the whole. Are you agreed?

SOME HON. MEMBERS: Agreed.

---Carried

MR. SPEAKER: Thank you. Are there any announcements from the floor? Mr. Clerk, announcements and orders of the day.

CLERK OF THE HOUSE (Mr. Hamilton): Announcements, Mr. Speaker. There will be a caucus meeting tomorrow morning at 9:30 a.m.

ITEM 17: ORDERS OF THE DAY

Orders of the day for Tuesday, February 12th at 1:00 p.m.

1. Prayer
2. Members' Replies
3. Ministers' Statements
4. Oral Questions
5. Written Questions
6. Returns
7. Petitions
8. Reports of Standing and Special Committees
9. Tabling of Documents
10. Notices of Motion
11. Notices of Motion for First Reading of Bills
12. Motions
13. First Reading of Bills
14. Second Reading of Bills

15. Consideration in Committee of the Whole of Bills and Other Matters: Bill 7-85(1); Bill 3-85(1)

16. Report of Committee of the Whole

17. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until Tuesday, February 12th at 1:00 p.m.

---ADJOURNMENT

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