

**LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
7TH COUNCIL, 51ST SESSION**

TABLED DOCUMENT NO. 6-51

TABLED ON JANUARY 23, 1974



Tabled Document #6-51
Tabled January 23, 1974

TD #6-51(1974)

COUNCIL OF THE NORTHWEST TERRITORIES
CANADA

REPORT OF THE STANDING
COMMITTEE ON FINANCE TO THE
51ST SESSION OF THE N.W.T. COUNCIL

23 JANUARY, 1974

REPORT OF THE STANDING
COMMITTEE ON FINANCE TO THE
51ST SESSION OF THE N.W.T. COUNCIL

A. PREAMBLE

(1) Membership of Committee

Following are the members of the Standing Committee on Finance:

- (a) David H. Searle - Chairman
- (b) Willie Adams
- (c) Paul W. Kaeser
- (d) John H. Parker
- (e) Bryan Pearson
- (f) Lyle Trimble

(2) Committee Meetings

In 1973 the Finance Committee met from March 6 to March 9, to discuss the 1974-75 Financial Forecasts and on June 12 and June 13 to review the 1973-74 Supplementary Estimates No. 1. These meetings were reported to the June Council in the Report of the Standing Committee on Finance dated May 29, 1973. From November 13 to November 16 the Committee met to discuss the 1974-75 Territorial Estimates. As well, to approve their report and to review 1973-74 Supplementary Estimates No. 2 the Committee further met on January 22, 1974.

(3) Recommendations (November 1973 Meetings)

1. This Committee has recommended in the past that the Department of National Health and Welfare transfer to the Territorial Government the funding, staff and responsibility for the provision of health services to the people of the Northwest Territories. To date, no action has occurred in this direction. However, the Committee expressed concern regarding escalating medical services and Councillor Searle recommended that, as a start, estimates for the Northern Region for the Department of National Health and Welfare be obtained in advance so that the Committee could review planned locations of the new medical facilities in the Territories at the time of the Territorial Estimates review.

2. The Committee also recommended that the Executive once again approach Ottawa requesting a bridge over the Mackenzie River at Fort Providence. This matter is of utmost importance considering the recent experiences with firstly, the Merve Hardie ferry boat; and secondly, the winter ice bridge.
3. During Committee discussions on the Department of Education, Councillor Searle requested that the Department prepare, if possible, a paper for the January Session of Council on the future of the Adult Vocational Training Centre in Fort Smith, outlining the future requirements for funding and the programs proposed for the training centre.
4. The Committee, in response to Councillor Butter's request for extraordinary funding for the Town of Inuvik, requested the Department of Local Government to present a paper as early as possible in the new year seeking Treasury Board approval for such funding. The Committee was in agreement that Inuvik must be prepared to pick up a reasonable amount of debt as their investment in their own future.
5. Recreation was again considered as a major issue. The Committee requested the Department of Local Government to do a thorough study into all aspects of recreation and to present a Policy Paper on the subject, hopefully for the January Session but, in any event, no later than the June Session.
6. The question of Employee Accommodation received much discussion and in summing up the Committee requested that a Policy Paper be prepared for the June Session of Council on the subject and that it contain some avenue for employees to purchase housing from the Government at a fair market value.
7. During a discussion on Revenues, it was agreed that new avenues of taxation must be looked into. In this regard, the Committee requested the Department of Administration to prepare a comparison table for the January Session of Council listing the rates of taxation charged by the Territories and similar taxes charged by the provinces.
8. The Committee again brought up the matter of an independent Territorial Auditor. After much discussion,

it was agreed that the Deputy Commissioner would have a report by June outlining the alternatives available to the Territorial Government in setting up an independent Territorial Auditor.

B. FORMAT OF MAIN ESTIMATES - 1974-75

Major format revisions to the Territorial Estimates appeared in 1973-74. For 1974-75 the same format has been followed with only a few minor changes.

C. DEPARTMENTAL REVIEW

(1) Executive

Two large capital items were approved; the relocation of the Government offices to Rankin Inlet at a cost of \$1.6 million and the relocation of the townsite at Resolute Bay for a cost of \$1.6 million. The total cost for the Resolute project is anticipated to be \$3 million.

In O and M an amount of \$75,000 has been budgeted for the Fort Smith Centennial Grant. This amount based on \$30 per capita is to be considered an informal policy and a similar per capita grant could be made available in future to communities celebrating their centennial year. Three additional positions were approved including a Security Officer, an Indian representative and a Secretary to the Director General, Ottawa Bureau.

A new Activity, the N.W.T. Housing Corporation, is shown in 1974-75 for the first time under the Executive Program. The Corporation reports to its own Board of Directors and only deficit funding for both O and M and Capital is shown under this Activity.

(2) Department of Information

An overall increase in the operating costs of this Department may be noted. The major portion of this increase is due to the Interpreter Corps being fully operational.

(3) Department of the Executive Secretariat

Under the Capital portion of the Secretariat's budget an amount of \$650,000 was allowed for museums. Of this figure, \$550,000 will be spent on the Yellowknife Museum and a large portion of the remaining \$100,000 will go to Fort Smith for its museum. An additional \$1,000,000 will be required in 1975-76 to complete the Yellowknife Museum.

The increase in operating expenditures is due largely because of the addition of the new Science Division and the operation of a Government Library in the Yellowknife Headquarters.

(4) Department of Local Government

Capital funding rose substantially over 1973-74, the major portions of this increase reflecting the partial acceptance of the water/sanitation policy and a substantial increase in the equipment budget. The Territorial Government received \$4,000,000 for water/sanitation projects for 1974-75 and Capital funds for equipment rose to \$820,000.

In O and M an increase in staff and salaries were noted in the Administration Activity. This increase reflected the move of all field staff into the activity resulting from the reorganization of the Department. The large increase shown in the Municipal Division also reflects the departmental reorganization. The majority of this increase is a result of transfers from the newly formed Research and Development Activity (formerly development division).

The balance of the position increases in the Department is due mainly to the increased training positions in the Employment Division.

(5) Department of Public Works

In capital an overall decrease in the department was noted. Two items were noted and discussed in detail. These were a storage garage in Fort Smith for \$80,000 and \$144,000 shown as miscellaneous and unforeseen. Noting that the storage garage was for the Highways Activity and as such should be funded outside of the Financial Agreement, it was deleted from the Main Estimates. The miscellaneous item was explained as being required for the repair of damage done to Government buildings throughout the N.W.T., most of this damage as a result of vandalism.

In reviewing the O and M portion the Committee noted an increase of 89 positions over 1973-74. The largest increase will be noted in the Highways Activity where there is an increase of 56 positions. This was explained to be the result of the creation of seasonal positions offsetting former casual positions and the transfer of 11 ferry positions from the Executive. Other increases were noted in the repair and upkeep of buildings and works and the repair and upkeep of equipment. These increases were the result of trying to "catch up" with the increased activity in Government buildings and an analysis on spending on equipment showing a need for an increase.

(6) Department of Social Development

In capital the Committee reviewed the \$143,900 requested for the corrections program. We were advised that the corrections camp was to be relocated in Hay River in 1974-75. In the Medical Social Services Activity the Committee did not approve the \$5,500 for the purchase of a vehicle at the Rankin Inlet Medical Centre suggesting that taxi services be utilized. This \$5,500 was put back to provide furnishings for the Half-Way House proposed for the Fort Smith Region.

In U and M a significant increase of almost \$300,000 was noted in the Alcohol Education Program. This was mainly due to the direction of Territorial Council who had indicated their concern at the lack of effective programs to combat alcohol abuse. A new Activity, Community Social Services may be noted. This new program will fund social services in communities such as day care centres, etc.

Health

During the review of the estimates for the Health Program your Committee recommended that the Administration take the required steps to obtain the estimates for the Northern Region of the Department of National Health and Welfare to allow for a yearly review by the Committee of the planned locations of new medical facilities to be funded by the Federal Department.

The Committee also expressed its concern over the rapidly escalating costs of medical service delivery in the North.

(7) Department of Administration

The Capital requirements for the Department increased by \$4,000,000 over 1973-74. The largest portion of this increase was for the replacement of the Butler staff units in Frobisher Bay. Also an additional 69 units of staff housing will be required during 1974-75. The other large capital increases were in the Supply Services Activity where three new warehouses were planned, one in Resolute Bay, one in Rankin Inlet and one in Yellowknife.

The Committee discussed the provision of accommodation for Government staff and asked what plans the Territorial Government had for encouraging employees to move into their own housing. We were informed that the Executive was working on a proposal for employees to buy housing from the Government. After further discussion the Deputy Commissioner promised to present a policy to the June Session of Council on the whole matter of employee accommodation.

In O and M increases were noted in Systems and Computer Services, Supply Services and Personnel Services. Under the Systems and Computer Services Activity there was an increase of two positions and \$72,000 in the rentals and leases item. This increase was to cover the new computer which is a substantial improvement over the former installation.

In Supply Services an addition of eight P.O.L. control officers was noted. These positions were explained as being required to supervise the distribution of bulk fuel products in the Regions. The new distribution system has cut gas prices in half in the Eastern Arctic and the Committee applauded this.

In the Personnel Services Activity the major increase covered the increase in lease costs for employee accommodation.

(8) Department of Economic Development

In Capital the question of snowmobile purchases was raised and explained as being the most practical type of equipment for transporting game officers. In tourism your Committee made several changes to project funding. The day-use area, Frobisher Bay, was reduced from \$15,000 to \$10,000; the day-use area, Baker Lake was reduced from \$20,000 to \$5,000; the campground at Fort Wrigley reduced

\$15,000 to \$5,000 and the campground for Fort Norman was increased from \$10,000 to \$20,000. Campgrounds at Norman Wells, Fort Good Hope and Fort Liard were removed from the estimates and new projects were added. These were \$30,000 for improved boat launching facilities along the Ingraham Trail; \$20,000 for Tourist facilities at Pine Point and \$20,000 for a boat launching facility at Fort Smith.

Under the grants activity, two items were noted. \$15,000 is available to each Region to assist indigenous communities in providing tourist accommodation facilities and \$60,000 is available under Industry and Commerce for pilot projects for developing local production facilities in various locations.

In reviewing O and M, the Chairman of your Committee raised strong objections to the \$75,000 grant listed for payment to the Federation of Co-operatives. The Department was requested to make available to the Committee its original recommendation to Council approved in 1971. Under Game Management travel increases of \$169,000 were noted.

It was noted that a new Activity, the Research and Evaluation Division, was shown in 1974-75. Funding for this new Activity had previously been with the Administration Division.

(9) Department of Education

During the review of the Capital estimates of the Department of Education, the Committee made the following changes:

- (a) The \$200,000 for the addition to the Fort Simpson School was reduced to \$75,000.
- (b) The \$30,000 proposed for Rae Lakes was increased to \$45,000.
- (c) Under the Equipment Section a \$50,000 road grader for A.V.T.C. was removed from the estimates.

A sizeable increase in the estimates of this Department has been allowed for due to increases in the following areas:

- (a) Permanent salary funding has been increased to provide for the Classroom Assistants Program.
- (b) Increased travel costs reflect the new policy of transporting students home for Christmas.

- (c) Increases in the grants activity reflect the new policy of funding 100 per cent of the Capital costs of construction of new school facilities in school districts.

Your Committee also wishes to emphasize that it strongly recommends a change in the student hostel facility in Frobisher Bay. We recommend that the Administration seriously investigate the possibility of using a "group-home" approach to be staffed with native personnel.

Your Committee has also recommended that the Administration advise Council during this Session as to the future of the Vocational Training Centre in Fort Smith.

(10) Department of Public Services

Pursuant to the review of the estimates of the Department of Public Services, the Committee decided to delete two items shown in the estimates which we felt were not justified. Funds in the amount of \$135,000 each for a liquor storage warehouse in Hay River and a similar installation in Yellowknife. This reduced the Department's Capital estimates by \$270,000.

Under the O and M section of the estimates, your Committee questioned the need for the addition of another lawyer to the Department's staff.

D. SUPPLEMENTARY ESTIMATES

On January 22, 1974, your Committee met to consider the Supplementary Estimates which are to be placed before the January Session of Council. Their presentation before the Committee was approved.

All of which is respectfully submitted.

Standing Committee on Finance

per 

D.H. Searle, Chairman
22 January, 1974