

LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
7TH COUNCIL, 54TH SESSION

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COUNCIL OF THE NORTHWEST TERRITORIES
CANADA

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REPORT OF THE STANDING
COMMITTEE ON FINANCE TO THE
54TH SESSION OF THE N.W.T. COUNCIL

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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

Since my report to the 53rd Session of Council, the Standing Committee on Finance has to date held the following meetings:

November 5 to 8, 1974 - To review the 1975-76 Estimates for the Government of the Northwest Territories.

January 14, 1975 - To review the Supplementary Estimates #2 for 1974-75.

B. RECOMMENDATIONS

As you are aware, this report could be the last report of this type of N.W.T. Council Finance Committee, and it has been my privilege to serve as the first and perhaps only chairman of the Standing Committee on Finance, Council of the N.W.T.

During my term as Chairman of this Committee, I have noted with great interest the growth of the budget of the Territorial Government, and have seen as well the growing complexity of financial negotiations with the Federal Government. I will speak of this issue in Recommendation #1 of this report. Council members will be aware, from reading the Deputy Commissioner's covering letter which accompanied the 1975-76 Estimates, of the

tight money situation which faces the Territorial Government with its budget for the next year. Because of the lack of complete funding, I must regretfully state that I feel that this budget reflects not so much the feelings of this Council, but of:

- (a) the Federal Government, for they are the agency responsible for establishing the level of funding received, and
- (b) the Territorial Executive, for in the final analysis they selected those priorities that could be funded within (a) above.

Bearing the above comments in mind, I would now like to put forward the recommendations of the Standing Committee on Finance as they were noted at our meeting in November to review the Estimates at that time. Council should be aware, however, that since the Standing Committee reviewed the 1975-76 Estimates, an additional four million dollars has been removed from the budget because of the reduced level of funding made available by the Federal Government.

Following from our November meeting, your Committee wishes to put forward the following recommendation:

- (1) On November 5, 1974, this Committee was briefed by the Administration on progress made to date with the Federal Government on a system of formula financing. This Committee wishes to go on record as stating, *"THAT we strongly support this move and recommend that the Administration proceed with negotiations in this area with all possible speed."*

This Committee has consistently stated that it feels that too much time is spent on the part of members of the Territorial Executive in matters of financial negotiations. We see the move towards formula financing as a means of reducing the amount of time spent by members of the Executive on financial administration, thus allowing them to devote more time to planning programs and policies which will directly benefit the people of the Northwest Territories.

- (2) In reviewing the capital projects contained in the Estimates for 1975-76, this Committee expressed concern that the percentage of funds allocated for water/sewer projects did not fully reflect the vital concern of the Territorial Council in seeing these projects go forward. This Committee thus recommends, *"THAT the Administration do everything it can to ensure that a high priority is placed on water/sewer projects in the capital spending of the Territorial Government, and that the Minister of Indian and Northern Affairs be encouraged to support more ample funding in this vital area."*
- (3) Recognizing that many of the members of this Council are present for the last time as Territorial Council members, this Committee recommends, *"THAT Council meet with the new Minister of Indian and Northern Affairs, to engage with him in a frank discussion of matters affecting the people of the Northwest Territories and to make him aware of our views on these matters, in order that he might take advantage of the years of experience gained by members of this Council."*
- (4) In reviewing the new positions requested by the Territorial Administration for 1975-76, it was the recommendation of this Committee, *"THAT when these new positions are described and classified, consideration should be given to particularly identifying positions wherever possible as being designated for Native northerners."* It is felt that this recommendation should help to ensure that the Territorial Public Service becomes more representative of the Territorial population at large.
- (5) In reviewing the funding requested by the Administration for grants to organizations, it was the unanimous recommendation of this Committee, *"THAT in cases where an organization approaches the Territorial Administration for a grant whose programs and membership are not universal in scope, that that organization be requested to match with its own funds the grant given by the Territorial Government."*

It is the feeling of this Committee that if this policy is adopted by the Administration, it will ensure that grant funds disbursed by this Government will be directed more toward organizations which are philanthropic, charitable and volunteer in their organization and who serve all of the population of the N.W.T.

- (6) Recognizing that infectious hepatitis is again on the upsurge in the Northwest Territories, and that the water/sewer policy has not yet been fully funded by the Federal Government, this Committee strongly recommends, *"THAT the Administration study alternate forms of waste disposal other than the conventional "honey-bag" system."* This Committee also recognizes that there is a wide variance in the standards of sanitation maintained by various contractors in settlements across the N.W.T. The Committee recommends, *"THAT a set of standards be developed immediately by the Territorial Administration which will ensure that a safe degree of sanitation is maintained by contractors engaged in "honey-bag" disposal in settlements in the N.W.T."*
- (7) The Committee recommends, *"THAT the Territorial Administration produce a garaging policy for all settlements in the N.W.T."* This policy is required to co-ordinate garaging between the Department of Public Works and Local Government.
- (8) In reviewing the extremely high capital costs of school construction in the N.W.T., this Committee recommends, *"THAT more emphasis be given to the policy of this Council that school construction can only be justified if the school plant also serves as a community recreation and cultural centre."*
- (9) In reviewing the program of the Department of Education in providing higher education allowances to all students from the N.W.T. regardless of their financial position, this Committee recommends, *"THAT Council give direction to the Administration on making the higher education allowance to students more compatible with actual financial need."*

- (10) This Committee strongly recommends, "THAT the Territorial Administration give a high level of priority to the Development of adequate programs for female offenders in the Northwest Territories."
- (11) This Committee recommends, "THAT measures be taken as soon as possible to provide adequate facilities for elderly people requiring medical care in the Northwest Territories."

C. DEPARTMENTAL REVIEW

(1) Executive

The capital estimates for the Executive show a decrease from 1974-75 of \$2.5 million. This decrease reflects mainly the completion of the Rankin Inlet relocation project and the partial completion of the Resolute Bay project. There were no major increases noted in O & M. New positions were approved only in the N.W.T. Housing Corporation.

(2) Department of Information

There were no major increases noted in this department for 1975-76. Six new positions are shown in the Estimates; however, these positions are all for new Interpreter-Translators, as recommended by this Council.

(3) Department of the Executive Secretariat

A new activity is noted in this Department for 1975-76, the Special Project and Development Division. This division, which has a staff of four, has the responsibility for providing line-management and co-ordination of Territorial Government responsibilities in regard to major new developments. Apart from this, there are no other significant increases in this Department.

(4) Department of Local Government

It was noted that the capital funding for the Department of Local Government rose approximately \$1.1 million in 1975-76 over the 1974-75 level. This Committee again expressed its concern over the slowness of approval for the water/sewer policy, but gave its approval to the capital projects outlined in the Estimates for the Department of Local Government.

Under O & M it was noted that there is an increase here of almost \$2 million for this Department, with over 50% of this increase accounted for in the increase in contributions for municipal services.

Six new positions are shown in this Department for 1975-76.

(5) Department of Public Works

The increase in capital for Public Works for 1975-76 is due large ly to the 1/2 million dollars in the Highways Activity for replacement of highway maintenance equipment. In reviewing capital equipment for this Department, it was recommended that a paper should be prepared on the matter of standardization of all automotive and heavy equipment purchased for the Government of the Northwest Territories; and the advantages and disadvantages seen by the Department in this procedure.

A total of 32 new positions are shown in the estimates for Public Works for 1975-76, the majority of them coming in the Highways, and Repair and Upkeep of Buildings Activities.

(6) Department of Social Development

Capital expenditures for this Department will be down for 1975-76 by just over \$200,000. Operating expenditures are up over \$2,000,000, with the bulk of this increase coming in increased expenditures for social assistance. There is no net change in positions for this Department in 1975-76.

(7) Department of Administration

Under the capital expenditures for the Department of Administration it was noted that capital funding is down approximately \$1.2 million from the 1974-75 level, and this decrease is reflected mainly in decreased spending on employee accommodation. With respect to employee accommodation, this Committee again requested that the Administration come forward with a policy outlining the Administration's plans to withdraw from supplying accommodation to employees of the Territorial Government in large centres.

O & M increases of over \$5,000,000 are due to the transfer of the P.O.L. heating costs to the Supply Services Division, Department of Administration.

19 new positions appear in the Department of Administration for 1975-76, 15 of which are in the Personnel Services Division. Several of these positions, however, are transfers from other Departments.

(8) Department of Economic Development

Under Capital expenditures for this Department for 1975-76, funding is down slightly from the 1974-75 level. There is an increase of two positions over 1974-75; however, this is offset by a reduction in two casual man-years.

Under O & M expenditures, funding is up slightly over \$1,000,000 for 1974-75, and this is attributable to a \$654,000 increase in materials and supplies in the Industry and Commerce Division, and major increases in casual wages and grants.

(9) Department of Education

Capital expenditures for 1975-76 are down 1/2 million dollars from 1974-75, reflecting a reduction in the level of major school projects being undertaken.

O & M expenditures are up approximately \$5.5 million, and of this amount, \$4.2 million is attributable to increased salary costs. The majority of this increase in salary costs is due to increased salaries for teachers, and 17 new positions are also included in the Estimates for 1975-76. During this Committee's review of the Education estimates for 1975-76, the Director of Education advised us that it is the goal of his Department to have 50% of the teaching force in the N.W.T. of native origin in ten years.

(10) Department of Public Services

Capital expenditures for the Department of Public Services are up only \$41,000 in 1975-76 over 1974-75.

O & M expenditures are up \$700,000 and this increase is reflected mainly in an increase in the Police Services Agreement which will come into effect in 1975-76. The Department is requesting a total of four new continuing positions in the 1975-76 Estimates. During the review of new positions

requested by the Department of Public Services, this Committee recommended to the Commissioner that three positions presented to the Committee be deleted from the 1975-76 Estimates, namely a Labour Standards Supervisor, a Clerk IV and a Clerk-Steno. This recommendation was accepted, and is reflected in the estimates placed before Council.

(11) Health

Under the capital portion of the Health activity, it was noted that capital expenditures are increased by \$235,000 over the 1974-75 level. These funds are all to provide for the N.W.T. share of facilities to be built by Northern Health Services. O & M expenditures are increased approximately \$3.3 million over 1974-75. This increase falls mainly in the T.H.I.S. Activity, which pays hospital costs for residents of the N.W.T. This Committee was pleased to learn during our review of the estimates for the Health Activity that a Committee has now been set up with the Department of National Health & Welfare and the Territorial Government to allow input by the Territorial Government into planning for health facilities being placed by the Department of National Health & Welfare in the Northwest Territories.

D. SUPPLEMENTARY ESTIMATES

On January 14, 1975, your Committee met to consider the Supplementary Estimates No. 2, 1974-75. Their presentation to this Council was approved.

E. CLOSING REMARKS

In closing I would like to reiterate some remarks which I made to the 50th Session of Council in my interim report of the Provincial-Type Responsibilities Committee. These remarks dealt with the inadequacy of the present financial system in giving this Council input into the financial cycle. The remarks which I made then are, I believe, still pertinent and I would like to take this opportunity of drawing your attention to them again. I quote:

There are two basic philosophical policy positions of the Government of Canada enunciated by the Minister on the 10th of November, 1969, in his


White Paper statement on the Development of Government in the Northwest Territories which are totally unacceptable to the Committee, and which reads as follows:

- " (1) In the first place, I firmly believe that at this time and for the foreseeable future, the granting of provincial status to either Territory is not a realistic alternative.
- (2) I further believe that the Federal Government should continue to manage and develop the natural resources of the North for the benefit of both northern residents and all Canadians."

The foregoing two basic policy positions leave no doubt about the position of the Government of Canada as to what we in the Northwest Territories may expect for the foreseeable future. Your Committee suggests that everything possible must be done to cause these policies to be changed for without that, our northern colonial government will continue.

All of which is respectfully submitted.

Standing Committee on Finance

per 
D. H. Searle, Chairman