



GNWT'S RESPONSE TO THE REPORT ON PRE-BUDGET CONSULTATION

JANUARY 2007

INTRODUCTION

I am very pleased to table the Government of the Northwest Territories' (GNWT) response to the Legislative Assembly's Standing Committee on Accountability and Oversight Committee's Report on the Pre-Budget Consultation. Each year the pre-budget consultation process provides an opportunity for individual Northerners, community and Aboriginal governments and other Northern organizations to provide their views on the programs and services offered by the GNWT. The contributions made by residents from throughout the Territory provide an excellent perspective on the current government activities as well as suggesting key priorities for the future.

This year's report by the Standing Committee, demonstrates the Legislative Assembly's continuing commitment to listen and respond to interests expressed by members of the public. I am pleased to note that, in many of the areas identified as being priorities, this Government is taking action to strengthen programs and expand services. It is important that we continue to focus on improving activities in a manner that will benefit all Northerners.

The Pre-budget consultation process provides an opportunity for legislators to hear directly from residents. It is an important part of our budgeting process and provides a chance for us to measure the results of the work of the Legislative Assembly.



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GNWT'S RESPONSE TO THE REPORT ON PRE-BUDGET CONSULTATION

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I. COST OF LIVING

- ◆ **Housing: Concerns over the impact that the lack of adequate, affordable housing is having in the NWT. The high cost of housing and limited availability is preventing individuals seeking employment in the north from taking up residence here. Employers are having difficulty in recruiting qualified people.**
- ◆ **Shortage of Land: Continue to resolve land claims and free up more land for housing.**

GNWT Response: Municipal and Community Affairs (MACA) and the Northwest Territories Housing Corporation (NWTTC) are working on the Affordable Housing Strategy. MACA and the NWTTC, in consultation with community governments and Aboriginal groups, are working towards identifying and making available land, suitable for residential development, available to meet the delivery targets of the Affordable Housing Strategy.

These consultative efforts will also serve to lay the ground work for housing/lot development requirements to address future anticipated needs through normal growth and potential other housing projects.

- ◆ **Housing Programs: Current housing initiatives do not seem to be meeting the requirements of the communities; quality is lacking, and contractors are not living up to their obligations.**

GNWT Response: The NWTTC has completed a detailed review of the current subsidized housing programs. This work was completed by a Working Group with representation from each district office covering all regions in the NWT. As a result, the NWTTC has completed a consolidation of homeownership programs from 14 programs to 4. The programs are flexible and progressive, providing a path for both prospective and existing homeowners to follow. Other key features include standardization and consistency of program requirements, expanded eligibility criteria, increased transparency of process and understanding of decisions.

Technical Issues: In June 2006, in response to the increased demand for services, the NWTTC received approval to hire one additional technical person for each district office, and one mechanical technical person for the head office. The NWTTC completes inspections during building construction for compliance with the National Building Code, NWTTC policies, and the contract documents. Inspections are completed at every major stage of construction.

In early 2007 the NWTTC will launch a new educational program for housing clients called STEP (Solutions to Educate People). This **program provided** education to housing clients in financial skills and home maintenance and repair.

- ◆ **NWTHC Mandate: Key stakeholders need to be included in the development of the NWTHC mandate, including seniors.**

GNWT Response: The NWTHC, together with the Department of the Executive and the Financial Management Board Secretariat (FMBS), completed a territory-wide consultation on the NWTHC Mandate in May 2006. Public meetings were held in a number of communities, on-line consultation methods were utilized, and advertising in print media provided an opportunity for all residents to provide their input.

The NWTHC met with members of the NWT Seniors Society on September 8, 2006 and the Minister and President of the NWTHC attended the Society's AGM on September 21, 2006.

- ◆ **Seniors' Housing: Current programs create a gap between seniors who own their own homes, and those in public housing; need clearer, principled, sustainable, equitable, well publicized policies and programs.**

GNWT Response: This issue is being examined as part of the broader Income Security Reform initiative. The current direction of the initiative is to create a separate needs-tested program that recognizes the unique long-term nature of lower income seniors accessing the programs.

- ◆ **New Rent Scales: The new rent scales provide a disincentive for people to go to work.**

GNWT Response: During the 5th Session of the 15th Assembly, motions were passed calling on the GNWT to revisit public housing administration and rents. The Ministers Responsible for NWTHC and Education, Culture and Employment (ECE) have directed the ECE/NWTHC Task Team on Public Housing to assess these motions and report their findings to AOC.

- ◆ **Household Operating Costs: More needs to be done to educate public housing clients on their responsibilities as homeowners or tenants, household budgeting, preventive maintenance and repairs.**

GNWT Response: Solutions To Educate People (STEP), the Housing Corporation's new education program, provides applicants for homeownership programs with education and counseling assistance. STEP consists of four courses designed to prepare applicants for the requirements of homeownership. STEP aims to increase homeownership clients' financial skills, as well as their knowledge of the home purchase process and of basic home maintenance repair.

The STEP program will also be made available to residents of the NWT even though they are not clients or potential clients of the Housing Corporation.

- ◆ **Recommendations were made to address inefficiencies due to improper maintenance, develop a program, with support from MACA, to assist local community governments stock commonly needed parts during the ice road season, so that supplies can be on hand when needed (eg. Furnace parts; hot water tanks; etc)**

GNWT Response: MACA is encouraging communities to better plan for the maintenance of their equipment and facilities including the cost-effective stockpiling of parts.

With assistance of funding received through the Municipal Rural Infrastructure Fund, MACA has added courses to the School of Community Government's curriculum in the area of Maintenance Management.

As part of the New Deal for NWT Community Governments, MACA will be working with communities to develop Capital Investment Plans that will include elements dedicated to preventing the high costs of deferred maintenance on capital projects.

2. ENERGY AND CONSERVATION

- ◆ **Education: Better promotion of existing programs about conservation and improving efficiency, especially in the smaller communities.**

GNWT Response Energy conservation and efficiency starts with individual actions. Environment & Natural Resources (ENR) is working with other GNWT departments and agencies to promote existing programs and provide individuals with the information they require to make wise energy-related decisions and investments. Examples of this include funding public education and awareness initiatives through the Arctic Energy Alliance and developing and information DVD entitled *Homeowners' Guide to Energy Savings* that will be made available to the public through local libraries, all municipal government offices and the Arctic Energy Alliance starting in November 2006.

- ◆ **Suggestions to make energy conservations and alternative energies more accessible and affordable:**

- ⇒ **A low interest financing program to retrofit houses and buildings (see specific recommendation by the Committee below)**

GNWT Response See responses to AOC Recommendation on energy efficiency loan program

- ⇒ **Subsidies and/or financing programs for people to address inefficiencies in their homes (eg; pellet stoves; low-energy appliances).**

GNWT Response See responses to AOC Recommendation on energy efficiency loan program.

- ⇒ **Pilot new technologies such as geothermal, and be a source of seed money and/or information for people who want to try out new technologies;**

GNWT Response Ground source heat pumps are being evaluated for use in the NWT but potential cost savings depend on both the temperature of the underground soils and the cost of electricity. The Arctic Energy Alliance is working with a private individual to assist and evaluate an installation in Yellowknife. Initial steps have also been taken in Fort Smith to install a ground source heat pump at the Aurora College.

Photo-voltaic (PV) panels have been installed in Inuvik, Hay River, Jean Marie River and Yellowknife in cooperation with the Power Corporation to evaluate the cost of this source of electricity when it is introduced into the community power grid. PV panels have already been demonstrated to be effective in off-grid locations when used to charge battery systems that can be backed up with diesel or gasoline generators. These systems are being installed in remote locations such as Territorial Park facilities.

ENR is working with the NWT HC to evaluate the cost effectiveness of solar hot water panels. Panels have been installed on homes in Hay River, Fort Resolution, Whati, N'dilo and Dettah and more are planned.

Wind energy has the greatest potential for alternative power production in the NWT. Monitoring equipment has been installed in Sachs Harbour, Paulatuk, Ulukhaktok, Tuktoyaktuk and Yellowknife to obtain the detailed wind measurements needed to select appropriate wind turbines for that location and develop business plans. Data will be coming available over the next year to inform business decisions on future use of this technology.

Information about the technologies described above is available to the public from ENR and Industry, Tourism and Investment (ITI). The Arctic Energy Alliance also provides the public and communities with information about new technologies and can help assess long term cost considerations.

The Energy Plan and the NWT Greenhouse Gas Strategy will provide further information about the GNWT's strategic approach towards these new technologies. Seed money is already available for community initiatives. Funding for individuals would be a new initiative. See response to AOC Recommendation on energy efficiency loan program.

⇒ **Use waste heat from diesel generators for public facilities;**

GNWT Response Residual heat from diesel plants is used for the Northwest Territories Power Corporation (NTPC) on-site heating needs. In Fort McPherson residual heat is recovered for a district heating system, supplying heat to the school, pump station, hamlet office and Tent & Canvas ship. In Inuvik and Fort Simpson, residual heat is used to heat the community water intake facilities. In Wha Ti, Public Works and Services (PWS) installed a heat exchanger and piping to heat the nearby school. Many of the feasible opportunities to economically use waste heat, due to proximity of the plant, have been pursued. Two of the main criteria for success are:

Customers need to pay the full avoided cost of diesel, at least until the investment is recovered; and

⇒ **Use excess power from Taltson hydro facility for heat in the South Slave:**

GNWT Response: A feasibility study to assess opportunities and calculate investment costs for conversion of some buildings in Fort Smith is nearing completion. The GNWT is hopeful that some buildings can be converted to electric heat, but the price for electricity will need to be set very low (in the \$0.01 to 0.02 per kilowatt hour range) for the first few years to justify the capital investment costs for heating conversion.

The opportunity to convert buildings to electrical heat is limited as there is an opportunity to sell much of the excess power produced at Taltson to NWT Diamond mines. As well, it should be noted that generally, electrical heating in the north is not cost effective. Electricity needs to be sold in the range of \$0.10 per kilowatt-hour in the order to be competitive with fossil fuels for heating.

- ⇒ **Lobby industry to build a refinery in the NWT to process northern hydrocarbons and reduce the cost of the products to local residents and businesses by eliminating the need to transport them back from the south;**

GNWT Response: Although mini-refinery technology does exist, pre-feasibility analysis indicates that production costs would increase on a per barrel basis. Norman Wells is the only field in the NWT with sufficient crude oil for refining. Small-scale refining does not appear to be feasible due to the toll structure of the Enbridge Pipeline and the lack of economics of scale. This is based on high level analysis and more detailed work by potential investors would be required to confirm this.

- ⇒ **Expand the Snare hydro facility to meet the demand in Yellowknife, and to make running ground thermal pumps for geothermal heating affordable;**

GNWT Response: NTPC has completed feasibility studies of future expansion of the Snare hydro system. Current projections indicate that Yellowknife will need this power starting in 2015. This schedule would accelerate with the addition of larger load customers from new industrial development in the area.

Installing ground source heat pumps in Yellowknife could also increase demand and trigger an earlier expansion of the Snare system but electricity charges for heating would need to be subsidized to be competitive with current prices of heating oil (as discussed above).

- ⇒ **NTPC needs to complete its interconnection standards as directed, so that alternative energy systems can tie into the grid;**

GNWT Response: NTPC will be filing interconnection guidelines, completed in consultation with Northland Utilities Ltd., as part of its General Rate Application scheduled for submission to the Public Utilities Board in November.

- ⇒ **Incentives to builders for more energy-efficient housing and/or encourage municipal governments to adopt a building code standard such as EGH80;**

GNWT Response: EnerGuide for Housing (EGH) programs have been delivered by the Arctic Energy Alliance for a number of years. The EGH Retro-fit Incentive encourages energy efficiency upgrades in existing homes. EGH for New Homes can be used to evaluate the energy performance of designs before construction starts. A basic EGH evaluation of existing homes can assist buyers identify long term operating costs before they make purchasing decisions. These are similar programs available for commercial building that are delivered by the Alliance.

EGH80 could provide a benchmark for energy efficiency in new houses although there are other standards such as R-2000 that should also be considered. The GNWT is currently participating in national discussions about updating and maintaining relevant codes and standards. The GNWT will work with municipal governments to help them adopt appropriate energy efficiency standards for buildings.

- ⇒ **Utilize new technologies, such as wood pellet boilers, for the GNWT's own infrastructure, which, by creating a market for the product, would in turn help to make the technology affordable for local residents and businesses.**

GNWT Response: Wood pellet boilers have been installed at the North Slave Correctional Facility and will be tested over the coming winter heating season.

- ⇒ **The Standing Committee on Accountability and Oversight recommends the government bring forward as soon as possible a proposal for an energy efficiency loan program to provide interest-free loans on a nonmeans-tested basis, to assist homeowners to finance upgrades aimed at reducing their energy consumption costs, including, but not limited to: woodstoves, pellet stoves, high efficiency oil heaters, solar panels, improved insulation and siding, and more energy-efficient windows.**

GNWT Response: ITI, in partnership with the Arctic Energy Alliance, is examining options for energy efficiency loan programs to assist homeowners. With regard to efficiency loan programs:

- * The issue of means testing needs to be evaluated in terms of potential program take-up, complexity and costs.
- * Two separate delivery mechanisms for targeting remote communities and regional centres are likely necessary, which will increase complexity and cost.

If feasible, new funding and resources will need to be identified to administer such a program.

3. FOOD AND NECESSITIES

- ◆ **Food Costs:** High fuel costs are driving food costs higher, and increasing the cost of harvesting own food. There is a need to do a better job in encouraging competition in communities to ensure prices are competitive.
- ◆ **Agriculture:** The NWT is missing opportunities to produce more food in the NWT to meet our needs and reduce costs. The GNWT needs to do more to support the NWT agricultural industry.

GNWT Response: The agriculture sector today has direct access to Federal/Territorial programs aimed at developing and expanding agriculture opportunities in all communities in the NWT. Programs are cost shared on a 60:40 basis (Federal/Territorial). Funding programs are separate from those provided to the Territorial Farmers Association. Initiatives have been implemented or are being planned in 17 communities, not including the musk-ox export program on Banks Island. These programs have capacity to consider proposals from additional communities. Programs have been in place for three years and are due to expire in 2008. Negotiations are underway for a 2nd generation of programs.

The agriculture sector in the NWT has access to egg marketing quotas. A reserve allocation of quota has been set aside for new producers. There has been no demand for this quota.

- ◆ **High costs for specialized necessities that are low-demand, such as vehicles with hand controls. It's difficult to get repairs for things like hearing aids and wheelchairs in smaller communities.**

GNWT Response: The Department provides Supplementary Benefits in excess of \$7 Million and has been increasing significantly. Benefits cover a wide range of items including drugs and medical supplies. As is common with other jurisdictions not all items individuals require are covered by the programs. The Federal Government's NIHB program covers these benefits for Status Indians and Inuit. Every effort is made to assist people with repairs to devices such as hearing aids, but it does require the items to be shipped out for repair, which can be an inconvenience for individuals.

4. TRANSPORTATION

- ◆ **Infrastructure: There is support for transportation infrastructure to lower costs, including:**

- ⇒ **Mackenzie Valley Highway**
- ⇒ **Deh Cho Bridge (provided the Feds pay their share)**
- ⇒ **Tuktoyaktuk to Inuvik Highway**
- ⇒ **Chip-sealing the highway between Fort Liard and BC; and the highway to Fort Smith**
- ⇒ **A direct road from YK to Wekweètì, once the Colomac Mine cleanup is complete and the winter road is no longer needed for that.**

GNWT Response: The Department of Transportation (DOT) takes the position that the availability and standard of transportation infrastructure has a significant impact on the cost for goods and services consumed by NWT residents. DOT has many initiatives that address the cost of living Highlights of these follow:

- ⇒ **Mackenzie Valley Highway**

Over a period of six fiscal years beginning in 2003/04 and running until 2008/09, the Federal Government and GNWT have or will under the auspices of the Canadian Strategic Infrastructure Fund (CSIF) directed a total of over \$41 million to Mackenzie Valley highway improvements. This funding has helped the DOT to construct various Mackenzie Valley Winter Road bridges, grade improvements, and design work for the new Bear River Bridge. These improvements will extend the operating season for the winter road and related opportunities for cheaper surface transportation resupply.

- ⇒ **Connecting Canada: Coast to Coast to Coast** is a proposal submitted to the Federal Government to construct an all-weather road through the Mackenzie Valley to the Arctic Ocean including an all-weather road from Inuvik to Tuktoyaktuk, permanent bridges across the Mackenzie and Liard Rivers, and the extension of the Mackenzie Highway from Wrigley to the Dempster.

- ⇒ **Deh Cho Bridge**

DOT continues to work with the Deh Cho Bridge Corporation in a public-private partnership towards the construction of the first highway bridge over the Mackenzie River at Fort Providence. This bridge will eliminate the current delays now experienced with ferry and ice bridge operations and reduce inventory and storage costs for consumer goods destined to Yellowknife and beyond by air.

Due to a dramatic cost escalation in the past several years, a federal contribution of up to \$50 million is required to allow this project to proceed. A response from the federal government is expected late in 2006 or early in 2007.

⇒ **Tuktoyaktuk to Inuvik Highway**

In addition to the **Connecting Canada: Coast to Coast to Coast funding proposal** the Department has also submitted the **Corridors for Canada II** proposal to the federal government. **Corridors for Canada II** includes a request for \$15 million to fund the first stage (22 km) of this road from Tuktoyaktuk to Gravel Source 177.

The Department will be meeting with the Community of Tuktoyaktuk in November 2006 to discuss next steps to further this project.

⇒ **Chip Sealing Hwy 7 and Hwy 5**

Both of these projects are fully dependant on improving the sub-structure of the current highways. Engineering studies conclude there is no value to chip sealing a road that is not fully capable of taking the surface treatment. Doing so could exacerbate surface distress making the highway less safe (many more problems) and causing maintenance impacts/issues that the department is not funded to cope with. The much better solution is to build up the structure of the roadway in order to take a dust control application and keep the maintenance to a manageable level both in costs and ability.

Reconstruction of additional sections of both Highway 5 and Highway 7 has been included as proposed projects in the **Corridors for Canada II** proposal. It is hoped that the new Highways and Border Infrastructure Fund (HBIF) and the renewal of CSIF, highlighted during the recent federal budget announcement will provide funding opportunities for **Corridors for Canada II**. As details on the new infrastructure funding such as allocations to jurisdictions and eligibility criteria are not available yet, confirmation that they could apply is unclear at this time.

⇒ **Tlicho Roads**

The GNWT is working with INAC and other partners to expand the winter road season to Wekweèti. A longer winter road season will increase cheaper surface transportation resupply opportunities for residents. The Department is also currently working on a more detailed study of the options for future winter road realignment and all-weather road options, titled the Tlicho Corridor Options Study.

- ◆ **Conservation: suggestion to promote smaller vehicles, hybrid taxis, and active transportation such as walking and biking, in Yellowknife.**

GNWT Response: MACA administers a variety of programs that support physical activity. MACA in collaboration with HSS & ECE, administers the Get Active (summer and winter) campaigns to encourage physical activity among community residents.

MACA is also supporting a trail development project (\$550,000 over two fiscal years) by the NWT Recreation and Parks Association for the development of community recreational trails.

Community governments can use Gas Tax Revenue Sharing funding from Canada to support active transportation initiatives designed to reduce vehicle usage in communities (e.g. sidewalks, walking trails).

All communities are required to complete Integrated Community Sustainability Plans, as a condition of Gas Tax funding, and active transportation considerations will be addressed in the planning template.

TRANSPORTATION (Conservation)

To help foster greater energy efficiency, the Department of Transportation is committed to promoting a culture of conservation. The Department will support the GNWT Energy Coordination Committee (ECC) working group and the continuation of the energy conservation action plan. A variety of initiatives including use of "smart cars", hybrid vehicles among others are being tested/considered to reduce energy consumption in the Department and to assist the public and commercial sectors with energy conservation measures.

The Department is also developing an Environmental Strategy that will also address energy conservation and active transportation initiatives in and outside of the department.

5. CHILDCARE

- ◆ **Childcare workers are severely underpaid; and there is a demand for childcare spaces. Specific suggestions made to address childcare:**
 - ⇒ **Increase start-up and operating grants, including increases for staff salaries;**
 - ⇒ **Do not tie funding to attendance, reduce delays in paying the subsidy, and raise the eligibility ceiling for the subsidy;**
 - ⇒ **Set targets for the creation of new spaces; an initiative to improve access required, including allowing day homes in public housing and establishing a capital grants program for communities where no infrastructure is available;**
 - ⇒ **Provide support for staff to attend education and training opportunities, including funding for temporary replacements;**
 - ⇒ **Look at the need for childcare during irregular hours, and resources required to meet this need;**
 - ⇒ **Support an NWT Child Care Association; and**
 - ⇒ **Review the childcare program, including an assessment of the impact of lack of access on women leaving education and employment.**

GNWT Response: The GNWT agrees that early childhood is a critical time for building a foundation for healthy development and learning. Supporting community-based programs to identify and address local early childhood needs continues to be a priority.

1. The pay level for day care workers is an issue across Canada. A 2002, national study found that the average wage of a child care worker in the NWT was \$14/hr., the highest in Canada along with Ontario.

In April 2002, The operational subsidy for licensed child care providers was increased by 60%. This was, in part, to allow providers to increase wages to workers. Any established rate would need to consider occupational qualifications.

2. Attendance is used to verify the number of children participating in each program. There is no reduction in the provider subsidy paid for absences of up to five days or longer with documented medical reasons.
3. ECE currently funds 1638 childcare spaces (as of September 2006) and its 2007-10 Business Plan is targeting an increase in the percentage of children age birth to six years who are in a regulated childcare program.

The creation of quality daycare spaces is also a national priority. The federal government announced a Child Care Space Initiative of \$250 Million starting April 2007. It is not yet known how the program will impact the North. A 2002 study found that the NWT had a higher percentage children in regulated child care (24%) than the Canada-wide percentage of 15%.

4. Training is essential to the success of quality early learning and child care programming. There are currently 72 child care workers enrolled in the 13-course Early Childhood Education Certificate Program administered by Aurora College. Three to four courses are offered each year and in 1006-07 four courses were provided by teleconference making them accessible to every community. In 2006-07, two students completed the certificate program.
5. Current programs provide support for after-school, evening and summer child care for parents who work shift work or for students studying at post-secondary institutions and/or working part-time.
6. ECE would consider support such an association once it is formed if it was identified as a priority by child care program operators.
7. In 2006-07, ECE is budgeting \$4.68 Million for ongoing Early Childhood Development programs. In addition, ECE is allocating \$941,000 from the trust fund established by the federal government for subsidies to language nests, one-time capital improvements and staff training.

This Government is committed to negotiating with the federal government toward achieving equitable funding for the Northwest Territories that will allow us to enhance current early childhood programming. However, regardless of the outcome of these negotiations, the Department is developing options for improving child care and will share this information once complete. The impact of access to childcare on women leaving education and employment will be considered.

6. TAXATION

- ◆ **Support for the GNWT to lobby the Feds to eliminate the GST in the 3 territories; and to increase the northern residency deduction.**
- ◆ **Committee members look forward to an update on current efforts by the GNWT to make the case to the federal government to increase the northern residency deduction.**

GNWT Response:

Goods and Services Tax

The federal GST applies to most goods and services sold in Canada. The tax was reduced on July 1, 2006 from 7 to 6 per cent. Purchasers pay GST on most purchases, but most businesses are eligible for a full input tax credit for what they pay in GST. Some goods and services, such as most groceries, prescription drugs, medical devices, and financial services, are exempt. However, no regional exemptions exist. It is unlikely that the federal government would consider a regional exemption from GST and therefore it may be more productive to pursue initiatives with Canada such as support for infrastructure that will help lower the cost of living to northerners by lowering transportation or energy costs.

Northern Residents Deduction(NRD)

The GNWT supports an increase in the federal NRD, which has not been increased since it was introduced in 1987. The GNWT has begun discussions with other affected provinces and territories in order to gain support in lobbying the federal government to increase this personal income tax measure, which specifically targets residents in remote northern areas. Once this provincial/territorial support is confirmed, the GNWT will lead a concerted effort to see this change implemented. It should be noted that such a change will impact GNWT personal income tax revenues, which can be expected to decline by \$1 million for every \$1,000 increase in the Northern Residents Deduction.

7. INCOME TAX REVIEW

- ◆ **Although there was general support with level of consultation provide, many organizations would like an update on the status of the review due to an increased level of anxiety over potential program cuts.**

GNWT Response: Income security issues, including those identified by Alternatives North and the Council for Persons with Disability, are being examined as part of the broader Income Security Reform initiative. The Department will update organizations on the status of the review as information become available.

- ◆ **Specific recommendations were made by Alternatives North:**
 - ⇒ **stop the claw back of the national child tax benefit and maintenance payments;**
 - ⇒ **increase amounts for food, personal household items, transportation, telephone and school activities;**
 - ⇒ **gradually decrease benefits with increased income, but do not make a blanket statement that people who work are better off than those receiving income security;**
 - ⇒ **develop a poverty reduction strategy.**
- ◆ **Specific recommendations from the NWT Council for Persons with Disabilities:**
 - ⇒ **Create a separate stream for persons with disabilities, apart from the general income assistance stream, as their reasons for requiring support are different and are not transient, and productive choices will not lead them back to employment. (possibly group with seniors).**
 - ⇒ **Remove the funding to assist parents of children with disabilities from under the Child and Family Services Act regime. Parents object to having to sign a Voluntary Service Agreement with child protection services in order to receive this assistance.**

GNWT Response:

- A. ECE is currently calculating the overall cost of options to better address the basic needs of Northerners and intends to complete work on a poverty reduction strategy in the new year.
- B. The current direction of the Income Security initiative is to create a separate needs tested program that recognizes the unique nature of lower income people with disabilities.

8. FUTURE TRENDS: INCREASED COST OF LIVING PRESSURES WILL CONTINUE AS A RESULT OF RESOURCE DEVELOPMENT, AND CLIMATE CHANGE.

- ◆ **Resource Development –need a strategy and programs to address the separation between haves and have-nots in impacted communities; including:**
 - ⇒ **increase minimum wage, and Income security rates**
 - ⇒ **more public/cooperative housing;**
 - ⇒ **document poverty in the NWT as the economy grows;**
 - ⇒ **put conditions on the pipeline, to ensure it benefits the North, or does not proceed.**

GNWT Response

ITI has been very active in negotiating a socio-economic agreement with the Proponents of the Mackenzie Gas Project. The GNWT has repeatedly expressed publicly that it supports the MGP, but only conditionally and that its conditions for support are clearly expressed in public review of the MGP as well in negotiations with the Proponent.

◆ **Climate Change**

- ⇒ **community concerns that eventually, winter roads will no longer be feasible;**
- ⇒ **less reliable air travel due to fog and conditions associated with warmer climates;**
- ⇒ **GNWT needs to prepare for the impacts that climate change will have on construction and transportation costs, which will in turn raise prices of basic necessities.**

GNWT Response:

Future Trends (Climate Change)

The Government of Canada and the Government of the Northwest Territories are undertaking a joint study of the effects of climate change on transportation in the Northwest Territories. The project, which began in early 2004 and will continue until March 2007, is the result of a partnership among Natural Resources Canada (NRCan), the Department of Transportation, Transport Canada and Environment Canada. The Department of Transportation will manage the project.

Researchers will assess the susceptibility of the existing road and runway infrastructure and related maintenance practices to potential climate changes in the NWT and will develop strategies to reduce the impacts. A best practices model will also be developed to ensure other northern communities will benefit from the results.

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The project will answer important questions about whether the current transportation system is capable of withstanding projected climate changes in the North and will help target high-risk areas. This assessment is an important step in ensuring a safe and reliable transportation system in the future.

A contract was awarded to a Yellowknife firm (Dillon Consulting Limited) in early September 2006 to complete this study.

9. SUPPORT FOR FRONT-LINE ORGANIZATIONS: COMMITTEE WAS DISAPPOINTED TO HEAR THAT ISSUES RAISED LAST YEAR HAVE NOT IMPROVED MUCH SINCE LAST YEAR.

- ◆ **NGOs still struggling with:**
 - ⇒ insufficient funding for projects, forced growth, wage parity and training, and adequate support for staff;
 - ⇒ processes (and delays) associated with contribution agreements, funding proposals, and lack of multi-year funding arrangements.
- ◆ **Inadequate funding is creating safety issues, because staff/client ratios are too high; this results in inadequate supervision, poor case management, and stress on the staff.**
- ◆ **Recruiting and maintaining staff still an issue:**
 - ⇒ **Difficult to retain people, who find themselves focusing on fundraising rather than doing the job they were expecting to do;**
 - ⇒ **Valuable, successful programs are at risk, as coordinators are being lost to higher paying jobs (eg. Community Justice Committee Program)**

GNWT Response:

The Community Justice Division, Department of Justice has developed a Community Justice Revitalization Plan that provides for increased financial and administration support for community justice programming, which is delivered primarily through Community Justice Committees.

- ◆ **Committee feels that, while accountability is important, there is room for the GNWT to be more flexible in its expectations for accounting for funding.**

Example – NWT Seniors' Society must provide DHSS with a report by the end of June. Their auditor has advised NWT SS that it would cost 1/3 of what it costs during the peak period to create the report, if they did it in July/August. FMB said no, a rule is a rule; the report must be received within 90 days.

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- ◆ **Recommendation by Volunteer NWT, that the GNWT provide a standard 12% program and project administration fee, to ensure the group has trained staff to meet the reporting requirements.**

GNWT Response: MACA and FMBS are leading an interdepartmental review of this and other recommendations contained in Volunteer NWT's recent report on funding policies for the voluntary sector.

- ◆ **Concerned about lack of current information on funding policy development; lack of opportunities to participate in policy and program development; and failure to listen to community input.**

NGOs want to participate in consultations, but unable to due to limited staff and resources.

GNWT Response: MACA routinely communicates and consults with NGO's to obtain input and recommendations on a wide range of policy and program related matters.

- ◆ **Volunteer NWT has discussed with the GNWT, forming a working group to resolve these issues, and GNWT response is receptive; however, GNWT wants to conduct an internal review before establishing the working group. Volunteer NWT urges the GNWT to set firm timelines for this, and keep these issues a priority.**

GNWT Response: The GNWT is currently working to establish a timeline and to proceed with this review.

- ◆ **Urged to act quickly to address the issues, and ensure the front-line workers continue to be a viable part of our society.**

10. GOVERNMENT OPERATIONS AND EFFICIENCY

◆ **Most widely mentioned concern: transfer of Social Housing Program to ECE; concerns include:**

- ⇒ **transfer has not rolled out smoothly at the community level;**
- ⇒ **It has created confusion and raised concerns, both for residents and local staff;**
- ⇒ **In communities without local income support workers, paperwork is sent to other communities for processing, rather than the local housing staff processing it.**

GNWT Response: It is still quite early (seven months) into the process where ECE has full responsibility for administration of the public housing rental subsidy program. As expected with a transfer of this magnitude, there have been some challenges to address in the transfer process including establishing new relationships with clients so income assessment can be completed on a timely basis. Through these new relationships, it is becoming clear which clients ECE needs to meet with monthly, quarterly, semi-annually, or annually to complete assessments and determine subsidy eligibility. Steps are also being taken to bring the staffing complement in line with the needs of clients and to provide additional training for income security and local housing organization staff.

Through a Steering Committee, ECE with the NWT HC (HQ and regional) and Local Housing Organizations are continuing to identify issues and find solutions to improve the overall delivery of the public housing rental subsidy program. The Steering Committee developed an action plan at its July 2006 meeting and will be meeting again November 22-23 to report on work completed to date and further work on any outstanding matters.

◆ **Specific suggestions to improve Government efficiency include:**

- ⇒ **elected, rather than appointed, boards for major agencies such as health and education authorities;**
- ⇒ **more GNWT decentralization to boost smaller communities' economies;**
- ⇒ **downsize and privatize government services like Public Works and Services;**
- ⇒ **allow the use of southern air carriers for medical travel where this is more cost effective; for example, in Fort Liard.**

GNWT Response: The Business Incentive Policy (BIP) provides for up to a 15% premium for Northern businesses. Local preference does not apply on air transportation, making 15% the maximum adjustment. Southern carriers can bid and could be awarded contracts if they are more than 15% below costs of Northern bids.

PWS has over the years privatized as many services as is possible and reasonable. For example, all design services have been privatized. This has led to problems as the private sector currently has more work than they can handle and the result is that design work on some GNWT projects are behind schedule.

All maintenance services have been privatized in the North Slave Region and to some extent in the other regions. All vehicle maintenance was privatized in 1995-96. There were attempts to privatize PPD and PWS was successful in Fort McPherson, Tuktoyaktuk and Wrigley. PWS has privatized the government mail service twice and both times it failed, so PWS has been providing this service for the last 3 years.

In regards to project management, there are very limited services offered by the private sector.

Privatization has meant that PWS is dependent on contractors for some services, and now in a booming economy there is a shortage of trades people, and prices have increased significantly. Work is often delayed and in some cases PWS cannot get local contractors to undertake work. PWS is already privatized to the extent possible.

II. POLICY AND STRATEGIC INITIATIVES:

- ◆ **Status of Women Council – repeated their recommendations from last year:**
 - ⇒ **Develop a gender analysis policy;**
 - ⇒ **Provide resources to encourage women’s participation on boards and agencies;**
 - ⇒ **Support leadership training for women;**
 - ⇒ **Establish a position to focus on issues related to immigration and newcomers; review the impact of newcomers on programs/services; and provide funding to educate immigrants about their rights.**

GNWT Response: The GNWT is examining approaches to incorporate gender-based analysis in policy, program and legislative development and review. Resource availability and overall priorities will need to be considered.

The Department of the Executive has a grants and contributions program available to women’s organizations to support increasing leadership capacity for women. As well the Department of the Executive continues to support the Women’s Voices in Leadership Program established by the Status of Women Council of the NWT. This program is a series of materials and workshops designed to increase women’s ability to participate in leadership opportunities in their communities as well as territorially and promotes women’s inclusion on boards, agencies, municipal and aboriginal governments and the territorial legislature.

- ◆ **The disability action plan should be a priority; recommend the GNWT “renew its commitment to inclusion for all by attaching resources to this statement”.**

The DOHSS is working with stakeholders and other departments to renew the Disability Action Plan and develop priority actions for the next three years.

12. HEALTH

- ◆ **Concerns about the level and frequency of service available in small communities.**

GNWT Response: The Integrated service delivery model seeks to ensure timely, access to care. The department is actively pursuing activities and initiatives that support the ISDM. This include service level agreements between authorities that will help to ensure adequate frequency of service.

- ◆ **YACCS recommendations in support of elders' health:**

- ⇒ **Up-to-date facilities and equipment for elders, including dementia facility;**
- ⇒ **More assisted and supported living services, to fill gap between home care and long-term care;**
- ⇒ **Up-to-date standards and policies, in plain language.**
- ⇒ **YK Association for Community Living recommended research be done on supported living options, and implementation of best practices.**

GNWT Response: The department is moving towards providing supporting living opportunities for people with disabilities and seniors.

Dementia training has been provided to care givers, seniors facilities have been renovated to accommodate high need dementia clients.

The department continues to work with YACCS and other service providers to expand and improve our services to seniors.

- ◆ **YK Association for Community Living recommended research be done on supported living options, and implementation of best practices**

GNWT Response: The DHSS agrees that increased access to supporting living options is needed and will be working with the disability community address this need and other options.

- ◆ **Status of Women Council recommended increased funding for HIV/AIDS awareness and education.**

GNWT Response: HIV/AIDS awareness and education continues to be a priority for the Department of Health and Social Services, through the goals, objectives and actions outlined in the STI Strategic Directions document.

- ◆ **Addictions treatment and mental health services require additional funding:**
 - ⇒ **Some feel the need is not for treatment facilities, but for better resources for existing programs;**
 - ⇒ **Others feel the GNWT needs to make comprehensive drug and alcohol treatment programs a top priority.**

GNWT Response: The Department has invested in community counselling programs to address mental health and addictions in a more integrated and pro-active manner. These enhanced services provide a broader range of prevention, community-based healing, and aftercare closer to home, and can link with both residential and local services. The Department continues to support existing residential treatment but is working to enhance prevention, healing and recovery options for people who struggle with mental health and addiction concerns. The Department has also committed to launching a territorial addictions awareness campaign to reduce the burden of young people at risk of developing addictive behaviours.

13. FAMILY VIOLENCE

- ◆ **Continued support for the Family Violence Action Plan through Phase II, including continued public education and training on the Protection Against Family Violence Act, continued support for the coalition, the provision of safe homes and funding for programs and services.**

GNWT Response: ECE continues to implement programs identified in the Action Plan and is now participating in the development of part two of the Action Plan.

Usage of the *Protection Against Family Violence Act (PAFVA)* has exceeded initial estimates. As of April 1, 2005 there have been over 180 applications.

There is ongoing public demand for information on remedies available under the *PAFVA*.

Designates under the *PAFVA* receive annual training and support/training as needed to assist them in fulfilling their responsibilities under the legislation.

Community helpers such as nurses and social workers, whose clients may be victims of family violence, regularly request *PAFVA* training.

The GNWT has demonstrated continued commitment to implementation of the Family Violence Action Plan and to the development of Phase II of this plan in cooperation with the Coalition Against Family Violence.

- ◆ **A repeat of last year's recommendation by Status of Women Council, for additional resources for transition houses, and that the houses be funded directly rather than through regional authorities, to ensure all funding goes to where it should. Feel this should be a territorial, rather than regional, program.**

They also repeated last year's recommendation for a major new initiative to address the high level of sexual assault and sexual abuse.

GNWT Response: The need for transitional housing options has been identified as a need for:

- ◆ Reintegrating homeless/families back into housing
- ◆ Reintegrating disabled/addicted persons back into mainstream
- ◆ Victims of family violence

As part of the Mental Health and Addictions review work with NGOs in Yellowknife and other communities, the need for transitional housing for all clients must continue to be integrated and is being developed by the DHSS.

14. EDUCATION AND LITERACY

◆ Repeat comments from last year's review:

- ⇒ Funding formula is inadequate for small schools;
- ⇒ Need for better resources for high school in small communities, so students don't need to upgrade after graduation, before going on to post-secondary education;
- ⇒ Request for on the land programming;
- ⇒ Need a strategy to increase numbers of women in trades and technical occupations, and address associated childcare and mentoring needs.

GNWT Response:

1. The school funding framework currently provides small schools, and in particular small high schools, funding for teachers at a lower pupil teacher ratio than larger schools. Various other factors in the funding formula also recognize the higher needs of small schools and small communities.
2. Small schools will benefit from improvements being made to technology and school programs (i.e. Pathways), as well as recent and planned increases to the school funding formula. Online and distance education courses are available to students if the course they want is not available in their community.
3. On the land programming is delivered by most education authorities as part of the Aboriginal Language and Culture-based Directive.
4. ECE has been supporting research and coordination of this work through the NWT Status of Women Council for the past three years. Specifically ECE has funded the Women in Mining and Oil and Gas outreach project, Women Trades Access program through Aurora College, visit and presentation by Dr. Marcia Braundy, and marketing efforts aimed at Women in Trades. ECE is also part of an initiative that is seeking research dollars from the federal government to pilot and test innovative practices and programs to support women in trades related training and occupations. ECE has committed financial and in-kind support for three years for this project ending in March 2009.

ECE works with major industries through Socio-economic agreements to ensure that women are given equal opportunity to participate in resource development project employment.

ECE is currently undertaking a major review of the NWT Apprenticeship and Occupational Certification program that will make recommendations on changes and enhancements to program policies, procedures, priorities and funding.

15. SPECIFIC RECOMMENDATIONS BY THE NWT LITERACY COUNCIL:

- ◆ position literacy as a policy and funding priority, and work with other stakeholders to renew a comprehensive Literacy Strategy;
- ◆ undertake a review of the Adult Learning and Basic Education (ALBE) system to identify gaps in service, provide better support to adults with low literacy skills;
- ◆ have all departments review their policies and programs through a literacy lens; and
- ◆ work with the federal government to move forward with a national strategy or system for adult literacy and basic education.

GNWT Response:

1. Working with literacy stakeholders is included in the NWT Literacy Strategy Renewal Action Plan. Preliminary consultations have already taken place.
2. A multi-year ALBE curriculum revision project is in progress. ALBE curriculum committees are identifying literacy gaps, filling those gaps and working to provide better support to low literacy adults.
3. Cross-sector partnerships to examine how literacy impacts all aspects of society will be included in the renewed NWT Literacy Strategy.

GNWT is an active partner in all national literacy consultations. The federal government has currently halted work on a national literacy strategy, but the provincial and territorial governments are working together on the Council of Ministers of Education, Canada (CMEC) literacy action plan.

- ◆ **Recommendation from Ft. Smith to fund more use of the Thebacha Campus, which is underutilized during the summer.**

Thebacha Campus is well utilized in the fall, winter and spring months. The Campus is attempting to make good use of their facilities in the summer months. Thebacha Campus has been steadily increasing the number of workshops and programs in the summer months, particularly to meet the training demands of the mining and resource development sector.

However, the main complex building cannot be utilized in the warmest summer months when temperatures reach 30 degrees Celsius. If funding becomes available for a Ground Source Heat Pump which would provide cooling, then the campus could be utilized more in the summer.

16. ECONOMIC DEVELOPMENT

- ◆ **NWT Tourism Association requested the fuel tax be removed for gas in boats and for generators in remote locations.**

GNWT Response: The NWT *Petroleum Products Tax Act* currently provides a lower tax rate for gasoline not purchased on the highway system. The tax on gasoline purchased on the highway system is 10.7 cents per litre while the rate of tax for gasoline not purchased on the highway system is 6.4 cents per litre. These tax rates have not increased since 1997 despite significant increases in fuel costs since that time.

Diesel fuel used in boats or generators is taxed at a rate six cents per litre lower than the rate charged on diesel fuel used for motive purposes.

Gasoline tax exemptions based on the use of the fuel would be complex to administer, as they would require applications for tax refunds and proof that the gasoline was used for the purpose claimed. Support for specific industries or sectors is more efficiently provided through more direct means. The GNWT continues to focus on the factors that drive prices higher in the NWT – such as investing in transportation infrastructure to lower the cost of bringing goods, including fuel, into the NWT.

- ◆ **Territorial Farmer's Association urged GNWT to look at renewable resource potential, and not miss out on opportunities to increase our self reliance, lower food prices, create a local industry, and access and leverage federal agriculture funding.**
- ◆ **Specific recommendations included:**
 - ⇒ **set a clear vision for agriculture in all NWT regions;**
 - ⇒ **research, pilot and demonstration projects;**
 - ⇒ **establish an agricultural reserve designation, identify arable fertile land, and protect it as a sustainable natural resource, including small parcels near communities;**
 - ⇒ **exempt farm equipment from registration requirements under the Motor Vehicles Act;**
 - ⇒ **leverage federal program dollars;**
 - ⇒ **re-examine the criteria for assessment of agricultural land under the Property Assessment and Taxation Act; and**
 - ⇒ **provide off-road fuel rebate for equipment primarily used in agricultural and harvesting activities.**

GNWT Response: A Vision for Agriculture was developed and adopted in 2003, during consultations leading towards the signing of the Canada – Northwest Territories Agriculture Policy Framework (APF). The Vision was and remains as follows:

- ◆ The development of a strong, self reliant, environmentally sound Agriculture and Agri-foods industry for the betterment of all communities and residents in the Northwest Territories.

In support of this Vision we aim to:

1. *Enhance productive capacity and profitability*
2. *Enhance food safety and quality*
3. *Promote and encourage sound environmental stewardship*
4. *Strengthen our export capacity by improving food quality, consistency and addressing barriers to trade.*

Presently in the NWT there are two sources of funding for agriculture research and pilot programs. The Canada – NWT APF administered by the Department of Industry, Tourism and Investment, and Advancing Canadian Agriculture and Agri-foods (ACAAF), administered by the Territorial Farmers Association (TFA). ACAAF funds are 100% funded by the Federal Department of Agriculture and Agri-foods, while the APF is funded on a 60:40 Federal/Territorial basis. Both Programs are due to be re-negotiated by 2008 for possible 2nd generation funding.

- ◆ **A recommendation made to support the arts and craft sector, and establish NWT Achievement Awards for the arts.**

ECE is leading the development of an arts award.

This item is under consideration by ECE, linked to their support for the arts through the NWT Arts Council