



17th Legislative Assembly of the Northwest Territories

Standing Committee on Priorities and Planning

Report on Transition Matters

Chair: Ms. Wendy Bisaro

MEMBERS OF THE STANDING COMMITTEE ON PRIORITIES AND PLANNING

Wendy Bisaro
MLA Frame Lake
Chair

Daryl Dolynny
MLA Range Lake
Deputy Chair

Michael Nadli
MLA Deh Cho

Jane Groenewegen
MLA Hay River South

Bob Bromley
MLA Weledeh

Robert Hawkins
MLA Yellowknife Centre

Robert Bouchard
MLA Hay River North

Frederick Blake Jr.
MLA Mackenzie Delta

Alfred Moses
MLA Inuvik Boot Lake

Kevin Menicoche
MLA Nahendeh

Norman Yakeleya
MLA Sahtu

COMMITTEE STAFF

Doug Schauerte
Committee Clerk

Lee Selleck
Committee Advisor

October 8, 2015

SPEAKER OF THE LEGISLATIVE ASSEMBLY

Mr. Speaker:

Your Standing Committee on Priorities and Planning is pleased to provide its Report on Transition Matters and commends it to the House.



Wendy Bisaro, MLA
Chairperson

**STANDING COMMITTEE ON
PRIORITIES AND PLANNING****REPORT ON TRANSITION MATTERS****TABLE OF CONTENTS**

Introduction	1
Background	1
Transition Issues	1
Devolution Legislation, Land and Resource Management, and Revenue	1
Decentralization	2
NWT Energy Plan	3
Planning for the Impacts of Climate Change	3
Cost of Living	4
Population Growth.....	5
Financial Reporting	5
NWT Heritage Fund	6
Hydraulic Fracturing	6
Departmental Matters.....	7
Health and Social Services	7
Education, Culture and Employment.....	8
NWT Housing Corporation	9
Conclusion	10

STANDING COMMITTEE ON PRIORITIES AND PLANNING

REPORT ON TRANSITION MATTERS

INTRODUCTION

The Standing Committee on Priorities and Planning remains fully engaged in matters with government-wide implications as the 17th Legislative Assembly draws to a close. Through this transition report, the Committee highlights areas Members believe will require the ongoing attention of our successor committee in the 18th Assembly. We have footnoted some key documents that may be of use.

BACKGROUND

The Standing Committee on Priorities and Planning includes all eleven Regular Members of the Legislative Assembly. The Committee's role is to:

1. Review issues which have government-wide implications including the overview of the budget and fiscal framework;
2. Review Government of the Northwest Territories reports on financial and performance results and program and policy evaluations to ensure anticipated outcomes are being achieved and accountability is maximized;
3. Coordinate Sessional business scheduling and planning in cooperation with appropriate Ministerial representatives;
4. Coordinate Committee public consultation efforts with respect to budget and fiscal matters;
5. Coordinate Committee strategic planning efforts;
6. Monitor and evaluate Ministerial performance issues;
7. Consider the budgets and financial management of any boards and agencies that are outside the responsibility of any Standing Committee; and
8. Consider any other matter referred by the House.

TRANSITION ISSUES

Devolution Legislation, Land and Resource Management, Resource Royalties and Taxes

Now that the Northwest Territories is the steward of its own land, resources, water and environment, our government must deliver on its pledge to devise an effective, efficient and made-in-the-NWT regulatory system. It must reflect the

values of our residents and partner governments. Consistent with the *Land Use Sustainability Framework* and evolving regional land use plans, we must ensure the right balance between development, sustainable use, and conservation. The tax and royalty regime should provide fair revenue in return for the use of public land and resources. This regime has not been fully reviewed since devolution. Members of the 18th Assembly may wish to consider doing so.

Devolution implementation is substantially hampered in regions lacking settled Aboriginal land claims, increasing the need to advance negotiations that have gone on for decades. With the Government of the Northwest Territories in a more senior role, there is both new opportunity and advantage in resolving outstanding claims. This should be a high-priority for the 18th Assembly.

The Intergovernmental Council was created as the forum for collaboration with Aboriginal governments. Its mandate is to review the existing regulatory system, including land-management and resource revenue, and recommend improvements. The lack of participation by some Aboriginal governments without completed land claims is not productive. Every effort should be made to include them in the Intergovernmental Council. Advancing this work, along with public engagement – a crucial process that is currently undefined – is the necessary next step to take in the 18th Assembly.¹

To date, the Intergovernmental Council has agreed to invite the Chair of the Standing Committee on Priorities and Planning to attend Council meetings with representatives of the GNWT. Members of the next Standing Committee should assess whether this level of involvement, coupled with the government's public engagement process, is sufficient, and whether additional action is needed.

Decentralization

The transfer of federal positions to the GNWT as a result of devolution has provided both an opportunity and a challenge in the process of building the government's presence across the territory.

While progress has been made, human resource and infrastructure planning have not kept pace. This contributes to growth of the public service in Yellowknife and the inevitable difficulty of transferring positions to the regions once they have been established elsewhere. Implementation Efforts to implement the decentralization policy should be thoroughly evaluated on a regular basis, with a view to ensuring strong coordination between departments. Every effort must be

¹ Tabled document 231-17(5), *Public Review of Devolution Legislation*. Tabled on March 5, 2015.
Tabled document 80-17(4), *Northwest Territories Land and Resources Devolution Agreement*, pgs. 153-164. Tabled on June 3, 2013.
Tabled document 83-17(4), *Results of the Public Engagement on the Proposed Lands and Resources Devolution Agreement*. Tabled on June 2, 2013.

made to locate remaining devolution-related positions in the regions. The new Committee may wish to request the government's plan for doing so early in its term.²

NWT Energy Plan

The challenges of providing abundant, cheap, and clean energy to the people and businesses of the Northwest Territories are reflected in the fact that, after decades of study and debate, there is no comprehensive NWT energy plan.³ Most communities using diesel-generated power still lack clean, supplementary, renewable alternatives. Hydroelectric generation is declining due to low water levels, causing greater reliance on diesel generation in the North Slave region, at much higher and unsustainable cost. The government has taken large strides to reduce its own energy use through attention to heating systems and building efficiency. An NWT energy plan must address all these issues, based on patterns of community energy use.⁴

Investments in individual projects in biomass energy, a solar-diesel hybrid generation system in Colville Lake, potential wind-generation projects at Storm Hills and the Snare River, and others, are encouraging and should be expedited under the aegis of an NWT energy plan. Creating and implementing it should be an immediate priority of the 18th Assembly.

Following up on the 2014 NWT Energy Charrette, the Committee recommended that in 2015 the government prepare a public discussion paper to begin work on an *NWT Energy Efficiency Act*. To date, this has not been done. If it remains undone in early 2016, our successor Committee may wish to expedite it.

Planning for the Impacts of Climate Change

The impacts of climate change on the Northwest Territories are already very serious and expensive, with fallout in many aspects of our lives, business and government. As a small sample, forest fires have caused community evacuations, low-water is restricting transportation and power generation, permafrost is melting and arctic coastlines are fast-eroding. Costs to government already tally in the hundreds of millions of dollars.

² Tabled document 216-17(5), Return to Written Question 23-17(5): Decentralization Analysis. Tabled on March 9, 2015.

Minister's statement 130-17(5): Sessional statement. Hansard, February 4, 2015.

Question 537-17(5): Decentralization. Hansard, November 6, 2014.

³ Tabled document 271-17(5), *Response to the 2014 Energy Charrette Report*. Tabled on June 4, 2015.

Tabled document 89-17(3), *A Vision for Energy in the Northwest Territories – Developing the 2013 Northwest Territories Energy Plan*. Tabled on November 2, 2012.

Motion 3-17(3), *Increased Support for Renewable Energy*. Carried on May 31, 2012.

⁴ Tabled document 237-17(5), *City of Yellowknife Energy Use*. Tabled on May 27, 2015.

The impacts of climate change will likely accelerate. Scientific knowledge is advancing daily. The GNWT must adapt, develop and adopt best practices, and plan for what is ahead. Working with affected communities and informing our residents will be crucial as we mitigate impacts and reduce our own greenhouse gas emissions. Specific plans and targets are required.⁵ The Committee should ensure the government responds to these needs.

Cost of Living

Controlling the rising cost of living in the NWT is a daunting but extremely important task. The cost of living is closely related to the growth of the population, expansion of the economy, and GNWT employment and retention. It also has a substantial bearing on the health and well-being of NWT residents. High cost of living is a major contributor to the high rate of poverty, and hinders the ability of people in entry-level jobs to support themselves. Implementation of the holistic approach taken in the *Action Plan to Reduce and Eliminate Poverty in the Northwest Territories* would improve the lives of low-income earners and likely deliver substantial community, economic and health benefits, and help control healthcare costs.⁶ The Committee urges its successor to ensure this takes place.

Food security is another close relative of the high cost of living and poverty. Members are extremely pleased to see so many communities growing their own food, renewing traditional harvests, and building local knowledge. The Committee strongly supports the successful Small Scale Foods Program component of the Canada-NWT Growing Forward strategy, and advises that it continue and expand as opportunities arise.⁷

Changes to the federal Nutrition North program have done little to lower the cost of food sold in remote NWT communities. The criteria for inclusion are so restrictive that many high-cost communities are left out; need is not the decisive

⁵ Motion 54-17(5), *Climate change planning*. Introduced on October 6, 2015.

Tabled document 141-17(4), *Intergovernmental Panel on Climate Change – Climate Change 2013: Headline Statements from the Summary for Policy Makers*. Tabled on October 24, 2013.

Tabled document 65-16(6), *A Greenhouse Gas Strategy for the Northwest Territories, 2011-2015*. Tabled on August 23, 2011.

GNWT Department of Environment and Natural Resources, *NWT Climate Change Impacts and Adaptation Report, 2008*.

⁶ Tabled document 259-17(5), *Background Research: Growing the NWT – Supporting Population Growth of the Northwest Territories*. Tabled on June 3, 2015.

Tabled document 251-17(5), *Working Together: An Action Plan to Reduce and Eliminate Poverty in the Northwest Territories*. Tabled on June 1, 2015.

Tabled document 217-17(5), *2014 NWT Survey of Mining Employees Overall Report, December 2014*. Tabled on March 9, 2015.

⁷ Tabled document 150-17(5), *Growing Forward 2 – A Summary Report of the Small Scale Foods Program, 2013/14*. Tabled on October 27, 2014.

factor.⁸ Our successor Committee may wish to urge the government to exert pressure on Canada to follow-up on the Auditor General's suggested reforms, and ensure that Nutrition North serves NWT communities as intended.

Population Growth

Concerted action is required to stimulate growth of the NWT population. Far too little has been done to date. *Growing the NWT – Supporting Population Growth of the Northwest Territories*, tabled in June 2015, does not describe a strategy. It is largely a description of current activities, lacking focus and a plan of action. Notably, the background document does contain the admission that “current actions will not be enough to achieve the NWT Population Growth Strategy’s five-year goal.”⁹ The Committee could not agree more, and suggests that the situation be remedied as quickly as possible, with encouragement from the 18th Assembly if necessary.

Financial Reporting

The government’s financial reporting to Standing Committees and the public is good, and has improved steadily over the past decade. Business plans describe the work to be done each year, the resources required, cost, and often outline challenges and future needs. The Main Estimates, stripped of operational detail, list the specific expenditures Members vote on in the House. And finally, the Public Accounts report how the money was actually spent.

Information about the activities and spending of boards, authorities and agencies could be improved in annual business plans. The need is most acute for Aurora College and education authorities, which account for \$187-million of Education, Culture and Employment’s budget for 2015-16. Health authorities are somewhat different, as most are run by public administrators and will be amalgamated into a single authority. However, business plan information is lean for individual health authorities, in light of their total spending of \$287-million in 2015-16. Standing Committees have raised this issue before; the Committee on Priorities and Planning recommends that it be remedied in subsequent business plans. By contrast, financial reporting on the NWT Housing Corporation is excellent.

⁸ Report of the Auditor General of Canada, CHAPTER 6: Nutrition North Canada – Aboriginal Affairs and Northern Development Canada. Released Fall, 2014.

⁹ Tabled document 258-17(5), *Growing the NWT: Supporting Population Growth of the Northwest Territories*. Tabled on June 3, 2015.

Tabled document 259-17(5), *Background Research: Growing the NWT – Supporting Population Growth of the Northwest Territories*. Tabled on June 3, 2015.

Tabled document 217-17(5), *2014 NWT Survey of Mining Employees Overall Report, December 2014*. Tabled on March 9, 2015.

In addition, direct comparisons between Main Estimates and the Public Accounts can be difficult and could be improved, as several provinces have done.¹⁰ Additional recommendations have been made by the Standing Committee on Government Operations.¹¹

NWT Heritage Fund

Legislation to establish the NWT Heritage Fund was passed at the end of the 16th Assembly to benefit future generations from today's non-renewable resource development. Members of the 17th Assembly approved the first deposits to the fund. It is a modest start.¹²

The Committee requested the government act upon the following recommendations within the life of the 17th Assembly, but this did not occur:

- Amend the act to entrench the current practice of contributing an annual minimum of 25% of the net fiscal benefit to the GNWT from resource revenues to the Heritage Fund;
- The Heritage Fund should be managed at arm's length from the government, with independent management in place by the time the fund balance reaches \$40-million;
- An independent committee must be established to oversee management of the Heritage Fund, and it should be required to table an annual report in the Legislative Assembly for review by the Standing Committee on Government Operations.

Legislation should be amended as needed to incorporate these changes. These measures should be seriously considered by the 18th Assembly.

Hydraulic Fracturing

To date, very little horizontal hydraulic fracturing has occurred in the Northwest Territories. The government proposed new regulations for hydraulic fracturing and the responsible Minister has extended consultation on them into the 18th Assembly. This is a welcome development. Much remains to be done to ensure that regulations and policy on hydraulic fracturing are consistent with the *Land Use and Sustainability Framework*, and protect precious resources and health. Industry practices for "fracking" are advancing rapidly, with study of the environmental and health implications emerging more slowly. It is essential that

¹⁰ C.D. Howe Institute Commentary No. 424, *By the Numbers: The Fiscal Accountability of Canada's Senior Governments, 2015*. April 16, 2015.

¹¹ CR16-17(5), *Report on the Review of the 2013-2014 Public Accounts*. Tabled on June 2, 2015.

¹² Tabled document 158-17(5), *Northwest Territories Heritage Fund Annual Report, 2013-14*. Tabled on October 30, 2014.

Minister's statement 18-17(5), *Heritage Fund Allocation*. February 11, 2014.

Tabled document 27-17(5), *A Question of Future Prosperity – Developing a Heritage Fund in the Northwest Territories*. Tabled on February 10, 2014.

CR6-16(6), *Report on the Review of Bill 10: Northwest Territories Heritage Fund Act*. August 18, 2011.

ongoing developments are considered and applied in the best interest of NWT residents now and into the future.¹³

DEPARTMENTAL MATTERS

Health and Social Services

Ongoing problems with mental health and addictions treatment, support for rehabilitation and recovery programs, extended care, staff shortages, and nursing services were identified in Committee business and resulted in motions passed in the House. It is worth noting that despite the Department of Health and Social Services' large budget, spending on its programs is proportionally smaller in the Northwest Territories than in other Canadian jurisdictions, even with high northern operating costs. This is both a credit to our system and an indicator that adjustments may be needed in certain areas.

Critical vacancies in community-based Health and Social Services staff must be filled. These vacancies hamper program delivery most in smaller communities where backup is limited or non-existent, casting a dark shadow on the accepted Canadian tradition of universal healthcare.¹⁴

Mental health and addictions treatment, including follow-up support, is another critical area insufficiently addressed by the current government.¹⁵ The only residential treatment centre in the NWT was closed and service is now provided primarily by southern facilities.¹⁶ A territorial treatment centre and an associated mobile treatment program are options that have been under study for some time,¹⁷ but decisive action must be taken.

¹³ CRxx-17(5), *Report on Hydraulic Fracturing and the Northwest Territories*. October x, 2015.

Minister's statement, *Hydraulic Fracturing Regulations Update*. September 30, 2015.

Tabled document 277-17(5), *Research Summary: Draft Hydraulic Fracturing Filing Regulations*. Tabled on June 4, 2015.

GNWT Press release, *Proposed New Hydraulic Fracturing Filing Regulations support GNWT commitment to balanced and responsible development*. April 1, 2015.

Tabled document 196-17(5), *Fraser Institute: Managing the Risks of Hydraulic Fracturing*. Tabled on February 11, 2015.

Tabled document 49-17(5), *Northern Lands, Northern Leadership: The GNWT Land Use and Sustainability Framework*. Tabled on February 24, 2014.

¹⁴ Motion 14-17(5) *Expansion of Policing and Nursing Services*. Carried on March 6, 2014.

CR xx-xx(5) *Report on the Review of Bill 55, Mental Health Act*. October x, 2015.

¹⁵ Motion 4-17(2) *Improving Alcohol and Drug Treatment Programs*. Carried on February 16, 2012.

Motion 20-17(3) *Mental Health and Addictions Resources*. Carried on November 5, 2012.

Motion 21-17(4) *Liquor Commission Profits to Prevention*. Carried on June 6, 2013.

¹⁶ *Contract not renewed at Nats'ejee Keh Treatment Centre*. DHSS press release, July 11, 2013.

¹⁷ Tabled document 29-17(5), *Response to Healing Voices: the Report of the Minister's Forum on Addictions and Community Wellness*. Tabled on February 11, 2014.

The Committee recommends that the 18th Assembly focus on remedies to these problems, and improved efforts to promote better health and combat preventable conditions.

The replacement of Stanton Territorial Hospital will present challenges for service delivery, project management, and fiscal control. Committee Members advise vigilance by the Committee as the project moves into the construction stage. Attention should also be given to extended care services, which are being removed from the hospital itself to a new facility nearby. The renovation of the current Stanton Territorial Hospital building and its new role in the community may also require scrutiny.

Education, Culture and Employment (ECE)

The Standing Committee on Social Programs has made extensive comments on the many transition issues facing the department of Education, Culture and Employment. There is no need to reiterate them here. However, slow progress on the Education Renewal Initiative and others is a serious concern and may warrant intervention by all Members.¹⁸

Junior kindergarten implementation has been another major issue for the Committee. The program is being delivered in 19 communities. It has recently been evaluated in preparation for a decision about expanding junior kindergarten to the regional centres and Yellowknife. However, funding reallocations for junior kindergarten have already impacted schools in the larger schools. For example, pupil-teacher ratios in Yellowknife schools have been driven to the legal limit of 16:1, which is significantly higher than any other school district. This is not ideal for students, teachers or staff.¹⁹ At this writing, results of the evaluation of junior kindergarten are overdue. Decisions on junior kindergarten will have profound effects on both education and childcare – and young people across the territory – and therefore should be addressed both carefully and promptly by the 18th Assembly.

It is well-known that educational success is strongly rooted in each child's first years of development. Research done by ECE and education authorities during

¹⁸ Tabled document 41-17(5), Response to Motion 5-17(5) Education Renewal and Innovation. Tabled February 18, 2014.

Tabled document 35-17(5), Education Renewal and Innovation Engagement Update. Tabled February 12, 2014.

Tabled document 155-17(4), *Education Renewal and Innovation Framework: Directions for Change*. Tabled October 31, 2013.

Motion 5-17(5), Education Renewal and Innovation. Carried on November 7, 2013.

¹⁹ Minister's statement 112-17(5): Junior Kindergarten Implementation. Hansard, October 30, 2014.

Tabled document 125-17(5), Response to Motion 125-17(5): Funding to Implement Junior Kindergarten. Tabled on October 16, 2014.

Motion 22-17(5), Funding to Implement Junior Kindergarten. Carried on June 5, 2014.

Tabled document 96-17(5), Junior Kindergarten Fact Package. Tabled on June 3, 2014.

the 17th Assembly shows that an alarming number of our children – more than 38% – are behind in their development at age five. Developmental delays are especially common among children in small communities. This is a burning social issue, but the economic implications and impacts are equally important to the wellbeing of NWT residents and society. Coordinated efforts by the departments of Education and Health are essential, covering children from the prenatal stage through age five and involving health programs, early childhood development programs, childcare, kindergarten and potentially junior kindergarten. Much work remains to be done by the 18th Assembly in these critically important areas.²⁰

There is currently no system for accrediting institutions of higher learning as universities or colleges, although there has been interest in their establishment. The *Education Act* requires that an Act be passed to establish or create any degree-granting institution; the *Aurora College Act* is the only one to date. In addition, the Minister must authorize any institution operating as a university. The Committee advises the Department of Education, Culture and Employment to examine the need for an accreditation system in the NWT, compare accreditation methods in other jurisdictions, and publicly report the findings early in the life of the 18th Assembly.

NWT Housing Corporation

The NWT Housing Corporation has done good work during the 17th Assembly and implemented creative solutions to address housing shortages in the face of declining federal support for public housing. Nevertheless, housing remains a critical problem in the Northwest Territories, with one in five homes in core need. The situation is even worse in smaller “non-market” communities, where more than 32% of homes are in core need. Among smaller community homeowners, core need stands at 38%.²¹ Behind these numbers are the real impacts on residents’ quality of life and health.

Members observe that homelessness is a growing problem, despite the best efforts of the Housing Corporation and the government.

²⁰ Tabled document 276-17(5), *Feasibility Study of Universal Affordable Childcare in the NWT*. Tabled on June 4, 2015.

Tabled document 25-17(5), *A Framework for Early Childhood Development – Action Plan*. Tabled on February 7, 2014.

Motion 26-17(4), *Universal Affordable Childcare*. Carried on October 31, 2013.

Tabled document 91-17(4), *Right from the Start: A Framework for Early Childhood Development in the NWT*. Tabled on June 5, 2013.

Tabled document 57-17(3), *Response to Motion 5-17(3) Early Childhood Development*. Tabled on October 17, 2012.

Motion 5-17(3), *Early Childhood Development*. Carried on May 30, 2012.

²¹ Tabled document 180-17(5), *2014 NWT Community Survey - Summary of Housing Results*. Tabled on November 5, 2014.

NWTHC, *Building for the Future: Northern Solutions for Northern Housing*. Released April 16, 2012.

The Committee suggests that its successor Committee encourage the NWT Housing Corporation to adjust its stock to meet the need and demand in each community. In addition, the federal government must be persuaded to renew its investment in northern housing.

CONCLUSION

This concludes the Standing Committee on Priorities and Planning Report on Transition Matters. We wish the Members and committees of the 18th Assembly great success in serving the people of the Northwest Territories.

