



14th Legislative Assembly of the Northwest Territories

Standing Committee on Accountability and Oversight

Final Report on Plans and Priorities

Chairperson: Mr. Charles Dent, MLA



OCT 09 2003

THE HONOURABLE ANTHONY (TONY) WHITFORD, MLA
SPEAKER OF THE LEGISLATIVE ASSEMBLY

Mr. Speaker:

The Standing Committee on Accountability and Oversight is pleased to present its Final Report on Plans and Priorities and commends it to the House.

A handwritten signature in black ink, appearing to read "Charles Dent".

Charles Dent, MLA
Chairperson

Attachment

**MEMBERS OF THE STANDING COMMITTEE ON
ACCOUNTABILITY AND OVERSIGHT**

Committee Members

Charles Dent
MLA Frame Lake
Chair

Floyd Roland
MLA Inuvik Boot Lake
Deputy Chair

Brendan Bell
MLA Yellowknife South

Bill Braden
MLA Great Slave

Paul Delorey
MLA Hay River North

Jane Groenewegen
MLA Hay River South

David Krutko
MLA Mackenzie Delta

Leon Lafferty
MLA North Slave

Sandy Lee
MLA Range Lake

Michael McLeod
MLA Deh Cho

Steven Nitah
MLA Tu Nedhe

Committee Staff

Doug Schauerte
Deputy Clerk

Colette Langlois
Director, Research Services

INTRODUCTION

At the beginning of the 14th Legislative Assembly Members set out plans and priorities for the newly formed Standing Committee on Accountability and Oversight and shared those plans publicly in a tabled document. Midway through the Assembly, Members assessed the progress made against the initial plan and set out the broad direction for the remainder of the Assembly. That report was tabled in June 2001.

This final report sets out the progress we have made toward achieving our goals and reflects on our activities over the life of the 14th Legislative Assembly

The Standing Committee on Accountability and Oversight is comprised of all eleven Regular Members. Its role is to:

1. Review issues which have government-wide implications including the Executive Offices of the Department of the Executive;
2. Conduct the overview of the budget and fiscal framework;
3. Consider the budgets and financial management of the Northwest Territories' Workers' Compensation Board, the Northwest Territories Power Corporation, and any other boards and agencies that are outside the responsibility of any other Standing Committee; and
4. Examine the reports on the annual financial statements and public accounts of the Government of the Northwest Territories and the Report of the Auditor General.

Vision and Mission

One of our first activities was to set out our vision and develop a mission statement. We set these out as follows:

Our vision is to be responsive and accountable to the public by acting with integrity to contribute to the achievement of the 14th Legislative Assembly's Vision.

Our Mission will be to take purposeful action to support, question or oppose Government initiatives and to hold Government accountable; we will also propose that Government take action where appropriate and in the public interest.

The Committee then set out its priorities, identifying areas in which we planned to take action

PROGRESS ON COMMITTEE PRIORITIES

Our first priority was “To advocate for the rights of the Public and those needing a voice in dealings with Government.”

The absence of human rights legislation and the potential for litigation were the driving forces behind the Standing Committee on Accountability and Oversight’s actions to advocate for the advancement of Human Rights Legislation, a Children’s Advocate and improved Access to Information and protection of Privacy Legislation.

Very early in our mandate the Legislative Assembly adopted committee Motion 15-14(2) *Enactment of Human Rights Legislation* on March 31, 2000. The Government responded by introducing Human Rights legislation that was given 3rd reading by the Legislative Assembly. The Legislation is in the process of being implemented now, and the Human Rights Commission should be fully operational by spring.

The Standing Committee on Accountability and Oversight has not undertaken any significant action to advance the establishment of a Children’s Advocate Office, although Members had hoped to see a government proposal to address this issue.

The Committee advocated for the rights of the public to a more open and transparent government by reviewing the *Annual Report and Recommendations of the Access to Information and Protection of Privacy Commissioner*, and presented the *Report on the Review of the Access to Information and Protection of Privacy Commissioner’s Report 1999-2000* in the Legislative Assembly. This marked the first time that a Standing Committee reviewed this annual report and considered the Commissioner’s recommendations, thus setting the stage to have future reports automatically referred to the Standing Committee on Accountability and Oversight. In subsequent years, the Committee also reviewed the Commissioner’s 2000-2001 and 2001-2002 reports. Over the life of this Assembly, the Committee has recommended several amendments to the ATIPP Legislation. The Government has responded positively to many of the recommendations, most recently through Bill 27.

However, Members were disappointed the Government did not move more aggressively to extend access to information and privacy protection legislation to NWT municipalities, either by including them in the existing Act, or developing separate legislation. Members are also concerned the federal government now has jurisdiction over the collection, storage and use of personal information by the NWT private sector, under the *Personal*

Information Protection and Electronic Documents Act. The Committee urged the Government to bring forward substantially similar legislation in order to ensure that local privacy issues are addressed by made-in-the-NWT law. Unfortunately the Government has declined to take action on this issue.

The Standing Committee on Accountability and Oversight recommends that the 15th Legislative Assembly consider legislation to address information and privacy issues the Committee has identified with respect to municipal governments and the private sector.

Our second priority was “To have a Public Service that is representative of the population served; that is treated fairly and managed effectively.”

Committee *Motion 5-14(3) Establishment of a Public Service Commission* was adopted by the Legislative Assembly early in the 14th Assembly as a first step toward fostering a climate of fairness, representativeness, competence, nonpartisanship, efficiency and effectiveness in support of the Territorial public service. The Executive Council commissioned *The Human Resources Management Study* (The Thornton Report) in response to the motion and transmitted the Report to Committee.

Although the Government never formally responded to the recommendations in the Thornton Report, the Standing Committee on Accountability and Oversight reported to the Legislative Assembly on June 12, 2001 with a Preliminary Committee Report 4 - 14(4), which included recommendations for a process to continue to work with the government to attract, develop and maintain a highly professional workforce.

The Standing Committee on Accountability and Oversight proposed the establishment of a smaller working group be to work with the Government to try and advance the key areas of an independent staffing appeals process. While initial discussions appeared promising, with a review of options for an appeals process, the Government wrote to Committee on April 14, 2003 to say that it was unlikely that any changes to the current appeals process will be introduced in the 14th Assembly.

Members have noted that we do not have a truly representative public service as a result of problems with the Affirmative Action Policy and the lack of Employment Equity measures on many occasions in the House. The government has not made any significant changes to the existing policy.

The Standing Committee on Accountability and Oversight is disappointed that there has been so little progress made towards achieving a more representative public service during this Assembly.

The Standing Committee on Accountability and Oversight recommends that the 15th Legislative Assembly consider again whether a Public Service Commission might be the best way to support managers with the tools needed to ensure effective human resources management, and in particular to address employment equity issues that appear to be barriers to a more representative public service.

The Standing Committee on Accountability and Oversight recommends that the 15th Legislative Assembly, at the very least, move quickly to establish an Independent Appeals Process.

Our third priority was “To work toward effective government organisation, structure and operations.”

Initially the Government was expected to complete a Program and Functional review concerning departments, boards and agencies to assess the effectiveness and efficiency related to service delivery. Of particular interest were the organisation and structure of Health and Social Service Boards, Education Councils, and the Department of Resources, Wildlife and Economic Development. The Cuff Report was commissioned by the Minister responsible for Health and Social Services and reviewed by the Standing Committee on Social Programs.

Members questioned the establishment of regional offices and the relocation of public service positions. Despite being offered briefings on Regional Reorganisation by the Government, Committee Members were eventually told that there was no government-wide undertaking to reorganise. The government did acknowledge however, that some departments may have realigned their internal structures and resources to more effectively deliver services. While we were continually told this, we could not help but notice that many initiatives, such as creation of the Sahtu Health Board, appear to be a result of Claims settlements and self-government negotiations.

The Government has established a Deputy Minister’s Task Team to oversee a Corporate Review and Transition Plan. The Standing Committee on Accountability and Oversight invited the Government to begin discussions on options for departmental restructuring. The Government told us that there would be no move for major restructuring

during the life of this Assembly. The recommendations will be made to the 15th Legislative Assembly as part of the transition-planning document.

The Standing Committee on Accountability and Oversight recommends that the 15th Legislative Assembly consider the Recommendation for a Public Service Commission, when examining the Corporate Review of Personnel functions as a means to bring together the people and resources involved in ensuring that the Public Service has an adaptable, diverse and non-partisan workforce.

Our fourth priority was “To see a cohesive and current Workers' Compensation system and governing authorities to meet the changing environment.”

The Division of the Territories and outdated legislation dictated the need to review the Workers' Compensation System over the life of the 14th Assembly. The Standing Committee on Accountability and Oversight advocated for such a review, and the Minister responsible for the Board responded by making a commitment to conduct public hearings and prepare appropriate legislation for introduction and passage during the life of this Assembly.

The Standing Committee on Accountability and Oversight supported the recommendations of the Review Panel as outlined in “Act Now” and urged the government to introduce appropriate legislation. Bill 15, *An Act to Amend the Workers Compensation Act*, and Bill 23, *An Act to Amend the Safety Act* were introduced by the Government as Phase I of their response to Act Now, and dealt with many of the recommendations contained in the report.

During its review of Bill 23, the Committee raised concerns that there may not be adequate protection in legislation for employees who make safety complaints to their employers. The Committee would urge the WCB to undertake a review of this issue in order to determine whether further amendments are needed.

The Standing Committee on Accountability and Oversight recommends that the 15th Legislative Assembly quickly follow up on the remainder of the legislation proposed for Phase II.

Our fifth priority was “To develop an Energy Strategy to address the changing NWT environment and outside influences.”

Committee urged the Executive Council to develop a comprehensive energy strategy, by leading a campaign to call attention to high cost of energy, green house gas emissions and the need for alternative energy options. Committee was successful in having the Legislative Assembly adopt a motion calling for the Development of a Comprehensive Energy Strategy. The Government responded with the establishment of an Energy Secretariat in June of 2001 and the announcement of a Special Advisor to the premier to head up the Secretariat.

While Committee supported the need for a strategy, the recently released Energy Strategy is disappointing and appears to contain nothing more than "*motherhood and apple pie*" recommendations. There are no practical options proposed to address the major issues originally identified by Committee.

The Standing Committee on Accountability and Oversight remains generally supportive of the government's exploration of hydroelectric potential both as an alternative to fossil fuel consumption and as a revenue source.

Our sixth priority was "To see a strategy for sharing control of resources including non- renewable resource development, and environmental impacts and liabilities of development."

The Standing Committee on Accountability and Oversight has been supportive of the Government's work with the Aboriginal Summit through the Intergovernmental Forum and is on record as supporting the Government in negotiations for a devolution agreement. Committee named two representatives to attend the Intergovernmental Forum Political meetings as observers and to report progress to Members. In addition the Minister for Aboriginal Affairs has provided regular briefings to Committee.

While the cooperation of the Aboriginal Summit and the Government of the Northwest Territories is encouraging, Members are unsure of how much progress has actually been made toward negotiating an adequate resource revenue sharing agreement. Given our fiscal outlook, this is a crucial area in which we need to see advances.

Our seventh priority was "To develop a diversified long term fiscal outlook for the GNWT."

Committee worked with the Minister of Finance and Cabinet in supporting the Development Proposal Related to Non Renewable Resources in the NWT to the Government of Canada. Representatives have lobbied to heighten awareness of the Northern funding issues. We were heartened by last

weekend's announcements that significant parts of the plan would see federal funding over the next few years.

As the Minister of Finance has kept reminding us of the approach of the "debt wall", the Standing Committee on Accountability and Oversight has played a watchdog role and has consistently advised the government to adopt a prudent approach to fiscal management. Unfortunately, Members of the Committee have limited impact on the spending priorities of the Government.

Our eighth priority was "To advocate for Adequate Housing for residents."

The Standing Committee on Accountability and Oversight acknowledged the lead role of the Standing Committee on Social Programs but continued to lend support to advocate for adequate and affordable housing for NWT residents. In 2001 Committee strongly urged the Government to re-examine proposed new initiatives and find a way to invest at least \$2 - \$3 million in additional housing programmes.

The Committee followed up with a Theme Day in 2002 and presented a Committee Report on Adequate, Affordable and Suitable Housing for Residents of the Northwest Territories.

The Government responded by announcing in the 2003 -04 Budget Address \$1.7 million in each of the next 3 years in additional grant and contribution funding for specific communities to provide for new housing and renovations to existing housing.

Our ninth priority was "Harmonisation."

The Standing Committee on Accountability and Oversight supported the initial objective of the Harmonisation Strategy to assess income in the same manner in all NWT departments and agencies. However, Members became concerned when issues were raised during implementation that the process was not perceived to be fair to all affected parties. Consequently, a Motion to establish a Working Group of 14th Assembly Regular Members and Ministers to Review the Harmonisation Strategy was adopted by the Legislative Assembly with a deadline for implementation of April 2004.

The Standing Committee on Accountability and Oversight would like to remind the 15th Legislative Assembly that a deadline of April 2004 was set for the implementation of the Harmonisation Strategy.

Our tenth priority was “To advocate for reduced cost of living for residents.”

The Standing Committee on Accountability and Oversight continued to advocate for reduced living costs for northern residents by discouraging increases to fees and taxes that would add a burden to northern residents, and by supporting amendments to the Income Tax Act to benefit both individuals and northern business by:

- Supporting amendments to the Income Tax Act to increase the deductions and credits and a minimum cost of living tax credit for individuals.
- Supported amendments to the Income Tax Act to reduce the general corporate income tax rate and the small business income tax rate.

Our eleventh priority was “To support the development of prevention measures and promote awareness of the detrimental effects of FAS/FAE.”

The Standing Committee on Accountability and Oversight took the lead to organize a Theme Day to raise awareness about what is now called Fetal Alcohol Spectrum Disorder. All Committee Members spoke on the issue, as did many Cabinet Ministers.

OTHER ACTIVITIES

The Standing Committee on Accountability and Oversight tackled several other issues as they arose and urged the government to take appropriate action. Here are a few of the highlights of these activities:

Committee worked with the Minister of Finance and Cabinet in supporting the Corridors for Canada - Roads to Resources economic proposal to the Government of Canada to heighten awareness of the Northern Funding issues.

Committee supported the efforts of the Northern Premiers in lobbying for a new funding arrangement for Health Care in the Territories. Additional funding was promised the three northern Territories. Canada also agreed to examine the issue of *per capita* programme funding with an eye to accommodating our relatively small population, and the resulting tiny allocations for northern jurisdictions that usually leads to.

The Government attempted to implement major changes to the Business Incentive Policy. Committee argued that the proposed changes were being implemented without the benefit of knowing the costs and benefits

of the existing program. The Government nonetheless proceeded to announce it would implement the revised policy effective October 15, 2003. Following a Motion in the House supported unanimously by Committee Members, the Government agreed to keep the existing policy and continue implementing a contract registry and reporting system which will eventually provide data for a cost-benefit analysis.

The Standing Committee on Accountability and Oversight recommends that the 15th Legislative Assembly review carefully the cost and benefits of the existing Business Incentive Policy before considering any changes.

OVERSIGHT AND REVIEW OF PUBLIC ACCOUNTS

The Public Accounts are the audited consolidated financial statements of the government. The accounts summarize the financial figures of all departments and Territorial corporations and give a full picture of the Government's financial transactions and its financial position as at March 31 of any given year. The tabling of the Public Accounts prior to the Business Plan review is useful to Standing Committees as Members can compare expenditures with the original budget plans for the year.

The Standing Committee on Accountability and Oversight's *Report on the Review of the Report of the Auditor General to the NWT Legislative Assembly for 1999* stated that

The Standing Committee on Accountability and Oversight and the Auditor General noted that the Government's Public Accounts and most of our territorial corporations' annual reports are rarely tabled in a timely manner. The public and Members of the Legislative Assembly have a need for timely, accurate and relevant information on the financial condition of the Government, so they can effectively hold the Government accountable for the way in which it manages and spends public money.

In light of these significant reporting and tabling issues, the Standing Committee on Accountability and Oversight, in consultation with the Auditor General's Office, recommended that the tabling of the Public Accounts occur earlier in a phased approach with 2002 - 2003 and all subsequent Accounts being ready for tabling no later than August 31, of the same year.

The Standing Committee on Accountability and Oversight is pleased to note that both the 2001 – 2002 and 2002 – 2003 Public Accounts were tabled in accordance with the agreed upon timeframe.

CONDUCT THE OVERVIEW OF THE BUDGET AND THE FISCAL FRAMEWORK

This role is intended to improve the business planning and expenditure management information provided to the Legislative Assembly.

During the Review of the 2002 2003 Business Plans and Main estimates Committee highlighted the following concerns:

- Recommended that the funding for the Living History project be removed from the 2002-2003 Main Estimates and brought forward as a Supplementary Appropriation if the expenditure could be justified within the appropriate department.
- Expressed concern about the New Capital Planning Process and asked the Government to come forward with revisions
- Recommended the removal of the energy secretariat from FMBS to RWED
- Expressed concern about the placement of the Social Agenda in the Executive with the lead role being assigned to the Department of Health and Social Services.

Review of 2003 2004 Business Plans and Main Estimates

- Recommended a complete review and overhaul of the new capital planning process, taking all Members concerns into consideration.
- Recommended the removal of proposed capital spending pending full justification
- Motion to amend clause 3(2) of Bill 3 by deleting \$149,000 from the capital plan.

OTHER MATTERS

From time to time matters of government wide interest arise. The Standing Committee on Accountability and Oversight dealt with the following items:

Fiscal Strategy Review: The Standing Committee on Accountability and Oversight has consistently urged the Government to adopt a fiscal strategy that is responsible and that keeps the government well within the \$300 million debt limit. In addition the Committee urged the Chairman of the Financial Management Board to adopt a more stringent approach to forced growth and to tighten up the use of special warrants. The Government responded by amending the Financial Administration Manual guidelines dealing with special warrants.

The Standing Committee on Accountability and Oversight advised the Government that Members might be prepared to consider changes to the Payroll Tax, as long as it coincided with an offsetting increase to the Northern Resident's Deduction. Committee suggested the Government prepare a discussion paper for consideration. The Government has not responded with a discussion paper.

Income Assistance and Impact Benefit Agreement Income: The Standing Committee on Accountability and Oversight recommended that the Income Support Regulation be amended to allow compensation payments, including Impact Benefit Agreement payments to be exempt from assessment as income under the Income Support Program. Noting that the majority of jurisdictions allow some form of exemption for compensation payments for victims of crime, Committee suggested that the Government consider an upper limit on the amount of the payment that is exempt annually. The Minister argued that the issue was a complicated one and asked the Working Group on Harmonization be asked to review the issues prior to recommending any changes to the income exemption policy.

The Committee could see no reason for the issue to be referred to the Harmonization Working Group and again urged the Minister to revise his position and allow NWT residents to retain compensation from companies now using their lands.

Given the amount of time devoted to discussion and correspondence on this topic, the Standing Committee on Accountability and Oversight recommends that the 15th Legislative Assembly move quickly to resolve this issue

Consultation on Major Initiatives: On several occasions the Standing Committee on Accountability and Oversight was frustrated when the Government announced major initiatives without a process that included consultation with Committee. When this happened, the Committee generally wrote the Premier, pointing out the oversight. Invariably, the Premier would write back promising to work more closely with Committees, and to try to avoid similar incidents again. However, it seemed that in a few months we would come up against a similar situation.

Of course the repetitive nature of this lack of consultation led to more and more frustration, and a growing sense the Government was not sincere in its approach to consensus government. We finally set up a process whereby the Premier met with Committee on a monthly basis. While this improved the level of communication between the Government and Committee, there were still occasions Members felt the Government moved ahead on initiatives or legislation before adequate consultation had taken place.

Members feel that one way the communication and consultation process could be improved would be to strengthen the protocol for policy proposals to be referred to Standing Committees similar to the process in place for legislative proposals. Members of the 15th Assembly may want to discuss the establishment of a protocol that would ensure Committees have input into policy initiatives in their early stages before significant Departmental resources are committed to their development.

Ministers' Travel and Absences during Session: The Standing Committee on Accountability and Oversight wrote to obtain clarification on Cabinet's policy regarding Ministers being in the House during sitting hours. Members noted that it is important for Ministers to be present for Member's questions during question period. Committee also noted that it was the practice of previous Governments that no more than one Minister will ever be absent on a day that the House is sitting, and then only for Federal/Provincial/Territorial or Provincial/Territorial Ministerial meetings. The Premier confirmed that the Cabinet Policy for the 14th Legislative Assembly carried on the practice of no more than one Minister being absent on a day that the House is sitting and advised all Ministers to be present during Question Period.

The Standing Committee on Accountability and Oversight recommends that the 15th Legislative Assembly continue the current practice of ensuring that no more than one Minister will ever be absent on a day that the House is sitting, and then only for Federal/Provincial/Territorial or Provincial/Territorial Ministerial meetings.

Theme Days

Committee Members continued the practice of "Theme Days" as a way of working together to publicise, heighten awareness, and bring focus to issues of public concern. During the time allotted for Members statements and during question period Members would focus on a particular issue. The rules of the Legislative Assembly allow a period of time for Members of the Legislative Assembly to make a 2 1/2-minute statement on any matter.

Question period is typically one of the most publicised parts of the Assembly's proceedings and it provides an opportunity for Members of the Legislative Assembly to call attention to public issues. During question period Members ask ministers questions about government activity in order to seek out information. The responses are a way of making information about the government's activities public.

Members prepared several theme days on important public issues, including:

- Medical Travel
- Affordable Housing
- Corporate Capital Planning Process
- Governance

In March 2002, Members raised concerns respecting the application of various aspects of the Medical Travel Policy, including eligibility, provision and level of

benefits on medical travel, intercommunity transportation, escorts, patient boarding and local transportation of indigent patients.

Members are encouraged by the Government's recent announcement in June 2003 of interim changes to the Medical Travel Policy to assist residents who do not have third party insurance coverage. The provisions for removal of the co-payment for families with incomes less than \$80,000 and meals and accommodation assistance is a good first step to ensuring that all Northern residents have access to appropriate medical treatment.

CONCLUSION

As this Assembly approaches dissolution, Members believe the Standing Committee has lived up to its mandate by contributing to the achievement of the 14th Assembly vision in several key areas. We feel we have added value to legislative and policy initiatives, and by demanding more accountable and transparent Government.

Sometimes Committee lent support to Government actions, sometimes we questioned or opposed Government action, and sometimes we demanded action where we saw none or not enough. In all, Members believe the Committee's role has been constructive; that our work has made a difference.

It has been a pleasure and an honour for Members to serve the people of the Northwest Territories over the last four years. The Standing Committee on Accountability and Oversight now wishes the 15th Assembly success in developing and achieving its own Vision for better Government and a better and more vibrant Northwest Territories.

