

Standing Committee on  
Economic Development  
and Environment



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Report on Bill 84:  
*An Act to Amend the  
Northwest Territories  
Business Development and  
Investment Corporation Act*

19<sup>th</sup> Northwest Territories Legislative Assembly

Chair: Mr. Jackie Jacobson

**MEMBERS OF THE STANDING COMMITTEE ON  
ECONOMIC DEVELOPMENT AND ENVIRONMENT**

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Chair

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Deputy Chair

Rylund Johnson  
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Katrina Nokleby  
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MLA Kam Lake

Lesa Semmler  
MLA Inuvik Twin Lakes

September 27, 2023

SPEAKER OF THE LEGISLATIVE ASSEMBLY

Mr. Speaker:

Your Standing Committee on Economic Development and Environment is pleased to provide its Report on *Bill 84: An Act to Amend the Northwest Territories Business Development and Investment Corporation Act* commends it to the House.



Mr. Jackie Jacobson, Chair  
Standing Committee on Economic Development and Environment

**STANDING COMMITTEE ON  
ECONOMIC DEVELOPMENT AND ENVIRONMENT**

**REPORT ON BILL 84: *AN ACT TO AMEND THE NORTHWEST  
TERRITORIES BUSINESS DEVELOPMENT AND INVESTMENT  
CORPORATION ACT***

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**STANDING COMMITTEE ON  
ECONOMIC DEVELOPMENT AND ENVIRONMENT**

**REPORT ON BILL 84: AN ACT TO AMEND THE NORTHWEST  
TERRITORIES BUSINESS DEVELOPMENT AND INVESTMENT  
CORPORATION ACT**

**INTRODUCTION**

Bill 84: An Act to Amend the Northwest Territories Business Development and Investment Corporation Act<sup>i</sup> (Bill 84) received second reading on March 30, 2023, and was referred to the Standing Committee on Economic Development and Environment (Committee) for review. Bill 84 amends the *Northwest Territories Business Development and Investment Corporation Act* which has only had minor amendments since originally coming into force.

Bill 84 will amend the Northwest Territories Business Development and Investment Corporation (BDIC), which was established on April 1, 2005, and is a Crown Corporation of the Government of the Northwest Territories (GNWT). The BDIC's role is promoting and maintaining economic development and employment in the NWT. This role has both economic and social aspects. BDIC provides a range of loans, financial programs, and other services aimed at helping northern business succeed by promoting financial independence, economic development, and diversity in the northern economy. BDIC also undertakes economic development initiatives itself in the interest of job creation in small communities and diversification of the NWT economy. Committee supports these initiatives, especially as they coincide with the recommendations in our report on Supporting Northern Businesses.<sup>ii</sup> BDIC itself underwent through previous external reviews in [2013](#), [2014](#) and [2019](#). Committee noted that those reviews did not result in legislative change until this Bill was brought forward.

Bill 84 proposed the following:

- change the name of the Act to the *Prosper Northwest Territories Act* and will continue the BDIC as Prosper NWT (which was not part of the public engagement on the Bill or a recommendation from the two previous external reviews);
- clarify when a corporation will be considered a subsidiary of Prosper NWT for the purposes of the Act and will give the Minister the authority to modify Prosper NWT's non-financial support programs to better respond to emerging business needs;
- give Prosper NWT the power to provide NWT businesses with non-financial supports and assistance that are not part of established programs and continue to

give Prosper NWT the authority to provide financial support to business enterprises and subsidiaries;

- remove the requirement in the Act for periodic reviews and streamline the requirements for audits/reviews set out in the *Financial Administration Act*
- clarify conflict of interest provisions under the Act as well as clarify when businesses are considered related; and
- make consequential amendments to the *Financial Administration Act*, the *Ombud Act*, and the *Public Service Act*.<sup>iii</sup>

## **COMMITTEE CONSIDERED PUBLIC INPUT**

Committee sought public feedback on Bill 84 with a public notice and targeted engagement letters. On May 10, 2023, Committee held a public hearing in Yellowknife to review Bill 84.<sup>iv</sup> At that meeting, Committee heard remarks from the Minister of Industry Tourism and Investment (ITI), and from Joyce Taylor, Chief Executive Officer of BDIC. Committee also listened to statements made by members of the public in support of both the BDIC and the proposed legislative changes.

Committee voiced concerns about the BDIC board's composition. These concerns included: vacant board positions, issues of quorum, the lack of a chairperson, extensions to board appointments, and no representation from small communities.

Committee, through correspondence with the Minister of ITI, received a copy of a competency matrix for selecting board members and then developed an amendment to Bill 84 that would help ensure the board's composition would reflect the regions and industries in the Northwest Territories.

However, after receiving a written submission expressing concerns about BDIC's proposed name change and a lack of accountability,<sup>v</sup> Committee had further concerns about the board and the recent brand audit which had prompted BDIC to change their name.

Committee attempted several times to acquire the brand audit report from the Minister and BDIC itself without success. The report was finally provided to Committee following the preparation of a draft notice to compel the production of the information. When the document was provided, Committee could find very little information that actually supported the name change and requested additional information which was supplied.

## **COMMITTEE CANNOT ENDORSE THE GNWT APPROACH AT THIS TIME**

Committee is of the view that while there is considerable benefit to passing Bill 84 as drafted with the amendment concerning the BDIC board composition. These changes also reflect the recommendations brought forward in the two previous external reviews.

However, concerns remain that both the Committee and the public have not been provided with enough information about the name change and brand audit to show that BDIC's approach to rebranding at this time is reasonable. Committee notes that the rebranding and name change were not part of the public engagement process that was undertaken to develop Bill 84. Committee believes better collaboration and engagement to access and provide input into the BDIC's rebranding efforts would have allowed for a stronger Bill.

**Recommendation 1:** Standing Committee on Economic Development and Environment recommends that the Business Development and Investment Corporation publicly release the rebranding audit and related information on a name change as part of a broader public engagement on rebranding and a possible name change.

With the lack of public information about the BDIC's rebranding efforts, Committee explored the possibility of drafting motions to move that all name-change clauses be removed from Bill 84. However, after consideration this was thought too onerous. Ultimately, the delays during the review process and the lack of transparency informed Committee's decision to report Bill 84 to the Legislative Assembly as not ready for consideration in Committee of the Whole.

Committee is mindful that there is little time left in the 19<sup>th</sup> Assembly to allow for public engagement on changing the name of the BDIC. Committee also recognizes that the development of planned strategic direction such as rebranding the corporation is likely the most important duty the BDIC board can undertake. Regarding the current need for further board appointments, Committee encourages the Minister to make new board appointees to fill gaps after the upcoming election.

**Recommendation 2:** Standing Committee on Economic Development and Environment recommends that the Minister of Industry, Tourism and Investment work the Business Development and Investment Corporation to introduce a Bill early in the life of the next Assembly to respond to the recommendations from the previous external reviews and public engagement on rebranding and a name change.

## CONCLUSION

On July 25, 2023, Committee held a clause-by-clause review.<sup>vi</sup> Based on Committee's concerns about changing the name of the BDIC, the need for public accountability, and

transparency stated above, Committee passed a motion to report Bill 84 to the Legislative Assembly as not ready for consideration in Committee of the Whole.

Typically, Committee includes a recommendation in each report requesting a response from government within 120 days. The recommendation is then moved as a motion in the House and Cabinet is required to respond. However, since the 19th Legislative Assembly will dissolve in less than 120 days, Committee requests that the government provide a public response to this report at the earliest opportunity.

This concludes Standing Committee's review of Bill 84: *An Act to Amend the Northwest Territories Business Development and Investment Corporation Act*.



## ENDNOTES

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<sup>i</sup> Bill 84 is available at: [https://www.ntassembly.ca/sites/assembly/files/bill\\_84\\_-\\_public\\_version.pdf](https://www.ntassembly.ca/sites/assembly/files/bill_84_-_public_version.pdf).

<sup>ii</sup> See Standing Committee on Economic Development and Environment, “Report on Supporting Northern Businesses,” Committee Report #53-19(2), dated June 2, 2023.

<sup>iii</sup> A plain language summary of Bill 84 is available at: [https://www.ntassembly.ca/sites/assembly/files/td\\_921-192.pdf](https://www.ntassembly.ca/sites/assembly/files/td_921-192.pdf).

<sup>iv</sup> Northwest Territories Legislative Assembly, YouTube channel, Standing Committee on Economic Development and Environment, Public Hearing regarding Bill 84,

[https://www.youtube.com/watch?v=5b0X33qxpfk&list=PLZiv8ITEMg4fo9S\\_DcYUrTOdWdSmNYj4D&index=37](https://www.youtube.com/watch?v=5b0X33qxpfk&list=PLZiv8ITEMg4fo9S_DcYUrTOdWdSmNYj4D&index=37).

<sup>v</sup> [Attach the email submission Ms. Nokleby brought forward to Committee.]

<sup>vi</sup> Northwest Territories Legislative Assembly, YouTube channel, Standing Committee on Economic Development and Environment, <https://www.youtube.com/watch?v=np1D8w--Bu8>.

## APPENDIX

**From:** [Katrina Nokleby](#)  
**To:** [DST LEG Committees](#)  
**Subject:** Fw: BDIC Name Change  
**Date:** May 17, 2023 10:20:21 AM

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Hello! Can we add this to the feedback on the BDIC bill? Thanks!

K

Mársı | Kinanāskomitin | Thank you | Merci | Hąı' | Quana | Qujannamiik | Quyanainni | Máhsı | Máhsı | Mahsi

Katrina Nokleby, P.Eng. (Non-practicing)  
[MLA Great Slave](#)

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**From:** Carmelita Allen <carm@theedge.ca>

**Sent:** Friday, May 12, 2023 4:42 PM

**To:** Ron Bonnetrouge; Kevin O'Reilly; Katrina Nokleby; RJ Simpson MLA; Rocky Simpson; Diane Archie MLA; Lesa Semmler; Caitlin Cleveland; Frederick Blake; Jane Weyallon Armstrong; Shane Thompson MLA; Jackie Jacobson; Caroline Cochrane MLA; Paulie Chinna MLA; Frieda Martselos; Richard Edjericon; Julie Green MLA; Rylund Johnson; Caroline Wawzonek MLA

**Subject:** BDIC Name Change

**EXTERNAL:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender's **name and email address** and know the content is safe.

**Subject:** BDIC Name Change

BDIC's reputation for organizational confusion is well earned.

Changing the name without changing the culture will mean more of the same. Writing off debt worth \$236,000 and forgiving \$3.5 million in 2021/22 provide evidence of past failures. Recent news that Blachford Lake Lodge, another BDIC client that has declared voluntary insolvency necessitating further write-offs are evidence of current failures.

The pending public write-off or debt forgiveness does not tell the whole story as the losses to unsecured creditors, employees and guests need to added as well as the indirect cost to the industry in loss of trust in NWT businesses.

Having had experience with many BDIC clients, I believe many of these costs could have been avoided by providing regular oversight and early intervention to provide assistance if required. BDIC can add conditions to a loan that requires its clients to provide financial reports and can access CRA accounts.

Write offs and forgiveness must be seen as last resort.

In the case Blachford, its financial statements showed significant COVID affected losses that

were carried forward. As cash ballooned because of record bookings, much of the new cash was diverted to pay off past losses making defaults inevitable. BDIC losses as the secured creditor only represent a portion of the total losses to the NWT economy. Also, included are:

- Loss of property value (BDIC security)
- Losses of unsecured creditors
- Losses to employees and guests deposits and prepayments
- Loss of trust among present and future guests

Co-ordination between BDIC and ITI could have limited losses while maintaining trust by

- Intervening early –to update business plan and institute safeguards to strengthen governance May 12, 2023
- Developing and implementing a strategy to implement an assurance fund to protect guests' deposits and prepayments to maintain guests trust in the industry
- Using BDIC leverage in using loan terms to facilitate transfer to new owners/investors

Small and medium business do not see BDIC/ITI as a partner. Start ups and infant industry involve higher risk. Access to capital is usually not the only problem. Economic development involves holistic, full life cycle programming and hands on case management. Changing the name will not change the culture or change perceptions that have taken years to develop.

Sincerely,

Peter Allen (Nexus Group)