

**NORTHWEST TERRITORIES  
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**Thursday, May 22, 2008**

Pages 495 to 526

The Honourable Paul Delorey, Speaker

Legislative Assembly of the Northwest Territories

**Members of the Legislative Assembly**

Speaker  
Hon. Paul Delorey

(Hay River North)

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Yellowknife, Northwest Territories  
Thursday, May 22, 2008

Members Present

Mr. Abernethy, Mr. Beaulieu, Ms. Bisaro, Mr. Bromley, Hon. Paul Delorey, Mrs. Groenewegen, Mr. Hawkins, Mr. Jacobson, Mr. Krutko, Hon. Jackson Lafferty, Hon. Sandy Lee, Hon. Bob McLeod, Mr. McLeod, Mr. Menicoche, Hon. Michael Miltenberger, Mr. Ramsay, Hon. Floyd Roland, Hon. Norman Yakeleya.

The House met at 1:30 p.m.

# Prayer

Prayer.

**Speaker (Hon. Paul Delorey):** Please be seated.

# Speaker’s Opening Comments

**Mr. Speaker:** Good afternoon, colleagues. It is indeed my pleasure to welcome you back to the House as we resume the second session of the 16th Legislative Assembly.

At this time I would also like to welcome everyone in the gallery, everyone from across the Northwest Territories watching us live on our new Legislative Assembly broadcasting system, everyone listening to our proceedings on CKLB radio and everyone following our proceedings on the Internet.

I realize that this may prove to be a challenging sitting for all of us, with both spring and the budget debate arriving in the month of May. Hopefully, the warm weather and the return of the ducks, the geese and the songbirds will not distract us too much from the important work before us in the weeks ahead.

Colleagues, I know you will join me in extending congratulations today to the Hon. Anthony W.J. Whitford on his reappointment for a further two-year term as Commissioner of the Northwest Territories.

Applause.

**Mr. Speaker:** Commissioner Whitford’s appearances in our Chamber are always a pleasure, and we look forward to the next two years.

As we get down to the business at hand, I would like to take this opportunity to reaffirm the uniquely northern system of consensus government that we have here in the North.

Consensus government does not mean that we must all agree at all times, but consensus government is the approach we take to our disagreements and our willingness to listen, debate, and keep an open mind. To compromise, when doing so, serves the greater good.

I would ask all Members to be mindful of the rules and procedures you have chosen to govern our proceedings. I will be diligent in applying and enforcing our rules, and my only goal is to make our deliberations as orderly and productive as possible.

May you show sound judgment in all of your deliberations and maintain an atmosphere of dignity and respect for all.

Now it is my duty to advise the House that I have received the following message from the Commissioner of the Northwest Territories, and it reads:

Dear Mr. Speaker:

I wish to advise that I recommend to the Legislative Assembly the passage of Appropriation Act 2008–2009; Supplementary Appropriation Act, No. 4, 2007–2008; and Supplementary Appropriation Act, No. 1, 2008–2009, during the second session of the 16th Legislative Assembly.

Yours truly,  
Anthony W. J. Whitford  
Commissioner

Thank you, colleagues.

Item 2, Budget Address. The Hon. Premier, Mr. Roland.

# Budget Address

**Hon. Floyd Roland:**  Thank you, Mr. Speaker.

Introduction

I am pleased to present the first budget of the 16th Legislative Assembly. We are at an important crossroads in the Northwest Territories. Times are relatively good. We continue to have the highest gross domestic product per capita in the country, and the highest average income in the country.

At the end of last year, a third world-class diamond mine went into production in the Northwest Territories. At full operation, our diamond industry will produce 15 per cent of the world’s diamonds.

For a territory of only 43,000 people, those are some great achievements. And residents of our territory are to be commended, because it’s due to their hard work that we are succeeding. It’s due to their goals, their values and their ambitions that we have these remarkable achievements and are enjoying these good times.

But there are some clouds on the horizon that we need to watch.

Over the past year, the North American economy has begun to face some difficult hurdles. Canada’s largest trading partner, the United States, is in economic slowdown. There is volatility in world financial markets. Energy costs have risen rapidly. Although the strength of the Canadian dollar helps insulate us, Canada is not immune to these economic challenges.

Many governments across Canada, including the federal government, are budgeting with caution, because financial ripples can become dangerous waves. Canada’s economy, like ours, is based on exports. We depend on people and businesses around the world to buy our products and services, so the health of world markets and the pocketbooks of world consumers affect our economy. Their challenges can have an impact here, so we need to keep an eye on the broader economic situation and be prudent in our budgeting.

At the same time, here in the Northwest Territories we have immense opportunities ahead of us. We know we have an incredible amount to offer Canada and the world. Exploration continues in our resource sector as we take our place as a world leader in diamond production. Global demand for oil and natural gas continues to grow. We have billions of barrels of oil and trillions of cubic feet of natural gas waiting to be developed. Our river systems offer incredible hydroelectric potential that can generate new growth and cheaper, cleaner energy alternatives for our residents.

We have great tourism potential with some of Canada’s most spectacular scenery, including our aurora borealis. We have arts and crafts and unique, rich cultures we are proud to showcase to the world. And we sit adjacent to western provinces that share our strengths in natural resources — a powerful economic bloc. We want to be part of that economic success.

These opportunities offer us the prospect of greater economic development in the Northwest Territories: development that will create more jobs for residents, create more opportunities for business, and result in an even better quality of life for Northerners.

We want to unlock the immense opportunities we have in front of us. But that will not happen just by sitting and waiting; it will not happen if we just hope; and it will certainly not happen if we continue to do things the same old way. Instead, it will require targeted actions and investments. That is the course this budget sets us on.

Last fall one of our first tasks as Members of the 16th Legislative Assembly was to identify our vision and goals and develop our priorities for the next four years. Members have described a vision of the Northwest Territories as a place where strong individuals, families and communities share the benefits and responsibilities of a unified, environmentally sustainable and prosperous territory. The government, with input from all Members, has identified specific actions to address the Assembly’s priorities and to allocate the resources needed to achieve our goals.

In February, I laid out five strategic initiatives based on the vision and priorities of this Assembly. These will be the focus of our actions and our investment in the years ahead.

The first is Building Our Future: taking actions that focus on children and youth, on promoting healthy choices and on supporting families and seniors.

The second is reducing the cost of living: taking actions to address the high costs that stand in the way of achieving a better quality of life and affect our ability to grow and diversify our economy.

The third initiative is Managing This Land: taking action toward finding the right balance between development and protection of our land and resources, and making these decisions in the NWT

The fourth is to maximize opportunities in the NWT, to open the door to new developments that contribute to the North, and to improve the quality of education and training so Northerners can take advantage of the jobs that are created here in the NWT

And fifth, we will be taking action to refocus government, to achieve greater effectiveness and efficiency in how we operate as a government and in how we deliver programs and services to the people of the NWT

The budget I am introducing today begins to make the substantial investments needed to advance our priorities. It builds on the key existing programs and services and moves our territory forward toward our vision and goals.

Fiscal Strategy

Now, Mr. Speaker, if we are to achieve the vision that Members have set, then we cannot continue to do business in the same old way.

Budgeting is always about making choices. It is about determining what resources we expect to have and deciding, based on our priorities, how to allocate those resources to best achieve our goals. This means that sometimes we have to say no to things that are not priorities, or stop doing things that are not the best use of the money that’s available.

Our five strategic initiatives will help unlock our opportunities and improve life in the Northwest Territories. They will help us reach our goals. But we need to back up these initiatives with proper investment. We need to align our budget so it’s consistent with our vision. We are allocating appropriate resources to focus on our strategic initiatives while establishing a solid fiscal foundation.

We have limited revenues in the Northwest Territories; they *are* growing, but without changes our expenditures will grow faster. We face a situation where our operating expenditures have continued to eat into our revenue base, eroding our ability to fund important priorities like roads, schools and water-treatment plants. If this isn’t addressed, it will hurt our long-term financial position, and our ability to invest in our strategic priorities toward building a better future will be compromised.

NWT residents know what it means to make financial choices. Households and families deal with the same set of choices every day. They know that if you spend money faster than you earn it, you will eventually end up in debt. You’ll end up using your credit cards for day-to-day expenses like rent and food, and you won’t have any extra cash along the way to make major investments that improve your standard of living, like buying a truck or renovating your home. Worse yet, if you haven’t put your financial affairs in order during good times, then it’s even more difficult and disastrous when rough times arrive. We all know that’s not a prudent way to secure the futures of our families.

Securing the future of our territory is no different. The Government of the Northwest Territories is forecasting annual revenues of more than $1.2 billion per year over the next four years. But without action on our expenditures, we will be running operating deficits and borrowing to pay for day-to-day expenses. That's no different from a family maxing out its credit cards.

If our expenditures grow at the rate they have over the last four years, then by the end of 2011–2012 this government will be almost $500 million in debt. And, along the way, we will have no money to invest in our strategic initiatives, no resources to help achieve the vision and goals set by this Assembly. This is clearly not in the long-term interests of Northerners.

We have little flexibility on the revenue side of the budget. New Territorial Formula Financing arrangements established by Canada in 2007 will provide a predictable, principal-based funding source for our government. But these arrangements will not change in the near future, and we are not expecting additional revenues.

Although the NWT’s prospects for economic growth are bright, we cannot expect all of this to translate into comparable revenue growth for our government. Much of the benefit from economic activity in the NWT leaks out to other jurisdictions. Under our funding arrangements with Canada, 70 cents of every new dollar of revenues is clawed back from our Formula Financing grant. And resource royalties continue to be paid to the federal government, not to NWT governments.

We continue to pursue devolution and resource-revenue sharing with the Government of Canada. I have raised this issue over the past few months with the Prime Minister and the Minister of Indian and Northern Affairs, and with NWT aboriginal leaders.

However, we must be realistic and recognize that we cannot build budgets around money we do not yet have. A resource-devolution agreement will likely not produce additional revenues during the life of this Assembly. And, even if we had an agreement today, resource revenues alone would not be sufficient to overcome the higher growth in our expenditures.

Our fiscal strategy includes looking at tax options, but we know we cannot solve our fiscal situation solely by increasing taxes on NWT residents and businesses. This would discourage business investment and economic growth, and it would leave individuals and families with less money in their pockets at a time when the costs of living are rising.

So we must act on the expenditure side. We must bring our rate of spending growth into alignment with our rate of revenue growth. We must take steps to live within our means.

Some would have us postpone taking action. Some ask, “Why now? Expenditures may be rising, but we’re still in surplus. Times are good.” Well, there’s a saying I’ve heard: “The rich man plans for tomorrow; the poor man, for today.” Mr. Speaker, this government is planning for tomorrow.

We don’t want to wait until we slip into deficit and debt and we’re forced to act. We don’t want to wait until our financial flexibility is gone and our choices have run out. We don’t want to take action at the highest possible cost when the impact would be most devastating. And we don’t want to squander the incredible opportunities we have in front of us.

We are taking action today so we can secure the prosperity we’re enjoying, so we can lock in our current government achievements with a budget that is sustainable in the long term, and so we have resources to invest in our priorities and build the great Northwest Territories of tomorrow.

This budget takes a balanced, realistic approach that involves reallocation of some spending to allow us to make new investments, that starts to bring our rate of expenditure growth in line with our rate of revenue growth, and that contemplates a reasonable level of borrowing to permit investment in badly needed infrastructure.

Budget 2008–09 Highlights

Let me now turn to the highlights of this budget.

The 2008–09 budget is a balanced budget, projecting a small operating surplus of $13 million.

For the coming fiscal year of 2008–09, the government is estimating revenues of $1.23 billion.

Relatively stable Territorial Formula Financing arrangements were an important part of the planning assumption in setting our fiscal strategy over the next four years. The grant from Canada will be $805 million in 2008–09: an increase of just over 2 per cent from 2007–08.

This budget proposes 2008–09 operating expenditures of $1.217 billion. This represents almost $28,000 per NWT resident to deliver programs and services that meet the needs of the residents of this territory.

There is an operating-expenditure increase of $64 million, or about 5.5 per cent, over the 2007–08 Main Estimates. This includes $45 million to address increased social program costs, to meet higher fuel costs, and to meet our obligations to employees under our collective agreements.

This budget builds a stronger Northwest Territories by making a substantial commitment to invest in our people and the infrastructure that supports communities, economic activity and the programs that residents rely on.

This budget includes $72 million to support investments in the priorities of this Assembly. These investments will be funded by offsets in other spending areas — $32 million in sunsetted programs and $35 million in expenditure reductions in 2008–09.

It also invests $180 million in public infrastructure, including contributions to community infrastructure projects. We will not, however, need to borrow for this investment in 2008–09. Our total debt at the end of 2008–09 is projected to be $158 million, most of which is long-term debt of the NWT Power Corporation and the NWT Housing Corporation.

The government’s medium-term outlook anticipates moderate operating surpluses while making significant inroads into our territory’s infrastructure and other investment needs. To achieve this, we will be capping forced growth, excluding compensation and benefits, at 3 per cent per year. We will be looking for additional savings on the expenditure side, and we will be looking at initiatives to increase our own-source revenues.

We will undertake over $500 million in infrastructure investments over the life of this Assembly — investments that will improve the quality of life for NWT residents and encourage economic growth.

We will, quite literally, be building tomorrow’s future.

This budget is realistic, balanced and responsible. It falls within our Fiscal Responsibility Policy, which continues to guide our budget planning based on solid principles of financial management. Implementing our fiscal strategy means that by the end of 2011‑12 the GNWT will have incurred only $17 million of new debt. But we will not be borrowing to fund our day-to-day expenses.

This budget provides a framework to ensure that we maintain a sound fiscal position: one that will allow us to deliver affordable programs and services to invest in needed infrastructure within fiscally sustainable levels of financing.

After taking into account expenditure changes, new initiatives and additional capital investment, we expect that this budget will have a positive impact on the NWT economy, including job growth.

Revenues

Mr. Speaker, this budget includes no changes to NWT tax rates for 2008–09.

The government’s fiscal strategy includes the generation of $10 million in new revenues starting in the 2009–10 fiscal year.

Although $10 million represents a relatively small proportion of the GNWT’s revenues, any tax measure will affect the cost of living or doing business in the NWT. It is important that the revenue measures we take are consistent with both this Assembly’s overall goals and with sound tax policy.

Following consultation with Regular Members, we will be releasing a revenue discussion paper this summer for public comment. Focusing on the GNWT’s major current and potential revenue sources, the paper will describe the revenue options available to the GNWT, placed in the context of the vision and goals of the 16th Legislative Assembly; our strategic initiatives; the principles of sound tax policy; and our Macroeconomic Policy Framework. The paper will seek input on how we should address the revenue side of our budget plan. Decisions on revenue changes will be announced following this consultation.

Expenditures

In order to bring our expenditures into line with our revenue growth, we are planning a realignment of $135 million in expenditures. As of this day, we have identified $75 million over the next two years and have put processes in place to identify the remainder. But let me be very clear. This is not simply about cuts; it is about realignment of our budget and substantial reinvestment.

The government will pursue a sustainable fiscal strategy for the Northwest Territories — one that will allow us to reinvest millions of dollars in the future of our territory, our communities and our residents.

We intend to do business differently and become more efficient. We will make process changes to foster good financial planning and produce long-term fiscal savings.

In the course of our financial realignment, we are keeping a number of criteria in mind. We are minimizing the impact in the priority areas identified by Members. We are identifying areas where money not used in the most efficient way could be used more effectively to support our strategic initiatives and invest in Northerners.

We recognize that budget adjustments can have a very real impact on people — both program users and GNWT staff. We value our employees. We need their skills and experience, and we are making every effort to accommodate affected staff within our government’s Staff Retention Policy.

New Investments — Northerners Working Together

Mr. Speaker, let me turn now to the key investments this budget makes in the future of the NWT.

As I described earlier, the government has laid out five strategic initiatives that are the focus of our government’s investments. Over the long term these investments will help improve the lives of Northerners, foster greater economic development in the Northwest Territories and unlock our tremendous opportunities.

Building Our Future

The future success of the Northwest Territories will depend on developing the skills, talents and abilities of our residents. This budget invests $18.6 million to create an environment where Northerners can do their part to develop to their full potential. The Hon. Michael McLeod will be coordinating the government’s strategic actions in this important area.

It is difficult to imagine anything more key to our future than providing our children and youth with a solid foundation on which to build their lives. Nearly $5 million will be spent to expand programming for children and youth.

The proper investments now will increase attendance and completion rates in our K-to-12 school system. This budget invests $1 million in 2008–09 to improve the quality of early childhood programs in the NWT. We will extend the Language Nest Initiative, increase regional early childhood programming staff and create an early childhood coordinator position to build linkages between early childhood programs and the formal school system.

This budget also invests $300,000 in 2008–09 to develop a plan to increase the enrolment and completion rates of the Teacher Education Program. Our goal is to provide access to programs and practicum placements in communities, and additional learning supports. Ultimately, this will increase the number of aboriginal teachers in the NWT school system.

In partnership with the Government of Canada, this budget includes $1.6 million to support minority-language instruction. We also recognize that schools need qualified instructors to successfully deliver aboriginal language and culture programs. Therefore, this budget provides $120,000 to fund a full-time language and cultural instructor at Aurora College.

This government currently funds a number of youth-development areas such as on-the-land and entry-level skills programs. This budget contributes to the costs of youth activities by continuing the new $250,000 investment to support communities and other organizations that operate youth-centre programs. This budget also includes $125,000 to fund a permanent school-based Take a Kid Trapping Program.

We know that the quality of the school infrastructure that children attend can have a significant effect on the quality of their education. Mr. Speaker, this budget invests $25 million in much-needed school replacements, renovations and upgrades in 2008–09.

Families and extended families have the first responsibility to help their children grow and develop to their full potential. But sometimes they need help. Foster parents can provide caring homes to children who require long-term, temporary or emergency placements. This budget invests $1 million to rationalize and standardize foster-care rates. When this initiative is complete in 2009–10, we will have a foster-care program that reflects the higher costs of supporting a foster child in smaller communities and ensures appropriate services are available to children across the entire Northwest Territories.

Children with disabilities should have the opportunity to develop to their full potential. Therefore, this budget invests $224,000 in 2008–09 to provide planned relief for families who care for children with disabilities.

We will improve the quality of life for adults with severe cognitive and behavioural challenges by keeping them closer to home and their families. This budget invests $571,000 in additional operating funds for group homes and a day program in the NWT.

Building Our Future is about helping people make healthy and productive choices. This budget includes $100,000 in 2008–09 to continue the Healthy Choice programs geared to improving the life of NWT residents and reducing long-term health and social-service costs.

We are continuing our long-term health reform fund with $3.1 million to enhance nursing resources in small communities and expand nurse practitioner training. We will also be reducing patient wait times through a one-time $1.8 million investment in an on-the-job Community Health Nurse Development Program. Investments of $7 million in electronic health-records management and image-archive technology will improve health-service delivery.

We are also investing $25 million in health infrastructure, including $13 million for the territorial dementia facility in Yellowknife, $3.4 million for the Adult Supportive Living facility in Hay River and $2.5 million for the Northern Lights Special Care Home in Fort Smith.

While over the long term we need to re-evaluate how we deliver health-care services, Mr. Speaker, I want to reassure NWT residents that this budget increases total spending for health and social-services programs by almost $33 million over last year’s budget.

In recent months I have heard concerns that the government might reduce the level of support it provides to the recreation and sport system.

This government recognizes that physical activity is a building block to personal health and well-being. An active and vibrant recreation program is a key component of a sustainable community, and promoting physical activity in all segments of society helps prevent lifestyle-related diseases and reduces health costs. I am pleased to announce that the government is committed to maintaining a stable level of investment in this key area.

We also want to make sure our residents are not held back from reaching their potential by concerns about the safety and security in their communities. Family violence has created complex problems in our communities. This budget invests $800,000 to increase the support services available to women and children experiencing family violence and to stabilize existing shelters.

This budget also invests $1.5 million to open additional police detachments and support increased police services in our communities. We recognize the pressures that community governments are facing in delivering ground-ambulance and highway-rescue services. This budget includes $350,000 to support communities providing these services and to complete the development of a new policy and funding framework for the integrated territorial delivery of these services.

Maximizing Opportunities

Mr. Speaker, the Northwest Territories continues to benefit from a healthy economy. At 13.1 per cent, the growth of the NWT economy was the highest in Canada in 2007. This healthy growth was driven primarily by the diamond-mining sector. The NWT’s three producing diamond mines contributed over $1.2 billion, or over 31 per cent, to our territorial GDP in 2007.

The NWT economy continues to show great promise. A fourth diamond mine is in the environmental-assessment phase. Just as important, our oil and gas resources hold tremendous potential. When the Mackenzie Valley natural gas pipeline is built, it will be the single largest investment in the history of the NWT. It will launch a whole new era for our territory.

The Northwest Territories is in a unique position. We are experiencing new economic-development opportunities while continuing to enjoy clean water, air and land, and abundant fish and wildlife. Striking the right balance between positive economic growth and the impact of that growth on our residents, our communities, and our environment will be crucial.

We will continue to pursue a balanced, diversified and sustainable NWT economy — one that smoothes the “boom and bust” cycles we have seen in the past. We will support Northerners to maximize the long-term benefits of major projects like the Mackenzie Gas Project.

Northerners must be able to take advantage of opportunities when they arise. This budget proposes investments totalling $11.7 million in 2008–2009 to maximize our opportunities. The Hon. Jackson Lafferty will be responsible for coordinating efforts for this initiative.

Improving our skills for working and living is essential to enable Northerners to seize opportunities as they arise. This budget invests $4 million in training, including $1.2 million to support hiring apprentices in designated trades and occupations. We want to help more women and aboriginal people become qualified tradespeople with increased opportunities. We are therefore investing an additional $100,000 to increase enrolments in apprenticeship programs. This budget provides $200,000 to expand the Aurora College Mobile Trades Training Unit to include the Inuvik campus and outlying Beaufort-Delta trades facilities. We are investing $100,000 for a marine-services training program so that we can fill vital marine-engineering positions. We are emphasizing trades, technical and work-related skills in our classrooms by adding $2.8 million to the 2008–2009 budget to lower the pupil-teacher ratio in trades. This initiative will help students get a better understanding of the career opportunities in trades and develop better work-related skills and attitudes.

Mr. Speaker, this government supports efforts to diversify the economy and reduce our dependence on non-renewable resource developments. The tourism industry is the largest renewable sector in our economy and holds enormous potential for the future. Continued investments in this industry will support its expansion and growth and allow it to compete in the global marketplace.

This budget invests $1.6 million in a Tourism Product Diversification and Marketing Fund. This fund will provide assistance for research to identify existing and emerging markets; funding to individual operators for product development, planning and implementation; and assistance to Northwest Territories tourism to promote the resulting new opportunities and markets.

The fund will encourage eco-tourism, adventure and cultural product development, but it will not be limited to those markets. NWT parks and visitors infrastructure are strategic assets that are integral to a successful tourism industry.

This budget will invest $3.8 million in parks infrastructure in 2008–2009 as part of a four-year plan to replace the flagship Sixtieth Parallel Visitor Centre, to address the increasing demand for RV sites in our campgrounds, to address the deterioration of heritage buildings, and to establish a new territorial park under the NWT Protected Areas Strategy. An additional $140,000 will be invested in the parks operations and maintenance budget. We will also invest $250,000 in developing and delivering cultural and interpretive programs in parks throughout our region. These programs will improve the park experience for our visitors and encourage them to extend their stay and enjoy other opportunities and experiences in the NWT.

Mr. Speaker, we recognize that the NWT’s arts sector makes significant contributions to our economy while enhancing the quality of life of individuals and communities. NWT visitor surveys show that tourists also want to experience and learn about our northern culture and heritage. This budget will increase support to NWT arts and cultural activities by $500,000 in 2008–2009.

The 2010 Olympics provide an excellent opportunity for the NWT to showcase ourselves to the rest of Canada and the world. We believe we should use this event to support our other investments in marketing the NWT by promoting our territory as a place to visit and by promoting our NWT artists and performers. This budget provides one-time funding of $67,000 to start to take advantage of this opportunity.

Small business is an important element of our northern economy. In every community entrepreneurs provide goods and services to the public, industry and government. This budget invests an additional $1 million to fund the new Support to Entrepreneur and Economic Development Policy that will replace both the Business Development Fund and the Grants to Small Business policies, bringing the total program resources for 2008–2009 to $2.4 million.

While we want to diversify away from dependence on large non-renewable resource developments, we also want to maximize the benefits of these projects for NWT residents. The Mackenzie gas pipeline is expected to trigger additional resource exploration and, like the diamond industry, result in economic spin-offs in other sectors like manufacturing, retail services and tourism.

The opening of the Mackenzie-Beaufort basin to markets will generate even more economic activity than the construction of the pipeline itself. It will help expand and diversify our economy, and it will create jobs and opportunities for NWT residents. Although the Mackenzie gas pipeline is still in the review phase, we must be prepared for this massive project. We need to ensure we have the capacity to meet our responsibilities associated with the regulatory processes and our commitments under the socio-economic agreement. This budget allocates $610,000 to allow us to meet these commitments and facilitate moving forward with the Mackenzie Gas Project.

We also need to ensure that other economic potential in the NWT, such as our significant hydro potential, is explored. This budget provides $3 million in contribution funding in 2008–2009 to the NWT Energy Corporation to conclude the regulatory process for the proposed Taltson Hydro Expansion Project.

Managing this Land

Mr. Speaker, we depend on our water, land and natural resources for our wealth and our livelihood. Our future prosperity depends on the steps we take together now to protect our water and our land. The budget invests $6.2 million in 2008–2009 to ensure we use our land and water resources in a sustainable way that protects these resources for future generations. The Hon. Bob McLeod will take the lead in advancing this strategic initiative.

Community water supplies in the Northwest Territories are abundant, but challenges do exist. Four GNWT departments will work together to implement the Action Plan for Drinking Water Quality in the NWT. This budget proposes an additional $425,000 to address the highest priorities in the action plan not covered under current funding. This includes technical support for community water-treatment plant upgrades and continuation of training programs for community water-treatment operators.

The NWT has energy literally blowing in the wind that could help reduce our greenhouse gas emissions. Although past attempts to harvest wind energy have not succeeded, technology in this area has improved significantly. This budget will invest $200,000 in 2008–2009 to develop a business model and conduct engineering studies for the installation of operating wind-energy turbines in 2009–2010. This budget also provides $450,000 to establish alternative-energy pilot projects in communities.

Other alternative-energy sources will also be explored. In total, $2.2 million has been allocated to continue projects already underway, including:

* $900,000 to advance three mini-hydro projects for Deline, Whati and Lutselk’e,
* $135,000 to convert the NWT Department of Transportation Fort Smith maintenance garage from oil to hydroelectricity,
* $485,000 to install wood-pellet boilers in the Chief Jimmy Bruneau school in Behchoko,
* $110,000 for wood-pellet pilot project feasibility studies for communities, and
* $250,000 for a geothermal ground-source heat pump project at Aurora College in Fort Smith.

This budget also provides $250,000 for the Western NWT Biophysical Study and $350,000 to update the classification and mapping framework for the Southern and Northern Arctic eco-zones.

We need stewardship actions to manage the effects of habitat change on NWT wildlife. We are proposing an investment of $1.4 million in 2008–2009 to continue the work for the Barren-Ground Caribou Management Strategy, and to implement an NWT Wood Bison Strategy. We will also develop a better understanding of the cumulative effects of habitat change from exploration and development activities on species at risk.

Finally, we cannot manage this land without addressing how the land is governed. We need northern control over our land and resources, including a resource-revenue–sharing agreement. This budget will continue to fund this government’s participation in devolution and resource-revenue–sharing negotiations with Canada and our aboriginal partners.

Reducing the Cost of Living

Mr. Speaker, NWT residents, especially those in small and remote communities, face living costs that are among the highest in Canada.

Investments to reduce the cost of living will reap benefits for residents now and well into the future. Under the coordination of the Hon. Sandy Lee, this budget invests $24.7 million on initiatives to reduce the cost of living in the NWT. This includes $18 million to improve the quality and cost of shelter through:

* an investment of $17.1 million from the Northern Housing Trust in home construction in communities across the Northwest Territories, and
* $400,000 to develop an NWT Hydro Strategy to find ways to reduce the cost of energy for Northerners.

We will directly target the factors that impact the cost of goods by including $800,000 for energy-awareness programs. We will invest $100,000 to develop options to reduce the cost of electricity regulations and delivery of the GNWT’s Territorial Power Support Program.

We will also improve transportation access to communities.

The GNWT’s transportation investment strategy aims to balance transportation infrastructure investments across the NWT to address key priorities in each region. Through the capital plan, this budget invests over $55 million in transportation infrastructure across the NWT — $34 million on highways and roads, $6 million for winter roads and $15 million for airport infrastructure improvements.

In addition, this budget invests $200,000 to speed up Dempster Highway ice-crossing construction so the highway is open to commercial vehicle traffic sooner in the season.

Mr. Speaker, this February our government signed a framework agreement with Canada. That set the stage for over $185 million in infrastructure funding to flow to the Northwest Territories over a seven-year period. I am pleased to advise this Assembly that we are close to signing a funding agreement, which is one of the final steps required.

This funding will provide a much-needed injection of almost $140 million in critical transportation infrastructure needs across the NWT. It will allow us to address urgent priorities like replacement of the Kakisa River Bridge. It will enable us to move forward in partnership with the City of Yellowknife on the Kam Lake bypass road project. It will allow our government to respond to the long-standing need in Tuktoyaktuk to develop an access road to the gravel source at kilometre 177.

A further $45 million will be used to support infrastructure needs in our communities. Of this, $7.6 million will be allocated to address urgent upgrades to water-treatment plants.

An additional $35 million will be transferred to community governments on a formula basis for locally identified priorities in eligible categories.

Finally, a portion of the funding will be used to enhance the government’s ability to conduct much-needed research into the impacts of climate change on transportation and community infrastructure, and to develop prevention and mitigation strategies.

Through cost-sharing with Canada, the Government of the Northwest Territories will leverage millions of dollars in infrastructure funding for our territory. This will help stabilize transportation costs and reduce the cost of living.

Mr. Speaker, this injection of funding to support community infrastructure, combined with the government’s commitment to stable, ongoing infrastructure funding for community governments under the New Deal, will result in an increase of 254 per cent in funding available for community infrastructure over a six-year period.

This is real, tangible action to reduce the cost of living in the NWT

Now, even with these investments, the reality is that high costs represent an even greater hardship for low-income seniors on fixed incomes.

This budget supports those seniors with $155,000 in additional funding for the Senior Citizen Supplementary Benefit.

Last year, the government announced a change in the focus of the Income Security Program from a program of last resort to one that provides adequate financial assistance for basic needs and supports people to achieve self-reliance. We are proposing a $6 million investment in this budget to fund the changes in the GNWT’s income-security programs.

Refocusing Government

Mr. Speaker, the government does not have unlimited financial resources and cannot try to meet every demand or need. We must live within our means and ensure that our resources are directed to the programs, services and infrastructure of the highest priority and benefit to Northerners.

As a government, we have a number of key challenges that still need to be addressed to ensure our long-term fiscal stability. Considerable progress has been made during these last few months and is reflected in this budget, but our work is by no means done.

I have made a number of references to the fact that we need to change the way we do business as a government. This is something that cannot be done in a few short months. We need to review how this government operates, how we set priorities, how we deliver services and how we make sure we’re getting the best value for the dollars we spend.

Our first step is to begin conducting program reviews on an ongoing basis to ensure that GNWT programs and services have adequate resources and are meeting their intended objectives. This budget will establish a program-review office whose objective will be to work closely with departments to identify approaches to managing expenditure pressures. The review will look at procurement, travel practices and growth in program spending. Over the long term, it will suggest ways to make specific programs and services more effective. We will ensure policies are in place to support routine and effective use of program evaluation by all departments and agencies.

We will need to look at how we can deliver services to our residents more effectively. This includes how we are organized to deliver services and how and where services can be delivered. As a first step, we will be developing specific plans for structural reform of key GNWT boards during this fiscal year, focusing initially on education, health and social services and local housing-organization boards.

We will also improve on how we manage our human resources. We need to ensure we use this most valuable resource to its full capacity. We must develop recruitment and retention plans to ensure we have the skills and talents we need. All NWT governments, whether territorial, community or aboriginal, face many of the same human-resource challenges. We will be looking for innovative approaches to address these challenges.

The Hon. Michael Miltenberger will be coordinating the Refocusing Government initiative. We look forward to consulting with stakeholder groups on these issues to come up with solutions that meet the needs of our territory well into the future.

Finally, we need to change the GNWT’s approach to the way we invest in infrastructure. We lack a guiding framework for infrastructure planning and acquisition. Much of our existing infrastructure is aging. Many of our large projects cost more than we initially estimated, in large part due to the overheated western Canadian construction market. And although we welcome federal infrastructure dollars, we need a process to ensure they support, rather than distort, territorial and community investment priorities and decision-making.

Some changes in infrastructure investment will be made right away. This budget provides $7.65 million in 2008–09 to address the need for maintenance and to maximize the useful life of existing government buildings. In the longer term, this government will develop new approaches to planning for, acquiring and delivering the infrastructure required for GNWT programs and services.

The cost of government operations, including capital construction, has increased dramatically in recent years as a result of inflation, labour supply and limited competition. We need to bring these costs under control, in part by making sensible policy changes. These could include changing the timing of the capital budget, improving internal coordination, using standardized designs and altering procurement practices to increase competition for capital projects.

The GNWT intends to consider the elimination of the Business Incentive Policy, particularly its application to capital project contracts, while maintaining its commitment to local and northern purchasing. Over the coming months the GNWT will conduct the appropriate consultations leading to changes for implementation in the 2009–10 fiscal year.

Looking Forward

Mr. Speaker, this budget includes the work of all Members through our vision, goals and priorities process last winter, and the consultative processes of the Legislative Assembly between Cabinet and standing committees.

I would like to thank my Cabinet colleagues for their efforts to come up with a plan for this government that sets the solid fiscal foundation we need to grow as a territory.

The budget describes the investments we will be making this fiscal year. But we also need to look ahead to future years and future investments. We need to ensure the investments we make in our people, in the land and in the economy are guided by long-range plans. Sustainability comes from developing broad plans, consulting with other governments and the public about the appropriateness of those plans and then sticking to them.

Our plans will advance this Assembly’s priority to support a healthy, sustainable voluntary and not-for-profit sector. The government needs to ensure appropriate support for the non-government organizations (NGOs) that deliver services to NWT residents on our behalf. This year we will complete our NGO funding policy, identify ways we can support different types of NGOs, and prepare needed training materials.

We want to do a better job in supporting the voluntary sector. To do this, the GNWT needs to clarify our relationship with the sector, assign responsibility accordingly and identify and implement concrete actions. Our government will also support the voluntary sector through promotional activities, updating the Outstanding Volunteer Awards Program and simplifying our funding application and reporting forms.

One-time funding of $100,000 will be provided in 2008–09 to develop a land-use framework that ensures all GNWT land-use decisions are guided by a common territorial approach that supports the political, economic and environmental interests of the NWT.

This budget also sets aside $130,000 to develop and implement water-management initiatives, including negotiations on a trans-boundary water agreement with Alberta and the development of an NWT water strategy to guide our investments in protecting our most precious natural resources.

Mr. Speaker, in 2007 the GNWT adopted a macroeconomic policy framework to guide our investments in the NWT economy. The next step in setting out our economic roadmap will be to develop a long-range economic-investment plan. Using the criteria set out in the framework, we will evaluate the potential impact of the investments in the various sectors of our economy. This work will also guide our decisions regarding the investment of $4.2 million provided by Canada this year through the Community Development Trust

We plan to develop a framework for a longer term strategy on how the GNWT can increase flexibility and responsiveness at a regional and community level. The Hon. Norman Yakeleya will oversee the work on this initiative.

Finally, we will strengthen our relationship with our aboriginal partners in the NWT by meeting regularly with regional aboriginal leadership. We want to work together on a government-to-government basis to bring our common issues to the table for the benefit of our territory.

Conclusion

Mr. Speaker, the Northwest Territories is evolving, changing and positioning itself to be an important economic engine of tomorrow.

We want our land to be a thriving, self-sufficient place where our residents are healthy, educated and able to participate fully in the economy. We want to capitalize on the raw, untapped power of our natural resources without damaging the environment our people are so strongly connected to. We want the Northwest Territories to lie at the heart of a new North that is innovative and enterprising. We want to seize the incredible opportunities we have in front of us and chart our own destiny.

In the coming months the government will actively pursue those opportunities. We will work with other Canadian governments, including provinces and territories, regarding our priority issues — like devolution and resource-revenue sharing, the Mackenzie gas pipeline and the Mackenzie Valley Highway. We will actively solicit new investments to foster greater economic development. And we will pursue new and creative hydro development, wind power and other alternative energies that will help reduce our costs of living while keeping our land, air and water clean. These and other opportunities stand to build us a great future.

Mr. Speaker, this budget is the first step toward seizing those opportunities and charting that future. It puts our government and our territory on a sound, sustainable financial footing by making smart choices during good times. It makes substantial investments in our key initiatives so we can achieve our vision for the Northwest Territories as a place where strong individuals, families and communities share the benefits and responsibilities of a unified, environmentally sustainable and prosperous territory. It places a new, significant emphasis on building infrastructure that will help lower costs of living, improve the lives of Northerners and encourage economic development. And it secures what we have today while strengthening the foundation for a bright future.

Mr. Speaker, I am confident this budget sets the right fiscal course to achieve the goals of this Assembly.

This will be my last budget as Finance Minister. I will now put my focus on bringing the message of our territory and our people to those who need to hear it. Thank you. Quyanainni.

Applause.

**Mr. Speaker:** Thank you, Mr. Premier. Before we go on, I would like to draw our colleagues’ attention to the visitors’ gallery and the presence of a couple of former Members of this House; Ms. Lena Pedersen and Fred Koe are in the Chamber.

I’d also like to welcome our Member of Parliament for the Western Arctic; Mr. Dennis Bevington is in the Chamber as well.

Now I would like to invite all the people in the gallery to join us in the Great Hall for a reception. With that, I will call a short recess.

The House took a short recess.

**Mr. Speaker:** Back to Orders of the Day, colleagues. Item 3, Ministers’ statements. The Hon. Premier, Mr. Roland.

# Ministers’ Statements

## Minister’s Statement 30-16(2) Minister Absent from the House

**Hon. Floyd Roland:** Thank you, Mr. Speaker. I wish to advise Members that Hon. Michael McLeod will be absent from the House today to attend the Federal-Provincial-Territorial Ministers for Sport, Physical Activity and Recreation meeting in Victoria.

**Mr. Speaker:**  Thank you, Mr. Roland. Item 4, Members’ statements. The Member for Mackenzie Delta, Mr. Krutko.

# Members’ Statements

## Member’s Statement on Impacts of Rising Fuel and Energy Costs (Krutko)

**Mr. Krutko:** Mr. Speaker, from the food you eat to providing for your family to heating your homes, the impact will be felt all over the Northwest Territories but more visibly in small, isolated communities where there are already high costs of living. It will also affect our ability to even deal with our capacity to have fuels delivered in our communities.

The Inuvik region this winter had fuel shortages in which they had to ration fuel and gas to our communities. It’s already happened in the Northwest Territories. In regard to the food we receive and the transportation we depend on to deliver that food, the cost will go up based on the cost of fuel to deliver that food.

The cost to maintain your home will increase with the cost of heating your home. The cost of generating energy to turn your lights on will also go up in proportion to the cost of power, and the subsidies government provides will have to be increased.

From transportation to air to road, to be able to move goods and services and to be able to build the infrastructure we’re talking about, all those costs will increase. I think it’s very important to realize that through this budget process we do not know what the major impact is going to be a year down the road or two years down the road. At $135 a barrel we will see some major increases. They’re basically speculating that we’ll see $200 a barrel within a year.

I think it’s very important that we, as government, don’t lose sight of the cost of living in our communities. The effect that it’s having on our residents today is that people will possibly lose their homes. People will have to move to cheaper communities because of the cost of living. It’s a major problem, I know, in my riding, especially the Inuvik region. When I was home the last number of weeks, it was a major issue, from people going out harvesting to people heating their homes or people simply trying to pay their power bills.

At the appropriate time I will be asking the Premier questions on this matter.

**Mr. Speaker:** Thank you, Mr. Krutko. The Member for Great Slave, Mr. Abernethy.

## Member’s Statement on Dispute Over Indian and Inuit Health care Costs

**Mr. Abernethy:** Earlier this month the Parkland Institute released a report on the public-service cuts in the Northwest Territories titled “Economic Imperative or Political Choice?” This report contains a significant amount of information and points of view that are often contrary to those of the opinions supported by the Ministers and the GNWT public service.

Personally, I don’t believe the government’s financial position is as positive as that suggested within the Parkland report. However, I also don’t believe that the financial situation is as dire as suggested by Cabinet. In truth, the reality lies somewhere in between the two. It is clear that a course correction is required. However, I’m not convinced that the course being pursued by Cabinet is the most appropriate for the people of the Northwest Territories.

A clear example of this is demonstrated within the Parkland report. The report suggests that the GNWT should place greater emphasis on collecting additional revenues than on cutting public-service jobs and programs. While I disagree with the report that increasing personal taxes and fuel taxes would be a reasonable method to increase these revenues, I do agree that pursuing additional revenue is critical for the long-term future of the GNWT.

I believe an opportunity for increased revenues that must be pursued is the acquisition of federal money owed to the NWT for Indian and Inuit health care costs. It is estimated that the federal government owes the GNWT approximately $95 million to help offset the cost of providing health care to the indigenous aboriginal people of the Northwest Territories. This money is owed to the Government of the Northwest Territories and must be collected. Given this government’s fiscal realities, delays in the collection of these dollars are no longer responsible. I believe the Department of Health and Social Services and the Department of Finance should make the collection of these dollars a top priority. Further, a long-term funding agreement needs to be developed that ensures the continued delivery of health care to aboriginal people in the NWT. This agreement must further recognize the ever-increasing cost of health care in the NWT and Canada.

Mr. Speaker, at the appropriate time I’ll be asking the Minister responsible for the Department of Health and Social Services questions concerning the department’s inability to collect these urgently required federal dollars, the status of the negotiations, and where the department is with the development of a long-term funding model to flow future dollars.

**Mr. Speaker:** The Member for Inuvik Twin Lakes, Mr. Robert McLeod.

## Member’s Statement on Budget Development Process

**Mr. McLeod:**  Mr. Speaker, I listened today to the Premier’s Budget Address with some interest. There were a lot of positive things in there, but at the beginning of the 16th Assembly we were informed that reductions were needed and that we had to live within our means or we would be in a dire financial situation down the road. I wanted to buy into that argument and believed we would have good-quality input into the whole budget process. Mr. Speaker, I was wrong.

How could you say that the Member for Inuvik Twin Lakes had input into the budget when we stand to lose 34 positions plus a whole facility closing down with all its employees? Those folks from Arctic Tern have invested their lives in their work. We ask them to go and get training and say we’re going to employ them. They believed us, Mr. Speaker. We were not honest with them.

We also said youth were our priority, and then we sent out proposed affected employee letters to rec coordinators. Is that showing them how important we thought their work was to us? These are people who serve the youth not because it’s their job but because they want to.

As a Regular Member, I thought my input was going to be important and would be a part of the whole budget process. I found out differently. I was not part of the whole process. I still believe — in listening to the financial situation of this government down the road — that reductions are needed, but I think good, thought-out reductions that come from 19 Members are reflective of what we hear from the residents. We have to listen to those voices. I don’t think these reductions should be coming from bureaucrats who are intent on protecting their backsides. At the end of the day they don’t have to wear the reductions back in their community.

We are, as the Premier said, a territory with immense opportunities, and we have to fight hard to ensure our people, not Ottawa, are the major beneficiaries of those opportunities. As a Member of the community most affected by the reductions, I will struggle with the whole budget process as it is presented unless changes are made. When I look at the big picture, I see we have to reduce our spending and live within our means, and I still think this is possible.

As the elected Member for Inuvik, I seek unanimous consent to conclude my statement.

Unanimous consent granted.

**Mr. McLeod:** Thank you, Mr. Speaker, and thank you, colleagues. As the elected Member for Inuvik, I promised to protect the residents of Inuvik. If I let the reductions to employees go without a fight, then I’ve lied to these people. I think I’ve let them down. I look forward to the debate we will have, line by line, and will do whatever I can to make sure the people I represent are protected and well looked after.

**Mr. Speaker:** The honourable Member for Kam Lake, Mr. Ramsay.

## Member’s Statement on Budget Development Process

**Mr. Ramsay:** I, too, would like to speak today about the budget process the government has followed that leads us up to where we’re at today.

Just several months ago, on October 1, Members of the 16th Legislative Assembly were elected. Shortly thereafter we got together to develop a strategic plan and vision on behalf of the residents of the Northwest Territories.

I want to let my constituents and the public know that this process has not been inclusive of Regular Members, and it absolutely runs contrary to the spirit and intent of consensus government. If I could, I would like to point out a few examples of how this government has, in my view, effectively taken away the input of 11 Regular Members and thus the voice of two-thirds of our population to develop a budget. That is their budget: not mine, not my constituents’, but Cabinet’s and the bureaucracy that crafted it.

I can point to a number of instances where Regular Members have been on the outside of this process. It began with Cabinet’s decision to cut $135 million and re-invest millions in strategic initiatives. Part of the plan called for 135 positions to be potentially impacted. The Premier and the government assured us in February, when we were last here, that they would let us know which positions and areas were being targeted for reductions before any decisions were made. We all know that the notification letters went out, and Members were left fielding calls from constituents who had received these letters.

Regular Members were left out to dry by Cabinet. We had no prior knowledge of which positions would be affected or the justification for such moves. It took us over three weeks to finally get a summary of affected positions from the government. In a consensus government like this, this should never have happened. It’s inexcusable.

We routinely ask, as Regular Members, to be included but are continually brushed aside. Where were Regular Members when the Building Canada Fund funding list was developed? Where were Regular Members when Cabinet was divvying up eco-Trust dollars? Where were Regular Members when Cabinet decided to re-invest millions of dollars? The answer is, we’re not party to any of these discussions. I’m left feeling very uneasy about a budget process....

**Mr. Speaker:** Mr. Ramsay, your time for Members’ statements has expired.

**Mr. Ramsay:** Thank you, Mr. Speaker. I seek unanimous consent to conclude my statement.

Unanimous consent granted.

**Mr. Ramsay:** Thank you, Mr. Speaker.

I am feeling very uneasy about a budget process that has not been inclusive of Regular Members, one where I don’t believe my input as a Member — or the input of my constituents — has been taken to heart by the government.

Mr. Speaker, it is going to be a very interesting few weeks that we have here. I do look forward to the debate that is going to take place. Mahsi.

**Mr. Speaker:** Thank you, Mr. Ramsay. The Member for Nahendeh, Mr. Menicoche.

## Member’s Statement on Maintenance and Repairs to Liard Highway

**Mr. Menicoche:** [English translation not provided.]

Mr. Speaker, keeping what we have is sometimes the most strategic thing we can do. In my riding I have two important highways, Highway No. 1 and Highway No. 7, that have deteriorated significantly this spring. We have had emergency situations. At the Fort Simpson section, Highway No. 5, they have a sinkhole, and on Highway No. 7, the Liard highway, we are just plain sinking.

There are two large sections of that highway that have just turned into mud. It is very impassable to the travelling public, and lots of people were impeded during the long weekend. In fact, I was just advised that the department has made a decision to shut down the highway today. Regrettably, that was the right decision to make, and they’ll continue to interrupt the travelling public.

Constituents have advised me that the Department of Transportation has known about these potential mud sections for years and could have avoided shutting down the highway by repairing and replacing those sections.

The key here, I believe, is that we must invest in and maintain our existing infrastructure before we invest in some new initiatives. I request at this time that these conditions be declared an emergency and that the funds be provided to repair and replace the sections instead of just letting it dry up so we can continue to use the same old roads.

I believe it’s time to fix those roads so we are not in this situation again in the Nahendeh riding. Mahsi cho.

**Mr. Speaker:** Thank you, Mr. Menicoche. The Member for Tu Nedhe, Mr. Beaulieu.

## Member’s Statement on Issues Regarding the 2008–2009 Budget

**Mr. Beaulieu:** Mahsi cho, Mr. Speaker. [English translation not provided.]

I seek unanimous to finish my statement.

Unanimous consent granted.

**Mr. Beaulieu:** Mahsi, Mr. Speaker. [English translation not provided.]

Mr. Speaker, I just advised the people of Tu Nedhe I had some concerns with the budget that would relate to some of the issues I wish to work with.

**Mr. Speaker:** Thank you, Mr. Beaulieu. The Member for Weledeh, Mr. Bromley.

## Member’s Statement on Concerns Regarding the 2008–2009 Budget

**Mr. Bromley:** The annual budget for the Northwest Territories reveals much about a government: its vision, its effectiveness, its leadership and its capability to deliver. As part of the 16th Legislative Assembly, I cannot claim that we have earned high regard from our people on the basis of these standards.

We embarked on budget planning with good faith, confidence in the information provided by the Minister, and a common understanding of this Assembly’s vision and priorities. We had a commitment to positive change and agreement on the budget goals and the process to realize those goals. Yet subsequently, and with deplorable communication by this government, a mystifying focus on cuts over revenues and a demoralizing lack of opportunity for input from Regular MLAs, this government has produced a set of budget moves that almost appears random.

My teacher, Sai Baba, has emphasized that every time I point a finger at someone, I have three fingers pointing back at me. As a Member of this Assembly, I must take some responsibility for what I perceive as a failed process.

We have also had the challenges of starting this Assembly in the middle of a normal budgeting year, with an apparent need for reductions and with a lack of experience for some of us.

For the record, I will be working hard to have real input into improving the budget over the next few weeks in the House.

I am particularly disappointed at lost opportunities. Having just come through an election, we were all familiar with the significant issues and the real need to address them. We recognize that the NWT has a roaring economy, with some of the highest incomes and lowest unemployment rates in Canada, but we also recognize that there are many people and many communities not enjoying these benefits. Our social structures have not kept pace with our economic gains. There is an uneven distribution of benefits, and the cost of living is especially increasing in our small communities.

It was also clear that our environment is not being looked after. We established the priorities of local economic development, strengthening our social fabric and community capacity, celebrating and strengthening our youth and cultural diversity, and reducing and adapting to climate change — those to be addressed through careful program review and redirection.

There is much in this budget that concerns me: the centralization of staff from the regions; a lack of understanding of environmental issues; an absence of new support for social and mental-health services; little new revenue; and, compared to the substantiated and targeted change we had been led to expect, a haphazard loss of people and positions.

Mr. Speaker, I request unanimous consent to conclude my statement.

Unanimous consent granted.

**Mr. Bromley:** Thank you, Mr. Speaker and colleagues.

Especially lacking is a new, innovative response that recognizes the crucial realities and new approach required today. All of these that I've just mentioned are in conflict with our intent.

This session will be difficult, and we will all be working hard. As Regular Members we are unable to add items to the budget, only to delete or recommend change. As the leaders in a consensus government, the Premier and Cabinet have a responsibility to hear the Regular Members, and to finally allow us the input our constituents and the people of the NWT expect us to have.

**Mr. Speaker:** Thank you, Mr. Bromley. The Member for Hay River South, Mrs. Groenewegen.

## Member’s Statement on Concerns Regarding the 2008–2009 Budget

**Mrs. Groenewegen:** Mr. Speaker, today we heard the Finance Minister deliver his Budget Address. This address is a culmination of weeks of speculation and frustration on the part of the public, the potentially affected employees, their families and, yes, MLAs like myself.

I’ve been an MLA for 13 years. Even taking into account the changes in the budgeting process schedule in an election year, this path has been fraught with miscommunication, lack of consultation and missteps on the part of this government.

The business plan reviews we would normally conduct at standing committees in the fall instead turned into a three-month status quo budget to get us to the end of June.

We could have extended that interim appropriation until the fall, but we thought that one full year was too long to be in office without a budget reflecting the priorities of the 16th Assembly.

Even so, in the time that was available, Ministers and their departments should have been able to come up with something much better than what we have before us today.

Most budgets contain some good news, and that’s certainly all we heard today in the Budget Address. But this budget and the process by which it was arrived at is flawed to the point that I’m not optimistic that it can be salvaged. If the interaction with Regular Members informing this budget is any indication of how much respect our input will receive during consideration of these estimates, I’m not hopeful.

I’m not one to shy away from a good debate or a good fight about anything, but as Regular Members, as Mr. Bromley said, we only have the ability to recommend additions or approve reductions. Our opportunity to affect change to this budget at this stage is limited.

In a budget already filled with too many reductions, what could be accomplished by further reductions? We could end up with something that is even worse than what was presented here today.

I’m not looking forward to the debate, negotiations and dialogue about this budget over the next four weeks, because I’m in a battle with my hands tied.

Personally, I would rather see the next four weeks devoted to this government taking this budget back to the drawing board and bringing forward a budget that demonstrates respect for consensus government; demonstrates that this is the people’s government and that quality programs and services delivered to our residents is our first and foremost priority; demonstrates respect for our public service, because the management of the human resource issues and options in this budget are completely unacceptable; demonstrates meaningful analysis of the effects of the reductions; demonstrates that the priorities of the 16th Assembly are reflected accurately; demonstrates that any reductions must be reasoned and not random; demonstrates that this government does not support centralization and privatization of government jobs and services; and demonstrates that the budget….

**Mr. Speaker:** Mrs. Groenewegen, your time for Members’ statements has expired.

**Mrs. Groenewegen:** Mr. Speaker, I would like to seek unanimous consent to conclude my statement.

Unanimous consent granted.

**Mrs. Groenewegen:** Thank you, Mr. Speaker. Thank you, colleagues.

I would like to see a budget that demonstrates it is premised on accurate fiscal information.

As a Regular Member, this is not my budget. The government has failed at every turn to communicate effectively. The budget cannot be redeemed by tinkering around the edges. The damage this budget will inflict is not repairable. Nobody takes a sledgehammer to their own house, because they know how much it will cost to rebuild it.

**Mr. Speaker:** Thank you, Mrs. Groenewegen. The Member for Frame Lake, Ms. Bisaro.

## Member’s Statement on Budget Development Process

**Ms. Bisaro:** It’s a relief that, finally, I can talk publicly about the 2008–2009 budget. As a new MLA, the development of this budget has been an interesting and thought-provoking experience but, unfortunately, not one I wish to repeat if the process and the outcomes are the same.

Last December this Assembly agreed on goals and priorities and sent Cabinet away to produce a budget for us based on those goals. I had high — some would say naïvely high — hopes that I could have some influence on the development of this budget, that my input would be sought and respected. I’m sad to say that I don’t feel that has happened.

In the last five months, more than once I've been made to feel that the government was doing as they please with little concern for me and my colleagues. Perhaps that was not the intention, but that was the perception of Members on this side of the House. And if we feel that *we* were not respected, then for sure the public feels the same way.

Some examples.... The government has presented us with figures that show revenues increasing at 3 per cent per year and expenditures increasing at 6 per cent per year. I agree that such a situation is untenable and can’t continue, but, to quote a constituent, “the government has not advised its constituents why the territory is suddenly faced with a huge deficit.”

In department briefings few reductions were presented with adequate rationale to justify them, but there was an expectation we would accept them.

There’s been a noticeable lack of opportunity for input into the development of the budget from Regular MLAs, despite repeated requests. I feel as though I’ve had no hand in this budget.

On several occasions the government released information to the public or communicated with constituents before the same information was provided to Regular MLAs. I can only interpret that as a lack of respect for me as a Regular Member.

There’s been little consideration of the suggestions for changes to the budget from Regular MLAs. The mind of the government has seemingly been closed to budget possibilities other than those that have come from Cabinet.

I’ve struggled with the content of this budget. I believe in our priorities, and this Assembly should focus efforts and money on them, but this budget doesn’t seem to do that. Where’s the analysis of the programs and services that would provide justification? The reductions seem random, not reasoned; neither well thought out nor well researched.

The Premier has said several times publicly that job cuts would be a last resort in achieving the necessary budget reductions; 135 affected positions is not a last resort, in my estimation.

Mr. Speaker, I seek unanimous consent to conclude my statement.

Unanimous consent granted.

**Ms. Bisaro:** Thank you, Mr. Speaker, and thank you, colleagues.

One hundred thirty-five affected positions is not a last resort, in my estimation. I’m left feeling that the government has acted in a high-handed manner: job cuts already in place and funding for programs deleted as of April 1, well before the budget is approved.

The following quote appeared in a northern newspaper last month, and I have to agree with it: “It” — job cuts — “would imply that the decision-making process is being done outside of the formal budget process.”

Yes, it was only notification of possible job losses, but the public interprets such actions to mean that the budget is final, that it’s a done deal, even before we debate it in the House. There’s a saying that perception is nine-tenths of the law, and the government would be well advised to remember that in the future.

**Mr. Speaker:** Thank you, Ms. Bisaro. The Member for Yellowknife Centre, Mr. Hawkins.

## Member’s Statement on Yellowknife Airport Parking

**Mr. Hawkins:** Mr. Speaker, today I want to talk about a subject I’ve raised before in this House, and it’s my concern about Yellowknife Airport parking.

I’ve highlighted the concern that Transportation continues to invest a lot of money in the installation and the repair of the airport parking-ticket machine, and yet the problems continue not to be solved. I wonder how much money will continue to be spent out there on a product, a technology, that just can’t serve people. Mr. Speaker, it’s a waste of money.

In my view, things have gone far off the rails and way out of hand. Anybody who has recently travelled or gone out to the airport to pick up loved ones will know that this parking machine isn’t worth its salt, because long-term parkers have taken up all the spaces and not allowed short-term people out there. This machine isn’t working.

I’m in favour of a simplified process that allows people to get out there with little or no administration. People need to get out there quick and easy, have lunch, picked up loved ones, et cetera. But there’s no parking for those folks, because, again, long-term parkers have taken it up, and the government isn’t charging money for that.

The barriers are gone or they’re left up, so anyone can just drive in there and stay as long as they like. And some stay for a long time — weeks — and nobody pays. What we’ve done is design free, secure parking that’s being provided to the special few.

I can’t see how this government can continue to justify its investment in this parking machine if it’s not working. We’re wasting money, Mr. Speaker. This government continually talks and preaches about efficiency and spending money wisely, but it’s yet to be seen.

We just heard the budget speech from the Finance Minister. Money is our problem. Spending is our problem. So I ask: why do we continue to spend money on a machine that doesn’t work?

All is not lost. Instead of wasting $30,000 or more on a machine that doesn’t work, instead of spending $10,000 or more at a time to fix the darned thing, I’m suggesting we invest in the age-old technology called a clipboard and a pencil. We could go out there and check on who’s paid. If they haven’t paid at the end of the day and they’re not on the list, they could be removed or taken out of the situation.

But the fact is that this is a diabolical departure from normal practice — simplifying it and making something that works.

Mr. Speaker, may I ask unanimous consent to conclude my statements?

Unanimous consent granted.

**Mr. Hawkins:** Mr. Speaker, as I’ve highlighted, we have a really simple situation here. First of all, we have a money problem and a machine that could be making us a lot of money every year. We have a revenue problem; we’ve heard the Finance Minister speak to it many times. Why do you think we’re in the situation we are? It’s time to go back to start doing business properly and efficiently. I think if the Minister listens very carefully, we could probably solve this problem without trying to embarrass the government by getting on and doing business right.

**Mr. Speaker:** Thank you, Mr. Hawkins. The Member for Nunakput, Mr. Jacobson.

## Member’s Statement on Sachs Harbour RCMP Detachment

**Mr. Jacobson:** Mr. Speaker, I’d like to thank the Minister of Justice, Mr. Jackson Lafferty, and the RCMP staff for working with me and the Hamlet of Sachs Harbour to get the detachment opened up. The two members in the community now are there on duty as we speak and serving the people of Sachs. I welcome them to Nunakput. And, again, thank you to the Minister and the community of Sachs for not giving up on this issue. I would like to thank the mayor, Bob Eldridge, and Andy Carpenter Sr. for all the hard work they have done.

**Mr. Speaker:** Item 5, reports of standing and special committees. Item 6, returns to oral questions. Item 7, recognition of visitors in the gallery, the Member for Hay River South, Mrs. Groenewegen.

# Recognition of Visitors in the Gallery

**Mrs. Groenewegen:** It’s my pleasure today to recognize our relatively newly elected mayor of Hay River, His Worship Marc Miltenberger.

**Mr. Abernethy:** I’d like to recognize a constituent and the president of the UNW, Todd Parsons.

**Hon. Michael Miltenberger:** Mr. Speaker, I’d like to recognize Mr. Felix Lockhart, former member of Grandin, with whom many long years ago I attended school. As well, I’d like to take the opportunity to recognize my youngest brother in his official capacity as mayor of Hay River and, of course, welcome them both to the Assembly.

**Ms. Bisaro:** Mr. Speaker, I’d like to recognize two fairly distinguished ladies in the gallery today: Lydia Bardak, whose official title is managing director of the John Howard Society and coordinator for Community Justice, Yellowknife, and also a city councillor for the City of Yellowknife; and Arlene Hache, who represents the Centre for Northern Families.

**Mr. Bromley:** Mr. Speaker, I’d also like to recognize Lyda Fuller, executive director of the YWCA in Yellowknife.

**Hon. Bob McLeod:** Mr. Speaker, I’d like to recognize Mr. Fernand Denault.

**Mr. Speaker:** If we’ve missed anyone in the gallery today, welcome to the House. It’s always a pleasure to have an audience in here.

Item 8, acknowledgements. Item 9, oral questions, the honourable Member for Mackenzie Delta, Mr. Krutko.

# Oral Questions

## Question 154-16(2) Rising Fuel and Energy Costs

**Mr. Krutko:** Thank you, Mr. Speaker. My question is to the Premier in light of my Member’s statement.

Everybody realizes we have a major problem all around the world in regard to energy costs and problems with food shortages. As a government we realize that one of our biggest expenditures is dealing with generating power, heating our facilities and maintaining public infrastructure.

I’d like to ask the Premier: is this government tracking exactly where these increases are going and what the impact of this government’s going to be, knowing we have an area of about $45 million in forced growth already and we continue to see this trend? If anything, it continues to go up. It will have a major impact, especially in small, high-cost communities.

I’d like to ask the Premier: what is this government doing to consider looking at the problem we’re having, and more importantly, is there anything we can do to remedy the situation?

**Mr. Speaker:** Thank you, Mr. Krutko. The Hon. Premier, Mr. Roland.

**Hon. Floyd Roland:** Thank you, Mr. Speaker. There are a number of initiatives we can undertake and are planning to undertake in the area of energy — the cost of energy and fuel costs in the Northwest Territories. We have some existing programs in place; for example, the Territorial Power Support Program. The Member is accurate when he talks about the increased costs. We have to keep growing that fund through our forced-growth initiatives. The price of oil going up as it is, as fast as it is, continues to have an impact on us. As we’re all aware, the Power Corporation has just got its last rate application approved. That hits on the pocketbooks of individuals.

So we’re going to have to make some changes in the way we do business. Some of it is long term, but, as well, we’ve established the Energy Coordinating Committee within Cabinet to look at a number of initiatives. One that you heard me talk about earlier is alternative energy sources, further development of our hydro potential. We’d be all blessed if we could have the hydro potential a number of communities in the southern part of our territory enjoy. We need to look at how we can expand that going north. In between that time is when we can get that underway.

We’d have to look at our existing frameworks. For example, right now we try to match the cost of power for the 700 kilowatt hours in Yellowknife for those that are higher priced than Yellowknife — dealing with that scenario. As well, we’re going to have to look at other forums. I believe as we get through the process, as we’re getting into in the budget, biomass options are another thing we have to look at as a government.

**Mr. Krutko:** I’m talking about the communities who have high dependency on diesel fuel. It’s going to be several years before this government gets around to seeing any of the energy initiatives that can change that. Yet we’re stuck with a scenario where we have diesel generators, we have community rates that are very high, and we have the high cost to operate and maintain public infrastructure.

I’d like to ask the Minister if they are doing anything to look at diesel communities in light of energy prices and in light of the cost of diesel fuel to run our public infrastructures. Communities in the Delta were paying $1.61 per litre for diesel fuel. To fill up your fuel tank in your home and your house is $2,000. It is affecting the residents in the Inuvik region.

I’d like to ask the Minister if he is looking at the diesel communities in the Northwest Territories and planning a scenario to deal with that problem.

**Hon. Floyd Roland:** We are indeed looking at diesel communities and power production. The rate base right now.... Through the existing structure we deal with communities at a community rate–based structure scenario. I think we need to have that debate as Members of the Assembly.

For example, at the Association of Communities I spoke to the fact that how we treat the Power Corporation as the sole shareholder in the Northwest Territories has to be reviewed in the sense of.... Right now we match everybody, as I said earlier, to the 700 kilowatt hours, but after that you pay a community rate base. Some communities have a very high cost. Here’s an opportunity we need to look at. For example, after 700 kilowatt hours, should there be a unified rate across the Territories, treating it as a territorial piece of infrastructure and not as a community piece of infrastructure? Those scenarios need to be looked at, and that Energy Coordinating Committee will be looking at those types of options.

**Mr. Krutko:** I also touched on the other element: dealing with being able to look at the cost of food. It is going up. We do have a major cost for transportation — goods and services into communities by air, by road. Again, those costs are passed on to the consumers.

I’d like to ask the Minister how we’re going to look at the food prices as part of this review in light of your energy costs, and also the costs in regard to consumption. I talked to the mayor of Paulatuk, who told me that a case of 12 cans of pop is $60. You look at milk in Tuktoyaktuk; for 2 litres it’s $10. And those costs are going to go up.

So I’d like to know if you are also looking at the food-consumption costs in those communities and if there are ways we can work around that.

**Hon. Floyd Roland:** Through the Reducing the Cost of Living initiative we’ve discussed as Members of the Assembly — and Ms. Lee will be the lead on that file — we’re looking at a number of factors. Other things we’ve heard of, for example, are directives that are supposed to help the high-cost communities with a Food Mail Program that is there by the federal government. We need to look at that to see how it’s working. I’ve heard from a number of people and businesses who say it’s not working as it was designed to. We need to look at that to see if there’s a real, true impact on communities. It’s supposed to help that transportation fee the Member is talking about.

Some of our other programs we talked about -- the Income Support Program.... The food baskets in those communities at a high cost are adjusted for those communities. That continues to be something we look at as part of the forced growth. For people who aren’t on income support or don’t have the need for it, the direct impact on them is another thing we’re going to have to look at. Some of our initiatives, the big ones, are the cost of energy and transportation. You’ll see we’re proposing some investment in those areas to help try to reduce the cost. For example, some of the Transport Canada regulations on airports reducing the size of planes going into those communities could have a further negative impact. We’re trying to address those as we go forward.

**Mr. Krutko:** I’d like to ask the Premier: how soon is the committee that he mentioned going to be able to meet with Regular Members and ensure that Regular Members have input into this process, realizing that this is probably one of the biggest issues we’ll deal with during the term of the 16th Assembly? That is, just dealing with the outside pressures to sustain our communities in the Northwest Territories.

**Hon. Floyd Roland:** One thing I’ve said to all the Ministers who have lead roles on these initiatives is to make contact with standing committees to set up some times to do the presentations and briefings of information we have so we can get some feedback and further work on a number of scenarios. That’s going to be something we’ll need to work out between committees and Cabinet as well.

**Mr. Speaker:** Thank you, Mr. Roland. The honourable Member from Yellowknife Centre, Mr. Hawkins.

## Question 155-16(2) Yellowknife Airport Parking

**Mr. Hawkins:** Mr. Speaker, my question today will be to the Minister of Transportation, and it refers back to my Member’s statement regarding the airport issue and parking.

It may sound like a silly issue to raise, but this has been a problem over a long time. The fact is that we’re losing probably hundreds of thousands of dollars out there because no one’s charging for any parking whatsoever. That’s the fact. On the one hand, we have budget cuts because we can’t seem to raise enough money. We have to find ways. Yet on the other hand, we’re wasting or foregoing potential revenue that could be going somewhere useful.

My question to the Minister of Transportation is: will he heed my consideration by following up on it and getting rid of this silly machine and use a clipboard and a pencil and a double-check a couple of times a day to manage the parking out there properly and collect revenues? That is really the issue.

**Mr. Speaker:** Thank you, Mr. Hawkins. The honourable Minister of Transportation, Mr. Yakeleya.

**Hon. Norman Yakeleya:** I thank the Member for his interest in improving transportation services across the Northwest Territories, especially with improving services at the airport, such as the territorial airport in Yellowknife. This includes the parking services. Over the years several different types of machinery operations and management systems have been placed at the Yellowknife airport and tested. Increased travel has caused us some difficulties in terms of finding a workable solution. I’d be happy to have some discussions with my colleagues and the Member as soon as possible to rectify this issue.

**Mr. Hawkins:** Mr. Speaker, my suggestion is maybe getting security out there to do a check maybe two, three times a day and maybe at the end of the day, because if you didn’t pay or get on the list, you don’t need to be out there.

Would the Minister take that into consideration? And can he give me some type of time frame as to when he thinks he can look into this and maybe report back to the House on any potential results?

**Hon. Norman Yakeleya:** As you informed the House, an RFP was issued out to the public. We’re happy to announce that Trafco, the contractor, has been awarded the contract. They’re working on it right now as we talk in terms of installing a new system for parking fees up at the Yellowknife Airport. I’m hoping that this new parking management system.... We expect it to be running this summer.

As we continue on with this project, I’ll be happy to inform the Members in the House in terms of when this system will be in operation for the public to start paying their parking fees at the Yellowknife Airport.

**Mr. Hawkins:** I was going to leave it at that, but the Minister couldn’t help but tease me with a new parking-management system that’s coming forward. So maybe we should get some enlightenment as to that. What does the Minister mean by that? Does he mean maybe the pencil, paper and clipboard technology I was suggesting, or is he going to spend another $20,000, $30,000, $40,000, $50,000 on a potential machine that we have no guarantee will work out there?

**Hon. Norman Yakeleya:** When we put in our operation system, the number of years we tested it — the old system.... Now we’re confident we have a new system that will be installed, that will be tested and that will ensure the public will be quite satisfied in terms of ensuring our revenues collected at the Yellowknife Airport will be satisfactory to the department. I will keep the Members informed and the House also informed as to the operation of the new system.

**Mr. Speaker:**  Thank you, Mr. Yakeleya. The honourable Member for Nahendeh, Mr. Menicoche.

## Question 156-16(2) Maintenance and Repairs to Liard Highway

**Mr. Menicoche:** It’s a follow-up on my Member’s statement with regard to the conditions on Highway No. 7.

I’d just like to ask the Minister of Transportation: with regard to emergency deterioration of highways, what exactly classifies for emergency roadwork on our highway systems? Is it something like the sinkhole on Highway No. 5 or situations such as this on Highway No. 7, where the base has completely eroded and it’s actually just a strip of mud there? Exactly what would be considered for emergency funding?

**Mr. Speaker:** Thank you, Mr. Menicoche. The honourable Minister of Transportation, Mr. Yakeleya.

**Hon. Norman Yakeleya:** Mr. Speaker, I’d like to thank the Member for his question on the highway emergency stoppage of our roads. Highway transportation, from our department and officials.... The safety of the travelling public is number one. When we deem there are safety issues that jeopardize the lives of people who travel on the highway, we will take great measures to close the highway, to fix it up, and to ensure those safety measures are in place on the highway and, when the highways are opened, that the public is aware of the safety measures in place for their own safety.

With the thawing out in the spring and the amount of water in some of those sections of highway, we take extra precautions in terms of safety for our travelling public. This Highway No. 7 right now is closed for safety reasons.

**Mr. Menicoche:** Absolutely. As I said in my Member’s statement, it’s regretful that the highway has to close, because the conditions are impossible. It has actually happened on the long weekend as well, Mr. Speaker. Constituents and the travelling public contacted my office. They’re saying that there’s no signage there; what’s going on? Why are people getting stuck in that highway? And why wasn’t it closed earlier? I’m not too sure why they didn’t close it any earlier there. But like I said, regretfully, they’ve closed it now.

Now that the condition exists, that they’ve recognized it, I’d like to know what the plans would be to repair it and not just to allow it to dry up and blade it over.

**Hon. Norman Yakeleya:** Mr. Speaker, our department is working very closely with the contractor who takes care of Highway No. 7 — parts of the highway. We are working closely with the community; we are working closely with the contractors and thus would look at some of the plans to open that highway as quickly as possible. We are looking at the situation.

The weather is not on our side at this time, in terms of the type of weather we have to operate in; however, I will keep the Member informed in terms of how soon we could make it passable for people in the Nahendeh riding to drive over. Also, we ask the public to contact the regional office through our telephone system to have some warning of the conditions of the roads at this time in the Northwest Territories.

**Mr. Menicoche:** Absolutely, getting the highway back up and running for the travelling public.... A lot of people do travel to Fort Liard and Fort Simpson as well as head over to Providence and Yellowknife, Mr. Speaker. We’re on the edge of the tourism season, as well.

But my question again, Mr. Speaker, is that these sections obviously need rebasing and to be re-strengthened. I’d like to know: will the department declare this an emergency and provide the necessary funding to repair the road up to acceptable highway standards? Mahsi.

**Hon. Norman Yakeleya:** Mr. Speaker, I said before that the department is working closely with the contractor for that section of road. We do have resources there; we are looking at the situation. I’m waiting for the report from my officials to see the type of assessment and analysis and recommendations they would consider for this road. My understanding is that they are working on it as quickly as possible. At this time I would wait to give further direction as to what the Member’s asking for, in terms of emergency funding for that specific section of the road.

**Mr. Menicoche:** Thank you very much, Mr. Speaker. Getting it back up and running up to acceptable standards is key and paramount to me and to my constituents. I just want to reiterate, Mr. Speaker, and get some type of commitment from the Minister that these sections will be declared emergency road repairs and that they’ll provide the necessary resources to rebase so — I don’t want to say “washouts,” because actually the road turned into mud is what happened — this won’t happen in the future. Because it’s been happening for many, many years now.

**Hon. Norman Yakeleya:** As you know, these roads in the Northwest Territories are very challenging to the department. We have special, unique, harsh climates to worry about in terms of how our roads are put together. That’s why this department is investing strongly in our roads, as the Premier’s indicated in his budget speech, with strong investment to all the region.

You know, Mr. Speaker, that Nahendeh in the last year, 2007–2008, had the highest percentage of investment as a constituency in transportation areas. So we will continue working on the system infrastructure. Once we know that, we will put our initiative toward opening up the roads for the people of Nahendeh and Liard who use that road. The priority in our government is safety, and we want to make sure that safety of all the travelling public is foremost with all our officials working in the department.

**Mr. Speaker:** Thank you, Mr. Menicoche. The Member for Kam Lake, Mr. Ramsay.

## Question 157-16(2) Budget Development Process

**Mr. Ramsay:** Mr. Speaker, my question today is for the Premier. It’s in regard to the budget process that has been followed to date.

Mr. Speaker, like all of us in this Chamber, I make decisions for a living. In order to make sound decisions — decisions that affect the people in our communities, our families and the opportunities that are out there — we need to have a solid base, a foundation of information, in order to build these decisions and make these decisions on. Throughout this budget process I have been surprised at the lack of detailed, solid analysis that has been done by the government that would lead them to make some of the decisions in reductions they have made.

Mr. Speaker, the first question I have for the Premier is.... I’d like to know exactly what the decision-making process was when it came to making reductions. What analysis did the government go out and do prior to making decisions on what would be reduced? I’m talking specifically about jobs and the reduction in jobs.

**Mr. Speaker:** The Hon. Premier, Mr. Roland.

**Hon. Floyd Roland:** Mr. Speaker, I’m well aware the Member has serious concerns with process — that’s for the record. I’ve heard him a number of times saying that this government has done things differently from what was done in the past. I’ve been a Member of the Legislative Assembly of the Northwest Territories for 12 years — as a Regular Member, as a Minister and in this present position. Our process we followed to build the budget has been the same process followed by other governments when it’s come about after an election year.

The thing we did differently this time is that we didn’t wait a whole year to try to have an impact on where we’d go as a Legislative Assembly. Members, when the work’s been done by a previous government — pulling information together about forced growth, some new initiatives on that basis of the capital infrastructure plan — it sits there until the new Members become available.

In a typical year, Mr. Speaker, if we decided to try to meet our original timeline of having a whole budget in place by April 1, we would in fact just tinker with the existing work and basically bring in a budget that had lots of work done by a previous Assembly. This government has changed that. That’s why we put in an interim appropriation, status quo budget, no growth, no reduction, until this document comes forward. So that process, that interaction between the government and Regular Members, hasn’t changed.

In fact, I recommended a potential change that didn’t get accepted. So I find it a little surprising to be pushed back, in the sense of saying this government is not doing, and has in fact let down, the process we have in place. The fact is, we’ve looked at our initiatives; we’ve looked at the growth rate; we looked at our revenue sources coming forward. We know we can’t continue at the existing pace, so we set a target of $135 million for reduction and reinvestment. That work is still going on. As you see, we’ve not met the targets, and we’re going to have to look at how we can do that.

**Mr. Ramsay:** Mr. Speaker, I guess I challenge the Premier on the fact that he says that Regular Members were included in this process. I was here the seven months since the government came into power. To be honest with you, I don’t see that conclusion that the Premier speaks about. I don’t know where....

Maybe this is the question I’ll ask the Premier. Mr. Premier, where were Regular Members when Cabinet decided where to spend the millions of dollars in strategic initiatives? How were we included in that decision?

**Hon. Floyd Roland:** Mr. Speaker, what we’ve done in the strategic initiatives is work from the goals and the visions and priorities set by this Legislative Assembly. We can align those and show what area is used in an important piece of investment. Early childhood: is that an investment we should make? Are the Members trying to say that’s not an area? The increased investment we’re putting into health care and social services in the Northwest Territories: is that something we shouldn’t invest in? We can align those with the vision and goals.

Now, some of the strategic initiatives, yes, have been driven by a number of factors. For example, the Building Canada Fund has set criteria set by the federal government. We’ve plugged into that system, and that has some impact on that. But for making changes, for example, again the normal process works. We have letters go to the departments for forced growth, new initiatives, infrastructure. It’s reviewed by Cabinet, some decisions are made, draft business plans are set forward and brought to committee. The committee takes those recommendations back, and some changes can be made. That’s the same process we’ve used this time around.

**Mr. Ramsay:** Mr. Speaker, to me it’s not a matter of.... We all know what’s important to the residents we all represent here. We know that health care is important; we know education is important; we know we need to be spending some more money in certain areas. My point is that the government has taken it upon themselves to identify areas where they’re going to spend millions of dollars. In effect, they’re taking away my constituents’ voice at the table, and that of every other Regular Member who’s on this side of the House when we don’t have any input into where those millions of dollars are being reinvested. That, to me, is a fundamental flaw in the process.

I’d also ask the Premier: where were Regular Members when the decision was made to reduce positions by 135? Where were we in that discussion? We found out three weeks after the fact that that had happened. That’s inexcusable.

**Hon. Floyd Roland:** Let’s go back a little bit. When we first got elected, we sat down. I went to committee and said, Here’s the fiscal picture that we’re looking at; we’re going to need to reduce. I gave a target to Members, and based on that, we made the announcement.

Now, I heard from a lot of Members say that if there’s going to be an impact, you need to limit it on employees. If there’s going to be an impact, notify them early. In fact, the UNW.... I had meetings with the president, and he said that if there’s going to be impact, let the people know early.

We did make a mistake in the sense of the timing. The package of materials should have been brought to Members before that announcement and the calls went to employees for setting up appointments. That’s been clarified. That won’t happen again in that process. That’s a glitch, for sure. I went to Members, and I apologized for that. We fixed that situation. The fact is the initiatives, the goal, the revenue, the big picture — we went and sat down with Members.

The Member, from what I see, would like to be beside me making some of those decisions. You elected a Cabinet that had to pull some of this stuff together. We fully realize there’s going to be some good and bad to it. I encourage Members.... Let’s do things differently here, and let’s extend it so that we can come up with a full plan with more input to meet the goals. What Members told me is to get a full budget in place by May–June.

I believe this budget sets the course for where we want to go. The rest of the year the business plans coming up will fall back into a scenario of an improved system in the sense of not just your typical business plan. That’s the pattern this one is based on. It is that more interactive approach I went to Members with. We’ll have more input when we sit down and talk about the business-plan process coming up.

**Mr. Ramsay:** I thank the Premier for that. I think it’s a discussion that needs to happen. I think, even outside of this building, the public wants a chance to have a discussion about the goals, the aspirations and the opportunities that are going to present themselves over the next three-and-a-half years. I think maybe we can get to some of that here in the next three-and-a-half to four-and-a-half weeks, but I think we should also look at having a public debate where people can come and ask questions of the Ministers and we can have a full disclosure on how decisions were arrived at.

The Premier also said early on in the process that cuts would be a last resort. That’s why I’m a bit surprised that had happened. I’m also surprised that when Regular Members make suggestions to Cabinet, they’re dismissed. They say they need more analysis. We need to look at them a little bit further. But when it comes to decisions that are made by Cabinet, they’re put forward. There’s no analysis there. There’s no groundwork done. How is the Premier going to engage Regular Members going forward so we have meaningful input and our constituents have meaningful input into this process?

**Hon. Floyd Roland:** Let’s look at the facts. The record would speak for itself. The Members of this Assembly, and the Member himself, has talked about the fact that the government has grown substantially. It has grown too big. We can pull that out of Hansard. When we target these areas for reduction, and there’s unfortunately some impact there on individuals in jobs and positions, now it’s “Don’t do it.” And if you’re going to have to do it, notify them early. So we did that, but we did it wrong, so — no good. I don’t know what environment I’m in.

We’ve listened to Members. The Member himself raised the issue of a bypass road here in Yellowknife. That wasn’t in the capital plan. We listened. It is now presented as part of the package. Is that not listening? For one of the schools, St. Joe’s here in Yellowknife, the cost came in higher than was budgeted. A process became available; we put it in the system. Is that not listening? Reduce the amount on the Mackenzie Gas Project area. Members made that recommendation, and we met them halfway on that. Is that not listening?

**Mr. Speaker:** Thank you, Mr. Ramsay. The Member for Tu Nedhe, Mr. Beaulieu.

## Question 158-16(2) Budget Impacts on Cost of Living

**Mr. Beaulieu:** Mr. Speaker, today I have questions for the Premier or the Minister responsible for reducing the cost of living — the cost of living for communities in the Tu Nedhe in the area of food, fuel, power and gasoline. The cost of living is extremely high in those areas. An example is that in order to reduce the costs themselves, the people would supplement their food by hunting. However, the cost of gasoline is so high that people are unable to do that.

I’d like to ask the Minister if there is a plan to address the problem on a short-term basis. A lot of the costs of living are laid out. The reduction to costs of living is laid out. Awareness of energy, hydro strategy and so forth are all items that are in this year’s budget but have long-term implications. I want to know if there are any plans that have short-term impacts on the cost of living in the smaller communities.

**Mr. Speaker:** The Hon. Premier, Mr. Roland.

**Hon. Floyd Roland:** The area of energy is, as we hear in our communities, having a huge impact on the lives of individuals, holding people back from their potential. The cost of goods in our small stores in the communities is huge. I shared, for example, a trip to Paulatuk. One tomato in that Northern Store in Paulatuk was four dollars and some cents. I’m sure it would be similar in Lutselk’e. We see it, for example, when the ice crossings go out. The stores automatically bump up their prices, because the transportation costs are there.

One of the things we’re doing, that is ongoing, is, for example, the Territorial Power Support Program — helping the cost of living that way. Ongoing on an annual basis for those families who are on income support or use it from time to time, the food basket is adjusted for cost of living and set-up — I believe if not by the community, then by a regional process. What we do have to look at, and there are other activities.... For example, within ITI, for those who go out hunting, we set up a fund that, once matched by the band or the hunters’ and trappers’ organization or the regional body, they can draw down that funding to help their constituents in that area. There are some dollars left in that for communities that haven’t drawn that down. That was one-time funding that’s stretched over quite a number of years since it was introduced. There’s some funding still left in there.

**Mr. Beaulieu:** The MLA from Nunakput advised me that a tomato has doubled in price since then.

Interjection

**Mr. Beaulieu:** And it’s the same one, yes.

Laughter.

**Mr. Beaulieu:** I would like to ask the Premier if he could give me an idea of the time frame they’re looking at to have some sort of impact on the hydro strategy and the energy programs.

**Hon. Floyd Roland:** There’s the overall hydro initiative across the Northwest Territories and trying to bring that to either investment or industry, as well as communities. The three mini-hydro projects, we’re looking at continuing investment in this year to see if they can be put in place. For example, Lutselk’e was a community that has been identified in that area. We’re looking to continue that work in this upcoming year.

The bigger picture, as the Members have said earlier, is correct. Some of these large initiatives are going to take quite a number of years for ourselves as government. We’re going to have to find partners to build the larger hydro development potential in the North to bring the cost of living down once and for all in our communities — or, for example, a gas pipeline to get natural gas in the communities to convert from diesel to natural gas to give a more stable source. Those are a number of areas.

The cost-of-living initiative: as I said earlier, we’ve instructed Ministers who are lead on this file to set up times for committees to start getting some of that dialogue and input to see if there are other ideas we can bring to the table.

The other one is the Food Mail Program, which is supposed to help reduce the cost of transportation of food to the communities. We’re starting to work at trying to get that back and to propose some changes to it. It is administered through Canada Post, I believe. We’re going to have a look at it. We are quite concerned. There’s a substantial amount of money from the federal government for the program, but we see little benefit for the North. We need to have that re-addressed.

**Mr. Beaulieu:** Mr. Speaker, I’d like to ask the Premier if they’ve examined any sort of subsidies that other jurisdictions might be using to reduce the cost of living.

**Hon. Floyd Roland:** We as a government have looked at our subsidy programs, and there are quite a number of them. When you look at the overall public housing package, the Territorial Power Support Program, the Seniors’ Fuel Subsidy, Income Support and some of these other investments, we haven’t had an updated review in comparison to other jurisdictions. We know that on a lot of fronts we do have a better program than quite a number of jurisdictions in Canada. But, again, we’d be willing to sit down with committee members to go through that and have a look at that initiative.

**Mr. Speaker:** Thank you, Mr. Roland. Final supplementary, Mr. Beaulieu.

**Mr. Beaulieu:** Thank you, Mr. Speaker. I’ve just a short question. Would the Premier look at other jurisdictions, specifically for the reduction of food costs, where they have communities where there is fly-in?

**Hon. Floyd Roland:** We would be willing to do that. We’re aware, for example, that the Food Mail Program affects quite a number of other jurisdictions in high-cost areas, and we’re going to plug into that to see how it works, to see if they’re feeling the same impact or have the same concerns we have. So we would be prepared to look at that type of initiative, yes.

**Mr. Speaker:** Thank you, Mr. Roland. The Member for Weledeh, Mr. Bromley.

## Question 159-16(2) Budget Reductions and Reinvestments

**Mr. Bromley:** My question is for the Minister of Finance, and it’s an attempt to once again bring clarity to an issue that keeps bubbling away out there. I was astounded to hear this morning on CBC radio — I believe it was Mr. Lee Selleck talking about hearing Mr. Abernethy, who said that there would be a reinvestment of $70 million along with cuts of $135 million. Mr. Selleck wondered if it was actually a leak of information. I was equally astounded the other day to talk to the author of a Parkland Institute report, an excellent researcher and so on, who knew nothing about it.

We’ve raised the issue of communications before, but this is such a fundamental issue. It’s still clouding the public understanding and ability to bring analysis to the government’s moves. Just for the public record and for absolute clarity, was the original intent of this government to find $135 million in cuts and during a similar period to reinvest about $75 million in areas of priority, for a net reduction of $60 million roughly over two years?

**Mr. Speaker:** The Hon. Premier, Mr. Roland.

**Hon. Floyd Roland:** As the Member has laid it out, that is the scenario. The overall target is $135 million; $75 million of that $135 million was targeted for reinvestment in priorities of the Legislative Assembly. That number is affected by the fact that if we can achieve our reduction scenario.... And that’s somewhat limited. We were hoping to do that, and part of the discussion we had earlier on was that it is $135 million, but we want to reinvest the $75 million. It wouldn’t be $75 million up front in one year. We realize that it takes, as we pointed out, two years to actually see the net impact of some of our reduction scenarios. The original amount we were hoping to reinvest would have been $25 million this year. That is investing in new priorities. There was, as I said, work done in the previous government under some initiatives that were sitting there. We reviewed those, and that’s part of the package you see today.

**Mr. Bromley:** Thank you for that clarity. I hope that word gets out. I cannot believe that we’re at this stage and there’s still confusion out there on such a fundamental fact. Just for further clarification on the Minister’s later remarks: how far are we down that road toward the $135 million and the reinvestment of $75 million with this budget today?

**Hon. Floyd Roland:** Mr. Speaker, with the package we’ve met so far, there are a couple of things we have to consider. I mentioned earlier in my Budget Address the sunsetting of programs. Those were already on the list to be ended. Whether a department came forward for three-year money or one-year money or it was federal transfers that only lasted a couple of years, sunsetted money meant those programs were to end on that year. So we’ve had about $30 million of those sunsetted dollars identified in this budget. We’ve had a further $35 million, if I don’t have my numbers reversed, in meeting our reduction targets, which has limited us. We’re not able to reinvest the $25 million.

Again, when we talk about the budget and all the reinvestments and capital and so on, there are some initiatives from the previous work that was done that have been carried through. But the targets we’ve set up, we’ve not met, and we’re going to have to look at refocusing government initiatives. As I discussed earlier, the rest of that work will follow through the business plan, where we will sit down with Members, through these strategic initiatives and then right through departments as well.

**Mr. Bromley:** Again, thank you for those remarks. Does the federal program that we’ve now learned about — the Building Canada Fund, somewhere between $27 million and $35 million a year — contribute and allow us to cut less to achieve our budget goal?

Just to add to that, if I can. Am I correct, from the Minister’s remarks, if I said we were about a third of the way on the cuts? A quarter?

**Hon. Floyd Roland:** Mr. Speaker, first the question about the Building Canada Fund. The Building Canada Fund is capital dollars. It’s not O&M dollars. In a sense, it does help us, for example, to flow through more capital, because it’s cost-shared dollars. For example, the Kakisa River Bridge: it’s allowing us to invest in that area. The Yellowknife bypass road: cost-sharing with the City of Yellowknife and flowing through those dollars to meet theirs helps that project that wouldn’t have been on there before. There are a number of areas where it does save us some investment so that we can spread the capital out to other projects. So it does save us that way, but it’s capital dollars. It’s not O&M dollars, so it doesn’t help us to reduce our targets in that fashion.

The other questions about the percentage of targets that we’ve met.... If you look at this budget and we take the $35 million that has been met, if we can match that during the next budget cycle we go through, then we’ve met the hard dealing with our fiscal growth pattern. The rest of it we could deal with through managing the growth of departments, through forced growth and new initiatives pieces. If we don’t meet those, that means less reinvestment.

**Mr. Speaker:** Thank you, Mr. Roland. A final short supplementary, Mr. Bromley.

**Mr. Bromley:** Again, Mr. Speaker, thank you for those remarks. One final one on the cuts. I believe layoffs were something we had discussed early on as part of the cuts. They were intended to be based on a thoughtful, comprehensive program review, possibly even a zero-based review. Were those reviews done as a basis for those cuts, and if not, should those cuts have been delayed?

**Hon. Floyd Roland:** Mr. Speaker, the fact that we’ve had the impact of reductions in personnel…. I’ve said on a number of occasions in this House, in the media — and I know Members were not happy with that, even when I said it at that time — there would be some impact there. When half of your budget deals with compensation and benefits of your workforce, and even if you reduced just program areas, there are people attached to those programs and delivery of them; so there was that impact. We’ve minimized that as much as possible. In fact, some of those who are affected have been contacted for potential redeployment, getting them into the new initiative pieces we will be delivering. So we’re lessening that impact, as well, on that side of it.

When you look it, the scenario was that we went to departments — of the $135 million total reinvestment and direct reductions — based on the size of their budgets. So the larger your budget, the larger portion of the percentage you got from the overall target. That was different from previous years. In previous years a department was just given a flat percentage. We didn’t go that route, and they were told to come and meet their target. A number of departments did not meet their targets. We knew they didn’t align themselves with the priorities of this Assembly. So we’ve not proceeded on quite a number of fronts, but we’ve put more work into the Refocusing Government piece. Again, Hon. Michael Miltenberger will be ready to meet with Members as we prepare for the next stage of our work in budget planning.

**Mr. Speaker:** Thank you, Mr. Roland. The Member for Hay River South, Mrs. Groenewegen.

## Question 160-16(2) Budget Development Process

**Mrs. Groenewegen:** Mr. Speaker, I believe that this budget process has eroded public confidence. Unfortunately, people out there in the public don’t always differentiate between that side of the House and this side of the House. To them we are all the government. So I am feeling, as well, like we have been not fully brought into this whole process.

I did sit beside the Premier when we announced that we need to live within our means and we need to have affordable, sustainable government, and I believed in all that. But when it came down to the decisions on how we were going to attain that, then we weren’t part of the discussion.

I know the Premier has already said, Mr. Speaker, that he is sorry that Members weren’t notified before the 135 letters went out to potentially affected employees to set up interviews to discuss their options with them. But I want to stress, I guess, that I didn’t get here yesterday. I’ve been here a long time, and I know what normal practice is. I don’t have any motivation to just be crabby for the sake of being crabby. I don’t. I mean, if things are good, I say things are good. If things are screwed up, I say things are screwed up. And this budget process has not been what it should have been.

On the recruitment and retention reference in the Budget Address, we stand up and say that we’re not the employer of choice. Well, I guess not. I mean, here we are out here trying to spend money on recruitment and retention, yet we’re laying off 135 — with vacant positions maybe 200 — positions in the public service. I want to ask the Premier: what efforts were made to redeploy, reassign or come up with reasonable circumstances for those members of the public service we have had working for us, who have skills, who have possibly transferable skills, who we have invested in and who have invested their work careers in us as a territorial government. What efforts were made?

**Mr. Speaker:** The Hon. Premier, Mr. Roland.

**Hon. Floyd Roland:** Mr. Speaker, I as well have not just come into this environment. As I stated earlier, I’m very familiar with the process as a Regular Member, as a Minister and as Finance Minister in a previous government. That process has been followed. There’s always a glitch with the first budget of the Legislative Assembly. You can decide to either go ahead with the work that was done by a previous government, with some tinkering, or you can take control of it early on. We’ve decided to take control.

We’ve tried to mitigate the impact on employees. Again, I’ve heard from Members. Members said early on that to minimize that to the least extent possible, if it has to be done, you notify early. We’ve done that, and it was a mistake in not providing Members the information as that was happening. So we’ve dealt with that, and that won’t be occurring again.

The other side is that we’ve gone through our staff retention policy, and the Minister of Human Resources has been keeping us up to date on the number of employees who have been interviewed for potential redeployment within government, taking on new assignments. We’ve had some individuals in the system say, “We’re not ready to talk just yet until we see that the budget actually passes.” Then they’ll be sitting down with us.

We have quite a large number who have talked about retirement. They’ve hit a threshold where they’re considering doing that. We’re looking at our options to deal with that and pension issues. So we’re looking at a number of options to mitigate the final impact on individuals within the Government of Northwest Territories.

**Mrs. Groenewegen:** I had a situation in my constituency where someone received notification of being a potentially affected employee. Someone else in the same organization, with a similar skill set, doing a similar type of work, wanted to embark on voluntary separation, thinking that if he did that, the person who received notification for layoff would not have to go through that. The voluntary separation was denied, so it goes back to the person they want to remove. It makes you wonder about the motive. Was this really entirely a job reduction for saving money, or was this some kind of a housecleaning exercise that gave managers a prerogative to have people affected who maybe they’d had an issue with or crossed swords with? It doesn’t make sense. I can give you another example.

**Mr. Speaker:** Thank you, Mrs. Groenewegen. I’ll allow the Premier to answer that question.

**Hon. Floyd Roland:** Mr. Speaker, I know early on that notifications went out to potentially affected employees and that there were some issues about the retirement options. I’ve even heard of an example up in my community. I would say, through that process, that we should be willing to look at that. We should be flexible enough in our environment to do that. I think, as we proceed with this and have further discussion, that is being considered at this point. We have tools — for example, direct appointments. If we have somebody who wants to retire and they have somebody who’s in line with them — they’re ready to move up — there is the potential we could be looking at that. We’ve had some discussion about that, and we’re ready to sit down more on that. Again, the Minister of Human Resources has been looking at these options. He’s been coming to the table, and we’ve been putting some of these suggestions out as well.

**Mrs. Groenewegen:** Mr. Speaker, reductions and layoffs are never a pleasant experience. However, there are ways of mitigating the impact and making it at least professional, businesslike and somewhat humane.

I’ll give you another example of a situation where we’re going to reduce positions. There are four people in one shop, all doing basically the same activity. Now the government says they only want three people. So rather than going to the person in that shop who’s got 28 years’ experience and suggesting maybe coming up with some arrangement, like a normal employer would do.... Why would you send notification to all four employees and ask them all to apply for the job, knowing for months that one of them at the end of the day isn’t going to have their job? That is another example of a very unprofessional way of approaching these job reductions. I resent that, and I ask the Premier if he would respond to that kind of treatment of our respected members of the public service.

**Hon. Floyd Roland:** Mr. Speaker, that issue has come up. I’ve also asked some questions about that and about looking at, as a government, our interpretation of our obligations under our contracts, with the unions as well. Sometimes it’s just our direct interpretation of things. There are a number of cases where there are staff who work in the same area within the same department where one position was targeted; three positions became potentially affected. So we’ve got to look at that.

Again, this scenario has played out in a way where we definitely don’t want to be using the same processes and where we get a clear understanding right off the bat, before we jump to that next stage of notifying employees. That was a concern. As I stated, we should have got all that information together. We need it as well; we’re feeling the pressure. There was talk out there. Whether it was the union itself sending the message, the fear factor was that there are 700 to 800 people who are going to lose their jobs. That came out earlier. We needed to dispel that by going out as soon as we could and trying to reassure the rest of our public service that there was not going to be that type of impact. And trying to move ahead at a rapid pace has caused us some of these other problems in interpretation.

I would be looking to have that discussion with the Minister and say that I believe we need to have a different look at that and see if that interpretation is something that can be reviewed once again.

**Mr. Speaker:** Final supplementary, Ms. Groenewegen.

**Mrs. Groenewegen:** On the same topic, when someone is applying for a job and they don’t feel they’re treated fairly, there’s an appeal process. When somebody’s in their job and they feel they’re not being treated fairly, there’s a union — an appeal — process. There’s a grievance process.

When somebody gets notification that they’re being laid off, and they’re a potentially affected employee because of reduction, there really is no recourse for them. Like, to whom do they appeal? They could go through the staff retention exercise. But you know, it doesn’t necessarily work out if it’s in a different community or if they’re in a very specialized area of employment.

So here’s my problem: when the department, when the deputy ministers…. You know, the Ministers went to the deputies; the deputies went to the managers; and they tagged or flagged what they wanted to offer up as the reductions. And they tagged an employee and said, “Okay, that’s the employee; that’ll save this much money.”

Now, somebody else in the organization offers to take voluntary separation. They’ll step up, and they’ll take that, thinking the other person will get the job. But you know who approved that? The same manager who tagged them in the first place is the person you go back to, to say, “Can this person vacate this position so this affected employee doesn’t…?” It’s the same person you go back and ask. It’s a problem.

I’d like to ask the Premier: what recourse do we have for employees who are potentially affected if they feel they are being treated unfairly?

**Hon. Floyd Roland:** Mr. Speaker, as we’ve heard — and we’ve heard from a number of sources — this is a concern. The Minister of Human Resources has been working on the files to try to bring some clarity to it. We’ve had our discussions. We will continue to have those to look at some of that interpretation — the rules.

What we’ve come down to is, if we decide as a government — like the staff retention policy — a policy in place can be amended. And if we feel we should use our discretion to say…. Why not direct appoint some of these individuals into places where they do fit? We’re not going to take people who, as the Member stated, don’t have the training and put them in a place where they’re bound to fail.

We’re going to do as much of that realignment as possible through our normal processes we have in place. And if we have to review that — the number of tools we do have available — there should be enough flexibility in that to make some of these adjustments.

Very early on, when we made the announcement, I had an e-mail from a constituent back home that said, Pick me. He was looking at moving on and retiring. I think we need to be open to those types of initiatives.

**Mr. Speaker:** Thank you, Mr. Roland. The Member for Inuvik Twin Lakes, Mr. McLeod.

## Question 161-16(2) Proposed Closure of Arctic Tern Facility

**Mr. McLeod:** Mr. Speaker, it’s been known for some time that the Department of Justice is proposing to close down the Arctic Tern Facility in Inuvik.

I’d like to ask the Minister of Justice what the rationale was for proposing to close Arctic Tern down. If they do close it, who made the ultimate decision to close the facility down?

**Mr. Speaker:** Minister of Justice, Mr. Lafferty.

**Hon. Jackson Lafferty:** Mr. Speaker, there’s been considerable discussion on this particular subject: the closing down of the Arctic Tern that’s been proposed.

Part of their reasoning behind it is the operation cost: having two or no inmates in the facility, having 20 staff plus seven relief staff to look after a facility, and $2.5 million to operate the facility. Also, Mr. Speaker, just to maintain the building…. It’s roughly $500,000 a year to have an upgrade of the facility annually.

It’s just not feasible to operate the facility that way. That was part of the reason we decided to go with that Arctic Tern Facility in Inuvik as part of the cuts we are faced with. Mahsi.

**Mr. Speaker:** The time for question period has expired; however, I’m going to allow the Member supplementary questions. I’d also like to remind Members we’ve only had seven Members ask questions. Obviously, we are going to have to shorten our questions, and answers as well, if we are going to give all Members the ability to ask questions.

**Mr. McLeod:** Thank you, Mr. Speaker. I’d like to ask the Minister if he knows of any other facilities that are proposed to be closed down.

**Hon. Jackson Lafferty:** I can only speak to my department. Basically, what we have proposed is for Arctic Tern for now. We are working on the options for the community as well. Mahsi.

**Mr. McLeod:** The Arctic Tern brings a lot to the economy of Inuvik, and they have a concern with it being closed down. It also affects a lot of the staff. I met with the staff at Arctic Tern. One thing I found was that they were very passionate about what they do. They are very protective of the girls who are in there. They were asked to take training to work in that position. They believed in that, and they went and took training. I’d like to ask the Minister: what’s going to happen to the clients of Arctic Tern?

**Hon. Jackson Lafferty:** Mr. Speaker, I believe, yesterday, there were ten or two inmates. We’re certainly working with the Yellowknife Correction Centre as well, and young offenders. We’ve been working on that for quite some time now — to look at options — and that’s one of the options we are seriously looking at. The inmates will be looked after. Also having those correctional workers at that correction facility will certainly look after them. Mahsi.

**Mr. Speaker:** Final supplementary, Mr. McLeod.

**Mr. McLeod:** Thank you, Mr. Speaker. I can tell you one thing about Inuvik: we’re a very resilient community. You can hit us high; you can hit us low. We always seem to bounce back, but we’ve had to bounce back too many times. Enough is enough. I know this facility was built by the government when there was the Youth Criminal Justice Act of Canada. They were full, and now they’re proposing to close it. They’ve been looking for a reason, for the last few years, to justify closing this facility. That’s not going to be accepted, especially with the girls we put through training. I will say right now, for the record, that I’m going to fight this tooth and nail for the next four and half weeks.

I’d like to ask the Minister: is he aware of any other correctional facilities proposed to be built within the Northwest Territories?

**Hon. Jackson Lafferty:** I appreciate the Member’s statement on this particular issue. It is a concern for our community. It wasn’t an easy decision going through the process.

With regard to other new buildings that the Member is alluding to, we are in the process of retrofitting. We’re not focusing on new buildings. Mr. Speaker, I’d just like to highlight that there are nine individuals we’re working with in the facility of Arctic Tern. We are making progress, and we’ll do what we can to assess the remainder of the workers at the facility.

**Mr. Speaker:** Item 10, written questions. Item 11, returns to written questions.

# Returns to Written Questions

## Question 2-16(2) GNWT Expenditures on Energy

**Clerk of the House (Mr. Mercer):** Mr. Speaker, I have a Return to Written Question 2-16(2) asked by Mr. Bromley on February 7, 2008, regarding GNWT expenditures on energy.

For the three fiscal years 2004–2005, 2005–2006 and 2006–2007 the GNWT and its major boards and agencies spent approximately $108 million on fuel oil, gasoline and electricity; $15 million on tank farms and other infrastructure related to fossil fuels; and $4.3 million on the transportation of fuel products.

## Question 3-16(2) Client Access to Housing Programs

**Clerk of the House (Mr. Mercer):** I have a Return to Written Question 3-16(2)asked by Mr. Robert C. McLeod on February 8, 2008, regarding client access to housing programs.

Under the four Housing Choicesprograms, a total of 28 clients had been approved as of February 12, 2008. For privacy reasons, client’s names have not been included.

Under the program entitled Providing Assistance for Territorial Homeownership (PATH), assistance is provided to eligible applicants in the form of a forgivable loan. The forgiveness period is dependent on the amount of assistance provided. Financial assistance is provided in increments based on the applicant’s income, family size and the community Core Need Income Threshold (CNIT). CNIT means the financial test utilized for the purpose of determining targeted households. These reflect the minimum income required for a household to afford appropriate accommodation without spending more than 30 per cent of its gross income for shelter. Additional assistance is available for improving the accessibility of dwellings for persons with disabilities.

Under the PATH program, one client was approved to receive funding of $170,000. Of that amount, $80,000 was approved to assist in the purchase of an existing home, and an additional $90,000 was approved under Disabled PATH, so that the client could complete renovations to the home to make it accessible for wheelchair mobility.

The Homeownership Entry Level Program (HELP) assists eligible applicants who are not able to secure mortgage financing or are unsure about homeownership responsibilities. It allows them to experience homeownership commitments before purchasing a home. Assistance is provided through lease on a Northwest Territories Housing Corporation home, and the tenant pays 20 per cent of their gross income toward the lease (rent) payment. The tenant is responsible for shelter costs such as power and water delivery, and the services are to be in the tenant’s name. After successfully completing a two-year lease (rental) period, the tenant is eligible to receive a $10,000 contribution, which must be used to lower the price of a home the tenant intends to purchase. One client was approved for assistance under the HELP program.

Under the Contributing Assistance for Repairs and Enhancements (CARE) program, assistance is provided to eligible applicants in the form of a forgivable loan to subsidize the cost of preventative maintenance checks, repairs and renovations for their existing home. The forgiveness period is dependent on the amount of assistance being provided. The financial assistance is provided in increments based on the applicant’s income, family size and the community CNIT. Additional assistance is available for improving the accessibility of dwellings for persons with disabilities. Twenty-six clients have been approved under CARE, and each was provided with assistance in the amount of $475 for preventative maintenance on their homes, totalling $12,350 of assistance having been provided under this program.

Under the Solutions to Educate People (STEP) program, assistance is provided to eligible applicants in the form of four courses (no fee), which are each 6.5 hours in length and delivered in each community. Some of the courses are prerequisites for access to the other three programs. The number of Inuvik participants in the four courses was 29, broken down as follows:

* nine people attended the Financial Skills I: Budgeting Course;
* nine people attended the Financial Skills II: Banking & Credit Course;
* nine people attended the Home Purchase Course; and
* two people attended the Home Maintenance & Repair Course, which provided one-on-one instruction.

Under the Emergency Repair Program (ERP), which is a Canada Mortgage and Housing Corporation program delivered by the Housing Corporation, financial help is provided to persons undertaking emergency repairs required for safe occupancy of their houses. The nature of the repairs is limited to repairs that are urgently required to make the house fit for human habitation, rather than to restore the house to the minimum property standards. Financial assistance is received in the form of a contribution to a maximum assistance of $11,000. Two clients were assisted under this program; each received $850 for a total expenditure of $1,700 under the program.

Under the Expanded Downpayment Assistance Program (EDAP), a program in place prior to the implementation of Housing Choices, the funding for one of the Housing Corporation’s client’s was completed in April 2007 after the housing choiceprograms were implemented. A total of $114,500 was received by that client under the EDAP program toward purchasing an existing home. The program provided clients in core housing need with subsidies in the form of a forgivable loan to purchase and repair a home, to construct a new home or to repair an existing home.

## Question 4-16(2) Deh Cho Bridge Concession Agreement

**Clerk of the House (Mr. Mercer):** I have a Return to Written Question 4-16(2) asked by Mr. David Ramsay on February 8, 2008, regarding the Deh Cho Bridge Concession Agreement.

1. Did the Government of the Northwest Territories have the updated cost-benefit analysis prior to signing the concession agreement on the Deh Cho Bridge Project on September 28, 2007?

The GNWT did not have the updated cost-benefit analysis prior to signing the concession agreement in September 2007. The 2007 updated analysis was not submitted to the GNWT until December 15, 2007. Though preliminary drafts of the 2007 update were provided in October and November 2007, no draft of the update was available prior to the signing of the concession agreement.

1. What economic analysis did the Government of the Northwest Territories and the Department of Transportation have at their disposal to make the decision to proceed with signing the concession agreement on the Deh Cho Bridge Project?
2. Who did the economic analysis?

At the time of the signing, the GNWT had the 2002 benefit-cost analysis of the Deh Cho Bridge report and a 2003 update of the same, both of which were prepared by Nichols Applied Management.

## Question 5-16(2) Contracts and Services from Southern Vendors

**Clerk of the House (Mr. Mercer):** I have a Return to Written Question 5-16(2) asked by Mr. Bromley on February 8, 2008, regarding contracts and services from southern vendors.

1. What contracted services does GNWT have with southern vendors?

At any given time the GNWT has a number of contracted services with southern vendors. Most often these include specialty services not available in the North or services provided by vendors who have won publicly tendered contracts or proposal calls.

PWS does not contract services for the government as a whole but only for services for which we are responsible. Services may include consulting, construction, IT-related consulting and hardware supply, petroleum products, maintenance services and building leases.

Later today, at the appropriate time, I will table a listing of PWS’ contracted services with southern vendors for 2007–2008.

1. What are the costs of these GNWT contracted services with southern vendors?

The number and value of southern contracts PWS has managed for the past three years are presented in the following tables.

April 1, 2005 to March 31, 2006:

Total all PWS contracts: 545  
Total value: $73,734,356.62

Total all southern PWS contracts: 66  
Total value: $6,991,391.71

April 1, 2006 to March 31, 2007:

Total all PWS contracts: 527  
Total value: $104,325,192.65

Total all southern PWS contracts: 57  
Total value: $15,187,064.74

April 1, 2007 to date

Total all PWS contracts: 373  
Total value: $106,339,130.30

Total all southern PWS contracts: 51  
Total value: $34,870,577.60

Note that this includes one large tendered bulk fuel supply contract to Bluewave Energy for $27,673,116.

The Department of Industry Tourism and Investment (ITI) are responsible for maintaining the central contract registry for all GNWT contract reporting. A comprehensive list of all GNWT contracts over $5,000 for the past three fiscal years can be found at:

[http://www.iti.gov.nt.ca/contract\_registry/  
contract\_report.htm](http://www.iti.gov.nt.ca/contract_registry/contract_report.htm)

Hard copies of these reports can be provided, if required.

1. How many jobs are associated with the GNWT contracted services from southern vendors?

We are assuming that you are asking for the number of contracts PWS has in place with southern vendors.

April 1, 2005 to March 31, 2006:

Total all southern PWS contracts: 66

April 1, 2006 to March 31, 2007:

Total all southern PWS contracts: 57

April 1, 2007 to date:

Total all southern PWS contracts: 51

Although these contracts are with southern vendors, some of them may subcontract portions of the work to northern companies and individuals. This information, however, is not tracked in the GNWT contract information system.

In addition, some contracts listed as southern are to companies that reside in the North. If companies located in the North are not registered with the Business Incentive Policy (BIP) monitoring office, they are considered non-northern (southern) businesses. An example of these contracts includes Inuvik Commercial Properties and Gwich’in Development Corporation. Both are partially or wholly northern owned and operated but are listed as non-northern on the registry.

## Question 6-16(2) Foreign Worker Employment Assistance

**Clerk of the House (Mr. Mercer):** I have a Return to Written Question 6-16(2) asked by Mr. Hawkins on February 11, 2008, regarding foreign worker employment assistance.

It is the responsibility of the Department of Citizenship and Immigration Canada to manage the permanent residence path of foreign skilled workers, as well as the entry of temporary foreign workers.

For employers wishing to hire temporary foreign workers, the federal government has a Temporary Foreign Worker Program that allows eligible foreign workers to work in Canada for an authorized period of time. Service Canada manages this program. More information can be obtained by contacting Service Canada in Yellowknife at (867) 766-8305.

Although the Department of Education, Culture and Employment does not have a dedicated foreign-worker assistance program to facilitate the selection of immigrants for employment in small business operations, there are several departmental activities pertaining to immigration. These include the provision of settlement and integration supports to newcomers through language instruction at Aurora College, employment-assistance services and career counselling.

The priority of the Government of the Northwest Territories remains the training and employment of NWT residents. However, the GNWT does recognize that the successful integration of newcomers forms part of an overall labour-force-development strategy toward a sustainable NWT economy.

## Question 7-16(2) Sport and Youth Funding from Mackenzie Recreational Association

**Clerk of the House (Mr. Mercer):** I have a Return to Written Question 7-16(2) asked by Mr. Beaulieu on February 15, 2008, regarding sport and youth funding from the Mackenzie Recreational Association. Specifically, the Member asked for information on the amount and purpose of funding received by Lutselk’e and Fort Resolution over the last five years from the association; the amount and purpose of funding that communities accessible by road receive from the association; and whether the association recognizes and addresses the difficulties fly-in-only communities face to participate in sport and youth programs and if travel assistance exists for those communities.

Later today, at the appropriate time, I will table information detailing the amount and purpose of funding distributed to each community by the association over the period of April 2003 to February 2008.

The association encourages applications from all its member communities and provides semi-annual information sessions to assist communities with the application process. Communities are urged to attend information sessions, and travel costs are covered. Since January 2004 no eligible applications from fly-in-only communities have been denied. The association provides a maximum of $3,000 per event for travel, regardless of community location.

Mahsi, Mr. Speaker.

## Question 9-16(2) Yellowknife Schools Enrolments

**Clerk of the House (Mr. Mercer):** I have a Return to Written Question 9-16(2) asked by Ms. Bisaro on February 19, 2008, regarding Yellowknife school enrolments.

Later today, at the appropriate time, I will table statistical information on Yellowknife School Enrolments 2003–04 to 2007–08.

The student enrolment numbers provided are for full-time-equivalent students (FTEs) based on student attendance during the month of September for each school year. Prior to fall 2006, student enrolment numbers were calculated based on the number of students with a 40 per centattendance rate during the month. From 2006 onwards full-time students counted as FTEs are those with a 60 per cent attendance as of September 30th each year.

## Question 10-16(2) GNWT Arctic Winter Games Expenditures

**Clerk of the House (Mr. Mercer):** I have a Return to Written Question 10-16(2) asked by Ms. Bisaro on February 19, 2008, regarding GNWT Arctic Winter Games expenditures. Specifically, the Member asked for details on the costs of the regional and territorial trials, the cost of participants’ clothing, the cost of the two NWT representatives on the Arctic Winter Games International Committee, the cost of staff time and the total GNWT funding contributions to host societies.

Later today, at the appropriate time, I will table information on the costs of the Arctic Winter Games’ regional trials and territorial trials and information regarding the cost of clothing for Arctic Winter Games’ participants.

The Member asked for information regarding the cost of staff time and person hours from the Department of Municipal and Community Affairs and the total GNWT funding distributed to the host societies. During an average Games cycle, it is estimated that MACA contributes an average of 1,750 person hours per Games cycle. In a typical two-year period, more staff time is utilized in the fiscal year in which a Games is held than in the off years.

The GNWT contributed a total of $1.2 million in funding to the 2008 Arctic Winter Game Host Society. The host society also raised over $3.4 million in funding beyond the contributions made by the various levels of government to run the 2008 Games. The GNWT did not contribute funding to the 2000, 2002, 2004 or 2006 host societies, as those Games were hosted in other jurisdictions.

Mahsi, Mr. Speaker.

## Question 11-16(2) Direct Appointments

**Clerk of the House (Mr. Mercer):** And, Mr. Speaker, I have a Return to Written Question 11-16(2) asked by Mr. Ramsay on Thursday, February 21, 2008, regarding direct appointments to the Government of the Northwest Territories. Direct appointments are made to enhance the public service and are made in accordance with the Public Service Act and direct appointment guidelines established by the Executive Council. Direct appointments are generally made to support the appointment of northern graduates through the Northern Graduate Employment Program (Nurses, Social Workers, Teachers, Interns) for career development of long-term employees and for ministerial staff.

Information on direct appointments is published each year in the Public Service Annual Report.

Cabinet approval is required prior to any direct appointment. The rationale for each direct appointment is confidential to Cabinet under Section 13(1) of the Access to Information and Protection of Privacy Act. Tables detailing direct appointments by department and affirmative action priority will be tabled in the House later today. Thank you, Mr. Speaker.

**Mr. Speaker:** Thank you, Mr. Clerk. Item 12, replies to the opening address. Item 13, replies to the Budget Address, day 1 of 7. Item 14, petitions. Item 15, reports of committees on the review of bills. The honourable Member for Inuvik Twin Lakes, Mr. McLeod.

# Reports of Committees on the Review of Bills

## Bill 4 Miscellaneous Statutes Amendment Act, 2008

## Bill 7 Securities Act

**Mr. McLeod:** Mr. Speaker, I wish to report to the Assembly that the Standing Committee on Social Programs has reviewed Bill 4, the Miscellaneous Statutes Amendment Act, 2008 and Bill 7, the Securities Act, and wishes to report that Bills 4 and 7 are now ready for Committee of the Whole, as amended and reprinted. Further, Mr. Speaker, I move, seconded by the honourable Member for Great Slave, that Bills 4 and 7 be moved into Committee of the Whole today.

**Mr. Speaker:** Motion carried. Bill 4 and Bill 7 referred to Committee of the Whole for consideration today.

Motion carried: Bill 4 and Bill 7 referred to Committee of the Whole for consideration today.

**Mr. Speaker:** Item 16, tabling of documents. The honourable Minister of Finance, Mr. Roland.

# Tabling of Documents

**Hon. Floyd Roland:** Thank you, Mr. Speaker. I wish to table the following document entitled Main Estimates 2008–2009*,* Volumes 1 and 2.

Document 37-16(2), Main Estimates 2008–2009, Volumes 1 and 2, tabled.

**Hon. Michael Miltenberger:** On behalf of the Hon. Michael McLeod, I wish to table the following three documents: the first document, Arctic WinterGames Expenditures; the second document, entitled Mackenzie Recreation Association — Summary of Community Contributions 2003–2008; and the third document, entitled Contracts and Services from Southern Vendors.

Document 38-16(2), Arctic Winter Games Expenditures, tabled.

Document 39-16(2), Mackenzie Recreation Association — Summary of Community Contributions 2003–2008, tabled.

Document 40-16(2), Contracts and Services from Southern Vendors, tabled.

**Hon. Jackson Lafferty:** Mr. Speaker, further to my Return to Written Question 9-16(2), I wish to table the following document, entitled Yellowknife School Enrolments, 2003–2004 to 2007–2008. Mahsi, Mr. Speaker.

Document 41-16(2), Yellowknife School Enrolments, 2003–2004 to 2007–2008, tabled.

**Hon. Bob McLeod:** Mr. Speaker, further to my Return to Written Question 11-16(2), I wish to table the following document, entitled Direct Appointments — Calendar Year. Thank you, Mr. Speaker.

Document 42-16(2), Direct Appointments — Calendar Year, tabled.

**Clerk of the House (Mr. Mercer):** Mr. Speaker, I wish to table a response to Petition 1-16(2), tabled by the Member for Nahendeh, Mr. Kevin Menicoche, on February 7, 2008, regarding the buffalo problem in Fort Liard.

Document 43-16(2), Response to Petition 1-16(2): The Buffalo Problem in Fort Liard, tabled.

**Mr. Speaker:** Thank you, Mr. Clerk. Item 17, notices of motion. The honourable Minister of Finance, Mr. Roland.

# Notices of Motion

## Motion 9-16(2) Referral of Main Estimates 2008–2009 to Committee of the Whole

**Hon. Floyd Roland:** Thank you, Mr. Speaker. I give notice that on Monday, May 26, 2008, I will move the following motion.

Now therefore I move, seconded by the honourable Member for Thebacha, that Tabled Document 37-16(2), Main Estimates 2008–2009, Volumes 1 and 2, be referred to Committee of the Whole for consideration.

**Mr. Speaker:** Item 18, notices of motion for first reading of bills. The honourable Minister of Finance, Mr. Roland.

# Notices of Motion for First Reading of Bills

## Bill 8 Appropriation Act 2008–2009

**Hon. Floyd Roland:** I give notice that on Monday, May 26, 2008, I will move that Bill 8, Appropriation Act, 2008–2009, be read for the first time.

## Bill 9 Supplementary Appropriation Act, No. 4, 2007–2008

**Hon. Floyd Roland:** I give notice that on Monday, May 26, 2008, I will move that Bill 9, Supplementary Appropriation Act, No. 4, 2007–2008, be read for the first time.

**Mr. Speaker:** Item 19, motions. Item 20, first reading of bills. Item 21, second reading of bills. Item 22, consideration in Committee of the Whole of bills and other matters. Item 23, report of Committee of the Whole. Item 24, third reading of bills. Mr. Clerk, item 25, orders of the day.

# Orders of the Day

**Clerk of the House (Mr. Mercer):** Orders of the Day for Friday, May 23, 2008, 10 a.m.:

1. Prayer
2. Ministers’ Statements
3. Members’ Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Acknowledgements
7. Oral Questions
8. Written Questions
9. Returns to Written Questions
10. Replies to Opening Address
11. Replies to Budget Address
12. Petitions
13. Reports of Standing and Special Committees
14. Reports of Committees on the Review of Bills
15. Tabling of Documents
16. Notices of Motion
17. Notices of Motion for First Reading of Bills
18. Motions
19. First Reading of Bills
20. Second Reading of Bills
21. Consideration in Committee of the Whole of Bills and Other Matters

Bill 4: Miscellaneous Statutes Amendment Act, 2008

Bill 7: Securities Act

1. Report of Committee of the Whole
2. Third Reading of Bills
3. Orders of the Day

**Mr. Speaker:** Thank you, Mr. Clerk. Accordingly, this House stands adjourned until Friday, May 23, 2008, at 10 a.m.

The House adjourned at 5:06 p.m.