



# **NORTHWEST TERRITORIES LEGISLATIVE ASSEMBLY**

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## **HANSARD**

**Wednesday, February 22, 2006**

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**The Honourable Paul Delorey, Speaker**

# Legislative Assembly of the Northwest Territories

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(Tu Nedhe)

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**YELLOWKNIFE, NORTHWEST TERRITORIES****Wednesday, February 22, 2006****Members Present**

Honourable Brendan Bell, Mr. Braden, Honourable Paul Delorey, Honourable Charles Dent, Mrs. Groenewegen, Honourable Joe Handley, Mr. Hawkins, Honourable David Krutko, Mr. Lafferty, Ms. Lee, Honourable Michael McLeod, Mr. McLeod, Mr. Menicoche, Honourable Michael Miltenberger, Mr. Pokiak, Mr. Ramsay, Honourable Floyd Roland, Mr. Villeneuve, Mr. Yakeleya

**ITEM 1: PRAYER**

---Prayer

**SPEAKER (Hon. Paul Delorey):** Good morning, Members. Welcome back to the House. The honourable Member from Range Lake, Ms. Lee.

**MS. LEE:** Thank you, Mr. Speaker. Mr. Speaker, pursuant to section 20(1) of the rules, I seek your leave to explain a personal matter. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Ms. Lee. Go ahead with your...

**Point Of Privilege**

**MS. LEE:** Thank you, Mr. Speaker. Mr. Speaker, yesterday in the House, I was handed a clipping of a newspaper ad by a Member of Cabinet and it read, and I quote: "We live and work in the North, building successful aboriginal joint venture partnerships since 1988, ATCO Frontec."

Mr. Speaker, I raise this now because I believe there is a misunderstanding in this House that my questions and concerns about the government promoting the Novel housing concept are somehow motivated by an anti-ATCO company sentiment. Nothing could be further from the truth, Mr. Speaker. My concerns are related to due diligence and the process the government has followed to date, and its apparent unwillingness to consider a wider range of possibilities to meet the social housing needs of the North.

It is unfortunate that the promotion of a specific product proposal from a specific company has been injected into this debate through the budget address. This has had the effect of focussing the debate on the company in question and its product. In my opinion, the debate should be focussed on due diligence and the process the government plans to follow to meet the NWT's social housing needs, as opposed to a particular company or product concept.

For this reason, Mr. Speaker, I will, from this point forward, refer to the company that the government has signed a memorandum of agreement with as ABCD Company and its proposed product as the new housing concept. I would like to invite my colleagues in this House to do the same.

In so doing, Mr. Speaker, I hope to distance the debate from the company and product in question, which I have no particular opposition to, as I am certain I would be doing the same had it been for any other company, and focus it more properly on the due diligence and process the government is using to meet the very obvious and

pressing social housing needs in the NWT. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Ms. Lee. Before I go on with the orders of the day, colleagues, I would like to draw your attention to the visitors' gallery to the presence of a former Commissioner of the Northwest Territories, Ms. Glenna Hansen.

---Applause

Accompanying her are Joe Bruce and Bob Henderson from Neighbours Canada. Welcome to the House.

---Applause

Orders of the day. Ministers' statements. Members' statements. The honourable Member for Kam Lake, Mr. Ramsay.

**ITEM 3: MEMBERS' STATEMENTS****Member's Statement On Tax Arrears On The Former Giant Mine Site**

**MR. RAMSAY:** Thank you, Mr. Speaker. Today I would like to use my Member's statement to discuss an ongoing issue that involves the City of Yellowknife, the Government of the Northwest Territories, the federal government, namely INAC and Public Works and Government Services. The issue is the tax arrears on the former Giant Mine site. The total arrears are close to \$100,000 and there is just not any indication or responsibility for who is going to pay these arrears.

The federal government is taking a position that it's not responsible for paying the outstanding amount due on the property by way of a payment in lieu of taxes or otherwise. The rationale is that it is not the Crown's intention to own the site in any way, shape or form. The site in question is contained entirely within municipal boundaries of the city of Yellowknife and the city also continues to service this property. It would be completely unfair if the city was not duly compensated, given this reality.

It is my understanding, Mr. Speaker, that pursuant to the cooperation agreement between the Government of the Northwest Territories and INAC, that INAC is indeed occupying the site. The site was previously managed by Miramar Giant Mines Limited under a care and maintenance agreement with INAC up until June 5, 2005. Under the terms and conditions of the care and maintenance agreement, Miramar was to pay the interim tax levy, which they have done, but was not required to pay the final tax levy. Hence, the \$96,727 that remains unpaid.

In section 10.1(h) of the cooperation agreement, it states that the Government of the Northwest Territories would

provide INAC with an appropriate tenure instrument for the site. In addition, INAC would also assume the management charge and direction for all improvements on the site and be provided unrestricted surface access and occupancy of the site. Now that Miramar has left the site, the federal government has a legal, and I believe a moral, obligation to pay the city the taxes that are owing. Mr. Speaker, I will have questions for the Minister of Municipal and Community Affairs at the appropriate time. Thank you.

---Applause

**MR. SPEAKER:** Thank you, Mr. Ramsay. Members' statements. The honourable Member for Monfwi, Mr. Lafferty.

**Member's Statement On Tribute to Elders John Michel And John Beaulieu**

**MR. LAFFERTY:** Mahsi, Mr. Speaker. (Translation) I want to speak briefly about the two elders who passed away. (Translation ends)

It's a sad day for the Tlicho Nation. Again, we lost two respected elders: one from Behchoko, John Baptiste Michel, age 82; and Johnny Beaulieu of Whati, age 84.

Mr. Speaker, since 2005, many of our elders have passed on; elders like Alexie Arrowmaker, Joe Susie Mackenzie, Phillip Nitsiza and many others in the Tlicho region, Mr. Speaker. These elders are the keepers of our knowledge and traditions. It is through them we keep our language and culture strong. They are our teachers and leaders, Mr. Speaker.

I must note that something very interesting happened in Behchoko yesterday during the community feast. It was noted that Mr. Michel was originally from Lutselk'e, moved to Behchoko some 40 years ago, Mr. Speaker. Mr. Michel was instrumental to make sure we had a link with our neighbour, Lutselk'e nation. He was somewhat of an ambassador in the Chipewyan Nation in the Tlicho Nation. Indeed it showed from yesterday's gathering, Mr. Speaker.

It was an honour to have Lutselk'e members in the community of Behchoko. Although we are different cultural groups and languages, we share many of the same beliefs and history. We welcome them with open arms, Mr. Speaker. Many people, both from Behchoko and Lutselk'e, commented on these strong ties. They recognized the need to stay connected and to make our relationships even stronger, Mr. Speaker. This was an opportunity to have two nations reunited.

Mr. Speaker, it was a sad day for us; but, at the same time, it was a great day for us. We've reunited with our neighbour. I must thank Mr. Michel for bringing us back together. His wisdom was great in life and in death. Mahsi, Mr. Speaker.

---Applause

**MR. SPEAKER:** Thank you, Mr. Lafferty. Members' statements. The honourable Member for Nahendeh, Mr. Menicoche.

**Member's Statement On Dental Health Standards And Services For Small Communities**

**MR. MENICOCHÉ:** Thank you, Mr. Speaker. Mr. Speaker, last week I was at a restaurant with some constituents and the next table was having a birthday party and they were taking pictures with their cell phones. Technology is amazing today. I regret to say though that in this day of technology, dental concerns in small communities echo sentiments that are far below the national standards.

There is a chronic decay in dental services for our constituents in our small communities. Although primary dental coverage for aboriginals is primarily a federal responsibility, the health and well-being of Northwest Territories residents is also the responsibility of this government. The bureaucracy, rules and regulations of the various governments, non-insured health benefits programs for aboriginals, is a mess. Dentists are increasingly unwilling to deal with the system and are sometimes asking for cash up front. According to Dr. Tom Breneman, the incoming president of the Canadian Dental Association, he says the average 12-year-old aboriginal child has nine teeth with concerns.

This is compounded in the small and remote communities in the Northwest Territories, Mr. Speaker, where the greatest discrepancy is experienced. As I mentioned in previous Member's statements, very few services in the North can realistically be labelled as accessible to all. This government must recognize and address these issues and concerns with an intergovernmental approach specifically aimed at improving the dental standards and service in the territory, especially, once again, for small and remote communities.

Having the lowest tender for dental or health care services is not always the best. The basic tenant of any contractual arrangement is that you get what you pay for remains true, even in this case. This is not acceptable to the residents of the smaller communities, Mr. Speaker. Will this Minister immediately call on and lead an intergovernmental initiative to review and address substandard dental conditions of the North, especially in the small and remote communities? Mahsi.

---Applause

**MR. SPEAKER:** Thank you, Mr. Menicoche. Members' statements. The honourable Member for Hay River South, Mrs. Groenewegen.

**Member's Statement On Recognition Of NWT Arctic Winter Games Team Participants**

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, I would like to congratulate all of the participants who were selected to compete in the 2006 Arctic Winter Games being held in the Kenai Peninsula, Alaska, this March. I hope they are proud of this achievement and I want to wish them all good luck and a safe and happy trip.

I am also thankful for the great sports programs we have in Hay River, and especially for our volunteers who make our participation in these games possible. Hay River is fortunate to be sending about 35 athletes to the games this year.

Mr. Speaker, perhaps one of the greatest rewards from the games isn't the medals, but the lifelong dedication to active living that helps athletes with their endurance, focus and attitude. These qualities serve them well in their lives outside competition, as well. We all need to support active living in our communities, our schools, our businesses and our homes.

Mr. Speaker, active living helps us deal with stress and can prevent illnesses like heart disease and diabetes. Active living can also help us stay young and fit. I would like to recognize the Members of this Assembly, my colleagues, who are involved in things like playing hockey and curling, Mr. Speaker. Even if we are not heading to the Olympics or to the Arctic Winter Games, each one of us should take the opportunity to be active, get outside, get a little sunshine and enjoy what is best about life in the NWT: fresh air, our friends and our family.

Mr. Speaker, I would like to take this opportunity to recognize your constituents and mine who are heading off to the Arctic Winter Games. These are the athletes: in basketball, Stephanie Kimble; biathlon, Brieanne Glaicar, Brian Swallow, Lucas Hachey, Mark LeBlanc; cross-country skiing, JJ McKinny, Matthew Davies, Joseph Lirette; in gymnastics, Kali-Ann Butala, Kristin King; curling, Reiss Kruger; hockey, Carisa Broadhead, Meagan Cooke, Michelle Daugneault, Cali Groenheyde, Brantley Daniels, Clayton Jameson, Brandon Lafferty, Kyle Biggar, Cole Miltenberger, Patrick Minute, Terry Rowe, Corey Coady, Joseph Hiebert, Devan King; in volleyball, Amy Groenheyde.

Many thanks to our coaches and chaperones that will be accompanying our athletes; Doug Swallow, Gary Hoffman, Greg Rowe, Floyd Daniels, Carmen Butala, Andrew Cassidy, April Glaicar, Todd Shafer and wrestling coach, Kathleen Groenewegen. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Thank you, Mrs. Groenewegen. Members' statements. The honourable Member for Great Slave, Mr. Braden.

#### **Member's Statement On Rethinking The Way The NWT Manages Young Offenders**

**MR. BRADEN:** Mahsi, Mr. Speaker. The Youth Criminal Justice Act is a very significant piece of federal legislation that came into force three years ago, Mr. Speaker. It governs the way our courts and enforcement agencies deal with criminal offences by young people. It is a complicated piece of work. The so-called pocket guide, if you call it up on your computer, Mr. Speaker, runs to 165 pages.

It seems despite the progressive nature of this piece of work and the complexity of it, that it seems to be a problem for us, Mr. Speaker, because it can't keep young offenders, especially chronic young offenders, under control.

Mr. Speaker, like Inuvik a few weeks ago, Yellowknife is now experiencing a rash of snowmobile thefts, 37 since the start of this year. That's almost one a day. Ten youth have been charged in connection with this. Damage is estimated to the machines involved at potentially a quarter of a million dollars, Mr. Speaker.

A 14-year-old arrested in connection with this recent rash of thefts has three charges against him, but the strictest control that can be applied, Mr. Speaker, is a curfew and weekend house arrest.

Mr. Speaker, recently a fire at the YWCA complex in my riding was set by young people. It's become an increasing problem. Youth who apparently have no home or families, no school, make their way by couch surfing, disturbing the neighbourhood, but there is no way for police or the social services network to intervene.

Much of our law and social service philosophy, Mr. Speaker, is biased, based on the interests of the offender; the homeless, the disenfranchised, the outcast, but there is a consequence for otherwise law-abiding people when their lives and safety are threatened and we seem powerless to bring some degree of control into these cases of chronic young offenders. Situations arise, Mr. Speaker, where youth can go on crime sprees, but not until they are sentenced, breach that sentence, are sentenced again, breach that sentence, are charged and sentenced again, are they eligible to be detained by police and given custodial sentence.

The Youth Criminal Justice Act is potentially failing both victims and criminals. I am wondering, Mr. Speaker, is it time that we rethink the way we manage young people who commit crimes? Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Thank you, Mr. Braden. Members' statements. The honourable Member for Nunakput, Mr. Pokiak.

#### **Member's Statement On Educational Needs Of The Students Of Tuktoyaktuk**

**MR. POKIAK:** Thank you, Mr. Speaker. The Department of Education will undertake minor renovations in the summer of 2006 to the Mangilaluk School in Tuktoyaktuk. Although this is welcome news to the Tuktoyaktuk District Education Authority and the people of Tuk, these renovations will in no way address the community's desire to separate the kindergarten to Grade 8 students from the senior students in grades 9 to 12.

Mr. Speaker, I was fortunate enough to attend Samuel Hearne Secondary School in Inuvik and, as such, did not interact with students in kindergarten to Grade 7. By this separation, I believe that the younger students were not exposed to unsuitable activities or influences.

Mr. Speaker, the parents of Mangilaluk School have raised this concern on many occasions. I have raised this issue in this Assembly on several occasions, also.

The answers I have gotten to date have centred on the fact that Mangilaluk School is nowhere near capacity, so there is no way a new high school can be constructed.

Mr. Speaker, I see that a recent court case in Yellowknife has clearly defined the rights of French students to a certain amount of space. As I understand it, Mr. Speaker, their rights under the Charter to an equal education were violated because their school did not have their own gymnasium or science labs, and the government will now be paying for renovations to the school.

This is fine, Mr. Speaker, but this makes me believe that aboriginal students are not being afforded the same opportunities as French language students. We do have a science lab for high school students in Tuk, so to speak. However, nobody seems too concerned about this at the Department of Education. I have to ask, is it fair?

Maybe, Mr. Speaker, we should sue the government. It seems to be the only way to get them to pay attention to the educational needs of the students of Tuktoyaktuk. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Thank you, Mr. Pokiak. Members' statements. The honourable Member for Inuvik Twin Lakes, Mr. McLeod.

#### **Member's Statement On Emergency Transportation Services In The NWT**

**MR. MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, providing for the health and safety of our northern residents, especially our elders, has to be this government's first priority. That is why today, Mr. Speaker, I would like to speak to on-the-ground transportation services.

There have been a couple of incidents in the past few weeks, Mr. Speaker, that have upset me and compelled me to speak on this issue. When accidents happen and services are needed quickly, they have to be able to respond. A young girl in Inuvik almost severed her finger. The school calls an ambulance, it takes too long, so the staff end up taking the young girl to the hospital and her parents were there waiting for her. Stuff like this shouldn't be allowed to happen.

Elders have to travel to Yellowknife or Edmonton and in a lot of cases, they travel alone. In the few cases I have heard of, they've had to wait out at the airport because they don't know who is picking them up. Some of them can't speak English. You take these elders out on the land and they can show you anything. But bring them into a city and they have trouble with stuff like that. It's just like one of them bringing us out on the land and saying find your own way.

**SOME HON. MEMBERS:** Uh huh!

**MR. MCLEOD:** A lady from Inuvik recently had to take a cab from the airport to the boarding home and had something go wrong on the way to the boarding home. The cab driver was untrained and unable to do anything for her. He passed her by, he had to pick her up and bring her to the hospital. Unfortunately, she passed away a couple of days later.

Mr. Speaker, is this how we care for our elders? When a family's elder goes out on medical travel or needs emergency services, they have to know that this government will look after them or care for them.

Providing on-the-ground services should not be treated as a business. They have an essential service to provide, and they should be monitored so they provide that service properly. They have to know who is travelling and why, and make proper arrangements to pick them up or look after them. We can't continue, Mr. Speaker, to allow this

to happen. I will have questions for the Minister of Health and Social Services at the appropriate time. Thank you.

---Applause

**MR. SPEAKER:** Thank you, Mr. McLeod. Members' statements. The honourable Member for Tu Nedhe, Mr. Villeneuve.

#### **Member's Statement On NWT Barren-Ground Caribou Management Strategy**

**MR. VILLENEUVE:** Mahsi, Mr. Speaker. Mr. Speaker, I would just like to talk about the Barren-Ground Caribou Management Strategy that this government plans on implementing over the next five years.

I do realize that this is an important initiative in addressing the declining numbers of caribou in the NWT and the importance of traditional knowledge to make this plan work. But, Mr. Speaker, also very important to NWT residents is the public dollars attached to this strategy. Mr. Speaker, the very conservative estimate of \$8.8 million over five years in the baseline funding and another \$4.62 million of new funding, which nobody knows where we are going to get that from yet, this is all required to carry out this management strategy. That makes \$13.4 million, or \$2.7 million per year, that the residents of the NWT are going to have to commit over the next five years just to get this strategy off the ground.

Mr. Speaker, the management plan outlines five principles with 16 strategies to carry out this five-year initiative and the majority of the money required will be for more data collection, as the strategy outlines. I know that it is responsible to follow due diligence before the dollars are spent, but more studies seems to be a duplication of a lot of work that this government has been doing for the last number of years, both in house, in partnership with industry, mines, other NGOs and the federal government.

This government has already invested millions of dollars of public money to the collection of data on the eight caribou herds. I would like to see that money put to some good use and not have to spend millions more to collect similar data on caribou numbers. I would like to see that a comprehensive plan be done which has the buy-in of all the affected people and organizations before we embark on this five-year, \$13.4 million initiative because, obviously, that is not the case today, Mr. Speaker. Mahsi.

**SOME HON. MEMBERS:** Agreed.

---Applause

**MR. SPEAKER:** Thank you, Mr. Villeneuve. Members' statements. The honourable Member from the Sahtu, Mr. Yakeleya.

#### **Member's Statement On All-Weather Road Connecting The Sahtu Region**

**MR. YAKELEYA:** Thank you, Mr. Speaker. Yesterday, I spoke about the region of the Sahtu and the communities, and I talked about the each of the communities. Mr. Speaker, I would like to talk today about the importance of connecting the Sahtu region by road before connecting to the southern part of the Northwest Territories.

Mr. Speaker, everyone is familiar with the Buy North slogan asking northerners to shop locally. Even the



federal government encourages communities to travel local before they vacation elsewhere. The dollars spent local, stay local. Well, this is what I want for my region, Mr. Speaker. I want us to "Shop Sahtu." As noted in the government publication Common Ground, small business is the cornerstone of economics. Small community-based businesses provide services and supplies to development and to community members. I want people in the Sahtu to be able to meet with each other, have face-to-face business meetings and discuss other important issues.

We need affordable access to each other to keep these lines of communication open and to plan for the Sahtu in the Sahtu.

The Department of Transportation's report Investing in Roads for People and the Economy recognizes this fact. Part of the action plan in this report was to investigate the possibility of starting construction on a small-scale community-based construction program. The department was thinking of providing small contributions to each local community and begin a number of small-scale construction projects. The community will get experience in heavy equipment operating and also some employment opportunities. The Mackenzie Valley road will be built by the people in the Northwest Territories in the communities.

The Sahtu needs to strengthen our regional economy and build at our own capacity. By all means, Mr. Speaker, this government should build that all-weather road to the South, but first they need help to build our communities in the Sahtu, support our local economies and do what's right for this government. Thank you.

---Applause

**MR. SPEAKER:** Thank you, Mr. Yakeleya. Members' statements. The honourable Member for Yellowknife Centre, Mr. Hawkins.

#### **Member's Statement On Use Of Technology In The Chamber**

**MR. HAWKINS:** Thank you, Mr. Speaker. One of the truly great symbols of our Legislative Assembly is the mace. Its origins go back thousands of years when it was a weapon of choice by kings' bodyguards. Over time, the mace has gone from a weapon to symbolize the king's authority in the Legislature, to symbolizing the Legislature as a whole's authority. Up until the 20<sup>th</sup> Century, legislatures did not allow paper in their assemblies. Members were expected to be able to debate without using notes. Ministers were expected to know the workings of their departments without briefing books. Imagine that, Mr. Speaker.

As life and government get more complicated, restrictions on use of paper relaxed and now they are allowed in our legislatures. Mr. Speaker, the 21<sup>st</sup> Century life in government has gotten more complicated. The amount of information provided by governments, legislators, researchers and non-government organizations continues to be astronomical.

Technology exists; we should be using it. Through the use of laptops and other information management tools, we can effectively...

**MR. SPEAKER:** Mr. Hawkins, the Chair is going to...You are dealing with far more than one topic in your Member's

statement. Members' statements are to deal with one topic only.

**MR. HAWKINS:** Mr. Speaker...

**MR. SPEAKER:** The honourable Member for Range Lake, Ms. Lee.

**SOME HON. MEMBERS:** Try again!

---Laughter

#### **Member's Statement On Support Of The NWT Canadian Masters Games Team Funding Contribution**

**MS. LEE:** Thank you, Mr. Speaker. Mr. Speaker, I rise today to congratulate and thank the Minister of Health and Social Services for providing \$50,000 towards the Canadian Seniors' Games next year, Mr. Speaker, which I believe will be held in PEI.

Mr. Speaker, for the last games, dozens of seniors from all over the NWT travelled to Whitehorse and participated in all kinds of sports, including golfing and bowling. The oldest athlete, Pakash, is in her eighties and I know I am sure she is now more motivated than ever to train for the next games.

Mr. Speaker, these games are really, really important for the physical, mental and social well-being of our seniors. I believe we are very lucky to have a very energetic, focussed and motivated force among our citizens in our communities. They are truly the backbone of Yellowknife. Mr. Speaker, when they set their mind to something, they will get the job done, no matter what that might be, whether it be to build the seniors' dementia centre or to raise tens of thousands of dollars for Canada Games. Mr. Speaker, I, for one, am very glad that I may not have to spend every day this summer selling raffle tickets with the seniors to raise all the money to send them to PEI. I was taught to respect our elders and it was uncomfortable at times to see all of them out there every Saturday for the summer raising money.

I know that they will still be out there to sell raffle tickets to raise money because \$50,000 is probably not everything that they need, but I know that having this contribution will give them a very important cushion to build on.

Mr. Speaker, the seniors' community, the people, services we provide, the facilities, all of them always need tender loving care and I know that we still have a lot more work to do, but this is a very good move on the part of the government. I congratulate them today. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Thank you, Ms. Lee. Members' statements. Returns to oral questions. Recognition of visitors in the gallery. The honourable Member for Inuvik Twin Lakes, Mr. McLeod.

#### **ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY**

**MR. MCLEOD:** Thank you, Mr. Speaker. I would like to recognize a constituent of mine, Ms. Glenna Hansen. Thank you.

---Applause

**MR. SPEAKER:** Thank you, Mr. McLeod. Recognition of visitors in the gallery. Again, I would like to welcome all of the visitors in the gallery today. Welcome to the House. It is always nice to have an audience. Oral questions. The honourable Member for Hay River South, Mrs. Groenewegen.

#### ITEM 6: ORAL QUESTIONS

##### Question 440-15(4): Senior Citizens And Disabled Persons Property Tax Relief Act

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, my questions today are for the Minister of Municipal and Community Affairs. It has to do with the GNWT legislation for Senior Citizens and Disabled Persons Property Tax Relief Act. Mr. Speaker, section 2(4) says, "The council of a municipal taxing authority shall not exempt from taxes the eligible property of a senior citizen or disabled person who is a part owner of the eligible property unless the other part owner or all other part owners are seniors citizens, disabled persons or dependents of the senior citizen or disabled person." End quote. Mr. Speaker, therefore, if a disabled person or a senior is living with a non-disabled or a non-senior or non-dependent, they would receive zero exemption on their property tax relief under this act. The part owner, as I said, would have to fall into one of those three categories. This government legislation does not allow for equal treatment of senior citizens and disabled persons in the Northwest Territories.

Mr. Speaker, in previous questions, the Minister has responded that a review of this legislation would take place. What is the progress that has taken place on this legislation that would ensure and provide fair treatment to my constituents who are senior citizens and disabled persons seeking tax relief? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mrs. Groenewegen. The honourable Minister of Municipal and Community Affairs, Mr. McLeod.

##### Return To Question 440-15(4): Senior Citizens And Disabled Persons Property Tax Relief Act

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, this issue has been raised by several Members of this House over the last while. It is an area that we are, at this point, reviewing. The Senior Citizens and Disabled Persons Property Tax Relief Act does specify that the relief would be provided only to the person whose name is registered as owner of the land or the property. We are still reviewing it. We have not come forward with any firm decision on this. We will still be looking at it over the next while. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. McLeod. Supplementary, Mrs. Groenewegen.

##### Supplementary To Question 440-15(4): Senior Citizens And Disabled Persons Property Tax Relief Act

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. The Minister is right, Mr. Speaker; this has been brought up. I have been bringing this up for 10 years now. We still can't get any resolution to this subject. Mr. Speaker, I hope people can understand that it is unfair to have a tax relief program that insists that both owners of the property

would have to be disabled in order to qualify, or both would have to be senior citizens to qualify. It just isn't fair. I think the Minister understands how I feel about that. Is this act consistently applied in all tax-based municipalities at this time? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mrs. Groenewegen.

##### Further Return To Question 440-15(4): Senior Citizens And Disabled Persons Property Tax Relief Act

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, the Member is, of course, correct again. The act was passed in 1988 and it has only been recently, in my situation, where it was brought to my attention. I have discussed it with the officials in my department. We are working on looking at how we can make the changes if the changes are warranted, and we will continue to do so and come forward with a decision some time later this year. Thank you.

**MR. SPEAKER:** Thank you, Mr. McLeod. Final supplementary, Mrs. Groenewegen.

##### Supplementary To Question 440-15(4): Senior Citizens And Disabled Persons Property Tax Relief Act

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. I hope that decision will address the fact that it is going to be rather unlikely that all part owners to a property would necessarily have the same status in terms of being disabled or being a senior citizen. Right now, Mr. Speaker, we have people in Hay River that are removing one part owner, a spouse, from title so that they can be eligible. They are changing the ownership of the property which creates all kinds of other problems later on and costs to them down the road. So I hope that, Mr. Speaker, the Minister will find a fair way to approach this. I would like it done as expeditiously as possible. What does later on this year mean? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mrs. Groenewegen. Mr. McLeod.

##### Further Return To Question 440-15(4): Senior Citizens And Disabled Persons Property Tax Relief Act

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. Later on this year means some time later on after today.

---Laughter

I don't have a firm date, Mr. Speaker. We take the Member's concern. She has raised it to us, and a number of other Members have also raised it. We don't have a firm date as to when we are going to be able to resolve it. We are looking at the options of this. We have also discussed the opportunity that is already existing of members that are disabled that are not listed as part owners of a property to make the changes. However, we recognize that maybe there are other ways we can do this and make changes to our regulations or to the legislation itself. We will try to do that this year, Mr. Speaker, if that is what is warranted. Thank you.

**MR. SPEAKER:** Thank you, Mr. McLeod. Oral questions. The honourable Member for the Sahtu, Mr. Yakeleya.

**Question 441-15(4): All-Weather Road Connecting The Sahtu Region**

**MR. YAKELEYA:** Thank you, Mr. Speaker. Mr. Speaker, in my Member's statement, I talked about connecting the roads in the Sahtu prior to going to the southern part of the Northwest Territories. In the Department of Transportation, investing in the roads, the original plan was create the capacity in the communities by building roads out of the communities and connect them to the major highway system. Is the Minister still committed to this plan? Thank you.

**MR. SPEAKER:** Thank you, Mr. Yakeleya. The honourable Minister of Transportation, Mr. McLeod.

**Return To Question 441-15(4): All-Weather Road Connecting The Sahtu Region**

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, no, we are not committed to committing any part of the road system first. We have not decided if that is what we want to do. It was part of the Corridors for Canada submission that we connect all the communities by roads. That was not accepted. Our desire right now is, through our vision, through our submissions and through our agreements with the federal government, to continue to improve the winter road and we are doing so. We are working on the bridges. We have completed a number of bridges. We will have all the bridges in the Sahtu in place hopefully by 2009. There are still a few challenges. The rising cost, of course, is a concern. We want to improve some of the approaches and do a lot of the grade work over the next while, but the focus will not be to connect the communities first, as the Member has requested. Thank you.

**MR. SPEAKER:** Thank you, Mr. McLeod. Supplementary, Mr. Yakeleya.

**Supplementary To Question 441-15(4): All-Weather Road Connecting The Sahtu Region**

**MR. YAKELEYA:** Thank you, Mr. Speaker. Mr. Speaker, the Minister is correct in terms of finishing off the bridges. In terms of the connection, the Sahtu in terms of building capacity, having oil and gas stay longer into the regions and supporting our economy, that is what the people want in the Sahtu. Connect the communities first before pushing the road south. That is a long-term vision. Would the Minister consider having that type of discussion with the people in the Sahtu, to connect our communities first before moving south on the all-weather road? Thank you.

**MR. SPEAKER:** Thank you, Mr. Yakeleya. Mr. McLeod.

**Further Return To Question 441-15(4): All-Weather Road Connecting The Sahtu Region**

**HON. MICHAEL MCLEOD:** Mr. Speaker, the budget that we have, the funding we have for allocation to the Mackenzie Valley winter road is only for during the winter months. We don't have the resources right now to commit to connecting the communities. It would involve a lot of investment. That is something that we are focussing on in terms of some of our submissions to the federal government. Right now, our desire is to improve the winter road, the safety and the reliability of that road, and also put in the necessary signs and improve the visibility of the number of corners that had been raised by the

members of his riding. That is what we are focussing on. We are not in a position to commit to connecting the communities first. That would involve a huge investment and resources we don't have at this point. Thank you.

**MR. SPEAKER:** Thank you, Mr. McLeod. Final supplementary, Mr. Yakeleya.

**Supplementary To Question 441-15(4): All-Weather Road Connecting The Sahtu Region**

**MR. YAKELEYA:** Thank you, Mr. Speaker. Mr. Speaker, I want to thank the Minister for some concentrated effort into the Sahtu in terms of improving our winter road. Would the Minister consider committing other departments to any programs and huge investments in the Northwest Territories that start investing into the roads in the Sahtu to connect the communities where you have longer exploration activities happen in our region, but also, at the same time, start looking for long-term investments in terms of Education, MACA, DPW, start putting small projects together on a small scale for the next 10 or 15 years? You can start connecting our roads. That is what I am asking for. It is some commitment to begin those types of discussions with the people in the Sahtu. Thank you.

**MR. SPEAKER:** Thank you, Mr. Yakeleya. Mr. McLeod.

**Further Return To Question 441-15(4): All-Weather Road Connecting The Sahtu Region**

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, training projects fall under the jurisdiction of another Minister. I am sure he is paying attention. Most of our projects are contracted out. There have been some attempts by some of the contractors to incorporate training as part of their projects. It is very difficult to do so. We need to have the companies in a position where they are able to do it. Time is, of course, a factor in this whole concept. We encourage it. We have supported it in ways. However, to take a lead, as the Member is requesting, is going to be very difficult for us. We will pass that information on to our contractors and the other departments that we work with. Thank you.

**MR. SPEAKER:** Thank you, Mr. McLeod. Oral questions. The honourable Member for Kam Lake, Mr. Ramsay.

**Question 442-15(4): Tax Arrears On The Former Giant Mine Site**

**MR. RAMSAY:** Thank you, Mr. Speaker. My questions today are for the Minister of Municipal and Community Affairs. It gets back to my Member's statement from earlier today. Since June 5<sup>th</sup> of last year, the taxes are adding up on the former Giant Mine site. Today, I think that total arrears amounts to \$97,000 and change. The federal government says they are not responsible and that the GNWT is the owner, but the cooperation agreement would suggest that INAC is occupying the site and thus they should be responsible for paying the taxes on the former Giant Mine site. What exactly is the current disposition of that property? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Ramsay. The honourable Minister of Municipal and Community Affairs, Mr. McLeod.

**Return To Question 442-15(4): Tax Arrears On The Former Giant Mine Site**

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, I guess we should, first of all, be very clear that we expect that the federal government should take responsibility for the grants-in-lieu. This has been an issue for some time, as the Member is aware. As one of the first steps we had to do in this whole process is to establish the tenure of the land. We have, as of late, established a reserve by what is called a reserve by notation for the entire parcel of the previously leased land to Giant Mine in the name of INAC. This, as per federal legislation, requires them to pay the taxes. We have informed the city that they should forward their invoices to INAC. We expect the federal government to own up to the fact that they are responsible for it.

**MR. SPEAKER:** Thank you, Mr. McLeod. Supplementary, Mr. Ramsay.

**Supplementary To Question 442-15(4): Tax Arrears On The Former Giant Mine Site**

**MR. RAMSAY:** Thank you, Mr. Speaker. Mr. Speaker, it would seem to me that INAC and Public Works and Government Services doesn't own up to the fact that they are responsible for paying the taxes on the former Giant Mine site. How can the Minister's department get the message through to INAC that they are responsible for paying the tax arrears on the former Giant Mine site? Nobody has paid the bill yet, Mr. Speaker. Who is going to pay it? Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Mr. McLeod.

**Further Return To Question 442-15(4): Tax Arrears On The Former Giant Mine Site**

**HON. MICHAEL MCLEOD:** Mr. Speaker, as I said previously, we expect the person that is the registered owner of the property to pay it. We have established an oversight committee which is chaired by the Minister of ENR. We don't have a formal seat on it as MACA, but we provide advice. This government is very clear that our position is that INAC is the registered owner. By federal legislation, by the payment in lieu of taxes legislation, that is federal government legislation. They are required to do so. We expect them to do so. We have no tenure to land at this point. We have been waiting for confirmation that the federal government will do so. The city has been growing very impatient. We continue to push the issue. However, as of lately, we haven't been able to confirm it. Thank you.

**MR. SPEAKER:** Thank you, Mr. McLeod. Final supplementary, Mr. Ramsay.

**Supplementary To Question 442-15(4): Tax Arrears On The Former Giant Mine Site**

**MR. RAMSAY:** Thank you, Mr. Speaker. Mr. Speaker, what can the Department of Municipal and Community Affairs do to get past this impasse? When will a meeting be able to be set up between the co-chairs of the cooperation agreement and the City of Yellowknife so that this issue can be put to rest once and for all? What can his department do? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Mr. McLeod.

**Further Return To Question 442-15(4): Tax Arrears On The Former Giant Mine Site**

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. I guess there were several steps here involved in this whole issue of payment in lieu of taxes to the city. First of all, it was to establish the land tenure. I think that has been established by the notation of reserve. The next step is to confirm whether INAC was going to honour the tenure and its obligations. They are consulting with their superiors. We expect them to come back with a confirmation on this. We will raise it again. We have been raising it on an ongoing basis. It is an issue that we are concerned about. We will continue to raise it. We will have more discussion with the federal government. We will also ask that our chair of the oversight committee bring it to their attention again and have more discussions to have some settlement to this issue. Thank you.

**MR. SPEAKER:** Thank you, Mr. McLeod. Oral questions. The honourable Member for Range Lake, Ms. Lee.

**Question 443-15(4): Risks Associated With Housing Opportunities From The Mackenzie Valley Pipeline Project**

**MS. LEE:** Thank you, Mr. Speaker. Mr. Speaker, my question today is for the Minister of Finance. It is in regards to the new housing concept from ABCD Company.

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Mr. Speaker, I remain to be convinced, but if we are going to go with this, I am going to do my utmost to make sure that we get as best a deal as possible. My questions are to do with the risks that this government seems to be assuming with this deal.

Mr. Speaker, I had a chance to look at appendix 2, page 1. It reads, and I quote, "In addition to the outright cash contributions by the GNWT, the GNWT is also accepting a high proportion of the risk. The GNWT will assume ultimate responsibility for any shortfalls. Even though the GNWT will try to mitigate this risk as the individual pieces of the deal are negotiated, the GNWT will be assuming a much larger portion of the risk than will the federal government." I would like to ask the Minister why he would put the government in that position. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Ms. Lee. The honourable Minister of Finance, Mr. Roland.

**Return To Question 443-15(4): Risks Associated With Housing Opportunities From The Mackenzie Valley Pipeline Project**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. Mr. Speaker, we have tried to lay out the whole package, the positive side as well as the risk side. That is why we have highlighted this area, as well. The fact that to get this project moving, if it is to proceed, would involve the federal government and ourselves and committing serious dollars to this. The fact that if we are going to proceed down this path, we are going to need financial commitment up front to any organization and say, this thing will proceed. Based on that, we have highlighted the concerns that the Member has raised. For the sake of

moving this project forward to see if there is buy-in and to let organizations know, if they are going to move towards this concept, that the government will stand by its decisions. Thank you.

**MR. SPEAKER:** Thank you, Mr. Roland. Supplementary, Ms. Lee.

**Supplementary To Question 443-15(4): Risks Associated With Housing Opportunities From The Mackenzie Valley Pipeline Project**

**MS. LEE:** Thank you, Mr. Speaker. Mr. Speaker, I would like to suggest to the Minister that I think he needs to do more than highlight risks in this regard. He is negotiating. He is about to commit a whole lot of public funds on one of the most important projects of this Assembly. I think that the Minister should start playing hardball on this project and not just softball around.

Mr. Speaker, I don't understand why, when this company has the most to gain, \$235 million from the oil company, \$200 million from government and private sector, I mean lots of money going in there. We are buying products from this company. Why are we assuming all of the risks? Why can't you tell them I want you to produce this and assume the risks that go with that? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Ms. Lee. Mr. Roland.

**Further Return To Question 443-15(4): Risks Associated With Housing Opportunities From The Mackenzie Valley Pipeline Project**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. Mr. Speaker, the simple fact is, if it was purely on the business-to-business scale and looked at workforce housing, any company would just supply your traditional workforce housing, which is of little or no value to us here in the Northwest Territories when we look at the concept of the program we are trying to work with. To have some commitment to be able to take this concept and have it done so that, at the tail end, a conversion is as affordable as possible and we put affordable housing on the ground, we have to step in and see the opportunity that is available there. Yes, there are risks. We are going to have to do our homework. The fact is, this housing will not become available until at least 2010 or 2011 when the pipeline construction is completed. Then we would be able to start moving these things off. We have to come up with a solid concept and begin identifying these areas. As a government, to have companies put some money down of their own to look at this program isn't...wouldn't it be something else to be able to commit to it in a sense of just not going to them and say, look, this is the concept we want, the housing afterwards. Invest in it and come up with a model and we will take it off your hands if you feel it is appropriate. There has to be some buy-in from the GNWT. There has been no cash laid out to this date. At some point, though, in the near future, as discussions are going on around the pipeline, we are going to have to make a commitment. Are we in or are we out? Thank you.

**MR. SPEAKER:** Thank you, Mr. Roland. Final supplementary, Ms. Lee.

**Supplementary To Question 443-15(4): Risks Associated With Housing Opportunities From The Mackenzie Valley Pipeline Project**

**MS. LEE:** Thank you, Mr. Speaker. I think the Minister really should do better on this project. I think there is time and resource to do that, Mr. Speaker. We are talking about helping a very well-established ABCD Company to get a \$235 million contract. We are proposing to put more money into it to make it possible. The Minister is saying that, in order to sell this, we have to give them a break. Where is the break for the government? If I was to buy a trailer from anybody, they have to build it and set it up on my lot and guarantee that it is going to work. Why are we assuming all the risks for what could possibly go wrong with all sorts of stuff? Could the Minister commit to look at better about what kind of risks we are taking and if we could transfer any of those risks to the company? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Ms. Lee. Mr. Roland.

**Further Return To Question 443-15(4): Risks Associated With Housing Opportunities From The Mackenzie Valley Pipeline Project**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. Mr. Speaker, the fact is, as a government, we want to see affordable housing in the Northwest Territories. Taking this concept forward means that we have to make a commitment on our part. If we wanted to stay out of this and just do our traditional work the way we have done in the past, we wouldn't have to assume any risks. But for companies to put this on the ground and come up with a model that is a concept that is workable here in the Northwest Territories, there has to be some buy-in from our portion. Yes, we are looking at the risks to make sure we mitigate them because, for sure, I wouldn't want to be attached to a boondoggle if everything doesn't work out. So we have to make sure we have the money in place, work with Municipal and Community Affairs, with communities to have the land set up and with the companies to make sure this concept is a workable deal. Thank you.

**MR. SPEAKER:** Thank you, Mr. Roland. Oral questions. The honourable Member for Nahendeh, Mr. Menicoche.

**Question 444-15(4): Northern Training Programs For The Novel Housing Project**

**MR. MENICOCHÉ:** Thank you, Mr. Speaker. My questions today are for the Minister of Education. Some of the discussions throughout this week with regard to ABC Company and the training programs, establishing trades and creating trades for our residents, youth and adult learners, I am sure we have some type of trades program already in existence. Already I am getting feedback; hey, that is a good idea. I would like to get my people out to those training opportunities. I was thinking, Mr. Speaker, our existing programs, what are they and do we have an active recruitment program for them that we bring to the communities? Mahsi.

**MR. SPEAKER:** Thank you, Mr. McLeod. The honourable Minister of Education, Culture and Employment, Mr. Dent.

**Return To Question 444-15(4): Northern Training Programs For The Novel Housing Project**

**HON. CHARLES DENT:** Thank you, Mr. Speaker. The sort of programs that we have now going to smaller communities that will be impacted by the pipeline are typically funded through ASEP. This is a joint venture between private companies, aboriginal governments, this government and the federal government. I am sure we would be able to find methods that we could tie into training through that vehicle. My department would also be looking to work with the Housing Corporation, if this project goes ahead, to look at other opportunities. Thank you.

**MR. SPEAKER:** Thank you, Mr. Dent. Supplementary, Mr. Menicoche.

**Supplementary To Question 444-15(4): Northern Training Programs For The Novel Housing Project**

**MR. MENICOCHÉ:** Thank you, Mr. Speaker. ASEP is typically oil and gas training. As well, we have money for the mining sector, Mr. Speaker. That is what is driving our hottest economy here in the NWT, is that one sector, but I don't think it is getting out to the communities. I don't think we are recruiting in the communities, at least not in my riding there, Mr. Speaker. I don't see it. In terms of trades, is it the responsibility of our government to get out there, and train our people, and make them aware of the opportunities, and creating the path for them to get out for the training that they want and need? Mahsi cho.

**MR. SPEAKER:** Thank you, Mr. Menicoche. Mr. Dent.

**Further Return To Question 444-15(4): Northern Training Programs For The Novel Housing Project**

**HON. CHARLES DENT:** Thank you, Mr. Speaker. Yes, it is the responsibility of this government to make sure that training opportunities are available for our citizens. It is something we try to do. We have already, in the Northwest Territories, the highest per capita participation rates in trades training. That doesn't mean we wouldn't like to see it improved. We certainly would. We need to continue to work with programs like ASEP both in the mining and in the oil and gas side in order to make sure that we can maximize opportunities. If the Member is saying that there aren't enough people hearing about opportunities in oil and gas in his communities for training, I will certainly ask our representative on the ASEP board for that region to bring that to the table, because that group should be promoting access to programs within those communities, as well, as the department does. Thank you.

**MR. SPEAKER:** Thank you, Mr. Dent. Your final supplementary, Mr. Menicoche.

**Supplementary To Question 444-15(4): Northern Training Programs For The Novel Housing Project**

**MR. MENICOCHÉ:** Thank you, Mr. Speaker. Just with respect to that, there is a gap. It has been identified and people are bringing it to me so I am bringing it to the Minister's attention. As well, the planned pipeline project is still not a certainty. However, if and when it becomes a certainty, we have a very short window, Mr. Speaker, like two years or even three years is stretching it, but we don't have a massive campaign to look for our tradespeople or

non-traditional trades to get them employed and have the best opportunity for this mega project that is coming. What kind of campaign or recruitment drive do we have for the communities and regions? Mahsi.

**MR. SPEAKER:** Thank you, Mr. Menicoche. Mr. Dent.

**Further Return To Question 444-15(4): Northern Training Programs For The Novel Housing Project**

**HON. CHARLES DENT:** Thank you, Mr. Speaker. As part of our regular program through the schools and through our regional offices, we are trying to make sure that people are aware that there are a lot of economic opportunities in the North. We are not just tied to the pipeline. It would be impossible for us to train the sorts of pressure welders and the other technical skills that are needed to build a pipeline in the period of time that we have between now and when the pipeline is likely to start construction. What we are doing is concentrating, or trying to concentrate, on those areas that will be around after the pipeline is built. We know that this pipeline will stimulate the opening of the whole oil and gas field in the Northwest Territories, so there are going to be lots of jobs available in exploration, production and drilling. So we know those are the sorts of jobs we want people to be ready to get into, as well as the service area. There are going to be a lot of opportunities. We are trying to make sure that kids in school know about them, as well as using our regional offices to get adults interested in going back to school or taking trades training. Thank you.

**MR. SPEAKER:** Thank you, Mr. Dent. Oral questions. The honourable Member for Monfwi, Mr. Lafferty.

**Question 445-15(4): Local Involvement In The Maintenance Of Highway No. 3**

**MR. LAFFERTY:** Mahsi, Mr. Speaker. Mr. Speaker, I want to talk about the highways. Today, the way they maintain the highways, the road leading to Fort Rae, the access road, I would like to ask questions regarding that.

The common theme these days for my riding will continue, since we travel the road on a daily basis, as the Minister would be aware. Mr. Speaker, I see no reason for that more of the maintenance of Highway No. 3 between Yellowknife and Behchoko could be done by the people who live in Behchoko. Does the Minister agree that, whenever possible, community and regional services should be provided by the residents of the region? Mahsi.

**MR. SPEAKER:** Thank you, Mr. Lafferty. The honourable Minister of Transportation, Mr. McLeod.

**Return To Question 445-15(4): Local Involvement In The Maintenance Of Highway No. 3**

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, it is our priority to ensure that jobs provided by our own forces or by our contract crews are filled by people from the North and, if possible, by local communities. Yes, I would agree that we should be providing employment, as the Member has indicated, by our own people from the Northwest Territories.

**MR. SPEAKER:** Thank you, Mr. McLeod. Supplementary, Mr. Lafferty.

**Supplementary To Question 445-15(4): Local Involvement In The Maintenance Of Highway No. 3**

**MR. LAFFERTY:** Mahsi, Mr. Speaker. I'm glad to hear a positive response from the department. I guess my next question would lead to, would the Minister consider transferring the responsibility for half of the highway maintenance between Yellowknife and Behchoko to a crew from Edzo? Mr. Speaker, this will highlight my previous question on the access road being cleared, so it could be part of the maintenance program. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Lafferty. Mr. McLeod.

**Further Return To Question 445-15(4): Local Involvement In The Maintenance Of Highway No. 3**

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, our highway crews from Behchoko, the majority are from that community. We operate and maintain that highway through our own forces. I would have to question and see what would be gained by going to a contract crew. We have good services now. We provide seven-days-a-week winter maintenance services. I would be interested to have that discussion with the Member. Right now, I wouldn't commit to agreeing that it should be provided by a private contract crew. Our preference would be to have a competitive process to hire our employees and to stay with our own forces; however, I would commit to having that discussion with the Member if he so desires.

**MR. SPEAKER:** Thank you, Mr. McLeod. Your final supplementary, Mr. Lafferty.

**Supplementary To Question 445-15(4): Local Involvement In The Maintenance Of Highway No. 3**

**MR. LAFFERTY:** Mahsi, Mr. Speaker. Mr. Speaker, I'm fully aware that the Edzo crew is from the community. The community members are taking on that operation. At the same time, I was asking about Yellowknife, that it is coming out to the Rae access road. If that contract can be awarded to the Edzo crew, it's still under GNWT. That was my question. My final question, Mr. Speaker, would the Minister instruct his department to examine the pros and cons of transferring those responsibilities of Highway No. 3 maintenance to Behchoko, the Edzo crew, taking into account the need to stimulate employment outside the capital city? Will the Minister report back to the House on the findings before the next session? Mahsi, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Lafferty. Mr. McLeod.

**Further Return To Question 445-15(4): Local Involvement In The Maintenance Of Highway No. 3**

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, it's an awkward position the Member's putting me in. Mr. Speaker, I'd like to say that I'm always open for discussion on new concepts. The maintenance of highways and transportation systems is, for a large part, especially on our roads, is an essential service. I would have to be convinced that there is some benefit to changing from our approach that we are utilizing our own forces now, to going to a private contract with a contract crew. I would have to be convinced that there is some benefit and there is something to be gained. I would estimate that most of our employees are from the

Behchoko area, or North Slave area. They're residents and a lot of them are long-term employees. So if the Member can convince me that there is some benefit, then we would certainly engage in that discussion; but until then, no, we won't consider that. Thank you.

**MR. SPEAKER:** Thank you, Mr. McLeod. Oral questions. The honourable Member from Tu Nedhe, Mr. Villeneuve.

**Question 446-15(4): NWT Barren-Ground Caribou Management Strategy**

**MR. VILLENEUVE:** Mahsi, Mr. Speaker. Just getting back to the Caribou Management Strategy that the government's just recently rolled out, I guess just getting back to my Member's statement. I just wanted to ask the Minister of Environment and Natural Resources, I know we haven't gone through the budget of ENR yet which is coming up here later on this week, but also in the news release that the ENR released on Monday, February 20<sup>th</sup>, stating that immediate action's to be applied through the Northwest Territories in the next six months are going to start right on March 31. Just from my calculation, the immediate action is going to cost about \$1.5 million just to get this thing off the ground and get the ball rolling in the first six months of the strategy. I want to ask the Member, where in the budget, if any, is this \$1.5 million coming from? Thank you.

**MR. SPEAKER:** Thank you, Mr. Villeneuve. The honourable Minister responsible for Environment and Natural Resources, Mr. Miltenberger.

**Return To Question 446-15(4): NWT Barren-Ground Caribou Management Strategy**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. Mr. Speaker, there are some current funds in the budget that are going to be before the House later today. As well, there are some funds identified in the supplementary appropriation bill that is before the House. Thank you.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Supplementary, Mr. Villeneuve.

**Supplementary To Question 446-15(4): NWT Barren-Ground Caribou Management Strategy**

**MR. VILLENEUVE:** Thank you, Mr. Speaker. I know that approximately \$1.2 million of that \$1.5 million will be coming out of the supp, and I guess an additional item that we're going to be reviewing in the budget. The \$255 million that's going to be requested for management partners, where is that money going to be coming from? Is that going to be coming out of the community management boards? Is that going to be a clawback, or is that additional funds coming from the mining industry, oil and gas? Where's that going to come from, Mr. Speaker?

**MR. SPEAKER:** Thank you, Mr. Villeneuve. Mr. Miltenberger.

**Further Return To Question 446-15(4): NWT Barren-Ground Caribou Management Strategy**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. Mr. Speaker, if you look at the strategy, there's a relatively modest amount that we're projecting to get

contributed by some of our partners. That could include the federal government, as well as there are other jurisdictions; and, as well, some of the co-management boards may have specific issues they want to address and put resources to. So we're going to work at this cooperatively. We're not talking clawbacks. This is a process of consultation and collaboration to get to an end point, which is the preservation and health of the caribou herds. Thank you.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Final supplementary, Mr. Villeneuve.

**Supplementary To Question 446-15(4): NWT Barren-Ground Caribou Management Strategy**

**MR. VILLENEUVE:** Thank you, Mr. Speaker. Just getting money from other jurisdictions, other partners in this whole initiative, I think that the government should maybe secure some money before they start embarking on a \$13.4 million strategy. I think we should have at least some idea, a good idea, at least, where that money's going to come from. Just getting back to the whole strategy total I guess, 13.4 is a pretty conservative estimate. I know in the strategy, it outlines a lot of "to be announced," "to be determined" amounts of money and a lot of strategies for the principles. Before the strategy actually rolls out, can we get some numbers down, like real numbers, concrete numbers, that we can look at, and not have a whole strategy that has a bunch of slots of "to be announced," "to be determined" amounts of money that we don't know anything about? Can we do that first, Mr. Speaker? Thank you.

**MR. SPEAKER:** Thank you, Mr. Villeneuve. Mr. Miltenberger.

**Further Return To Question 446-15(4): NWT Barren-Ground Caribou Management Strategy**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. Mr. Speaker, we have a standing request when the appropriate committee has time to provide a full briefing to the committee about the strategy, the interim measures, and what we're contemplating in terms of actions. We have a very clear plan laid out for the coming months. There's the interim measures, and then this spring and summer we're going to do some additional culling in the herds. We're going to make sure that our numbers are confirmed. That has been requested by many of the co-management boards. As well, we're going to start taking a look at the predation factor and take a look at how many wolves there are. We need to have some basic, fundamental information to make good decisions and an informed debate. Once that information is in, we will gather next fall, early winter, with that new information and we will collectively review it and then plan for future steps. Thank you.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Oral questions. The honourable Member from Great Slave, Mr. Braden.

**Question 447-15(4): Youth Criminal Justice Act And The Treatment Of Chronic Young Offenders**

**MR. BRADEN:** Mr. Speaker, my questions this afternoon are for the Minister of Justice, Mr. Bell, and in reference to the Youth Criminal Justice Act which, Mr. Speaker, was brought into force almost three years ago now. It's a

federal piece of legislation, and it was brought in, Mr. Speaker, with the approach to managing crime and rehabilitation that young offenders should be managed, should be treated on a different basis than adult offenders. Mr. Speaker, the question that I'd like to ask Mr. Bell, after about three years now, has the new Youth Criminal Justice Act made a difference here in the NWT in the way justice is administered for young people who commit crime, Mr. Speaker?

**MR. SPEAKER:** Thank you, Mr. Braden. The honourable Minister responsible for Justice, Mr. Bell.

**Return To Question 447-15(4): Youth Criminal Justice Act And The Treatment Of Chronic Young Offenders**

**HON. BRENDAN BELL:** Thank you, Mr. Speaker. The new YCJA has certainly made a difference in the way we administer justice for youth not only in the NWT, but right across the country. The Member pointed out and I think in his statement earlier he talked about some of the differences between the former YOA and the new YCJA. Obviously, even before sentencing, before we even get that far, there are options that the police have at their disposal. The idea is to try to steer youth away from the formal court system. We have a number of options. There are options right through all steps of the process, including sentencing. Custody is discouraged, except in the most violent cases, the most serious cases. So it has made an impact and, as the Member has indicated, it's almost three years now since the implementation of that bill in April, the first of '03. Thank you.

**MR. SPEAKER:** Thank you, Mr. Bell. Supplementary, Mr. Braden.

**Supplementary To Question 447-15(4): Youth Criminal Justice Act And The Treatment Of Chronic Young Offenders**

**MR. BRADEN:** Mr. Speaker, I guess I was looking for a bit more qualitative information on what differences has it made, so maybe we'll go here. I'm wondering specific to the issues that are fresh in the news with theft, with vandalism, even arson, Mr. Speaker. All of it attributed to youth. What can we do territorially, Mr. Speaker, to deal with control and sentencing issues for chronic young offenders? This seems to be an area of weakness and it is beginning to affect our communities seriously. What can we do to deal with control and sentencing issues for chronic young offenders, Mr. Speaker?

**MR. SPEAKER:** Thank you, Mr. Braden. Mr. Bell.

**Further Return To Question 447-15(4): Youth Criminal Justice Act And The Treatment Of Chronic Young Offenders**

**HON. BRENDAN BELL:** Mr. Speaker, I suppose there are a range of options. Of course, as the Member has indicated, it's a federal piece of legislation. The formal federal government did commit to a review of the YCJA in two areas, not overall, broadly they want to review the bill. They also want to look at what's called pre-trial detentions. I understand in some jurisdictions there's a fear that it's being overused. I don't think that's the case here. But the former Minister committed to this review. As we sit down and as I sit down with the new Minister, we'll raise some of our concerns. We want to see some quantitative analysis of crime rates among youth; we want to talk about



recidivism and get a good understanding of whether or not we think this is working across the country. Of course, even when there are custodial sentences now, we know that two-thirds of those can be served in custody and the other third has to be served in the community. We want to understand how that's working. But we do have, obviously, an impression, at least, that recently there has been a rash of youth crime. I think we need to better understand why we think that's happening and what we can do about it. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Bell. Your final supplementary, Mr. Braden.

**Supplementary To Question 447-15(4): Youth Criminal Justice Act And The Treatment Of Chronic Young Offenders**

**MR. BRADEN:** Yes, Mr. Speaker, the Minister mentioned a detention, and here is where, I think, the principle weakness is coming through. I don't want to make this sound like a backlash against any young person who commits any kind of crime, but we have the situation where chronic offenders are still able to get out into the community, back into the community and continue to re-offend without consequence. Mr. Speaker, Mr. Bell is our frontline justice guy, obviously working with his counterparts in other parts of Canada. Is this a common issue, something that's rising to the top for other jurisdiction, and does he and his counterpart Ministers have any plan for a joint action to lobby the federal government in this regard, Mr. Speaker?

**MR. SPEAKER:** Thank you, Mr. Braden. Mr. Bell.

**Further Return To Question 447-15(4): Youth Criminal Justice Act And The Treatment Of Chronic Young Offenders**

**HON. BRENDAN BELL:** Thank you, Mr. Speaker. It is an issue that's common to all jurisdictions and I have had discussions with other Justice Ministers about their concerns in the past. I think the first step is this review and having the federal government listen to the concerns of the various different jurisdictions.

Specific to the most serious cases, there are tools and there is the ability in the act for youth to receive adult sentences, but I would say that I think our concern would be in the area that even when we're talking about very serious offenders, a judge has a difficulty in sentencing a youth to a custodial sentence. Everything in the act points to doing many other things before we get there, and I think that's where our main concern would be. The act really only allows custody in the most serious of cases, and we're not sure that's exactly effective as it has been set out now and as it has been working. So we understand the intention, we're just not sure, and we want to have some discussion with other jurisdictions, but we aren't sure that this is working in all cases. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Bell. Oral questions. The honourable Member from Yellowknife Centre, Mr. Hawkins.

**Question 448-15(4): GNWT Guidelines For Sole Sourcing Of Contracts**

**MR. HAWKINS:** On February 3<sup>rd</sup>, Mr. Speaker, I had questions for the Minister of Health and Social Services regarding the compliance with the GNWT's sole sourcing practices and procedures. In case the Minister's forgotten, I'll remind him that Stanton tendered contracts; seven percent to northern companies, 93 percent went south, 77 percent went direct to sole source, 43 percent of sole sourcing contracts represents the Department of Health and Social Services. So, Mr. Speaker, the Minister, in a concise way, responded to me as we're looking into this problem. So warm and fuzzy words are just that, Mr. Speaker, warm and fuzzy. I'd like to ask the Minister today for him to clearly put on the table the facts as to what has been done today and what are they doing to correct this problem. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Hawkins. The honourable Minister responsible for Health and Social Services, Mr. Miltenberger.

**Return To Question 448-15(4): GNWT Guidelines For Sole Sourcing Of Contracts**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. We are working on this issue. I've indicated in this House the deputy has talked to the CEOs and the authorities. We're going to review the proper procedures when it comes to tendering and contracting. Those things have been done and we're going to continue to be vigilant. An issue has been pointed out and we're going to take the steps, with appropriate compliance here, to ensure that we are more compliant and we'll be more vigilant. So I've followed up on the commitment, as I indicated we would. Thank you.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Supplementary, Mr. Hawkins.

**Supplementary To Question 448-15(4): GNWT Guidelines For Sole Sourcing Of Contracts**

**MR. HAWKINS:** To follow up on this matter, Mr. Speaker, the Minister said we've talked, we've reviewed proper procedures and looked into appropriate compliance. But, see, I'm troubled on this, because wasn't that the rule all along? So I'm wondering what the Minister is doing to formally ensure that this problem is ended, that nothing funny was going on, and to make sure that this is crystal clear on this process? So what is the Minister doing to ensure that we're following a procedure that was there all along? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Hawkins. Mr. Miltenberger.

**Further Return To Question 448-15(4): GNWT Guidelines For Sole Sourcing Of Contracts**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. I have formally met with the deputy minister who reports to me directly and who is charged with the oversight of the whole Department of Health and Social Services, including Stanton and the authorities. We've had the discussion about the issues and what the plan is to be, and the deputy minister has followed up. That is what I have formally done. Thank you.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Final supplementary, Mr. Hawkins.

**Supplementary To Question 448-15(4): GNWT Guidelines For Sole Sourcing Of Contracts**

**MR. HAWKINS:** Thank you, Mr. Speaker. Well, this is almost like that situation where you have one of those bobby policemen in England. You know, they're chasing somebody and they say stop or we'll say stop again. Well, what concrete paper have you put down and said stop doing this? What concrete directive have you created to make sure and explain the implications of not following the rules? These rules are decided in this House. These policies are decided here. Mr. Speaker, what is the Minister doing to clearly articulate this that we have to follow the rules? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Hawkins. Mr. Miltenberger.

**Further Return To Question 448-15(4): GNWT Guidelines For Sole Sourcing Of Contracts**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. The Member, just moments ago, indicated that the rules are already there and they should be followed, and I agree. If he's asking for some kind of program or some kind of campaign where we're going to go around and terrorize people and threaten people for some kind of human sacrifice because of what he sees as a transgression, it's not going to happen. We're going to follow the rules. We've taken the steps, as I've indicated in this House, and the proof will be if the next time that this comes around and there's still a lot of these issues that come to light that show that we haven't been complying, then I expect the Member will be standing up to then hold me accountable. Thank you.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Oral questions. The honourable Member from Inuvik Twin Lakes, Mr. McLeod.

**Question 449-15(4): Standards For Emergency Medical Services In The NWT**

**MR. MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, in my Member's statement I spoke of a little girl in Inuvik that almost lost her finger. That plus a few other incidents have the residents of Inuvik concerned with the ambulance service there. So my questions today I will direct to Mr. Miltenberger because I know he'll take care of them by Friday.

---Laughter

---Applause

I'd like to ask the Minister if there's any standard requirements for the operation of ambulance services, such as equipment, the personnel training, vehicle upkeep and backup. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. McLeod. The honourable Minister responsible for Health and Social Services, Mr. Miltenberger.

**Return To Question 449-15(4): Standards For Emergency Medical Services In The NWT**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. At present, those standards would be within the text or the body of the contracts the regional authorities would have with the contractor. In this case, the Inuvik authority has a contract with a business in Inuvik and that's where that would be, but there are no broad territorial-wide standards at present. Thank you.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Supplementary, Mr. McLeod.

**Supplementary To Question 449-15(4): Standards For Emergency Medical Services In The NWT**

**MR. MCLEOD:** Thank you, Mr. Speaker. I thank the Minister for that. I understand that the contracts are signed with the local authorities. I would like to ask the Minister if there is someone in his department to monitor these contracts to see that they are all following standard requirements. Thank you.

**MR. SPEAKER:** Thank you, Mr. McLeod. Mr. Miltenberger.

**Further Return To Question 449-15(4): Standards For Emergency Medical Services In The NWT**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. Health and Social Services, along with Municipal and Community Affairs, has been working on a document that's going to allow us to do some of the things the Member is suggesting in terms of rationalizing our approach to ambulance services in the Northwest Territories. That paper will be coming forward and will be available to the Members here in the very near future. It's going to go to Cabinet very soon. It's in the second stage. We've already put out one discussion paper. The intent is to identify those areas that need to be addressed and by whom to address some of the potential capital issues, the regulatory issues, the training issues and the legislative issues, so that, as the Northwest Territories and as a jurisdiction, we have a clear plan and every community knows what the standards are and what the expectations are when it comes to this service. Thank you.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Final supplementary, Mr. McLeod.

**Supplementary To Question 449-15(4): Standards For Emergency Medical Services In The NWT**

**MR. MCLEOD:** Thank you, Mr. Speaker. Thanks to the Minister again. So the Minister, from my understanding, is committed to and is coming out with a paper that will ensure that all the ambulance services in the Northwest Territories follow the same set of standards and that will be territory-wide. Am I correct, Mr. Speaker?

**MR. SPEAKER:** Thank you, Mr. McLeod. Mr. Miltenberger.

**Further Return To Question 449-15(4): Standards For Emergency Medical Services In The NWT**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. The document we will be making available as soon as we can to the Social Programs committee. The intent is to rationalize the service across the Northwest

Territories and speak to the issue of ambulance services, try to address the highway rescue piece, as well as recognize that there is a ground transportation issue, as well, so there is a common framework for all communities and all authorities to work within.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Oral questions. Written questions. Returns to written questions. Mr. Clerk.

#### **ITEM 8: RETURNS TO WRITTEN QUESTIONS**

##### **Return To Written Question 21-15(4): Suicide Helpline**

**CLERK OF THE HOUSE (Mr. Mercer):** Mr. Speaker, I am in receipt of Return to Written Question 21-15(4) asked by Mr. Villeneuve on February 3, 2006, to Minister Michael Miltenberger, Minister of Health and Social Services, regarding suicide helpline.

There are several helplines that are accessible to distressed individuals in all NWT communities. The NWT Helpline is a self-contained entity within the Canadian Mental Health Association, NWT division, and is funded primarily through NWT Health and Social Services. The NWT Helpline is staffed between the hours of 7:00 p.m. and 11:00 p.m. every night of the year. The NWT Helpline is a confidential telephone support and referral service for callers who reside in the Northwest Territories. Outside of the hours that the Helpline is staffed, a 24-hour interactive voicemail system handles callers and provides valuable mental health information. There are three in-bound telephone lines, two local Yellowknife numbers and a 1-800 toll-free line that can be accessed by all communities within the Northwest Territories. The phone number within Yellowknife is 920-2121. The phone number outside Yellowknife and within the NWT is 1-800-661-0844.

Tele-Care NWT is a 24-hour family health and support line administered by the Department of Health and Social Services. The Tele-Care line is not intended for emergencies, however, it effectively functions as a referral service to community counselling resources. Tele-Care NWT is available 24 hours a day, 365 days a year, and is fully bilingual in English and French, with translation services in over 100 other languages, including NWT official languages. The phone number is 1-888-255-1010.

NWT youth in all communities have access to a 24-hour Kids Help Line. The Kids Help Line is a Canada-wide, toll-free, 24-hour, bilingual and anonymous phone counselling, referral and Internet service for children and youth. The phone number is 1-800-668-6868.

If a distressed individual chooses to access medical services, medical services can be accessed at all times. In larger centres, individuals have access to the emergency room of their hospital or health centre. In small communities, individuals have access to the local community health centre. All community health centres have on-call emergency service should a situation arise after regular work hours. Upon receiving a call, the health care professional at the community health facility will assess the situation and, if needed, can arrange for additional assistance.

A patient, who is medevaced to Stanton, is under a doctor's care. The doctor may discharge the patient and recommend continuing therapy, counselling or other social

services support. The patient would return to the home community to access those services. A patient can refuse medical treatment or continuing therapy or counselling, unless that person does not have the capacity to make those decisions.

There are a number of suicide prevention options available in smaller communities. The new NWT Community Counselling Program is available across the territory. In addition to this program, many communities have offered intensive suicide prevention training to their residents through the Northwest Territories Suicide Prevention Training Program. Many community volunteers who have taken the training are available on an on-call basis. Also, community elders and clergy often make themselves available for counselling. Many residents also have access to employer-funded counselling services for themselves and their family members.

The NWT health and social services authorities and the department regularly provide communities with various forms of mental health information. In addition, the Department of Health and Social Services funds the Canadian Mental Health Association - NT Division, for mental health promotion. The Canadian Mental Health Association regularly provides communities with mental health awareness pamphlets, resources, best practices and contact information. Thank you, Mr. Speaker.

##### **Return To Written Question 24-15(4): Locum Nurses In The NWT**

Mr. Speaker, I am also in receipt of Return to Written Question 24-15(4) asked by Mr. David Ramsay on February 6, 2006, to Honourable Michael Miltenberger, Minister of Health and Social Services, regarding locum nurses in the NWT.

In 2004-2005, the Short-Term Agency Nurse Placement Program was designed and implemented to assist the health and social services authorities to avoid closures within their community health centres and clinics. The regional authorities have difficulty finding qualified nurses to fill permanent positions or to provide relief in community health centres. If a regional authority has used all other methods of trying to staff a position temporarily and face potential closures or major reductions in service, they use agency nurses through the Short-Term Agency Nurse Placement Program.

Before the implementation of the Short-Term Agency Nurse Placement Program, the authorities maintained their own relief pools. Relief nurses were primarily brought in as casual employees by the authorities. Nurses in those pools covered all types of employee leave such as vacation, sick, special, or educational, in addition to providing coverage for vacant positions. It is impossible for the government to identify how many nurses were used to cover vacancies rather than cover for a nurse on leave.

Through the Short-Term Agency Nurse Placement Program, NWT authorities spent \$580,632 in agency fees for 53 nurses in 2004-2005. Agency fees for 2005-2006, as of November 2005, are \$354,037 for 40 nurses.

Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Clerk. Returns to written questions. Petitions. Reports of committees on the review of bills. Tabling of documents. The honourable Minister responsible for Justice, Mr. Bell.

#### ITEM 11: TABLING OF DOCUMENTS

**Tabled Document 94-15(4): GNWT Response To CR 4-15(4): Report On The Review Of The Information And Privacy Commissioner's 2003-2004 Annual Report**

**HON. BRENDAN BELL:** Thank you, Mr. Speaker. Mr. Speaker, I wish to table the following document entitled GNWT Response to CR 4-15(4): Report on the Review of the Information and Privacy Commissioner's 2003-2004 Annual Report. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Bell. Tabling of documents. Notices of motion. Notices of motion for the first reading of bills. First reading of bills. Second reading of bills. Consideration in Committee of the Whole of bills and other matters: Bill 18, Committee Reports 5, 6 and 7, and by the authority given the Speaker by Motion 9-15(4), Committee of the Whole may sit beyond the hour of adjournment until it is prepared to report, with Mrs. Groenewegen in the chair.

#### ITEM 16: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

**CHAIRPERSON (Mrs. Groenewegen):** I call Committee of the whole to order. Yesterday when we left off, we were on Industry, Tourism and Investment. What is the wish of the committee? Mr. Menicoche.

**MR. MENICOCHÉ:** Madam Chair, committee wishes to consider ITI.

**CHAIRPERSON (Mrs. Groenewegen):** Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. We will do that right after lunch. Thank you.

---SHORT RECESS

**CHAIRPERSON (Mrs. Groenewegen):** I would like to call the Committee of the Whole back to order. Yesterday, we were dealing on general comments on ITI. I would like to ask Minister Bell if he would like to bring witnesses into the Chamber.

**HON. BRENDAN BELL:** Thank you, Mr. Chair. I would.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bell. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. Then we will ask the Sergeant-at-Arms to please escort the witness to the witness table, and then we will ask Members to be prepared to go with general comments on Industry, Tourism and Investment.

I think it went well yesterday. As we did yesterday, I will ask Members to please keep general comments to comments. Unless the Minister has a compelling reason to respond to the general comments for the purpose of

clarifying something for the record, I would ask that Members contain their questions to the pages of detail.

With that, I would like to welcome Mrs. Magrum and Mr. Vician back to the Chamber. I will ask the Members for general comments. Mr. Menicoche.

**MR. MENICOCHÉ:** Thank you, Madam Chair. Just with respect to the Department of Industry, Trade and Investment, being from a riding that has a lot of constituents and businesses involved in tourism, it is good to see that there is some recognition and some more resources put towards tourism in the ITI budget. That is something that our riding always needs support on and continue to create opportunities there.

I know, with tourism, often the First Nations groups talk about even actually getting into rafting and providing those tourism sources to the tourists that are coming there. For the large part, the major licences are held outside of the NWT, but there is a licence there that is for the North and northerners to be used and utilized. Quite often, in this case, there is a bit of a barrier there because no one really has the capacity to utilize that licence or where to begin. If there is a gap to be said with respect to this, it is that we have to show our people how to use that licence, how to make an impact to the tourists that are coming up North and develop our guides, as it were. I know that we have a guide training program. I don't know how well developed it is. Perhaps, at some point, the Minister can address that, but it is something that continually needs stimulating. Our young people are coming out of school. They use it as a summer job. It gets them interested to a certain point, but I am finding that they don't just stay there and make it a career choice. It is a tough career choice, too, to be a guide. I was just talking with a few guides that come up North. I find that, to make it a career choice, they have to give up quite a bit. They have to actually never be home to their home base, wherever that is. They always have to be on the move because our guiding season is only three months long. After they are done there, they are going to have to move on to continue their job in other areas of the world. Quite often, a lot of them go. It is a good opportunity if we can stimulate and find some local guides that want to do that. It is kind of like a non-traditional trade, as well. It is how do we keep them interested and going forward and even maybe one day run that licence that is in the North for us. I think that is very important. Often, we are so critical about southerners holding northern licences and doing all the work and taking all the benefit. How do we massage that and how do we work together with the communities and the existing licence holders and develop a strong northern guiding workforce for them and for ourselves too, Madam Chair, for the most part?

I see in the Minister's opening statements as well, based on the gross domestic product of the NWT, we are kind of like a net contributor to Canada now. They are saying that our gross domestic product is like \$4 billion and transfer some of the feds into the NWT is about \$1 billion, so about \$3 billion going out and \$1 billion coming in. That is a good signal. Finally, we are becoming a net contributor to Canada. Just by monitoring those statistics, it will just help us with our argument in Ottawa. Yes, we know and realize they've have been pumping probably on the average \$500,000 into the North for the last 30 years. Now we are becoming a net contributor. I know that the Treasury Board has a long memory, but it doesn't mean that we have to keep repaying Ottawa's investment in the

North from 30 or 40 years ago. They have to recognize that we are a major contributor to Canada. It will help us with our argument in terms of devolution and resource revenue sharing, Madam Chair.

Just with respect to the private sector becoming increasingly prominent in the NWT, and the BIP, too. The BIP is still very important in the region and in the communities that I represent. Just before Christmas, I went to the communities and I said there is talk about just removing the BIP altogether. There is no value in it, but every community I went to resoundingly said, look, Kevin, we utilize that program, it is very important. Some of the impacts are that it helps us with the forced growth that cost in our communities. Yes, there is a five percent premium. It is often factored into the rest of the 15 percent premium. Sometimes we pay out in the contracts, but we are using that to pay for the gas link in Fort Simpson. It is still around \$1.17. In Yellowknife, we are down to \$1. It makes up for those differences. It equalizes the playing field. That is why it makes sense to the people in the communities. It makes sense that the BIP is there. It is the recognition of the government. It gets you paying your premium, but it is because we are paying higher prices over here in the communities. That is one view of how we look at it. The other view is that people in the communities still maintain that they all sign up for BIP. I know that, during our preliminary discussions, there was an argument made that not all businesses in the North have signed up to be BIP registered. After further discussions and further thought, it is like lots of businesses in Yellowknife don't have to sign up for BIP because they don't deal with government solely. A lot of their opportunities are with the mining sector or the diamond industry. They get 100 percent of their work from them. So they truly don't need BIP because they are not bidding on government work. But in the communities, we are. All the government work, particularly in the Nahendeh riding, they argue that probably 70 percent of the fixed economy -- I keep talking about it in my riding -- it is mostly government sources or government funding that stimulates our economy.

I keep talking time and time again, with jobs. Any senior job is about \$150,000 contributed to that job, because, quite often, there is a part-time secretary, but it is \$150,000 that is going to our community and to our region. It is there. When you spoke about the marvellous bouncing buck early this week and last week about how a dollar bounces around in the region and riding, it keeps our communities going. It keeps our little economies going. That is very important.

When we talk about government contracts, the other aspect of it is reviewing the whole negotiated contract aspect, as well. I am not too sure how much this department has with it, but there again, having negotiated contract aspect is very important.

I spoke about set-aside programs, which means that it is public policy that we are going to set aside contract dollar values for aboriginal communities and businesses and make it public policy. I know there is concern about accountability and everybody in the North should have access to public dollars, but if we make it a public policy, then people know where the public money is going.

In fact, I just heard that Imperial, in the Mackenzie Valley gas pipeline project, even Imperial has had and is operating the set-aside policy for a lot of their work. They

actually go to the communities and say, okay, you are not going to get the big contracts, but we could do as much of the local work as we can with you guys. I don't know if it is stringent or not, but in order to be eligible for that, you have to demonstrate real value and returns for the community. I think it is up to even quarterly reporting to show them employment stats to make sure that company is using local resources as well as to ensure that there is no -- a previous colleague of mine back home, a business colleague, referred to as -- low hung fruit, where a southern company comes in and says sign here. We will give you 10 percent. We are your northern company now. People are tired of that, Madam Chair, because the benefits, yes, somebody is getting 10 percent, but the community is not benefiting and 90 percent is going out. That is what is really happening. I see that my time is up there, Madam Chair, but those are the concerns that I would like to bring to the Minister and his ministry. Mahsi cho.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Menicoche. Next I have Mr. McLeod.

**MR. MCLEOD:** Thank you, Madam Chair. I am glad to have a few opening comments or general comments on ITI. It is a very important time right now in the history of the Northwest Territories with all of the resource development that is going on. I believe ITI is going to have a big role to play in how businesses and all the opportunities that will be coming down the pipe.

I am pleased to see that the corporate tax is being lowered to 11.5 percent. Hopefully this will allow some companies, especially home-grown companies, to register in the North and file in the North, and then we can take advantage of some of the corporate tax. Still, many people out there are trying to live a traditional lifestyle. With the cost of living and everything, it is getting harder and harder for these people to try and earn a living off the land, but it is still something that they love to do. I am always glad to see the support that ITI gives to people trying to live their traditional lifestyle. I will always be a big supporter of any new initiatives that will help them do that because it is really hard now, as many people have stated, to try and earn a living off the land. ITI seems to be doing what they can to try and assist them. It is always appreciated.

I am in full support of the opening of the oil and gas sub-office in Inuvik. I probably have a few questions for the Minister later on into that operation. I would like to see the sub removed. Probably one of my questions is sub-office of where. There are a couple of positions going up in there. It is something that the leadership in Inuvik had always concern with: the lack of government presence in the community. As we know, the hearings are going on in Inuvik. There are just people from all over and people from all of the departments. I am kind of hoping all the departments have good travel budgets because they are going to be spending a lot of time in Inuvik. It is good for Inuvik and the local economy. They are bringing some money into the community. I will have questions for the Minister at the appropriate time on the positions that are going into Inuvik.

I was glad to see some money going into tourism. I have always believed that the Northwest Territories has so much to offer all over. I would like to see ITI work closely with Transportation and lobby Ottawa and see if we can get this Mackenzie Valley highway started. If we have to

take the initiative and go start cutting willows ourselves, then it is something that we should do, but the potential that this highway is going to bring to the Northwest Territories is just unlimited. It is just going to open up the whole territory. I have spoken to that a few times. Tourism would be right at the top of the list.

Just in closing, with all the increased activity that is going on in the Northwest Territories, I believe ITI is going to be a very busy department. A lot of people are going to be wanting assistance or advice in getting business started to take advantage of some of these opportunities that are going to come with the Mackenzie gas project, so I will have a few questions for Minister Bell at the appropriate pages in the detail. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. McLeod. Next I have Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Madam Chair. The comments are going to support the Minister in terms of his direction that he is providing to the staff at the ITI office in terms of the new direction that they are working on. I want to say that the economic growth has been spurred on by many resource development activities in the North. When we have this type of growth in our communities in the Northwest Territories, everyone should really benefit from this growth here. There are certain pieces of work, policies and regulations that everybody gets a fair piece of the pie, so to speak, that we continue to support territorial, regional or community opportunities that support having good businesses done in our communities or in the North here, having resource people know that the communities or the Territories are supporting having resource development. I want to say that to the Minister and that the four percent small business corporate income tax rate is a good start. I think that is one way to see the dollars stay in the pockets of the small businesses. I encourage and support that initiative.

The BIP, we will have some more discussion on that down the road. However, Madam Chair, the thing about the BIP or supporting businesses in the Northwest Territories is finding out who will manage the store. Who is looking after one point shop and stop for the businesses? Who do they call in terms of who is observing the agreements? Who is monitoring the business in the regions? Who is minding the store? Who is keeping check on the businesses, saying are you following the procurement contract, the agreements? I think it should be part of FMBS to take a look. Again, that could be something to have further discussions on. I am not sure if this makes sense or not. I want to see something like that to be seriously considered by this department. We need almost like a manager observer to really mind this new way of thinking by the department in terms of supporting small businesses in the Northwest Territories.

The Minister, in his opening statement, talked about the potential of much more economic development at our doorstep. I would like to ask the Minister later on in terms of an update or a progress date with our region who's settled a land claim in our land claim agreement, is the memorandum of understanding similar to the Gwich'in, a settlement area in terms of how that is going with our settlement secretariat incorporated. That would be a key for our region in terms of that MOU. Certainly, like any good business, we want to capitalize on all opportunities that present itself.

Madam Chair, the Minister has given some good support to our region and other parts in terms of contributing to a regional socio-economic conference. That gives good support to the Minister and his department. Then he knows what the region is thinking and where it is going and that he involves the region in these types of discussions. I encourage the Minister for initiating some support to our regions in terms of having a socio-economic agreement that would be supported by our region. Does he hear from us? It is good that this type of relationship is being built on by our region. I would certainly like to see a general or overall plan of the Mackenzie Valley pipeline office, Department of ITI in terms of the types of funding that could be there to help the residents in the communities to really look at the opportunities that the Mackenzie gas pipeline could prepare or is going to be preparing for us, more so in the general sense.

Madam Chair, the other issue I want to talk about is the traditional economy. In his statement, the Minister said that it is an important component to our economic growth. I would like to see types of programs, services, or policies that support this important economy for economic growth. How are we supporting this? I want to, again, commend the Minister on the Take a Kid Trapping Program. I think that is number one. That is where it begins on this type of strengthening our traditional economy. In the business, we call it traditional economy, but when you look at this type of program, it is really our way of life that you are dealing with. Somehow we get into the economy field of this program, but when you talk to the elderly people, really you are talking about our way of life. It is a strong program. It is a strong component to this government here, so I certainly continue any aspect that would continue to support our way of life through the traditional economy measures.

Again, Madam Chair, the Minister talks about, in his general comments, about the Mackenzie gas project. There are various hearings happening. I look forward to some updates. I want to hear, really, the conclusion of these hearings. I want to just leave it at that, Madam Chair.

All these socio-economic agreements, I want to ask the Minister, would he consider some points of discussion with his fellow Cabinet Members in terms of what ways can we strengthen our socio-economic agreements? I don't know if that is possible in terms of some form of regulations, some type of strong monitoring initiatives that can be put in agreements, the way that reports are put out to the communities in terms of how do we analyze it, and checks and balances in terms of the socio-economic agreements.

The oil and gas development are happening now as we speak. The Beaufort-Delta region will certainly experience that should the pipeline go through. Our region also is experiencing that. I am glad that the Inuvik region is going to have some extra help in terms of a sub-office. I certainly hope that this sub-office will also be supporting the Sahtu initiatives because we are quite not yet separated from the Inuvik office there. So I'd still like to maintain some linkage to the Inuvik office. So if they can support in any way to the Sahtu.

The tourism, Madam Chair, is a big issue and I'll have some questions for the Minister in terms of the Canol Heritage Trail. Also, the tourism marketing, I have some

other ideas as to how we can promote the tourism. But I certainly like what the Minister has said in his general comments and I'm going to certainly support him as much as I can in this issue. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Yakeleya. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Madam Chair. For general comments I'd like to start by thanking the Minister and his staff for being with us here this afternoon. I don't have a great deal of general comments. I have a number of questions as we go through the detail. But I just wanted to touch on a few things. I guess the first one would be the fact that it looks like we are going to finally, after many years of trying, receive some more funding for tourism. I think that's certainly a step in the right direction and I know the Minister has worked hard and his staff as well have worked hard on trying to get some more money flowing into our tourism industry. For that I think they have to be applauded.

The interesting thing, too, with tourism, is the legislation and how that's changing and I know that's been in the works for a number of years. The Minister again commented about it in his opening comments to us yesterday and I'd be interested, and again I'll ask at the appropriate time, in knowing exactly when that streamlining is going to take place so that there's some certainty there for operators here in the Northwest Territories on what type of system they're going to be working under. That's been talked about for, as I said, a number of years, so I'd like to see that concluded.

The other thing too, when the Minister first came to committee in regard to the new tourism money and activity and the 2010 tourism plan, I hope that he does follow through with his commitment to keep in touch with the Governance and Economic Development committee on the rollout of this plan. I think it's important that committee have some input into how this is working and how we can best utilize the money that we are putting into the plan so that we can hopefully get some of this public and private partnerships that the Minister talks of, and I know that's out there, so I'd like to see the Minister and his department work closely with the GED committee on that.

Another thing, I've mentioned this in the past numerous times and it's something I'm not going to stop saying. That is that the contract registry, located within the Minister's Department of ITI, should find a new home. As far as I see, the contract registry really shouldn't be in ITI; it should be under FMBS. The establishment policies as such state that the chair of the FMBS is responsible for government contracting and procurement, and this is where the contract registry belongs. Again, I think those type of discussions have to happen, and I'd like to see, definitely before the new business plans come forward in the fall, that the department work with FMBS and try to find a way that we could make this happen. I think that's important that it does happen.

I also have a number of questions on the business program review, as to where it's at, what it's exactly looking at, and what we might expect from that. I know that's been going on for a period of time, as well, so I'd like to see some conclusion to that. That's about it for general comments, Madam Chair. Again, I look forward to some questions that I have during the detail. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Ramsay. Next I have Mr. Braden.

**MR. BRADEN:** Madam Chair, thank you very much. This new portfolio, I call it a new one, has now been about a year under its belt, and I also include the relatively new Business Development Corporation as something that we knew -- it had been in place for some time -- it needed an overhaul. It's been there for about a year now, so its early days yet, Madam Chair, to begin to say whether or not the changes that this Legislature has brought about are achieving the desired objectives from when everything was under one shop with the former Department of RWED.

But I guess I'm getting a sense, Madam Chair, from some contact with various sectors in the business and commercial parts of the NWT, that there is a better capacity and a clearer focus with this new department and this new mandate now, and through Mr. Bell's stewardship to undertake those objectives and move them along. So in that very general respect -- and as I say, it's only been in place for a year now -- I think the moves that we've made have been the right ones, and I look forward to the results and improving our results and hopefully our legacy in setting up, re-jigging and overhauling this particular mandate.

Madam Chair, the tourism aspect of this department's job list has gotten some mention already here this morning. There are a couple things that aren't in this that I would like to reflect on in general comments. Madam Chair, I was able to go down to Hay River, to your community, late last year, and attend the annual conference of the Tourism Industry Association of the NWT. Oh, that's the old name, isn't it? NWT Arctic Tourism. I listened with great interest to how the global tourism market is changing and then looking at where and what we are doing to try to keep pace with these or, even better yet, Madam Chair, try and stay ahead of the curve. But we learned that, of course, change is accelerating around the world. Tourism is the world's biggest single industry. It is the kind of bellwether of all this. I think the sense that I got there was that while the market was changing dramatically, here in the NWT, our product, our marketing and our imaging is not keeping pace with that. We still, Madam Chair, have, it seems, in the national and marketplace, considerable confusion or overlap with our other northern neighbours, particularly Nunavut.

We also learned, Madam Chair, from that conference, that other impacts are going to compel us to adapt. They will be things, Madam Chair, like climate change. We already see this, Madam Chair, in the way some wildlife species are behaving. Polar bears are particularly something that the world is taking notice of, in that their habitat and their habits are changing. So while some tourism markets are set up exclusively on this amazing creature, they are going to have to change what is going on in the NWT with that kind of thing.

Madam Chair, other global situations like terrorism or even pandemics have markedly, in a measured way, affected tourism patterns. We have not escaped that. The population, certainly nationally, is aging. Is our tourism product keeping pace with those changes? And what about emerging markets? In this respect, India and China are the next ones on the horizon.

Madam Chair, something that I've been pursuing since my early days in this job, about six years ago, was more of a tangible initiative on conventions and meetings. A bunch of good work has happened in the last couple of years, but we are still not at the stage where among the stakeholders here in the city and in the tourism industry itself, at the federal and territorial government levels, and even after many years and I think 11 different studies and plans for this kind of thing, we're not there yet.

Madam Chair, the area of the secondary diamond industry and where we're going to go with it has received some attention in this Assembly already this session. In the general, and a strategic and, I guess, a long-term way, Madam Chair, I see that we are not, we really haven't set up a good model or a sustainable model for this. There is still considerable government and taxpayer investment at risk through this. Madam Chair, there are at least two, maybe three other diamond mines in the wings and we are going to see more and more and more production from the Northwest Territories. Can we grow our NWT-based cutting and polishing industry to continue to take advantage of this incredible harvest of our wealth, Madam Chair? That is really what I would like to do, is to see what we can do to set up a sustainable model that will help us grow this as more production is attained.

Madam Chair, finally, something that was absent from the Minister's opening comments -- I know it occupies a very small part of the shelf of this new department -- that is the combined responsibility that this department has with Education, Culture and Employment for the Arts Strategy. This particular initiative has not got off to a good start. It is an unusual situation to have a strategy of any kind shared between two departments, and something that I'm going to be exploring is just where Mr. Bell sees his part of the mandate and what kind of a difference or benefit is being demonstrated from this new strategy and from this department's mandate in it. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Braden. Next I have Mr. Pokiak.

**MR. POKIAK:** Thank you, Madam Chair. My comments are going to be very brief. I'm glad to see that the department is going to invest some dollars for residents, communities, to prepare for the challenges and opportunities for the Mackenzie gas project. One item I'd just like to know is how much money the department actually spent to help provide the APG for funding. I'm kind of curious how many dollars is actually spent in that regard.

In regard to the traditional economy, hunters and trappers in the small communities always have a hard time to maintain their tradition, mainly because of the gas prices, et cetera. I hope that there's enough money in there to at least help them out to make sure that they can continue that program.

One of the interesting things that I noticed in the opening remarks, Madam Chair, is the sub-office in Inuvik. It's interesting to know that they will open an office, finally. I think it goes back to the time when they first talked about it and established the office in Hay River. It's good to see that they will open a sub-office in Inuvik.

In regard to the funding for the Mackenzie gas project, I recall last year when we were in Inuvik all of a sudden government had money to allocate to small business or to

communities to get funding for the preparation of the Mackenzie gas project. So it's good to know that they will invest more money into that. It was just maybe overnight that they decided to do that, but it was money that came up to assist the communities.

A lot of the Members here already covered most of the things I wanted to talk about, Madam Chair, so these are just the general comments I'd like to... Oh, the last one is in regard to the business incentive policy. There is concern back home in that regard, so when it comes down to that section, I'll probably have questions for the Minister. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Pokiak. Next I have Ms. Lee.

**MS. LEE:** Oh, sorry. Thank you, Madam Chair. Just a couple of things under ITI, Madam Chair. One to do with the review of BIP that's underway again, and just the overall role of the department in terms of the department being a think tank or a place where macroeconomic policy analysis, that sort of thing, could happen.

First of all, on the BIP issue, this is an issue that seems to, I don't know, you know? It's one of those babies with two heads or something. As long as I've been here, the BIP seems to be under review. There are lots of businesses who love it, who consider it sacred and who don't want to see anything changed, or at least not be eliminated even if there are changes that could be made to it. Then I think the Minister has made a compelling case there to change it or eliminate it and try to find other ways of benefiting northern businesses. So I am prepared to wait and see what the Minister comes up with and following the consultations he's doing and such.

One of the things that the businesses really want to see is to, if we are going to eliminate this policy or change them, do something that is genuinely in the interest of northern businesses and maybe we should look at changing the criteria. I mean, changing the criteria to address the needs of northern businesses, or there are those... I don't know. There are those who are saying that the changes to small business income tax, for example, may not be beneficial to everybody. Because for a lot of small businesses, mom-and-pop businesses or even bigger businesses than that, sometimes surviving is doing well. You know, if you can employ people and if you can get enough work to run the businesses, pay all your expenses, and pay salary for staff, which usually includes the owner and maybe the owner's family, you know, if the businesses survive, then it's a success. So that is the aspect of changing this that I was not aware of. So I'd like to ask the Minister, in his review of this policy, that he looks at the scenarios about a sector of our business section that would not be covered by cuts in income tax alone if the BIP is done away with and the small tax change regime is supposed to help these businesses, but there might be some businesses that might not be helped by that.

I just want to state in the general comments section that I will be looking at some of the details that the Minister is going to come up with on this BIP review, and I'm sure we'll have more opportunities to speak about that.

I do agree with those who stated in this House that the contract registry should be moved. I'm not sure if that should be hinged on changes to BIP. I think it could still happen independently of each other. I think it's something



that's been in the works for awhile. That should be done as soon as possible. I agree with that position.

On a larger picture, I have been, I'd like to, I guess we're not going to have the Minister's answer to any questions in this way until we get to the detail, but I am interested in what the role of ITI is in terms of driving the economic machine of the Territories. I think there is a role to play there and I know that ITI has a section on economic analysis and it is the Department of Industry, Tourism and Investment. Or is it the other way around? Sorry, Industry, Tourism and Investment. So we do care about investments that should be coming into our Territories and such, and in my questions about...I know the department I'm sure has a section there that studies that, looks at the potential, positive investment opportunities and impacts for the mega projects like pipeline and such, and the one that we have been talking a lot about is the new housing concept from ABCD Company.

I'm always surprised to learn when I ask questions like, you know, are government departments talking to each other. You know, I would think that from a layperson's point of view, because I am almost a layperson in this regard even though I'm a part of this Assembly, I do not know all of the ins and outs and details of work that's being done in these departments. But still, from where I stand, I look at it and go, okay, there's this government's policy, it's a major policy even if it's a housing issue, it is an opportunity that we're looking for that comes out of this mega project. I just take it for granted that ITI will be looking at all aspects of potential benefits and do economic and risk analysis about what does this mean, how can we maximize our benefit, how can we minimize the risks, and such. So I don't really know what kind of work and there might be a lot of work being done by ITI that I'm not aware of in this regard. I know that when I get visitors from outside of the jurisdiction looking for economic opportunities in the North, I always send them to ITI and they get excellent briefings from the department about every sector of the economy here. But I am not seeing the concrete information that tells me that ITI is really involved in looking at all aspects of the potential benefits that the GNWT could have on pipeline development or housing projects that derives from that and see how do we best incorporate our interest in that.

I could say the same about training opportunities and, in fact, I think I've asked those questions, and so far what I've been told is we're going to stand back and see what's going to happen with this project and we'll get involved later. I think that's not the best way to go about that. I think all the departments should be putting their heads together and see what best we can do. I mean, maybe the Business Development Investment Corporation, the new ITI even could be put into that.

I know the department has economists. I know the Finance department will be funded for new positions on economic analysis, and I know the government relies on the Bureau of Stats and such for that sort of analysis, but I'd be interested in knowing, at an appropriate time, about what kind of work this department does to see that they do look at the mega projects.

Another thing that connects between the BIP review and ITI, for example, is the fact that this department is considering eliminating the BIP policy, but we have this \$500 million potential housing project that's coming in and that project is operating completely independently, almost,

from the BIP review. I think, as I've stated many times before, there are many businesses in the Territories who just stay around, who are committed to the North, they train and hire people, they go through all the up and downs of the economic times looking for a break, and there's not going to be any bigger break, and I agree with that, than this pipeline development. I think that it is the role of the government and the department, to help people and businesses figure out, okay, what is the best economic potential out of this and how do we place our government, and our businesses, and our industries, and everybody into a best place for them to maximize that potential. I think every good national government, every good provincial and territorial government would be one that would do really deep thinking in that regard and have a real concrete and clear plan about how every sector of their society and their people who could benefit from that.

That's my general comment for now and I'm sure we'll have a lot more opportunities to discuss further. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Next for general comments I have Mrs. Groenewegen. Mrs. Groenewegen.

**MRS. GROENEWEGEN:** Thank you, Mr. Chairman. I just have a few general comments with respect to the Department of Industry, Tourism and Investment. I think that it's been a little while now since we divided the Department of RWED and so far so good. I think things are playing out as we had somewhat anticipated.

In the discussions today about the traditional economy, about the non-renewable resource development economy, there's something that has been quite noticeable by its absence, and that is any reference to renewable resource economy. I know that probably this is a sensitive issue to me, being from Hay River, because it seems to be the home of several what should be viable endeavours when it comes to commercial fishing, the harvesting of trees for forestry, and, of course agriculture. Three areas which it doesn't seem that there is much attention being paid to, but at the same time, after the non-renewable resources development extracted from the ground, if we have been successful in managing and sustaining our supply of these, and the production of these things, then we'll still have something sustainable. So I wanted to make note of those things.

When we talk about the cost of living in the Northwest Territories, too, I know agriculture is not perhaps an option in every area of the Northwest Territories, but it's an option in a lot more places than where it currently exists. I think we need to do more as a government to support the agriculture industry and see what can be accomplished out there because it is a way of offsetting imports, and it is a way of supplying affordable food and food products for northerners.

The issue that was referred to by one of my colleagues, it has to do with branding and the image of the Northwest Territories, I still think we have not been successful in coming up with a current image of the North which is marketable. I still think the Yukon and Nunavut are well-known and immediately things spring to mind when you, anywhere in Canada and probably in the world, say Nunavut or Yukon territory, something comes to one's mind. When you say the Northwest Territories, I'm not really sure what comes to mind. Perhaps, to some extent

now, it's diamonds, but I still think we've got a long ways to go in terms of developing our image and selling ourselves. We've made some progress, but I think we've got a ways to go yet.

If you listen to studies and reports on tourism, and I think we should, I think there was an extensive survey or study done on that. I believe it came out of the University of Calgary, which said what is going to be the trend in the future; and it is cultural tourism. People are moving away from the things that we formerly, perhaps, were better known for. Not everybody who comes to the Northwest Territories wants to fish something out of a lake. Not to put down sport fishing, but not everybody wants to kill a fish or shoot an animal. Some people want to come here and enjoy the beauty of the Northwest Territories, in some instances, the aurora, the surroundings, and the culture of people. That's a huge thing which I think we have done little to really prepare ourselves for or to capitalize on. Cultural tourism is the wave of the future, as far as anything that I have come in contact with, and I don't know what we're doing as a government to encourage that.

Sort of hand in glove with that cultural tourism is when people come here, they are always amazed by the beauty of the land, the beauty of the people, and then the arts and crafts that are produced in the Northwest Territories. I would say that's probably one of the most disorganized activities in terms of people being able to find access to arts and crafts. When people do go into the small communities, if you are able to find something to look at or to purchase, it's usually by luck, it's not because it's organized or well known where these things are available. I don't really have all the answers on what we can do about that, but I've been here for many, many years and I still find if I go into a community to find an artist and to find something that you can take away or something you can buy, it is still pretty scarce. It's like finding a treasure and sometimes it involves going door to door and talking to people, and it's kind of word of mouth and maybe you'll find something and maybe you won't. Hidden treasures. I mean with our pre-budget consultation I was in Fort Simpson and was looking around for something that was truly unique to Fort Simpson to sort of add to my personal collection, and after several trips from person to person and door to door I found at the seniors' complex somebody that made handmade snowshoes, a real rarity now, and made handmade drums and I was able to find that. But it was only by absolute fluke and luck that I was able to find this person or even know about it. If people want to generate economy from arts and crafts, it still has a long ways to go in terms of being organized. So those are just some of my general comments, and particularly I wanted to draw attention to fishing, forestry and agriculture, something that has been kind of obvious in its absence in the discussions perhaps here in the House and in the department's presentations of late. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mrs. Groenewegen. General comments. Can we turn to page 11-10? General comments. Mr. Lafferty.

**MR. LAFFERTY:** Mahsi, Chair. We'll go in detail pretty soon.

---Laughter

I just have two comments on the general statement. That is the area of the traditional economy. It's been talked about on numerous occasions, or actually for several years now, about the need to improve in this area. I was delighted to see it's been recognized from the department to go even further with a Genuine Mackenzie Valley Fur Program and also the initiative like the Take a Kid Trapping Program, which is a real successful program in the communities. Although it's new, we've been doing that in the Tlicho region for a number of years now and it has been a real true success. I think that's where a huge investment is in the youth. We really need to promote that. I was really delighted to see that here. I guess at the same time I guess we'll probably go into further detail on that, but I didn't see any new or increases in funding towards this area, but those questions will be arising later.

Just a comment on the fuel price Mr. Pokiak brought up before. The traditional economy provides secure, stable source of food, fuel, shelter and clothing. The fuel price goes up quite frequently, as we've seen it, and the price of even the funding should also increase at the same time. I'm not sure if it's been highlighted, but I would like to see that during our detail information.

Just getting back on this take a kid trapping, there's a recognition in all schools and even in the communities, not just schools, but community members also take on the initiatives. We also have to keep in mind that there should be additional recognition. I know it's happening through this Genuine Mackenzie Valley Fur Program where we're recognizing trappers and hunters in the regions, and I was delighted to see some Tlicho members being awarded. I think they were awarded a gift certificate and also a jacket, which was great to see because even a small token like that goes a long way for community members. The community members cannot afford those kind of jackets, special jackets. But I think we need to go even further with that. Maybe the department would consider down the road or even talk about it. Then there's been a lot of talks in the community about recognizing the long-term hunters and trappers, or even specifically in the Tlicho region we have trappers that have been going out for the past 20 or 30 years, the same trappers and they haven't been recognized to date. So that individual's family members came to see me and talk about those kind of issues where we need to recognize that.

Just going along that line, recognizing those long-term trappers, probably by top prize or long-term trappers, whether it be a McPherson bush tent, or rifle, or a snowmobile, whatever the case may be, I think that's one huge investment to the trappers. Even promoting more of the culture program in our regions. Along that same path would be like categories on martens, wolves and bears because what's been introduced in the House yesterday, or two days ago, was the decline in caribou and we talk about the wolf kills where there's an increase in wolves and bears. Now we need to focus on that, as well. I think that those are questions that I will be coming out with in the detail.

So I'd like to talk about the next item, and that is supporting artists and culture performance at the Canada Winter Games. It's great to see that, but, at the same time, I think we need to include, as Mrs. Groenewegen pointed out, the cultural artists that we need to highlight in these events. Like there's been trips to Japan, Germany, in the past and we tend to see, at times, the usual groups that go on these trips. I would like to see some elders that

can go out there. You know, usually what happens is when an opportunity arises such as this, such as carnivals or Arctic Winter Games, community elders prepare and stack up for those special events and then they have their whole gear coming to Yellowknife or wherever the place may be, and they very much like to promote and sell their products. That goes to show that like the beadwork or the woodwork, whether it be snowshoes or drums, it's a highlight of the culture in the North. Also, when they go down south -- because Yellowknife is a major centre for the communities -- when they're out here they like to show their products and also they like to be there and do the beadwork or making snowshoes, those small snowshoes, and they're proud of that. They like to show young people, from birch to how the true snowshoe came about. So I think I would just like to highlight that because I didn't see that in the artists and culture performance. I realize there are two distinct differences, but I think cultural artists should be in the performance, as well.

Mr. Chair, I will have some questions later in the detail. Mahsi.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Lafferty. General comments. If there are no further general comments, does committee agree to go onto detail?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Return to page 11-10, information item, revenue summary. Any questions? Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chair. Under the trademark royalties, the projection where you're looking at \$350,000 there. Can the Minister just give a brief explanation, because that's the first time I've seen this trademark budget line item come into the budget. It's in revenue. Yes, we're getting money. So I wanted to ask the Minister.

---Laughter

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Bell.

**HON. BRENDAN BELL:** Thank you, Mr. Chairman. This is the first year of this. This stems from the restructured agreement with Arslanian Cutting Works factory and also the agreement with the new Polar Bear Diamond cutting factory, formerly Sirius. We have licensed the use of our trademark, the polar bear, to these factories and they pay us a royalty in order to use that. The royalty amounts to one percent of 25 percent of gross sales for the Arslanian factory, and we charge one percent on 75 percent of gross sales for the Polar Bear factory, and we think that that will come in at about \$350,000 in the next year. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chairman. Mr. Chairman, it's good to see that we're making money from diamonds. So is this going to be a long-standing budget item we're going to continue seeing for a long time in this government, or is it going to just be a one-time deal? Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, the agreement we have in place runs until June 30<sup>th</sup>, 2015.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Minister. Would this agreement, with your crystal ball, I'm going to ask the Minister in terms of crystal balling these types of figures. Are we going to be close to this type of royalties in terms of numbers? I'm just going to ask the Minister if he could do some form of indication as to the type of royalties we're going to receive on this trademark. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, this is based on projections that come from the business planning that we've had the factories do. These are their estimates in terms of sales that they think they can make. Of course, I would also add that we've been pleasantly surprised with our Rare in Nature campaign, which is about branding, and marketing, and working with these factories to sell their product downstream. It is going very well and so it's possible that we will, in fact, exceed this, but we will only know, I guess, as we go forward. We're fairly confident that this is very achievable. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Yakeleya.

**MR. YAKELEYA:** Mr. Chairman, I look forward to some further discussions as we get into this. So I'm going to leave it at that. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Information item, revenue summary. Questions? Mr. Braden.

**MR. BRADEN:** Thank you, Mr. Chairman. In this same area of trademark royalties, I wanted to ask where, or in previous years, where these royalties had been directed to? They're showing up now, or they will start to show up as of April 1<sup>st</sup> in this department's revenue stream. Where did they go before and why is this department assuming this revenue in the coming year, Mr. Chair?

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Braden. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, formerly, with Sirius, we had an agreement they were allowed to use our trademark polar bear. We had control over how that was used, but we weren't charging them for use of that. When we did the restructured agreement, we recognized that there was value in this asset and this was the deal we were able to arrive at with the two new ownership groups. So we weren't collecting royalties, is the short answer, in past, but we will be in future. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Braden.

**MR. BRADEN:** Thank you, Mr. Chairman. On another revenue stream here, I see something that is dropping off the page, is campground user fees. It's not a big deal here, \$10,000. Oh, I'm sorry. Yes, okay, we'll continue.

We showed \$10,000 revenue coming into this department last year, but it's off the page this year. Can we look forward to free campground access, Mr. Chair?

**AN HON. MEMBER:** Good question.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Braden. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, I understand in the past we were collecting this revenue and then giving it back to the campground operators, the contractors who were running the campgrounds for us. In fact, this is not about free campground space. I guess the money will be retained by the contractors. So it was an in and out and now the money is just kept by the contractors at the parks. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Braden.

**MR. BRADEN:** Okay. Who sets the fees, Mr. Chair?

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Braden. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, the territorial government sets those fees.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Braden.

**MR. BRADEN:** I guess I'll just have to go and make my own campground, Mr. Chair. Thanks very much, that's all.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Braden. Information item, revenue summary. Questions? Mr. Yakeleya.

**MR. YAKELEYA:** Mr. Chair, I guess the status report on the outfitters' licence, we see \$18,000 for the last three years. Is this continued just because it's a set price, grandfathered figure for these outfitters that we're not going to see any type of increases in the licence fee, or is it just that we have a low rate or something's already set in place that automatically they pay their licence and that's all that they bring in, a few bucks into the Northwest Territories? Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, the rates for outfitting licences haven't changed recently over the last few years, but, as Mr. Ramsay pointed out, we are reviewing that legislation and that would be the next point that we would be sitting down to discuss as we come forward. We'll come forward in the House and then committee will take the bill out, and I think that would be the next time we would be talking about potentially any change in rates.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chair. Would I make the presumption, also, that tourism establishing a licence, would that fall also in the same category as the outfitters' licence? Thank you, Mr. Chair.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Bell.

**HON. BRENDAN BELL:** Our goal through the proposed legislative changes is to harmonize this process and bring these licences together and hopefully have one licence, and I think what the attempt here is to streamline this process. So that's, I think, a good discussion that we'll be having with your committee and we'd be interested to hear your thoughts. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Information item, revenue summary, 11-10.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Turn over to page 11-13, activity summary, corporate management, operations expenditure summary, \$6.525 million. Any questions? Mr. Ramsay.

**Committee Motion 23-15(4): Recommendation To Review Transferring The Contract Registry To FMBS, Carried**

**MR. RAMSAY:** Thank you, Mr. Chairman. I move that this committee recommends that Industry, Tourism and Investment work with the Financial Management Board Secretariat to review the possibility of transferring the contract registry to the Financial Management Board Secretariat and report back to the committee on the positive and negative aspects of such a move within a definitive period of time.

**CHAIRMAN (Mr. Pokiak):** Thank you. There's a motion on the floor. The motion is being distributed.

Thank you. Motion on the floor. To the motion.

**AN HON. MEMBER:** Question.

**CHAIRMAN (Mr. Pokiak):** Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

---Applause

Activity summary, corporate management, operations expenditure summary, \$6.525 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chairman. I'm just wondering on that, I know in the corporate management policy legislation in communities, a portion of the budget is spent on negotiations involving devolution of land and resources from the federal government, and I know that we have other areas of the government whose sole responsibility remains devolution and resource revenue sharing. What percentage or what portion of this \$6.5 million does the Department of ITI spend in that area? Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, currently we have one position that spends a portion of its time

analyzing resource development impacts related to resource development and devolution. We think that approximately \$50,000 would be spent on this item. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chairman. On the corporate shared services, I'm just wondering, from a human resource standpoint, how many staff does ITI have versus ENR staff that are located within this corporate shared services? Like, of your 78 employees, 44 of them are located here in Yellowknife, which would be where the shared services are. I'm just wondering how many of those 44 are in the shared services. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Bell.

**HON. BRENDAN BELL:** Thank you, Mr. Chairman. I understand there are 30 positions in the shared services finance area and they are all located in ITI, but, of course, they provide service to both ENR and ITI.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chairman. So ENR wouldn't have any expense with these 30 employees and they provide services to both departments?

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, the funding is split between ITI and ENR for the provision of these services.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chairman. But for the budgeting process, the positions themselves are all located within ITI, none are located in ENR? Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, they are all located in ITI. When you see that budget of \$3.2 million, that's ITI's share.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Ramsay.

**MR. RAMSAY:** That's good. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you. Page 11-13, activity summary, corporate management, operations expenditure summary, \$6.525 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Can we turn to page 11-16, information item, corporate management. I'm sorry; turn to page 11-15, activity summary, corporate management, grants and contributions.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 11-16, information item, corporate management, active positions, 11-17, 47.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 11-19, activity summary, energy, mines and petroleum resources, operations expenditure summary, \$8.743 million. Questions? Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chair. I'd like to ask the Minister in terms of the status of the energy policy.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, we are working with the Department of Environment and Natural Resources to come forward very shortly with a White Paper that's going to discuss energy policy issues. That will engage the public more broadly in this discussion of these issues, but we do have an energy policy unit. At this point, I believe we've hired one person. It's going to be a three-person office. I would also note that we have this energy coordinating committee of deputy ministers that meets to discuss energy issues that cross the various different departments of this government. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Yakeleya.

**MR. YAKELEYA:** Mr. Chair, in terms of when they say soon, I want to know some time frames or dates on here in terms of having the White Paper come out for some discussions here. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, we'll be coming forward with this paper before the end of the fiscal year. So, yes, this year. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you and thanks, Minister. I look forward to the type of discussions we're going to have. So I'll just leave it at that. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Braden.

**MR. BRADEN:** Thanks, Mr. Chairman. The Minister has outlined some of the initiatives under his direction with regard to energy. I was wondering is this department one of the core members of the Arctic Energy Alliance, Mr. Chairman?

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Braden. Mr. Bell.

**HON. BRENDAN BELL:** No, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Braden.

**MR. BRADEN:** Why not, Mr. Chairman?

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Braden. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, RWED formerly was a member and when we split the departments, we had to make a decision about where that membership would reside, and it was determined that it was best left with Environment and Natural Resources in terms of their conservation agenda. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Braden.

**MR. BRADEN:** Mr. Chairman, it seems that with the extensive energy management initiatives that this department has undertaken, it would be quite noticeable in its absence if it wasn't at the table with the other stakeholders in the Arctic Energy Alliance. I would really like to ask the Minister to reconsider why they are not part of this table and look at joining up and being part of the team. It just doesn't track good, because one department is now two that there isn't a mandate and a role to play there, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Braden. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, currently underway is a government review of the Arctic Energy Alliance. We're looking at the membership, not only government departments, but more broadly. We're looking at the private sector interests and stakeholders that are involved, or should be involved. I know the Members are aware that the Public Utilities Board is a member. We're talking about also the NWT Association of Municipalities. So there are a number of partners and stakeholders, and we're conducting this review and will be coming forward with more shortly.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Braden.

**MR. BRADEN:** That's all for now, Mr. Chair. Thanks.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Braden. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chair. On the minerals, oil and gas, I would like to ask the Minister some questions about the diamond industry. Lately, we have had some issues with regards to understandings about an agreement between the diamond producer and diamond cutting and polishing business. I appreciate the fact that these are goings on between two private companies. I am sensitive to the confidentiality and all the issues related to that, but I do believe, in this regard, there is a role for the government to play in terms of clarifying some misunderstandings, or misinterpretations, of agreements and also to resolve outstanding issues. Larger than that, because I have been listening to other issues such as some misinterpretation about clauses impact benefit agreements with that. I would like to know whether there is any formal mechanism in place that this government has to process, or procedure for these parties to work out their differences. Has the Minister considered doing that? All of these are works in progress. None of the agreements can be perfect. There should always be room for bringing together different parties to discuss what their misunderstanding or misinterpretations might be and work them out. Has the Minister given thought to that, or would he be prepared to give a thought to organizing some kind of more established process? Thank you, Mr. Chair.

**CHAIRMAN (Mr. Pokiak):** Thank you, Ms. Lee. Mr. Bell.

**HON. BRENDAN BELL:** I thank the Member for the question, because I think there has been some confusion in the back and forth in the House and how the media has interpreted what has gone on. I would like to say, for the most part, that I think there is a very strong and good relationship between the mines and the cutting and polishing industry here. I think they have been supportive. I think 99 percent of their business dealings have been very amicable and very successful.

There is this one concern with two of the factories who have similar ownership, but one concern with BHP Billiton. It really relates to the pricing and their perception that they are being charged a price higher than customers would receive in Antwerp. The question was asked in the House about socio-economic agreements. During those socio-economic negotiations and discussions, a side discussion at the same time was related to the provision of rough for factories. At that time, not actually in the socio-economic document per se, but at the same time, we had an exchange of public commitments, an exchange of letters. We are talking about 1998, 1999, between our government and BHP. In those public pronouncements and letters, there is the commitment to provide rough to our local cutting and polishing industry. In exchange for that, the government of the day also agreed that they wouldn't impose additional specifically targeted taxes or burdens on the company as long as it lived up to its obligation. So there is some history here. We agreed that we wouldn't layer on additional commitments. I would say that if there is mutual recognition that something is not working for both parties, there would be an opportunity for both the government and the mine to come forward and decide that it wanted to reopen a part of that agreement, but it would take an agreement on both parts. Thank you, Mr. Chair.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Ms. Lee.

**MS. LEE:** Thank you. I guess I was looking for some sort of formal mechanism because I was trying to sort of look to the solution for future events like this than concentrating solely on what is going on now, but since the Minister has mentioned this, I understand the issues are not just pricing but also assortment of diamonds and selection of them. I think that is the second issue. In that regard, I would be satisfied with just hearing from the Minister as to where we are with this process because I am not so comfortable talking about the details about two companies in question unless, of course, it was brought to this House in a budget. Anyhow, I would like to know if the Minister could update us on where we are with that specific issue.

Another thing about this issue is that I was so surprised to learn that there is nothing in writing about the agreement that the cutting and polishing plants had with a diamond producer. It just floors me that this government worked really actively to set up a secondary diamond industry here. A lot of money went into it. There were lots of guarantees done up, and yet there was no written, formal agreement between a diamond producer and the government, or between a diamond producer and the cutting and polishing plants, as to exactly what the understandings are about the supplies, and assortments, and pricing. Maybe there is one. Maybe it is the question about details, but from my understanding, there is really not anything in writing. I think that should serve as a notice to make sure that does not happen in future with

any other industries or companies that this government gets involved in, whether it is bringing two parties together from outside or not.

The Alaskan housing project went on without a written agreement. In my previous life as a lawyer, I just cannot believe that a government-to-government relationship could happen without things in writing. You would have to really try hard not to have anything in writing. That is one more thing.

I have a question about the breakdown of this new marketing idea Rare in Nature. I have to tell you that, last summer, I was on one of my road trips in a big southern city. I was in a mall. I ran into this humungous poster that says diamonds from Northwest Territories, cut and polished. It was so amazing to see that. I asked a sales clerk if I could take a picture of that poster. I wanted to rip the poster and take it home, but she looked at me funny. I had to get special permission to take the photo of it, but I was so excited about that. I think it is great that there are so many stores, and it is not just a store, but they are very popular and frequented diamond stores, I think Mappins and People's. They are branding and selling diamonds mined, cut and polished in the Northwest Territories. I appreciate that this is a joint venture between the mining industry, the government and the secondary diamond industry, I believe. That is something that is really good, but I would like to know the breakdown of this idea in terms of contribution, because I understand the private industry is putting a lot of money into that. I don't know that for sure, so I would like to know what percentage of that, like what is the total budget for that and how much money are we bringing to that, or what is the percentage that we are getting involved in? I would also like to know if this campaign has resulted in any stars coming up. I would like to know when Brad Pitt is coming to the Northwest Territories. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Ms. Lee. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chair, I will certainly call Brad this afternoon when I leave here and ask him if he is planning on making a trip. There are a couple of questions there, Mr. Chair. First, on agreements that we have with the mine, socio-economic agreements and the evolution of those agreements. One of the things that we would acknowledge is that, as we move forward with this, we are getting better at it. I think the agreements are getting tighter and more contractual as we continue on. I should clear up some of the confusion. If I have given the impression that there is nothing in writing between the mines and the factories, that is not at all the case. There are agreements between the mines and the factories. We know, generally, that they speak to the kind of assortment or allotment that the factory will receive. There is a sample that is set out that the mine tries to provide as close an allocation to that sample as possible. There is also an agreement on pricing, but those are confidential. We know generally what is in them, but we are not privy to those agreements.

Separate and apart from that, we have the commitments and the agreements, the exchange of letters or MOUs, between the GNWT and the mine. So as I have indicated, as it relates to BHP, we did the socio-economic agreement, and separate and apart from that was this public pronouncement and exchange of letters between the two parties, GNWT and BHP, that speaks to the provision of rough.

We move next to the Diavik agreement. We have something more formal there. We have a memorandum of understanding between the GNWT and Diavik and then we have, as well, an exchange of letters.

Keep going and we are now talking about De Beers and their next two mines. We have done the socio-economic agreement with De Beers as it pertains to Snap Lake and that mine. That agreement and parts of that agreement that speak to commitments that were made by De Beers through the regulatory review process are confidential, but the agreement does enshrine those commitments. I can say that in terms of what they committed to through the regulatory process. We think they are getting better. They are getting more contractual in nature, but that really is a separate issue, separate and apart from the agreements that the factories have with the mines themselves.

The Rare in Nature campaign, and this is really where we are focussing our marketing efforts, and this really is the shift in our approach and focus from trying to do marketing in house, trying to create events and develop promotional materials in house with our own staff, and recognizing that we needed people to do this more professionally for a living throughout a cross-section of industries and have more experience in this area. We decided the better approach would be to contract a public relations firm. It wasn't solely at the choice of this government as to who that firm would be. We invited the factories to sit on a group and make a determination around which public relations firm they wanted to use. The firm that they decided they wanted to use is the firm we are using. This campaign has put together a number of partnerships, sponsored a number of events for us. I think of the Jewellery World Expo in Toronto in October, L'Oreal Fashion Week in Toronto, the Rare in Nature campaign, involved in that, Los Angeles launch with the Canadian Tourism Commission in November. I think members are aware of the Diana Krall Christmas album, Diamond Sweepstake, over the Christmas period, the sponsorship of the free skating rink, Bryant Park in New York City, and then the Golden Globe Awards. So in a short few months, we have had a number of, we think, very high-profile partnerships. We are very hopeful that this will translate into improved sales for our diamonds and help promote the local brands.

As far as how that money gets there and what the budget is, I think Members know that there are certificates that come with these diamonds and the factories pay a certain charge for a certificate. It is \$15. Nine dollars goes toward maintaining the database and we have a private outfit doing that for us. The folks who provide the gem print also maintain the database. Six dollars is put back into a special purpose fund for marketing. Our projections this fiscal year are that will be in the neighbourhood of \$200,000 available for promotional and marketing activities through this special purpose fund. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. 11-9, activity summary, energy mines and petroleum resources, operations expenditure summary, \$8.743 million. Are there any questions? Mr. McLeod.

**MR. MCLEOD:** Thank you, Mr. Chair. Before I spoke to the sub-office that was going to be in Inuvik with the two positions, as many Members know, I have spoken to this issue a number of times. I have spoken to my disagreement with Inuvik not having the bulk of the

pipeline positions. I have a few questions I would like to ask the Minister. Calling it a sub-office, I would like to know where it is a sub-office of.

In the travel budget for last year and the revised estimate with \$590,000 and the main estimates was \$490,000, that is a \$100,000 increase. Like I said before, I am hoping the department has a large travel budget because they are going to be spending a lot of time in Inuvik. I noticed this year we have a budget of \$487,000. I would be interested to know what the revised estimates will come in at next year. That would be another one of my questions.

I see a lot of positions and a lot of money going into Yellowknife and Hay River. With Inuvik being the centre of this whole oil and gas industry, the anchor fields and everything, it just seems that they got the wrong end of the stick. I see we approved a supp last year for \$610,000, \$500,000 for expertise to participate in National Energy Board hearings. I would think that we would have some of this expertise in house. I see another \$60,000 for Mackenzie Valley pipeline office communication costs; \$60,000. I am assuming that is to make phone calls and faxes and that back and forth with Inuvik. I really have a strong disagreement with how the government decides where they are going to put the offices. We should put a diamond office in Tsiigehtchic. It may not make sense to have a sub-office in Yellowknife, but a lot of the decisions that I have been seeing don't make very much sense to me. There were a couple of questions there.

Again, I have to go on the record and say how unhappy I am. I know a lot of the leadership in the Beaufort-Delta is also quite unhappy that, being in the heart of the oil and gas industry in the Beaufort-Delta, we have, right now, one position and we are going to get two, but we are just going to be a sub-office. I would like the Minister to explain some of the rationale behind all of this and hopefully assure me that somewhere in the future we can get more positions. There are quite a few positions here in Yellowknife. I think we should be able to transfer some of these positions and not just keep creating, creating and creating. We create too many positions. I see we lost seven positions because of the human resource amalgamation, but it didn't change the overall active positions at all. I think it even shows an increase of seven, if I am not mistaken. There are a few questions there and some comments for Minister Bell. Thank you, Mr. Chair.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. McLeod. Mr. Bell.

**HON. BRENDAN BELL:** Thank you, Mr. Chair. I thank the Member for that input and I am well aware of the region's concerns over the past while. Obviously, we had a difficult choice to make in setting up the Mackenzie Valley pipeline office which is specific to the project, lots of interest in Norman Wells and Fort Simpson, we did make a decision for a number of reasons based on to have that located in Hay River. I know we have been through that. I know the Member disagrees with that, but I would say that there is oil and gas activity all across the NWT likely to be as we move forward up and down the valley. We recognize that the Inuvik area is going to be heavily impacted and really is the epicentre of this pipeline project with the anchor fields.

The hundred TCF ultimate potential in Canada's North I think is spread across the North. But the Member is right;

we have recognized that there is going to be a need. We need positions in the Inuvik area. These are not regional positions. I want to really emphasize that. These are territorial positions despite the fact that they are located in Inuvik. They will have the responsibility to deal with the central Mackenzie area. They will be in the Sahtu. They will be in the Deh Cho. They are going to have to work in those regions. This is not a specific regional Inuvik only sub-office. It is a sub-office of the mineral oil and gas division that we have.

Across the North, we have about 17 positions that are spread throughout the NWT that deal with oil and gas. I know this is a question that the Member has had. We have the positions in Hay River related to the MVPO. We also have regional petroleum advisors in Inuvik, Norman Wells, Fort Simpson and Hay River. We have the new additional positions we are creating in Inuvik. We have several positions in Yellowknife, as well. We have an oil and gas economist. We have a petroleum geologist. We have a pipeline regulator specialist who is working on our NEB filing and helping us with those submissions. So there are some specialized positions mostly related to the project. As we move forward with more general oil and gas positions for the territory, you are going to see them located in other areas outside of Yellowknife. Thank you, Mr. Chair.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. McLeod. Thank you, Mr. McLeod. Next I have Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chair. I have two questions for the Minister. One is on industry initiatives. Just on the opening comments I had to the Minister in terms of legislation for some type of socio-economic agreement that would give them more strength and protection for these agreements that are put in place, I will ask the Minister if he has had some discussions as to these agreements. Does he see any form of legislation, or does he feel they are strong enough to hold their weight of water in terms of ensuring that these socio-economic agreements would be honoured and filled by the parties that are signatures to them? Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Bell.

**HON. BRENDAN BELL:** Thank you, Mr. Chair. We have kicked off some work on a socio-economic policy framework. We have to better understand, as a government, just even, for starters, when we try to negotiate a socio-economic agreement and when we don't. You can think of oil and gas activity around the North or other industrial activity, and there isn't any sort of policy framework that guides us into the negotiation of these agreements. We have relied on the regulatory process and recommendations made through the regulatory review that we negotiate a socio-economic agreement. In terms of the strength, I think that the strength that these agreements have really flows from that regulatory process and the permits that are issued on the basis of the company's commitments that they make in that process. We think there are sufficient teeth in the regulatory process, but we want to talk about this policy framework, how we are guided, when we enter into these agreements and what these agreements should look like.

The Member, in his opening comments, talked about monitoring. That is something that we think is very



important. That is something that we have been looking to put into agreements. There is monitoring agreed upon in the Diavik SEA. There is in the De Beers SEA. We are looking for that with the Mackenzie Producers Group socio-economic agreement. As we move forward, monitoring is important. We are trying to strengthen these agreements and make them more and more contractual. You can see the difference between the BHP agreement, the De Beers agreement, and the Imperial agreement in terms of how much more contractual we are attempting to get. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chair. I look forward to this policy framework as the Minister has indicated. There are certainly different levels of discussion we could have at that time. I am glad that the territorial government is putting together a process where these socio-economic agreements would have some strength in terms of ensuring that these agreements are strong so that the people could abide by them and have some benefits come to our Northwest Territories communities.

The other issue is one I heard on CBC this morning in regards to communities going to be impacted by the Mackenzie gas project in terms of the resources of natural gas. I know he has something here in terms of energy planning. Is there any type of recommendation that will be coming by his department in regards to some direction, guidance and leadership in terms of looking at the natural gas and oil? They said there was going to be some huge cost in terms of converting communities and homes into using natural gas. In the North, there was some talk about hydro development in my region. However, there are other communities that, if hydro doesn't fall through in our region, there is always the option of using natural gas. Is there any type of discussion paper coming forward from his department in terms of the use of natural gas, and any type of support he may be giving to communities in terms of supporting this option? Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Bell.

**HON. BRENDAN BELL:** Thank you, Mr. Chair. I have just a little bit of a review. I know the Members are aware of this, but I want to sort of lay the context as quickly as I could. Obviously, agreements between the people of the North and producers take several forms, but impact management agreements are negotiated, Members know, between the land claimant organizations and the producers group. Our government is in negotiation on the socio-economic agreement, an umbrella agreement, that we are negotiating with the producers that talks about things like employment benefits, training benefits and business opportunities. One of the things we are discussing is one the options that we are going to try to make a determination as to whether or not it is feasible, is this work around gasification of communities. It is possible that communities could have access to gas flowing down the pipeline. It could be used to generate electricity. It could be used for light manufacturing. It could be used for a number of things. We don't know, but I guess we are studying, at this point, the feasibility of that.

Separate and apart from that is the study of hydro legacy benefits that would provide hydropower to both communities and to the project. So that is a separate

initiative outside of the SEA. Members are also aware of the socio-economic impact fund that the federal government recently announced, the so-called \$500 million fund. That is another piece. In addition to those negotiations, discussions and our efforts, Members know of the Resource Pre-Development Program, monies that were rolled out to communities. MACA also had some funding that they had distributed to municipalities to help municipalities be able to be at the table and have discussions with the Producers Group.

The other thing that I would stress in terms of how communities are getting ready and going to cope, our discussions on gasification, for instance, because it will impact and involve communities, we have invited the NWT Association of Municipalities to be involved in that work if they would like to be. I think we are doing a number of things, Mr. Chair. The socio-economic agreements are a big part of that. Gasification is one initiative and one option underneath that SEA. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you. Next I have Ms. Lee.

**MS. LEE:** Thank you, Mr. Chair. My question is on the Mackenzie Valley pipeline, not particularly to the office but the general issue I was talking about in the general comments. I don't think we are overstating to say that this Legislature is very pro-pipeline development. We support the pipeline development. This Legislature passed a motion to say so. I am proud to be part of that team. I do believe, though, there have been lots of statements made about the fact that we want to maximize the benefits that come with this pipeline development. We want to mitigate the socio-economic impacts and, wherever possible, I am sure we want to minimize risks, also.

I don't know if this program area is the one that is in charge of looking at the overall economic picture of what the benefits might be and how we could best go about as the government to set ourselves up in place and set our people and industries in place to make sure that we do, what we need to do to maximize any benefits that come out of that. As I have mentioned already, we have before us a proposal that the government has put forward in the name of a housing project, and it is one that is definitely worth consideration, and we need to look at it and make sure that we do the analysis and make sure that it works. Anything that we could benefit out of this mega project is one that we should be looking into. So I'd like to know from the Minister what part of his department, or his staff, or what sort of work does this section or department do? What does the department do to look at the overall benefits and how do we determine that? What kind of work does it do? Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Ms. Lee. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, there are a number of things underway and maybe I'll just, by way of illustration, provide a little bit of background. I think Members know about and are very active in the Joint AOC/Cabinet Pipeline Committee and I want to thank the Members of that committee for their guidance and direction. But that committee oversees something called

the Deputy Ministers Pipeline Steering Committee. That DM steering committee is resourced by the MVPO and their staff. But that steering committee does a lot of work on subcommittees with the various departments who are handling the various aspects of this project. So for instance, ENR, as Members know, is heading up our joint review process submissions. ECE is really the lead on some of the pipeline operators' training. Transportation is working on some infrastructure. Housing, for its part, is working on some legacy benefit work related to convertible camp housing, as the Member has pointed out. There is a joint communications strategy across government that is controlled by this deputy Pipeline Steering Committee and they advise the Joint AOC/Cabinet Committee on those issues. So the resourcing of this work is done largely by the MVPO and we do draw on departmental resources, not only ours but other departments in various ways. But I would say that we are involved in all of these aspects, whether it's hydro and the discussion of the analysis of the possibilities there or housing, having our people work with the housing people to understand what the possibilities are for legacy benefits, as the Member has pointed out. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Ms. Lee.

**MS. LEE:** Thank you. I guess it logically follows that if you ask a general question, you're going to get a general answer. So let me just get a specific question to a specific project. With regards to the new housing concept from ABCD Company, I'd like to know, we have put attached a specific dollar to that. It is a mega economic project. I mean, people who support it, support it because it's to bring not only a social housing benefit, but it's going to bring private housing because a lot of them will be sold to private markets. It's a massive investment by the government and private sector and the producer. There are lots of partnerships involved in there. It is like, I think, in my view, the single most economic investment project that we're going to see in a long time, other than the billions of dollars that the Imperial or whoever the producer company is will be investing to this economy. So I would like to know what specific role has this department played in looking at the economic impact of this project and looking at how to maximize the benefit from it. Has there been any economic cost and benefit analysis done on that? Has there been an analysis done on whether there will be any market interruption questions and how to maximize economic opportunities coming out of this? Has the Minister's department done any work to look at that? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Ms. Lee. Mr. Bell.

**HON. BRENDAN BELL:** Thank you, Mr. Chairman. As I've indicated, we are playing this coordinating role and we are involved in these discussions and involved in the high-level principles that drive us. We know that we want legacy benefits from this project. We believe that convertible camp housing is one of the ways that we can see a legacy. But I guess on a day-to-day basis, we're not intimately involved in the details of any of the specific initiatives. So the housing project is not something that we're doing a business case test on in our own department. We're not talking about analysing the potential market disruption of those issues no more than we are analysing ECE's work on pipeline operators' training, liaising with industry to understand if this will meet their needs. That is left up to ECE, the same way the

housing questions are left up to Housing and to Finance, who are also involved in that initiative. But we are and will continue to play this coordinating role. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. I believe that the more eyes and ears and calculators that go into any mega project like that the better. I mean, if the project has to stand on its own business case and the bankers and accountants and everybody should be looking into that because that's how you come up with, you know, a project this size and this magnitude and this implication should be going through a number of phases of scrutiny and I would encourage the Minister's department to look to that. If he doesn't want to get involved in the business of other departments, I would suggest that, at least with regard to the impact of eliminating BIP, which the Minister is considering at the moment, and I have asked questions to him in the House previously where it's been said that there'll be up to \$200 million being invested in the North, presumably a lot of those monies will go to northern businesses and northern contractors, whether it be plumbing, electrical, or barging, I don't know, trucking materials, painting, or anything; carpeting, and setting up the lots wherever the private industries could get into. I'd like to know if the Minister could commit to looking at when he, as a part of his package in reviewing the BIP policy, would he commit in this House to look at the impact of elimination of BIP on potential business opportunities that will come out of this project? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Ms. Lee. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, thank you for the question. We can certainly do some analysis and work with the Housing Corporation to understand what their projections are of the needs to convert the housing as the details become more available. They've indicated that they're working with ECE on a training plan. It's important for us to understand and recognize how much ability there would be to be able to capture and make sure local labour is used. I think there are a number of issues and questions still to be answered that I know those departments are working on.

In terms of the business case analysis, that really is being overseen by the chair of FMB. There are resources there to ensure that the business case is sound. That is why the chair of FMB is involved. So there's an oversight mechanism there, the Financial Management Board is involved in the discussion of that project.

As the Member has indicated, it's very big and has huge potential, and I think that's why it's been brought up to that level where there is FMB involvement. So the entire FMB is involved in that discussion.

But in terms of BIP, as we do our analysis and have our consultation, we can certainly have some discussion around this project and others that may be coming down the pipe, so to speak. Of course, we have to make some assumptions. We have to assume that the work that would be necessary to convert camp housing would be tendered out or would be arrived at through a competitive process, i.e., no negotiated or sole-sourcing, because if it's negotiated or sole-sourcing, as Members know, then that really is irrelevant. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Next I have Mr. Braden.

**MR. BRADEN:** Mr. Chairman, I'd like to see if we could get some more detail out on the floor here today about the department's plans going forward for our Diamond Strategy. One of the things that we learned recently was that we are no longer participating in the National Diamond Strategy, but that other priorities seem to have come into play there. Other priorities, the departure of some staff, and I think departmental or administrative efficiencies were listed in an explanation to the Governance and Economic Development committee as reasons why we were changing our game plan.

Mr. Chairman, I'm wondering, at least for starters here, could the Minister advise, from a financial point of view, just how much in dollar terms are we committing to our overall support for the diamond industry and for building and enhancing it, Mr. Chairman?

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Braden. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, in this area we are proposing an '06-07 budget, as Members can see in front of them, a total of \$739,000, and that compares to about \$1 million in '05, just over \$1 million in '05-06. But I would note that we think this will be further enhanced, the 739, with the addition of the certification funds of almost, we project, \$200,000 going into marketing. So as Members know, and the Member indicated, there were a number of factors here, including efficiencies in the department, the decision that we had taken to focus more on local support and less on the National Diamond Strategy. I would point out that one of those positions was very heavily involved in our national efforts around the National Diamond Strategy and intergovernmental work related to that. Once we lost the need for that work, we felt we didn't need to re-staff that position. Of course, in addition to that, there were the two staff departures. So the answer is just over \$700,000 as compared to just over a million prior, and those functions have been distributed in the various different areas of ITI. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Braden.

**MR. BRADEN:** Mr. Chairman, by pulling out of the National Diamond Strategy, yes, okay, so we have saved ourselves some human resources here and obviously redirected it, but what are we leaving behind? What are we leaving on the table? What are we sacrificing by discontinuing, by stopping our involvement in this strategy, Mr. Chairman, which my recollection is we were instrumental in starting it up knowing that other jurisdictions in Canada were likely to have diamond mines? Indeed, Ontario is on stream now. Alberta may be the next one. So what have we left behind because we are no longer part of this national process, Mr. Chairman?

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Braden. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, we made the decision to not be actively involved in the NDS after consultation with factories, talking with them about their priorities and where they wanted to see our budget and our limited resources focused. But I would say in addition to that, we have been, for some time, very unhappy with

the lack of progress on the NDS. It had been going on for some time without any real federal engagement, we felt. Obviously, only several of the provinces are really that interested and have the potential for diamond mines, and even these don't have mines yet. So it was hard to get them engaged.

Coupled with that was part of the industry withdrawal from the strategy and their announcement to us that they would no longer be involved in the strategy unless we were willing to give up our official marks. The concerns that the Members, such as Member Braden, expressed with me about the possibility of giving up the official marks and the concern that the local factories had lead me to consult with the factories and make the determination that they would rather see us spend our efforts and focus our time and resources helping them market their brands. At some point in the future when those were up and running and, I guess, fairly stable, they felt that was a better time to be talking about national efforts. So there were several factors contributing to the decision to leave the NDS. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Braden.

**MR. BRADEN:** So then there was, yes, as the Minister said, several influences. It seems, from this explanation, that there are a couple of them that were outside of our strategic interest or outside our strategy. Maybe the Minister can tell me who it was, what part of the industry it was that said they were going to withdraw unless we gave up our diamond marks. Mr. Chairman, what was going on here? Was somebody kind of blackmailing us, or threatening us? Did the Minister have to do this? I guess what concerns me here is that we're allowing ourselves to be dictated to, Mr. Chairman, by other sectors of the industry, naturally, and given that some of them are here...I have a number of constituents who work for the cutting and polishing industry and I hold their concerns at the very top of my agenda. But some of these explanations here just seem to indicate that we're letting other people dictate our strategy or negotiate our strategy with us, rather than this government setting the terms that it thinks is good for them.

So this is the sense that I have of why we ended up kind of blowing up our diamond unit and giving up on some of these broader, longer-term, more visionary strategies, even though they may not have been giving us a quicker return or going in quite the right direction. Why were we so quick to walk away from some of this stuff, Mr. Chairman?

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Braden. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, I would certainly counter that we're not letting outside factors or outside influences determine and define our strategy and our needs. We're allowing our northern industry to be involved in defining and determining our strategy. I'm going to be very clear, industry, some of industry, in terms of their National Diamond Strategy participation, had backed away from the table. But that was not the reason for our participation or lack of participation in National Diamond Strategy. That was not the determining factor. Canadian Jewellers Association, Jewellers Vigilance Canada had indicated to us that they were no longer participating unless we gave up some trademarks. We weren't prepared to do that initially. The federal government was

quite clear with us that without those players at the table, this wouldn't be a relevant and compelling strategy and that they weren't going to participate in this without those players at the table. We had a decision to make at that point. We looked for a way forward. It was my impression that maybe we didn't need these official marks anyway and could still move ahead with this National Diamond Strategy. That was not at all the reaction that we got from the factories. The factories said never mind the National Diamond Strategy, keep those official marks, bolster our efforts, support our efforts. So it was really the northern industry and our factories that were the determining factor behind our desire to refocus and redouble our efforts locally on marketing and worry about national efforts at some point in the future. They're not going away. This is not a one-time-only opportunity. We think we can come back to that. But there are stages and steps here and we recognize that our first priority and our first focus had to be here at home. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Mr. Braden.

**MR. BRADEN:** Mr. Chairman, one of the aspects of our involvement in the secondary diamond industry has been our success with training, with setting standards, and, in fact, as I understand, we should be justifiably proud because we played an international, we set some international bars in this area. So I wanted to ask the Minister if he would be able to advise, is our commitment to training in the secondary cutting and polishing industry at all changing, given that so much has happened in other areas of our support for this industry? Mr. Chairman, are we going to be keeping to our focus on education?

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Braden. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, we are committed to maintaining our focus and our efforts on training of cutting and polishing people who will work in that occupation. That's not to say that our efforts won't change and won't evolve. I recently met with one of the factories who talked to us about the effectiveness of the training and the readiness of people coming out of some of the programs and areas that we might be able to enhance that and work with them to focus on certain things. So I think this will continue to change and evolve, to better meet the needs of our industry. But I will restate my commitment that we're not going to do this in isolation from the local cutting and polishing factories. They're the ones who will be needing these employees. We have to understand and work on the basis of their needs to meet their needs.

A bit of statistical information: we've got approximately somewhere in the neighbourhood of 135 employees in the factories in the NWT. About 60 plus of those are northerners, and probably, I think, that's quite good. We can improve on that, but we've always known that there would be the requirement for imported labour for some time as we got this industry up and running. But I think this is moving ahead very successfully and will continue to improve. But we do have to understand industry's needs and we will continue to work with them. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Bell. Page 11-19, activity summary, energy, mines and petroleum resources.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Operations expenditure summary, \$8.743 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** At this time I'd like to take a short break. Thank you.

**SOME HON. MEMBERS:** Agreed.

---SHORT RECESS

**CHAIRMAN (Mr. Ramsay):** Thank you. I would like to call Committee of the Whole back to order. Committee, we are on page 11-19, activity summary, energy, mines and petroleum resources, operations expenditure summary, \$8.743 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Page 11-21, energy, mines and petroleum resources, grants and contributions, contributions, continued on 11-22, grants and contributions, total grants and contributions, \$2.255 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Braden.

**MR. BRADEN:** Mr. Chairman, thank you. On page 11-22 there is a little bit of information about the department's involvement in the Taltson River hydroelectric program saying contributions to the NWT Energy Corporation to complete the feasibility studies on the environmental baseline work on the proposed Taltson River hydro expansion project at \$1.045 million. Mr. Chairman, I am an unabashed fan of hydroelectric development for the Northwest Territories. The Taltson project has so many things going for it. This is one of the projects that I know is high on our government's list of potential projects and I certainly hope remains there.

The allocation we are looking at here, just over a million dollars, would be in addition to the \$730,000 that this department put into the project last year. So we are starting to tally up a fair amount of investment here, Mr. Chairman. What I wanted to ask about now, if the Minister could give us a bit of a snapshot, is what have we achieved, what have we found out so far towards the viability of Taltson? What are the thresholds or key decision points that we still need to have in our hand before we really start making a major commitment on this, Mr. Chairman?

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Braden. Minister Bell.

**MR. BRADEN:** Thank you, Mr. Chairman. I think, as Members know, in '05-06, there was an approved contribution of \$730,000 that went towards a feasibility study and also some environmental baseline work necessary, so there could be a filing of a permit application for construction of the Taltson hydro expansion project. This next year, we are proposing just over a million that will be continued work on feasibility study, environmental baseline work, getting us ready to file the permit applications. As the Premier is the lead on this file, I am going to refer to the Premier and have him comment

a little more on next steps and milestones as per your question, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Mr. Handley.

**HON. JOE HANDLEY:** Thank you, Mr. Chairman. The government has a team who are doing a number of things; one is doing the pre-engineering and pre-environmental work aimed toward having a project description package put together late this spring. If things look well, it could go forward from there for assessment. At the same time, we also have people who are negotiating with the diamond mining companies about the purchase of the power. Now that isn't firmed up yet, but I can tell you, given the price of fuel and the difficulty in transportation, there is serious interest from the diamond mining side.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Handley. Anything further, Mr. Braden?

**MR. BRADEN:** Mr. Chairman, thank you. The project description, the environmental and regulatory stuff, is, indeed, a big piece of work, but I haven't seen anything yet that says there is anything in there that might be a deal breaker, so I have confidence there. Of course, the bottom line for this is knowing that we do have a secure customer for this project and I am wondering if there is any kind of a timeline or threshold that we are looking at there, Mr. Chairman, in terms of getting a go or no-go from the diamond mines. I know that one other potentially viable customer for Taltson power is the southern grid. The Taltson system is only about 100 kilometres from the furthest reach of the grid in northern Saskatchewan, as I understand it. So how are we doing on our search for a customer, Mr. Chairman?

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Braden. Mr. Premier.

**HON. JOE HANDLEY:** Mr. Chairman, our first preference is to serve our own needs in our territory. We are negotiating with the mining companies. We don't have a firm deal with them yet. They will need to see some fairly specific numbers and we can't provide that to them yet. As I said earlier, there is a strong interest in it with Gahcho Kue in environmental review now and the potential of four mines. We certainly have a good, strong customer base in the diamond mining areas.

The one obstacle that we are not 100 percent over yet, because of the political difficulties of Lutselk'e, is the transmission line going through the Lutselk'e traditional area. The leaders there tell us that they don't have difficulty with a power line going through their area as long as there is no development on the Lockhart River, which we hadn't planned on doing anyway. That should also be lined up more once we know more of the specifics on the project.

Mr. Chairman, the other is on the southern markets. That is always plan B. We are very aware, as is the Alberta government, that there is a growing need for clean energy. As the Minister of ENR said the other day, they are dusting off a proposal for a hydro project on the Slave River. We clearly believe that the money we are investing now is not wasted. It's going to be money that's going to be used at some point, whether it's a northern customer or southern customer. That money will be well invested now

and will be useful in the future. The environment isn't going to change, nor is the technology going to change.

So we don't have a firmed up customer yet. We expect to have one this spring. We are aiming at having a project that would go into environmental review within months. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Premier Handley. Mr. Braden.

**MR. BRADEN:** Thank you, Mr. Chairman. I appreciate the update. I agree with the Premier; this is money well invested. It will continue to hold value even if we can't bring anything to completion right away. What I do look at, though, Mr. Chairman, is how long are we going to continue to put money into these kinds of preparatory projects before we know that there will be a payback, if you will.

In another file, we have extended in the neighbourhood of \$3 million to the Deh Cho Bridge Corporation, again with the expectation and the hope that that bridge will become a reality. We don't know for sure, though. So it's the continuous feed of taxpayers' money into projects that may or may not have a quick or reasonably quick completion that I want to have a sense of. I am certainly in support of the program here and I appreciate the Premier's outline.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Braden. Minister Bell. Mr. Vician. Mr. Premier.

**HON. JOE HANDLEY:** Thank you, Mr. Chairman. I think we would be naive to think that we could pull off one of these big mega projects without having some investment up front. We know we have to do that. That's the only way we get the big projects. We have to take some risks, whether it's the bridge, whether it's this one or some other big mega project we are undertaking.

On the hydro one, I have to say that we were moving along very optimistically with the old government and the green fund, and were close to signing an agreement with fairly substantial federal investment in hydro development before the change in government. I don't know where that is at right now. It's one of the things we will have to find out over the next couple of weeks, but I would hope that there is the same appetite for clean energy with the new government as there was with the old one. We will know that shortly with the new government. Clearly, our plan is to do what we can on the pre-engineering, pre-feasibility, line up the customers, line up the supports from the aboriginal partners and move this one as quickly as we can. We aren't going to carry on for years. It will come to an end probably this year if we can't move it. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Premier Handley. We are on page 11-22, total grants and contributions, \$2.255 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Thank you, committee. Page 11-24 and 11-25, energy, mines and petroleum resources, active positions. Any questions?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Thank you. Page 11-27, activity summary, economic development, operations expenditure summary, \$22.666 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Thank you. Page 11-29, economic development, Mr. Braden.

**MR. BRADEN:** Thank you, Mr. Chairman. To a couple of programs on page 11-26, activity description under economic development and this page covers investment and economic analysis, tourism and parks and the Business Development Investment Corporation. Thank you, Mr. Chairman.

Can the Minister advise in the...

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Braden. We've already approved page 11-26 and 11-27. Does committee agree that we go back?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Thank you, committee. We are now back on page 11-27. Please proceed, Mr. Braden.

**MR. BRADEN:** Thank you, Mr. Chairman. I will have to get my running shoes on to keep up.

---Laughter

Here they are right here. I will keep them handy.

---Laughter

Thank you, Mr. Yakeleya. Thank you, Mr. Chairman. They are brand new!

---Laughter

Mr. Chairman, tourism has a very strong potential for advancement in this city here, fuelled by some very good investment by the private sector in hotel and accommodation facilities. In the convention and meeting industry, we have several hundred hotel rooms here now. Yellowknife has hosted, quite successfully, a couple of major national meetings for hundreds of delegates, but we have done so on an ad hoc basis, Mr. Chairman. Many other communities of our size and lure, I would say, have gotten an organized strategic initiative going to attract conventions and meetings.

I know that our government has been involved, along with our city, the private sector, the territorial and federal government, over a number of years in a number of different ways. I am wondering if the Minister could advise, from our point of view, what is the status of getting a standalone convention and meeting bureau up and running at least for Yellowknife, if not the Northwest Territories, Mr. Chairman?

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Braden. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chairman, obviously I agree with the Member that the \$100 million a year that the Northwest Territories is seeing out of tourism is very good. We know that we think we can improve on that with our tourism 2010 plan. We'd like to be up in the

neighbourhood of about \$45 million more by the end of that plan. One of the things that's being considered is a convention bureau. Separate and apart from the issue of convention centre and a physical bricks and mortar location is this concept of a convention bureau. I've had discussions and meetings with the group that was spearheading that, steered them in the direction of the NWTT. I saw that as the logical keeper of an initiative like this and the logical home and place. NWTT has had some discussions. I know the Member attended in Hay River the AGM where there was further discussion around the convention bureau and whether or not it would be properly housed there. There are some differing opinions, but, at any rate, that work moves forward. We've, as a department, sponsored some of that work, provided some contribution money to the group doing that analysis and putting together the business case. That was the latest update that I have. I don't believe that they've been back to us since that point, but I can certainly endeavour to provide Members with an update. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Mr. Braden.

**MR. BRADEN:** Thank you, Mr. Chairman, and thank you, Mr. Bell, for the update. So the ball is in someone else's court on that right now. I know it's been in a number of courts, so we'll look forward to hopefully moving that one along soon.

Mr. Chairman, I think also in this area is a longstanding interest of mine in the arts, Mr. Chairman. This covers a number of areas and it's in the performing arts, the musical arts, the visual arts, arts and crafts, traditional and cultural, of course, but a very wide scope, which we made an attempt to capture in an Arts Strategy that this department along with ECE share responsibility for. I see in the budget document before us, which I know does not go into great detail at all, Mr. Chairman, I don't see any mention whatsoever of how the department is approaching its role in terms of the NWT Arts Strategy and that's the question that I'd like to leave on the table now. What can we anticipate from this department and what is its mandate in the coming year in the Arts Strategy, Mr. Chairman?

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Braden. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chairman, thank you. We are an integral part of the NWT Arts Strategy and the government has provided a response to that work that was done, both my department and the Department of ECE jointly are moving forward on a number of initiatives. Our focus in our department really is around marketing and promotion of arts and fine crafts, and, really, our focus is on arts and crafts as a business, as compared to ECE, which is more, as we say, art for art's sake. But there are several initiatives that I could highlight that we've been working on.

Mrs. Groenewegen earlier talked about the challenge that we have both at the retail and wholesale level of getting access to arts and crafts in many of our communities. One of the things that we, I should say I've also identified that problem. Late last fall we launched something called our NWT arts and fine crafts database with supporting web pages. It's our hope that this fulfills, first of all, a commitment to develop an e-commerce community that we hope we can get a network database set up with the

purveyors of fine arts and crafts so that people have an idea how to go about finding these folks and procuring crafts, getting them to do work for them. So that was one of the things that came out of the NWT Arts Strategy and one of the ways that we've responded.

We're also developing something called the arts and fine crafts universal merchandising branding tag system, and that will identify authentic made-in-the-NWT arts and crafts. It's what we call a Visual Identity Program. We think that this will be very successful and are moving forward on the development of that.

Members probably have also seen the request for proposals go out to develop a marketing strategy. That closed in January and that meets a commitment that we made to develop a national, international marketing strategy, which would address the needs of NWT cultural industries. That work we think can be completed this summer, but it is well underway.

I would also point out that we talked earlier in the House about SINED and the uses for SINED money. One of the reasons we're so interested in learning more about where SINED, and getting some more access to funding, is that 80 percent of the money that would be used to develop both the marketing strategy and the branding tag that was approved from the federal government SINED program and we think there are a number of other initiatives moving forward that we can use SINED funding for. So that was one of the successful initiatives.

Also, I would point out we were involved in organizing the participation of NWT artists going to the Expo in Aichi, Japan, this year. That was another role that we played in terms of the promotion and marketing of our fine arts and crafts. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Bell. Mr. Braden.

**MR. BRADEN:** Mr. Chairman, there were a number of areas in the strategy that the principle stakeholders, who are the artists and performers, the artisans, the creators in this sector, did not agree with a number of areas of the strategy and who have asked for a chance to come in and revisit some things with government and see if there can't be some retuning. As long ago as last September, there was a commitment or a suggestion about the people who served on the original advisory panel for the strategy to get back together. This has not happened yet. Can the Minister advise on whether or not he and his colleague at ECE have talked about bringing this to the fore again and seeing what we can do to ensure that the interests of the artistic and creative communities is solved in this strategy, Mr. Chairman?

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Braden. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chairman, I have had the discussion with the ECE Minister, and I think Mr. Braden remembers that he did, in the House, make the commitment to bring that group back together. Let me say that the feedback we've been receiving from the arts community related to arts and fine crafts is that the commitments, we're fulfilling the initiatives that we've undertaken, are well supported. There seems to be some concern and some need for more dialogue around performing arts, which really is part of the ECE piece on

this. Having said that, we're still, obviously, prepared to be involved in those discussions going forward with ECE. It's important for the two of us to work closely together, and we are fully committed to coming back and having further dialogue with the arts community. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Next on the list I have Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chairman. Mr. Chairman, I want to talk somewhat to the business incentive policy and the areas of having somebody in the Department of ITI responsible or dedicated to being a sole contact person for contracts of the government, and someone who would monitor and ensure that certain procedures and policies are adhered to and things are put to rest by this one dedicated person in the department so communities are not phoning all over and so they know one person who is responsible for this program. Thanks.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Yakeleya. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chairman, I thank the Member for the question. Let me say that as we've worked through the agreement with the GTC, we are learning, I think, how to effectively implement these agreements and we will use that knowledge to help us build the one in the Sahtu. We are currently working with SSI. We have provided them with some help in order to bring together some of the pieces that we need as we move forward on this strategy. I want to assure the Member that the regional superintendent has been identified as the lead point person on the negotiations here and is working very closely with the contractor and is working very closely with SSI, I understand, on moving this forward. He will be the one point of contact for the region.

Now just to make sure there's no confusion, we are responsible for the contract registry, we are the ones putting in place and negotiating, on behalf of the government, this MOU, but it still is up to individual departments to negotiate their own contracts and to handle their own procurement. Nothing we've done in the Gwich'in agreement, in the Sahtu agreement that we're proposing will change that. So where Public Works is the lead department, where Transportation is the lead department, they will still handle all of their procurement. We simply will develop the agreement and report back on it and conduct the yearly meetings to understand how it's working. So our one point of contact will be the regional superintendent, but communities will still have to deal with the various different departments on procurement. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Minister, and thank you, Mr. Chair. Mr. Chair, the Minister talked about the MOU and I certainly support the initiatives that the department and the government is taking towards concluding these arrangements. When can my region or when can the people in the Sahtu, under the land claim agreement, see that this chapter, or this clause, see some conclusion similar to what the Gwich'in Tribal Council has right now? I'm looking for some time frame on this one, Mr. Chair. Thank you.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Yakeleya. Minister Bell.

**HON. BRENDAN BELL:** Thank you, Mr. Chairman. We're trying and we're hopeful that this move can move ahead quickly. Discussions are ongoing. The contractor has been jointly funded by SSI and our government. As far as when these discussions will be concluded, I can't say definitively. A lot of it depends on the level of consultation going on with the communities and the feedback that they are getting, but let me reiterate our government's commitment to concluding this process and arriving at an MOU in the Sahtu area. We are fully committed to that and we will move this ahead as quickly as we possibly can without short changing some of the necessary consultation that we think has to take place in order for this to be comprehensive and meaningful when we're done. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chairman. Early on in my discussions, I talked about a person who has the responsibility of minding the store in terms of the procurement contracts with the GNWT. Can the Minister tell me what kind of oversight functions, if any, within his department are there when it comes to ensuring that the GNWT procurement policies are monitored and applied consistently on economic development contracts? Thank you.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Yakeleya. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chairman, of course departments are responsible for their own procurement and provide oversight in that capacity, but oversight to the government is done through Financial Management Board Secretariat who take a look at how departments are carrying out their procurement to make sure it's done within the regulations and within government policy and if not, that is the one body that follows that up. Our role in terms of procurement is really about ensuring that there's transparency, and that the contract registry is functioning well and adequate people have access to that information. It allows us to do things like measure some of our programs, such as the BIP. In order for us to understand how effective the BIP was or wasn't, we were able to use the contract registry and that's what we would use and that's our role really in the contract registry, but oversight and procurement, government as a whole is FMBS and also done department by department. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chair. I will be asking the Minister responsible for FMBS. So I'm going to leave it at that. I guess what I want to ask the Minister in my last question would be to him is give me some fairly good answers in terms of the contracts under his department and the responsibility for economic development in terms of the MOU that's being negotiated right now with the Sahtu Secretariat Incorporated in terms of ensuring that the memorandum of understanding on government contracting is strictly adhered to and respected. I guess I'm looking on the BIP. Is someone minding the store and maybe going back to FMBS in terms of this BIP program here? Who is observing it, and monitoring, and is one

point of contact? He has given some information on the regional superintendent, FMBS. I want to probably get this clear that the BIP, I got some information on the MOU, on the overall government procurements, maybe the FMBS, but on the BIP information, who is minding the store on the BIP and ensuring that BIP is followed and the companies are following the spirit and intent of what BIP is supposed to do? So that's what I'm asking. Is it possible to have someone in that department have additional responsibility to be the sole source of contact for all BIP contracts? Thank you.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Yakeleya. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chairman, I thank the Member for that clarification and appreciate that we're not strictly talking about the one point of contact for procurement, but we're talking about the BIP and ensuring that it's applied properly in the region, if I understand the Member. So if there are concerns with how BIP is being applied, the regional superintendent would be the one point of contact in the region if there are concerns. If they can't be dealt with there, there is provision under BIP for something called the Senior Management Preference Committee. That's a group of deputies from the main contracting departments who sit down if there are concerns and ensure that BIP is being properly applied, but I think for the Member's purposes, it's not necessary to worry about how that committee functions. The regional superintendent is the one point of contact. If he needs to bring something further, he would bring it to that committee. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Anything further, Mr. Yakeleya?

**MR. YAKELEYA:** Thank you. Can the Minister then, in terms of the one point of contact, are there things already in place within the BIP that monitor or observes in ensuring that this policy and these regulations are followed? There's many ways that they can get around it. So that's what I wanted to ask in terms of the regional superintendent will only have a certain amount of authority or discretion. Is someone in there to have some dedication to this policy here, I guess, or to this program here? I hope I'm making myself clear. I apologize if you seem a bit confused on this area here. Thank you.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Minister Yakeleya. Minister Bell.

**HON. BRENDAN BELL:** Thank you, Mr. Chairman. I guess it's hard to talk more generally and theoretically about how something works, but if I could give the Member an example, if there is a specific concern about a contract in the region and there is the perception or concern that maybe BIP was misapplied or not handled properly, the policy application wasn't handled properly, then that concern can be raised to this Senior Management Preference Committee who would be the final say in terms of whether or not that BIP had been applied properly. So we are committed to the proper application of this policy. It is a standing policy of the government, we want to make sure it's working well and if there are concerns raised, they should be brought to the attention of this committee because we want to make sure it is applied properly. Thank you.



**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Mrs. Groenewegen.

**Committee Motion 24-15(4): Recommendation To Establish An Interpretive Centre At Chan Lake, Carried**

**MRS. GROENEWEGEN:** Thank you, Mr. Chairman. Mr. Chairman, I move that this committee recommends that an interpretive bison centre be established at Chan Lake.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mrs. Groenewegen. The motion is in order. To the motion.

**AN HON. MEMBER:** Question.

**CHAIRMAN (Mr. Ramsay):** Question has been called. All those in favour? One sec, committee, the motion has to be distributed first.

Thank you, Committee of the Whole, the motion has been distributed. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried.

---Carried

---Applause

Thank you, Mrs. Groenewegen. Next on the list, Mr. Villeneuve.

**MR. VILLENEUVE:** Mahsi, Mr. Chair. Just another quick question just to elaborate on what my colleague Mr. Yakeleya was asking the Minister about. Six months ago there was talk in this House about the eradication of the BIP policy by this government and now a month ago the BIP seems to be a blip on the government's radar screen again. So I just want to ask the Minister what are the government's plans for the business incentive policy over the next quarter, or the next six months?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Villeneuve. Mr. Bell.

**HON. BRENDAN BELL:** Thank you, Madam Chair. As I think Members know, I'm in discussions with the chambers around the North and the business community more broadly. All the business community stakeholders have had a chance to sit down with the NWT Chamber. They are engaging their membership in this discussion to talk about the BIP, membership's perceptions of the BIP, whether or not people still think it's relevant and useful. I have discussed with them options for replacing the BIP with one option that we were looking at is a tax break for small business, what would amount to potentially a 50 percent break in the small business tax rate, from four to two percent. These are options at this point. We're trying to get some feedback from the small business community and that will continue for the next little while, a couple of months, but I would like to resolve this issue one way or another fairly quickly here in the spring. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bell. Mr. Villeneuve.

**MR. VILLENEUVE:** Thank you, Madam Chair. Alright, springtime something is going to role out with the BIP. My next question is, I know the BIP is one of those government policies that seems to work for businesses, northern businesses in the larger urban centres of the

NWT like Yellowknife and Hay River, Smith and Norman Wells and Inuvik. What about sort of not eradicating the BIP, but is there an appetite for this government to revisit the policy and make it applicable only to maybe smaller communities in the NWT, the more remote communities that only have one or two small businesses and maybe one development corporation and not much competition so the BIP really doesn't apply within the limits of the municipality itself, but it basically will apply for giving them an advantage over southern industries, which is what the intent of the BIP was developed for in the first place. So maybe the government has to take a two-tiered approach on how to change the BIP policy, or how to make some amendments to it. One being make some changes to the BIP policy itself with the small large communities being split on that policy and maybe one that will apply to one but not the other, and maybe give some small business tax breaks to small businesses in the larger centres where there are more small businesses and the tax breaks would be more appreciative. Is there any appetite to even look at that approach as opposed to whether to get rid of it or not and do something else or not? What about like a two-phased approach?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Villeneuve. Mr. Bell.

**HON. BRENDAN BELL:** Madam Chair, as I say, we are in discussion around a number of options and presumably these are the kinds of discussions we're going to have. If we make the conclusion that the BIP is no longer working or serving our needs, then if not the BIP, then what, and I think that's the discussion that we're going to have. I would say, though, that some of the feedback that I can give just maybe only anecdotally was that there's been some concern in our smaller communities about the application of BIP and the premiums that people would have to pay say for, I'll use the example of a housing package. If the BIP applies and somebody has to pay 15 or 20 percent more for a housing package in a small community, that may be a price that they don't feel they should rightly have to pay. So there are some questions or concerns around BIP application even in small communities. So I hesitate to suggest that we would look at it only for small communities at this point without knowing how small communities feel about the BIP and feel about how that might affect their costs. So I think we need to do and have a little more discussion in this area, but I appreciate the thought from the Member. I think what we need is more discussion and more brainstorming around this, because I am fairly convinced that what we have now doesn't work. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bell. Mr. Villeneuve.

**MR. VILLENEUVE:** Thank you, Madam Chair. I know that there are definitely pros and cons to the BIP in the small and the large centres, but I guess the point I'm trying to drive home is when is this government, you know, maybe ITI could start the ball rolling, going to start realizing and recognizing that small communities are much different than our larger urban centres in the NWT, especially the remote communities and the policies that this government develops whether it's the business incentive policy or a housing initiative or any program, income assistance initiatives, it's always straight across the board, it applies to larger and smaller centres and there are different levels that communities are split into. Why can't we just start looking at two different policies like

for negotiated contracts, for BIPs, for any economic development initiatives like the harvesters fund and the trappers assistance and stuff like that, and start really supporting small communities on the one policy front and supporting large communities on another. Why can't this government do that? Why don't they start doing that? Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Villeneuve. Mr. Bell.

**HON. BRENDAN BELL:** Madam Chair, I appreciate the thoughts from the Member and I think there are several tools that we have at our disposal that do recognize the differences between small and large communities, recognize the differences in capacity. Just even before some of our specific economic development programs, I would say that our support and sponsorship of the traditional economy is exactly trying to attempt to narrow that gap between our larger communities, where there are well-established economies, and our smaller ones where we recognize the economy and the markets aren't established yet. So that is one area that we're trying to promote and think is mostly targeted obviously at the smaller communities.

Another example would be the MOUs that we have and are negotiating; the one with the Gwich'in, the one in the Sahtu region coming up. Those discussions, I think, are going to be around trying to develop economic capacity in those regions and using our procurement process to do that. So that's another tool where we're using government buy-in and trying to focus some of our government buy-in outside of the main centres. Members are all very much aware of negotiated contracts, the attempt to build capacity through negotiated contracts over a period of time so that smaller communities can, in fact, compete.

I'd also point to the BDF programs that we have. Most of the grant money I would say that we have is earmarked for our smaller communities, and I think Members know in the BDF schedule that we referred to level one, two and three communities and I think the bulk of our funding does end up in the smaller communities through BDF. We tend to reserve the loans for the larger communities and the grants to the smallest communities. We recognize banks are not likely going to start to play an active role in our smallest communities. We feel there is a role and is a need there, and that's one that our government can fulfill, that's why we've laid out this BDF. But I absolutely agree with the Member; there are differences between our smaller and larger communities. We have to recognize that. We have to take the tools that we have, correctly apply them and always be looking for new ways to try to bridge that gap. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bell. Mr. Villeneuve.

**MR. VILLENEUVE:** Okay, I'm done on this page. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you. I have Mr. Ramsay.

**MR. RAMSAY:** Thank you, Madam Chair. I have got a few questions. I guess I will start with the bigger of the questions. A big question I have is with the \$22.6 million that is in the operations expenditure summary under the heading economic development. How much of that

money actually flows into any real projects? What have we got in terms of an offering for real economic development? That's aside from any of the overhead. What actually gets into on-the-ground projects? Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Ramsay. Mr. Bell.

**MR. BRADEN:** Madam Chair, I am just going to get a bit of a breakdown of that funding for the Member. Madam Chair, of that \$22 million, we break out the budget between parks and tourism, about \$7 million; investment and economic analysis, 11.4; the NWT BDIC, 3.7; and some small amount for amortization. The contribution amounts, tourism and parks has a grants and contributions amount of \$1.9 million, I think that's the number the Member is looking for in that area; investment and economic analysis, \$5.5 million; traditional economy, \$1.5 million; BDIC is really programs and operating costs at about \$3.7 million. So that gives you some sense of the contributions that are out there. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bell. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Madam Chair. When you are dealing with an entity like the BDIC, it could just be reported a little bit better because when I look at the budget as it's presented, immediately you can take off 40 percent of the projected budget for other expenses and compensation and benefits. That eats up 40 percent right off the top. I think it's important that we try to...and I know the Minister and his department work towards the one-window approach and trying to get this business program review underway. How comprehensive is this review? I know it was started a number of months back, maybe even a year ago, if I'm not mistaken. When is it going to be completed and when will we know the future of the programming available to businesses here in the Northwest Territories? Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Ramsay. Mr. Bell.

**HON. BRENDAN BELL:** Thank you, Mr. Chairman. This work has been underway for some time now and the Member is correct; this is one of the first tasks of the new BDIC. One of the first objectives was around governance. We dealt with that with the new board. We had some efficiency issues and now we are up to this program and service review as next steps. The work underway in three areas is we are reviewing our subsidiaries and these are formally Dev Corp; we are reviewing Community Futures, development corporations and also aboriginal capital corporation review; the third area is business program review around loans, venture investments, grants and contributions. We've had several consultants help the BDIC conduct that work. In terms of next steps, I think the specific piece the Member was asking about on business program review was started on November 28<sup>th</sup>. The work is being done by Dargo and Associates and also MJ Longlade and Associates. Data collection at community regional headquarters levels is underway. That's going to be followed up in analysis in drafting the project report and we think we can have that completed in early March. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Minister Bell. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Madam Chair. Of course, I am not alone when I say I would be very interested to see this report when it comes out. It sounds comprehensive looking at the subsidiaries, Community Futures and Dev Corp activities. Specific to community futures, is this review going to look at each and every one, because there are some that are more successful than others. I am wondering if there is going to be surveys associated with trying to find out what works and what doesn't work. How are we going about making this comprehensive as we can and including everything, no stone unturned? Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Ramsay. Mr. Bell.

**HON. BRENDAN BELL:** Madam Chair, that is our intention. We will acknowledge that we've had a range of success at our Community Futures organization. Some, we think, have been quite successful, and others not. We want to better understand why, and the only way we can do that is to look at all of them and talk about best practices. This work is separate and apart from the business program review, but we think in early March the consultant will have this completed. They will have the final report to us. They have done on-site visits with the CFs. The analysis and drafting is underway. So early March, again, we are going to have this piece and it will be comprehensive. Thank you, Madam Speaker.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bell. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Madam Chair. I thank the Minister for that. As long as it is everyone and it's not the ones who are working, but it's everyone. That's the important piece that has to be included in this. You can't just talk to the ones that are being successful. You have to find out the ones that aren't working and why they aren't working. So I thank the Minister for that.

One other issue that I just wanted to touch on, and I have mentioned this before, but the Bureau of Statistics -- and I know the Minister is not the Minister of Finance, but I will get to that in a second -- moves over to strategic planning under the Department of Executive. That happens, and all of a sudden the government thinks it's important to have a macroeconomic policy division located within the Department of Finance. Is it a coincidence that they lost the Bureau of Stats and now they want to replace it with something? I don't think it's a coincidence. I just think that's the nature of government and them wanting to replace something.

What I am getting at with the Minister of ITI is I know that the Department of ITI has an investment and economic analysis division that certainly, given the history of our economy, the pipeline from Norman Wells, we produce 14 percent of the world's total production of diamonds, we are on the verge of this mega pipeline project, surely to God we have been doing some work on macroeconomic policy with this government and it has happened in your department, Mr. Minister.

I wonder to myself -- and I am wondering out loud now to my colleagues -- was there ever a discussion to include the new macroeconomic policy division inside ITI where it would be more of a fit? It doesn't belong in Finance. It belongs in your shop. You have been doing the work for a number of years. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Ramsay. Mr. Bell.

**HON. BRENDAN BELL:** Madam Chair, we do have some functions. We have a mining economist, an oil and gas economist and we are sectoral focussed. This capacity that we are looking at developing is broader; broader than that. It has this macroeconomic slant. So we are going to be continuing to work on our sectoral analysis of renewable resources, tourism and traditional economy and business economics, more micro, I think the largest macro piece is something we have been lacking. We have been doing work to the best of our ability on projects and projects specific like the pipeline and think we need this ability. So there could be some debate about where it's housed, but when we sat down as a Cabinet to have this discussion, we felt it made the most sense housed where we proposed. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bell. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Madam Chair. I really do find it hard to believe that a government wakes up one day and realizes that it is missing a macroeconomic policy division. It should start out and do some work on that. After years and years of economic development here in the Northwest Territories, that, to me, is really hard to believe. Again, I think where it is housed is definitely...I take issue with that. When the Finance Minister comes before us soon, I am going to take issue with that division being located in that department. Again, I think it is just a case of them losing something and wanting to replace it. That is it, Madam Chair. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Ramsay. Mr. Bell.

**HON. BRENDAN BELL:** Thank you. Maybe one other point I should make is that some of the impression that we have been giving on macroeconomic work that we have been doing and what we have been doing has been coming from my department was not done in house. Members might not be aware of that. The stuff like the Wright Mansell report which we've relied on quite heavily and probably spent over \$100,000 on, we had to go out for that work. It has been very useful and helpful, but we've talked about the economic...done a bit of a cost-benefit analysis of do we continue to go out to consultants for this work or do we have the in house capacity? Because we really don't have it on that level at this point and think we need to get that capacity. That will be an interesting discussion between the Member and the Minister of Finance. I am sure we all look forward to it. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bell. Economic development, operations expenditure summary, \$22,666,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. Page 11-29, economic development, grants and contributions, grants, total grants, \$652,000. Mr. Yakeleya.

**MR. YAKELEYA:** Page 11-29. Thank you, Madam Chair. The ITI is administering the trappers program and receives the funding. However, ITI receives the funding

for the trappers program. ENR administrates the program. Renewable Resources still falls under these programs that ITI receives the funding for. Does it not make any sense to put the funding and the administration in one shot? We are still in two different departments here. I want to ask the Minister if he has given any consideration to have some discussions with the Minister of ENR on one department should take that, rather than having it split. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Yakeleya. Mr. Bell.

**HON. BRENDAN BELL:** Thank you, Madam Chair. When we divided the department, we had some pretty good discussion around this area. I have indicated that we think after a year or now, it is time for review. We have proposed to come back to committee to discuss the roles and mandates of ITI and ENR in this area. I know Member Lafferty also raised the question earlier around adequacy and whether or not our programs keep pace, given the high cost of fuel and other things. That is all part of the discussion we need to have with committee. I look forward to that.

I would say that the money shows up in our budget. Many of these initiatives like the Mackenzie Valley genuine fur program we think is economic development. We want to make sure that we work hard to promote a program like that. We've seen a lot of recent success. Some of it, of course, due to the prices that are being fetched at recent auction which, I don't know if Members are aware, but it has been quite amazing. It is much higher than it was in the 1990s. That bodes very well for our trappers going forward. So we think it is economic development, but there is no doubt that the best people on the ground to be working with our trappers are the renewable resource officers. They are on the ground in the communities working with our trappers. That will continue to be the arrangement. I think we can have some discussion around this.

Just a little bit of an interesting note for Members, I am not sure if they know, but the last North Bay auction on February 20<sup>th</sup>, marten is kind of our bellwether and the one that we watch very closely because we are seeing a lot of marten come out of the Northwest Territories. The average price is \$110. It was a high of \$270 at that auction, so that is quite a significant price for marten; quite an improvement from past years. We are very optimistic that the work that we are doing with our trappers will pay off here. It is nice to see this starting to come through and starting to see our furs fetch such high prices. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bell. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Madam Chair. Thank you, Minister. Good news for the trappers in terms of the marten price. I don't know what is happening, but I hope that it keeps on going in terms of the prices.

Madam Chair, I want to ask the Minister in terms of his review of the ITI and ENR in terms of the programs, is the Minister also considering in his review in terms of enhancing? I think because of the high cost of fuel and that, it is really difficult in terms of giving some sort of rebate because of the Canadian Revenue Collection Agency in terms of how it administers. Would the Minister, in his review, look at what type of programs they

can have to enhance current training programs for trappers and harvesters in terms of this fuel rebate issue? It is something that is quite dear to our trappers in all the small communities down the Mackenzie Valley, the high cost of fuel. I look forward to see if solutions are being discussed to see if we can offset this issue for the trappers. Thank you, Mr. Chair.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Yakeleya. Minister Bell.

**HON. BRENDAN BELL:** Thank you, Mr. Chair. We think the traditional economy programs that we're running and supporting are vital to economic development in our communities, especially our smallest communities, so we are looking at things like our Community Harvesters Assistance Program, our local wildlife committee funding, our harvesters disaster compensation, also Genuine Mackenzie Valley Fur Program and the trapper training work that we do, the traditional life skills training. We are looking at adequacy. We currently have that under review. I think, as we come forward to have this discussion, myself and the ENR Minister, we look forward to your thoughts on that. We want to talk about whether or not these programs are keeping pace with the increased costs. I think we know the answer. We have to talk about what we do to make sure that, as costs increase in the future, these programs keep pace. That is a good discussion I think that we will have with committee. I think it is one that we've needed to have for some time, but let me underscore how important these programs are to us. They are of highest priority. We certainly are not forgetting about them. We want to make sure that we support these programs and that the funding is adequate. Thank you, Mr. Chair.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Mr. Yakeleya.

**MR. YAKELEYA:** Mr. Chair, I look forward to some of the discussions. Certainly, I hope we have some good news for our trappers and harvesters in terms of enhancing some of the programs that would make a real contribution to continuing the harvesting of the traditional economy in the small communities. So I look forward to that. I am going to leave it at that. I want to say thank you to the Minister in terms of really supporting our region in terms of our trapping program. I think that is some good news for us. There are other areas I would like to continue, but I think I want to leave it for the review when the Minister comes back to the committee to have a real good discussion on the review and that. I will leave it at that, Mr. Chair.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Yakeleya. Minister Bell.

**HON. BRENDAN BELL:** Thank you. I look forward to that discussion with committee. I think it will be fruitful.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Next I have Mr. Villeneuve.

**MR. VILLENEUVE:** Thank you, Mr. Chair. I have just a couple of quick questions with the fur price program. Just as the Minister stated, the prices on the international market have gone up quite significantly, as much as 100 percent in some areas. Just with the trappers receiving the minimum price for the selected species of furs rate to as they bring them into the renewable resource officer, are

there any plans to raise these minimum fur prices to levels that are reflective of the current world prices now? I think that, right now, the trappers receive the bare minimum that they would get from the renewable resource office right on that day that they bring in their furs, but I feel that putting more money directly into their pockets while they are still trapping instead of sending them a big cheque in the springtime when all the trapping season is over, putting money in their pockets right away so they can continue trapping, buy gas, deal with the cost of living and all the other expenses that they incur during the trapping season, that would help them to get out there a little more often and a little more consistently. I see in 2004-05, there was \$596,000 and then it dropped down to \$345,000 for the last two years and carrying on with this budget also. Is there any appetite to make those minimum prices more reflective of the international fur market prices? Thank you, Mr. Chair.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Villeneuve. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chair, we can have that discussion. I want to make sure that the Members understand that whatever the market price of fur is, the trapper is going to at least get that, but I think the question is more around the advance early in the season. So we have to talk about that now that it looks like prices are coming up. Whether or not that is adequate, we think actuals are going to be higher than the amount we are showing in the main estimates, which is great news, but I am certainly prepared to sit down and talk about that fur advance and how we administer the program.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Mr. Villeneuve.

**MR. VILLENEUVE:** Thank you. I thank the Minister for that. That is good. I am sure the trappers will be happy. Just with the disaster compensation, the \$15,000 grant, natural disasters, I wonder if a trapper's cabin gets doused by a water bomber that is fighting a forest fire and the roof caves in and everything else in his cabin gets soaked, but his cabin basically stays there, are they eligible for that loss under this compensation program?

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Villeneuve. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chair, I think if you look at the hunters' and trappers' disaster compensation policy, we talk about amounts in there and we talk about eligibility, but it is for damages or losses from forest fires. I guess if the government conducting an exercise in trying to put out that forest fire, then that would qualify.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Next on the list, I have Mr. Lafferty.

**MR. LAFFERTY:** Mahsi, Mr. Chair. Just expanding from disaster compensation that Mr. Villeneuve was asking, the \$15,000 has been allocated to cover that, let's say if there is a loss due to fire. Last year, it was \$15,000. Was that expended to the Northwest Territories? Is \$15,000 enough for the whole Northwest Territories? That is one cabin. Mr. Chair, I just came back from February 7<sup>th</sup> tour of Gameti. An individual approached me and said my cabin burned down this summer with all my tools in it. He said he wasn't sure how to go about it. I said I would certainly find out. I am just looking at that. Just one cabin

with traps, rifles and whatnot, \$15,000 may exceed that one cabin per region. I am just wondering if this is a reasonable amount of figure that has been thrown at us here, because what Mr. Villeneuve is talking about is another story where water bombers destroy the cabins and now there have been some fires in Whati and Gameti this past summer. I am sure there were cabins...I have already heard one. I am sure there is probably another one in Whati that I have been getting calls on. So this is just a question to the Minister about that particular area of \$15,000. Is that a reasonable amount compared to last year and other jurisdictions? Mahsi.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Lafferty. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chair, the cap is \$15,000 per application. I would say, despite what you see in the budget, the main estimates last year, for instance, 2005-06, we had 12 claims that were approved and \$33,000 was the amount of compensation paid out. So you can see that it is rarely the \$15,000 maximum that is recognized as the true cost. Our renewable resource officers, ENR's renewable resource officers, help the person to fill out the application, but I would say where people qualify and meet the eligibility and have legitimate needs after we go out and test that are not being turned away despite what you see here in the budget item. If somebody has a legitimate need and they meet the eligibility, then we are compensating them.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Mr. Lafferty.

**MR. LAFFERTY:** Mr. Minister, I am glad you defined that because the \$15,000, I thought it was just overall. So it is per application. That is good to know. Who knows? This year, it could be more than 12 claims. That is just my question on that.

The next question I have, Mr. Chair, is the Community Harvesters Assistance Program where it goes to the communities to assist the harvesters. Maybe not now, but if I can get some breakdown for my region, it would be nice to know. Just a breakdown of that, please. Thank you.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Lafferty. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chair, in the Member's region, North Slave, there is \$14,000 that goes to local wildlife committees and the Community Harvesters Assistance Program, the budget is \$23,000 for North Slave. Tlicho, \$32,000, local wildlife committees, \$101,000 for Community Harvesters Assistance Programs. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Back to economic development, page 11-29. Mr. McLeod.

**MR. MCLEOD:** Thank you, Mr. Chair. As I was saying before, I am in full support of any programs that go to help people still trying to live traditional lifestyles. I have a couple of questions, though; \$345,000, I am glad to hear the Minister say that the actual might be higher. The program is administered by the renewable resource officers, I believe. Who is the program administered by

and who decides who gets what amount? Thank you, Mr. Chair.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. McLeod. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chair, the program is administered by ITI, but the contact on the ground in communities are the renewable resource officers, ENR's renewable resource officers. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Mr. McLeod.

**MR. MCLEOD:** Thank you, Mr. Chair. Thanks to the Minister. The \$473,000 in the Community Harvesters Assistance Program, that looks like it is administered by the local wildlife committee so people would apply to these wildlife committees. How many committees would make up the \$473,000? Also, I would like to know if this contribution is matched by any of the claimant groups, or if they are matched at all? Thank you, Mr. Chair.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. McLeod. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chair, on Community Harvesters Assistance Program, I am not sure that there is any...There is not a matching requirement, I suppose. There is the potential that local wildlife committees could be matching that money, but we don't think so. There is on western, though, that is the requirement that \$15 million in money, most of it has been expended now over the last probably 10 years I am going to say. There is a requirement for matching funds under that program. Most of that, as I say, has been expended. In terms of local wildlife committees, the \$258,000 goes to all regions. So does the CHAP money of \$473,000 go to all the regions? Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Okay, we are back on page 11-29, committee. Economic development, grants and contributions, grants, total grants, \$652,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Contributions, continued on page 11-30 and 11-31, economic development, grants and contributions, total contributions, \$10.553 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Total grants and contributions, \$11.205 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Page 11-32 and 11-33, information item, economic development, active positions. Mr. Villeneuve.

**MR. VILLENEUVE:** Thank you, Mr. Chair. I just want to go back to 10-31. I just have a quick question on that.

**CHAIRMAN (Mr. Ramsay):** Mr. Villeneuve, which page would you like to go back to? Does committee agree we go back to 11-31?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Okay. Mr. Villeneuve. 11-31.

**MR. VILLENEUVE:** Thank you, Mr. Chair. Thank you, colleagues. Just various contributions to economic development issues, the revised estimate last year was \$250,000 and now we kind of just don't even have it in the main estimates. Can the Minister maybe just give me some clarification on what happened with these contributions?

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Villeneuve. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chair, this was only one contribution. It was for an isolated project. It was a contribution toward establishing broadband Internet access to communities without that service in the NWT. It was a one-time-only \$250,000 contribution. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Committee, we are on page 11-32 and 11-33, active positions, economic development. Are there any questions? Mr. McLeod.

**MR. MCLEOD:** Thank you, Mr. Chair. I have a question for the Minister on the positions into Yellowknife headquarters. I notice there is an increase of eight positions. Everyone else has stayed the same. That was my point before. There were too many positions going into headquarters. I would like to ask the Minister about these eight positions and if he can give us an idea of what they are. Thank you, Mr. Chair.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. McLeod. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chair, it is just a function of how we account for positions when we moved the Dev Corp positions into the BDIC. They didn't used to be reflected in here. They were reflected separately, so those Dev Corp positions, those eight headquarters positions are now shown here in Yellowknife, but they are not positions. Thank you, Mr. Chair.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Mr. Lafferty.

**MR. LAFFERTY:** I guess I have a similar question in the Tlicho riding. As far as I know, there has always been one. We have had BDOs in the communities. Does it serve in four communities, one position to serve all the communities, especially with the new Tlicho Government. Just looking at the other regions, they all have a minimum of four and up. I was just wondering if there is going to be an increase in that area, or is it just going to stay the same?

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Lafferty. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chair, this reflects the Behchoko business development officer position but also, in the region, we have a full-time position in Gameti, a half-time position in Wekweeti and a position, as well, in Whati. This was achieved through the community transfer initiative. It isn't reflected here in our staffing, but there are some communities that have taken the role themselves and we provide the funding.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Page 11-33, economic development, active positions.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Thank you. Page 11-34, lease commitments, infrastructure, information item. Are there any questions?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Page 11-35, information item, fur marketing service revolving fund. Are there any questions on that?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Thank you. Pages 11-36 and 11-37, work performed on behalf of others.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** That continues. Mr. Yakeleya.

**MR. YAKELEYA:** The item on heritage rivers on 11-37, we seem to be receiving money every second year, so is this due to the funding or just because of the change in government or programs in terms of the heritage river or the way the funding is rolled out to our government? We have some inconsistencies here, Mr. Chair. What may we expect next year, or are we going to take this off the books? Thank you.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Yakeleya. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chair, this is federal money. We are trying to negotiate an agreement with the federal government again, Parks Canada. We think that we will be successful in doing that. Once we are, then we can reflect this. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chair. Mr. Chair, can the Minister advise the Members in the House here in terms of any other federal funding that is in negotiations that we expect maybe to hear some word on these programs? Thank you.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Yakeleya. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chair, not in this area. The one that does come to mind, though, of course, is the SINED money, the \$90 million across the Territories over five years. It would be \$30 million for us. The old proposal, the old one that we were in discussions before, looked at \$27 million going to contributions of that \$30 million but the federal government was in control of that program. We continue to try and negotiate that, as well, as a long-term EDA, but we would like, obviously, to have more control and more say over how that money is spent, so I will start those discussions with Minister Prentice soon. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell. Anything further, Mr. Yakeleya?

**MR. YAKELEYA:** Thank you, Mr. Chair. I look forward to the Minister's discussion with Minister Prentice in terms of the community dollars, or we think they were community dollars for the Northwest Territories in terms of the \$90 million or a portion of that. I hope that we have good news on the discussions with the two Ministers. I look forward to when maybe we can foresee some kind of news or response from this \$90 million. I am going to be asking the Minister to put him on the spot in terms of seeking what is the best scenario to hear back on this discussion with Mr. Prentice. Thank you.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Yakeleya. Minister Bell.

**HON. BRENDAN BELL:** Mr. Chair, we do know that there is money until March 31<sup>st</sup>. It was already committed. We are looking at April 1<sup>st</sup> going forward. Hopefully by April 1<sup>st</sup> we will have heard from the federal government. It is a priority for us. I will certainly keep committee in the loop and in these discussions. I know how important this program is to people of the North. We want to make sure not only our government is able to access some of this funding for economic development projects, but non-government as well. We would like to see entrepreneurs and regional businesses be able to tap into this fund and into this money. We will be pushing the federal government in that direction. I hope we will know by April 1<sup>st</sup>. Thank you, Mr. Chair.

**CHAIRMAN (Mr. Ramsay):** Thank you, Minister Bell.

**MR. YAKELEYA:** ...(inaudible)...many organizations and corporations are looking for this funding in order for this work to get into some very beneficial economic partnerships, so good luck to the Minister. Go get that money from the federal government to use it in the North here. Thank you.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Yakeleya. Back to 11-36 and 11-37. Are there any further questions?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Page 11-38, work performed on behalf of others, \$352,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Thank you. I would like to ask committee, please, to return to 11-7, department summary, operations expenditure summary, \$37.934 million. Mr. Yakeleya.

**MR. YAKELEYA:** Mr. Chair, this 11-7, in terms of the...How come there is a decrease in the utilities of 320 in one year and projected 193?

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Yakeleya. Minister Bell.

**HON. BRENDAN BELL:** One second, Mr. Chair. I am just trying to find the item that the Member is referring to. Mr. Chair, I am suspecting that the managers, in looking at this, recognize that they didn't need the full 320 for utilities but needed the money elsewhere. So, when they came forward with their projections, this more reflects the reality of that. But I can get some breakdown and some detail for the Members and provide that. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Bell. Mr. Villeneuve.

**MR. VILLENEUVE:** Thank you, Mr. Chairman. Maybe the Minister can just provide some detail on the extra 600,000 in contract services from '05-06. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Villeneuve. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, I understand the lion's share of this is related to the new Tourism Strategy.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Bell. Mr. Villeneuve.

**MR. VILLENEUVE:** Thank you, Mr. Chairman. So is any of that extra money actually going into any of the tourism associations in the NWT, Mr. Chairman? Thank you.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Villeneuve. Mr. Bell.

**HON. BRENDAN BELL:** In grants and contributions earlier on the page there's \$120,000 in forced growth that we are sending to the NWT to recognize their increased costs. But as Members know, part of the investment in \$1 million that we're making, not related to their forced-growth needs, is for additional marketing money and I think that's \$400,000.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Bell. Mr. Villeneuve.

**MR. VILLENEUVE:** Thank you, Mr. Chairman. I'm just trying to put two and two together.

---Interjection

**MR. VILLENEUVE:** At least somebody over there can add.

---Laughter

Between marketing and contract services, is this contracting out marketing consultants for the NWT tourism associations or how does that work? Thanks.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Villeneuve. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, related to the Tourism Strategy, an example of a contract service would be surveys that would be done related to tourism, fishing operators, something like that. If we were doing a survey, it would come out of contract services. So the marketing money wouldn't be reflected there. That would be grants and contributions money.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Bell. Thank you, committee. We're on page 11-7, department summary, operations expenditure summary, \$37.934 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Thank you, committee. I'd like you now to turn your attention to the CAP binder, page 9-5. We'll start there. Page 9-5, activity summary, corporate management, tangible capital assets, total tangible capital assets, \$550,000, total activity, \$550,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Page 9-8, 9-9, 9-10 and 9-11, economic development, infrastructure acquisition plan. Mr. McLeod.

**MR. MCLEOD:** Thank you, Mr. Chairman. I was looking at all these parks here and we have \$2.7 million going into some repairs and upgrades, yet I see nothing here from the Beaufort-Delta or along the Dempster Highway. Is there a particular reason that they were left out of the loop? Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. McLeod. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, if you'll just give me a second. I'm just looking at this detail here.

Mr. Chairman, we do two things, but much of our minor maintenance is done through O and M funding. So for the four parks that we have in the Inuvik region, there is money being spent there in O and M, but nothing in the capital budget for larger items. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Bell. Mr. McLeod.

**MR. MCLEOD:** Thank you, Mr. Chairman. The last question I'll ask is, it was mentioned before that a lot of these campgrounds and that are contracted out, but I'm assuming that we still look after the upgrades and the O and M on these campgrounds; they're not part of the contract. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. McLeod. Mr. Bell.

**HON. BRENDAN BELL:** That's correct, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Bell. Next on the list, Mr. Villeneuve.

**MR. VILLENEUVE:** Thank you, Mr. Chairman. Just a quick question on the Canol Heritage Trail, the \$1.8 million that's slated over the next two years. With \$810,000 last year or prior year's total, if my memory serves me right, this government has been throwing money into that trail there for the past number of years, anyway, and I don't know if it's going to be a trail anymore. It's going to be an all-season road pretty soon. Paved. I'm just wondering, what kind of upgrades are we doing to that trail that requires \$2 million over the next three years in that project? Thank you.

**CHAIRMAN (Mr. Ramsay):** Mahsi, Mr. Villeneuve. Mr. Bell.

**HON. BRENDAN BELL:** Mr. Chairman, this project is a concern for us and because I would say that we've had pretty significant budgeted amounts of money in the past and really haven't managed to put together much in the way of a plan on the ground to see the spending take place. We've been challenged to deliver on this. I've met with the deputy minister and spoken to the regional staff about this as a priority, asked them to pull together the working group members who were involved in laying out the plan and move forward to quickly deliver on some of these initiatives there. We think this can be a world-class park, and we really haven't done much and I think we need to make this a priority and start moving forward with



it. So I know we've seen big budgets in the past, but we have not been spending that money, for the most part. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Bell. Anything further, Mr. Villeneuve?

**Committee Motion 25-15(4): Recommendation To Record The Taltson Hydro Project In The Capital Plan And Present The Business Case For The Project, Carried**

**MR. VILLENEUVE:** Yes, thank you, Mr. Chairman. I just got a motion here, Mr. Chairman. I move that this committee recommends that the government record Taltson hydro project expenditures in the capital plan to show the amount of money being spent on this project. The committee further recommends that before spending any more money on this project, the responsible department will present the business case for this project, including guaranteed customers and total project costs, and confirm the Minister responsible for this project.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Villeneuve. The motion is on the floor. The motion is in order. To the motion.

**AN HON. MEMBER:** Question.

**CHAIRMAN (Mr. Ramsay):** Question has been called. All those in favour? All those opposed? The motion is carried.

---Carried

---Applause

Thank you, Mr. Villeneuve.

We are on page 9-8, 9-9, 9-10 and 9-11, economic development, total tangible capital assets, \$2.233 million, total activity, \$2.233 million, total department, \$2.783 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Thank you. Does committee agree that the Department of ITI's main estimates are concluded?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Thank you, committee. I'd like to thank you, Mr. Bell, Ms. Magrum and Mr. Vician, for being with us this afternoon. Thank you.

Thank you, committee. What we'll do at this time is we'll take a short recess and come back here at about 6:00 with FMBS. Thank you.

---SHORT RECESS

**CHAIRMAN (Mr. Pokiak):** Good evening, Members. We will start Committee of the Whole again. We are going to start on FMBS. At this time, I would like to ask the Minister of FMBS to provide opening comments. Thank you.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. I am pleased to present the Financial Management Board Secretariat's main estimates or the fiscal year 2006-2007.

Members will note for the 2006-2007 fiscal year, FMBS no longer contains human resource functions and that prior year funding has been appropriately adjusted to reflect this transfer. The functions of budget and evaluation, government accounting and internal audit remain in the secretariat, along with the office of the chief information officer.

The secretariat's 2006-2007 main estimates propose O and M expenditure levels of \$18.283 million. This is a net increase of \$387,000, or 2.2 percent, from the 2005-2006 restated main estimates of \$17.896 million. The Territorial Power Support Program makes up \$8.307 million or 45 percent of the total 2006-2007 budget for FMBS.

The increases to the secretariat's budget are related to the following developments:

1. a \$342,000 increase for the 2006-2007 revisions associated with the Collective Agreement with the Union of Northern Workers;
2. a \$223,000 increase associated with the addition of two financial reporting accountant positions, and one collections officer position;
3. a \$56,000 increase associated with increases to Workers' Compensation Board premiums; and
4. a \$14,000 increase in chargeback costs associated with the digital communications network.

The decreases to the secretariat's budget are primarily related to the following developments:

1. a \$404,000 reduction related to the elimination of the three FMBS regional superintendent positions, which were no longer required with the separation of the finance and human resource functions in the regions;
2. a \$14,000 reduction related to the grant-in-kind recorded for the foregone interest on the debt due from Deton' Cho Diamonds Inc.; and,
3. a \$78,000 reduction to amortization expenses associated with the existing financial information system.

The secretariat's proposed infrastructure acquisition plan includes an allocation of \$500,000 in the 2006-2007 fiscal year for the completion of the systems selection phase of the government financial information system replacement project. This work was deferred in 2005-2006 pending an assessment of the GNWT's comptrollership capacity and the organizational and operational means by which financial transactions are processed.

For the 2006-2007 fiscal year, FMBS' main estimates include a total of 78 positions; 68 in headquarters and 10 in the regions. This is a net increase over the previous fiscal year of two positions, which is comprised of an increase of five positions, two consolidation accountants, two information systems analysts and one collections officer, that is partially offset by the reduction of the three regional superintendent positions.

Some of the initiatives the secretariat will be undertaking in 2006-2007 include:

- continuing with implementation of the Knowledge Management System Strategy as it relates to

security, networks, enterprise architecture, software licensing and electronic records;

- developing a strategy to quantify environmental liabilities;
- continuing the project to reform the Financial Administration Act;
- developing an approach and procedures to consolidate the financial statements of boards and agencies with those of the government in accordance with the new Public Sector Accounting Board's definition of reporting entity; and
- undertaking the systems selection stage of the financial information system replacement project.

That concludes my opening remarks. I would be pleased to answer any questions Members may have. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. At this time, I would like to call on Mr. Hawkins.

**MR. HAWKINS:** Members of the Accountability and Oversight committee had an opportunity to meet with the Minister responsible for the Financial Management Board on September 28, 2005, to review the draft business plan for the secretariat.

Members also received a briefing from the Minister of Finance on January 17, 2006, outlining the changes to the budget for FMBS since the committee reviewed the draft business plan in September.

Committee members made note that the secretariat is proposing to spend \$18.283 million in operations expense in fiscal year 2006-2007, and \$500,000 on capital projects in fiscal year 2006-2007.

Members also note that FMBS has undergone a significant organizational change, with the creation of a stand-alone human resource department.

Committee members offer the following comments on issues arising out of the review of the 2006-2007 Draft Main Estimates and budget-planning cycle.

#### **Contract Registry**

During the review of FMBS's draft business plan, the committee had the opportunity to raise the possibility of moving the contract registry from the Department of Industry, Tourism and Investment to the Financial Management Board Secretariat.

The committee notes a number of reasons to support transferring the contract registry program. First, some Members note that the secretariat's establishment policy clearly states, "the chairman of the Financial Management Board shall have charge of and be responsible for developing financial and contract policies, systems and procedures required in support of government operations." The committee further remarked that the secretariat's 2006-2009 draft business plan notes that expenditure and procurement management is being considered for delivery through the 'service centre' concept. Finally, the committee points to a recent report on best practices for public procurement that recommends FMBS would be the better suited to oversee the contract registry.

#### **Recommendation**

The Standing Committee on Accountability and Oversight recommends that the Financial Management Board Secretariat work with Industry, Tourism and Investment to consider the option of moving the contract registry from ITI to FMBS and report back to the committee on the pros and cons of this move during the next business planning cycle.

Thank you very much, Mr. Chairman. That's all I have to report.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Hawkins. At this time, I would like to ask the Minister if he would like to bring in any witnesses.

**HON. FLOYD ROLAND:** Yes, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Can the Sergeant-at-Arms please bring in the witnesses for the Minister? Thank you.

Mr. Minister, can you please introduce your witnesses, please?

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. With me is the secretary to FMB, Mr. Lew Voytilla; and Mr. Rob Taggart, director of policy and planning from FMBS.

**CHAIRMAN (Mr. Pokiak):** Thank you. Are there general comments with regard to the opening remarks by the Minister? Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. I am just going to start by...I guess we are doing overview comments before we ask questions. Some of the overview comments I would like to point out is I noticed on page 1, the Minister mentioned that we have a \$56,000 increase associated with the WCB premiums. I look forward to the Minister's answer on that when we get into detail. I am not even sure why we do this process if we are giving them a heads up to think of answers. I find it kind of strange that the department is running...Page 3, developing a strategy to quantify environmental liabilities and I am going to ask the Minister why ENR is not looking at that, but I hope the Minister can provide more update on the boards and agencies, what is slowing us down and maybe the process he sees evolving through this to ensure we have something set up in the next while. That is all the things I wish to underscore at this time, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Hawkins. General comments.

**SOME HON. MEMBERS:** Detail.

**CHAIRMAN (Mr. Pokiak):** Thank you. Does committee agree we go into detail?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Can we turn to page 2-54?

---Interjection

**CHAIRMAN (Mr. Pokiak):** Order, please. Page 2-54, information item, revenue summary, any questions?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 2-57, activity summary, directorate, operations expenditure summary, \$3.383 million. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. Maybe at this time, it looks like an appropriate place to ask questions to the Minister with regard to the \$56,000 increase associated with the WCB premiums. Can the Minister elaborate a little further than beyond the fact that WCB said pay more? There must be a reason why premiums went up that much. Thank you.

**CHAIRMAN (Mr. Pokiak):** Can we have order, please? Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, as a result of the decrease in the subsidy provided to a number of organizations, it meant a reflection in an increase on our expenditure side. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Minister. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. Can the Minister confirm that there was no rate increase associated with anything other than the subsidy being wrenched off?

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Hawkins. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. From my understanding, the subsidy that was provided to organizations was reduced; therefore, an increase was felt on our portion. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Minister. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. I appreciate that, Mr. Minister. Could the Minister provide some further detail on why they are developing a strategy to quantify environmental liabilities? Why is this not under ER? ENR, sorry. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Hawkins. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, this is a result of work with the Auditor General's office and the fact that the government overall needed to quantify its environmental liabilities. That's why it has shown up on ours. Thanks.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. I would generally think this would fall much better under the ENR mandate. Is there a specific reason, more than the Minister has offered, I guess? It just seems unusual that our environmental expertise falls under the ENR side. Is this more of a bean counting perspective, or is this actually a search and go find our environmental liabilities like any known or unknown oil slick we have, or something

of that range? I can't describe what environmental liabilities are, but is this more of a financial side of the argument, or is this a search and find the actual spills? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Hawkins. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Although many people out there would probably like to see Mr. Voytilla out there in overalls and rubber boots...

---Laughter

...doing a search for these places, that isn't the case. It is, in fact, a financial process that we have to go on quantifying environmental liabilities that we have overall as a government. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. Minister Roland can add me to the list of not wanting to see Mr. Voytilla in those boots. No, I can completely understand why it's the bean counting process. I respect why it's under FMB. At this moment, that's all the questions I have, but I may be back. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Hawkins. Next I have Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chairman. I would like to ask the Minister what has been done to ensure that the corporate memory of these individuals that have been lost, if any efforts have been made, if feasible, to move these individuals into regional superintendent positions in the Executive where the superintendents have been cut. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, as I stated in my opening comments, the reason for the reduction is the change in business activities that FMBS carries out. The managers underneath regional superintendent levels are still engaged in delivering day-to-day programs and clients services to individuals. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you.

**CHAIRMAN (Mr. Pokiak):** General comments with regard to page 2-57?

**SOME HON. MEMBERS:** Detail.

**CHAIRMAN (Mr. Pokiak):** Activity summary, directorate, operations expenditure summary, \$3.383 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Can we go to page 2-60 and 2-61, information item, directorate, active positions.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 2-60 and 2-61, information item, directorate active positions. Ms. Lee.

**MS. LEE:** Mr. Chairman, I think we may have skipped a page, 2-58.

**CHAIRMAN (Mr. Pokiak):** Thank you. Does committee agree to go back to page 2-56? Oh, I'm sorry. Does committee agree to go back to page 2-58?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Thank you. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. This is not a blank page. There are words on this page. I think this is an issue that was ongoing way back when the government was considering whether to get out of the federal pension and the calculations were made that it was much better for us to stay within, but the payments from the federal government have stopped. So I'd like to know, even though there are no dollars showing here, I may be wrong in that -- it's been a while since I've had that briefing -- but I'd like to know what the costs are that this government is bearing, if there's any. So could I ask that question?

**CHAIRMAN (Mr. Pokiak):** Thank you, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, Ms. Lee is correct to a certain degree that the superannuation program that we were involved with and the federal government helped us in that end of it with our portion of it changed, and it is then, as we discussed with them, it was rolled into our transfer payments. This is a portion outside of that. But for the actual details of these two I'll have Mr. Voytilla provide that.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Voytilla.

**MR. VOYTILLA:** Thank you, Mr. Chairman. Just quickly, a number of years ago, the federal government increased the employer rates that they charge for participation in superannuation. It cost the government about an extra \$13 million a year because of those increased rates. But the federal government, at our request, agreed to reimburse us for that impact through the formula and we still get that funding to date. This particular entry goes back a number of years when some of that \$13 million we provided as contribution funding to the WCB and the Power Corporation. But that was terminated back in last year's budget.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Voytilla. Ms. Lee.

**MS. LEE:** Thank you. I just realized this could be the last appearance of Mr. Voytilla in this House. I shouldn't say that, but it's not...Sorry, I just lost my train of thought. I just meant to say that I think I'm going to miss him when he's not around. Could I just ask him about...I wasn't sure exactly how much this government is, because it's been budgeted differently, I understand. I understand that we're being reimbursed and there's no extra cost, but do we foresee any changes to that that might have bearing on our costs?

**CHAIRMAN (Mr. Pokiak):** Thank you, Ms. Lee. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, the way it's rolled into our formula now, we won't have a direct impact in the sense of this program changing. What will possibly impact it is our formula and our relationship with the federal government on that side of it. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Ms. Lee.

**MS. LEE:** So this is completely rolled into our funding from the federal government. Why is that? Why is that all rolled in there? Why can't we budget them separately and negotiate them? Why is that part of the transfer? Is that what I'm hearing? Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Ms. Lee. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, when this issue first came up, the superannuation contribution used to be a different line item and we used to get that payment through another source from the federal government. We felt that as long as it stayed out on its own, it was a fairly easy target for changes for funding from the federal government, so being rolled into one felt it was somewhat more secure there. That's why it's been rolled into the general transfer that we get from the federal government. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Ms. Lee.

**MS. LEE:** Thank you. The last question there. So what is the dollar amount that constitutes and what is the dollar amount we're talking about that we're getting from the federal government for this program? I think that will be my last question there. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Ms. Lee. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, when this was rolled into the general transfer we get from the federal government we were, it was in the neighbourhood of \$13 million.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Ms. Lee.

**MS. LEE:** No, that's it. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you. Page 2-58.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 2-59.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 2-60, information item, directorate, active positions. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chairman. I wanted to ask the Minister in terms of more of a confirming the positions of information system or the information management positions that will be located in this directive and ask about the duties that will be associated with these positions. Do these positions have any merit to have two extra positions here in this type of work here? Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Voytilla.

**MR. VOYTILLA:** Thank you, Mr. Chairman. These are two positions that we are going to make available government-wide to work with departments on developing strategic information plans for the departments, to work with departments on major information systems projects. So they're going to be a resource that is available to departments to help them improve their planning and their project management with respect to information systems.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Voytilla. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chairman. Mr. Chairman, these two positions are going to help with the information and major projects. Specifically, is this a place to ask, Mr. Chairman, in terms of the procurement of contracts in terms of gathering information or is there another place where I could ask this question? I just want to try to get a question here, Mr. Chairman, on this issue here. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. No, this area here, the individuals in this area will not be dealing with contracts, contract administration and our procurement policies that we have as a government. That would be in the government accounting section.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chairman. I have no further questions.

**CHAIRMAN (Mr. Pokiak):** Thank you. Page 2-60, 2-61, information item, directorate, active positions.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 2-62, 2-63, activity summary, government accounting, operations expenditure summary, \$12.058 million. Mr. Hawkins.

**Committee Motion 26-15(4): Recommendation To Move The Contract Registry From ITI To FMBS, Carried**

**MR. HAWKINS:** Thank you, Mr. Chairman. I have a committee motion. Mr. Chairman, I move that this committee recommends that the Financial Management Board Secretariat work with the Department of Industry, Tourism and Investment to consider the option of moving the contract registry from ITI to FMBS and report back to the Accountability and Oversight committee on the pros and cons of this move during the next business planning cycle. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** The motion is on the floor. The motion is to be distributed first.

Can we have order? There is a motion on the floor being passed around.

Motion is on the floor. To the motion.

**AN HON. MEMBER:** Question.

**CHAIRMAN (Mr. Pokiak):** Question has been called. Mr. Yakeleya. Oh. All those in favour? All those opposed? The motion is carried.

---Carried

---Applause

Page 2-63, activity summary, government accounting, operation expenditures summary, \$12.058 million. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you. On page 2-62 and 63, I wanted to ask the Minister in terms of an update on the governance progress on environmental accounting for the GNWT. Does he have an idea of the impact, what impact it will have ultimately on the government's credit rating?

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, ultimately it would be on what we would find out there in establishing a cost for those environmental liabilities. At this point, we don't feel that it would have a significant impact on our bottom line or our credit, as one would say. So it ultimately depends on the amount and how we quantify those liabilities that we do have out there. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chairman. I make the presumption again the Minister will notify the Members of this side of the House in terms of the environmental liabilities of accounting, how it's going to be impacted on our credit rating in terms of future planning with us in the House here. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Voytilla.

**MR. VOYTILLA:** Thank you, Mr. Chairman. Once we have this environmental accountant position on strength, we intend to develop a plan of action that will lead to us being able to quantify our environmental liabilities over time and reflect those in our financial statements. Certainly, once that work commences, we'll be starting to reflect those things in the public accounts, so they will be reported in the public accounts, they'll be reviewed with the Public Accounts Committee, and the overall plan of action will also be presented and discussed with the Public Accounts Committee.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Voytilla. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chairman. Mr. Chairman, I want to ask the Minister what plans, if any, have been initiated for the potential expenditure and procurement management services centre. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, I'll have Mr. Voytilla give that level detail. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Voytilla.

**MR. VOYTILLA:** Thank you, Mr. Chairman. I think the Member's questions fit into the work we're doing right now in looking at replacing our financial information system. With a new financial information system, there's some options that we have available to us as to whether or not we want to incorporate our procurement process into that new automated system. So what we're looking at is, if we choose to pursue that option, how would we best structure the procurement function in government so that the system could function effectively and help us streamline our procurement processes and our practices and bring greater consistency. So that's all rolled into that financial information system replacement project, and we are in the process now of looking at those organizational issues, and mapping out how we do procurement, and trying to figure out how we can use a new system to help us do it better.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Voytilla. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chairman. Mr. Chairman, would the part of this whole process with the Financial Management Board through the leadership of the Minister in terms of dedicating someone in this area in terms of monitoring and observing and almost like an observer to the procurement contracts that are government-wide across the Northwest Territories; a one-stop shop sort of centre where people in the Northwest Territories can call this place for information about the whole procurement contracts within government. I'm hoping that I'm not confusing the Minister on this one here. I do apologize if I do. I'm trying to get to a point here. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, in the area of our procurement and how we contract our services, as Mr. Voytilla stated, the new system we're hoping to have in place would give us the ability to monitor on a much closer basis how the government and how government money is being spent. If issues come up, it will be able to identify those, then we would be able to further check into them to ensure that departments and government overall are following the policies that are put in place. So ultimately it would be the new system that we would have in place that would allow us to do a better role in monitoring. That function would fall through government accounting. As for a point of contact in that area, that would be more difficult because, as stated, this would allow us to look at how we do things and report on them. I don't know if we would have one person established directly with this. It might cover a number of areas. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chairman. I'm glad that the Minister responded well with me in terms of my question. I understand what the Minister is saying. It does require some very delicate stick-handling, coordination with other departments and the roles that each department will play. I imagine it's more of a coordination effort. I know that's going to require some time. I am encouraged to hear from Mr. Roland and Mr. Voytilla in

terms of establishing a new system on monitoring these contracts on a government-wide basis and how they work the internal process amongst the interdepartmental...I guess that'll be another area requiring some more discussion. However, is there any way that when they start developing this new system that they would somehow have a method of communicating, I imagine, with each other in terms of some of the issues that may fall between the cracks in between the departments and FMBS as the mother umbrella, I guess you say, in terms of procurement contracts and how these types of contracts are monitored? So there's some avenues to where people can at least be notified who to contact if they have issues that come up that they want clarified or confirmed by the government. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, as we go down this path of a new system and the selection process and how we establish it as we proceed, it will allow us to do some of this work that the Member is talking about of how we ensure that we don't, I guess, create an environment where things would fall between the cracks. Ultimately it is the job of the Financial Management Board Secretariat to ensure, especially the government accounting section, that the departments are following our policies that we do put out there. As in every case, to try to catch every transaction would be somewhat difficult in any environment when you look at the transactions that take part day to day, but hopefully this new system would allow us and would, I guess in a sense, trigger an event if something was to come up and showed that one of our policies wasn't followed, or I guess as this system's called, red flags would come up and give us indication that we need to do further investigation. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chair. Is there any type of discussion happening within his department and other government departments in terms of looking at some of these issues we have talking about in terms of one...or how we have to wait for the study of the report to come back and look at the new system? Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. Mr. Chair, because this is a very large project and it crosses all departments in the sense of monitoring and the systems working, we would set up a cross-departmental team that would look at how this would flow out and how we would incorporate all things we feel needs to be in place. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Next I have Ms. Lee.

**MS. LEE:** Thank you, Mr. Chair. I have just a quick question on this environmental liability issue. Not long ago, AOC reviewed the Auditor General's report where the Auditor General raised questions about the differences between the calculations of environmental liability that GNWT does and how she thought it should be done. I am

just wondering if we have been able to address those. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Ms. Lee. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. Mr. Chair, from the work we've done with the Auditor General's office in this area, it was more the work that was done in accounting for our environmental liabilities. So that has been the area that we have been focussing on, and some of the work that Mr. Voytilla mentioned earlier is stemming from that area of having to do an accounting of it and establish environmental liabilities. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Ms. Lee.

**MS. LEE:** Thank you. I always did understand that to be an accounting issue and a numbers issue, but I still would like to know whether the differences, how they should be accounted, because it does matter what goes on the books than what our liabilities are, I believe, because these are accounting numbers. I would like to know, and I can't remember exactly what the issues that Madam Fraser was thinking about. I can't remember exact specific issues, but I recall that there were some important differences that the Auditor General and government had. I would like to get some more information. I understand that there could be differences in how two different accountants, about how the books should be kept. So I would like to think that those are having results or being worked on. I would just like to get that information. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Ms. Lee. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. Mr. Chair, this area is one that has been brought up in the past from time to time and we have had a number of discussions, and discussions about process and how things are following through from the details of this last round and what we are doing to address some of the concerns. At times, I guess, flat out, I must say that there are differences of opinions at times. We are following the rules that are established and working with that, but we still do find from time to time that there are differences in interpretation and so on.

The work that has been done to date, I will have Mr. Voytilla give that detail.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Voytilla.

**MR. VOYTILLA:** Thank you, Mr. Chair. There is really no disagreement in how to calculate things between us and the Auditor General. The Auditor General's criticism is that we are not doing enough to go out there, quantify and assess whether our potential liabilities, so it is not a matter of methodology. It is just a matter of effort that they are criticizing. With the addition of this environmental accountant, it is our intention to significantly increase our work and our effort to, in fact, be able to identify, quantify and book our environmental liabilities. It is really more an issue about how much effort we are putting into it, as opposed to any disagreement over approach or methodology.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Voytilla. Ms. Lee.

**MS. LEE:** Thank you very much. I appreciate that answer. Just a follow-up on that. What is the dollar amount in the difference we are talking about? I would like to know what the impact of that difference in dollar amount is. Whether it is by effort or methodology, is there a dollar amount difference still? What kind of impact does that have on our liability on the books? Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you. Can I just ask Members, if they want to have any side discussions, to step out, please? Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. Mr. Chair, as Mr. Voytilla has stated, the issue that we have had, or the Auditor General has had with us, is the effort in the amount of the accounting of liabilities out there, the valuation of those. There is no established number at this point that we are disputing. It is the fact that we need to get out there and establish what the liabilities are. It is a matter of getting into the field, doing site assessments and quantifying what those environmental liabilities would be on the accounting side. That is the piece being criticized about. We haven't done, in their eyes, enough to quantify and value that liability that is out there. That is what this is starting to do, is to get out there, establish that and do the work around that area. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Ms. Lee.

**MS. LEE:** Thank you. Just to confirm then, there is no dollar amount of environmental liability that is being under reported at the moment because we don't know what that is. There is a potential that, when we get this environmental accountant, I have never heard that term before, but I guess it is an environmental liability accountant or monitor. It goes out that there is a potential that he or she will come back with something we didn't know before. I guess we will hear about that. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Ms. Lee. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. I guess, for the record, I should state that, as I stated earlier, we won't see Mr. Voytilla out there in overalls and rubber boots. We will be working with departments. This individual will be working with departments and their assessments and then coming up with that valuation of those assessments. At that time, then, yes, we will have a clearer picture as to what lies before us in the area of liabilities and how we allocate amounts to that. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Next I have Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chair. I have a few questions in regard to the \$8.3 million in power subsidies. I wonder if the Minister could break down for me a couple of different things. I want to know, first of all, what it costs the department to administer that \$8.3 million, because I think that \$8.3 million is the money that goes directly to those who need the subsidy. It doesn't include administrative costs. The other thing I would like to know is how many persons are solely responsible for

administering this program? How many people does it take to administer this program? Thank you, Mr. Chair.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. Mr. Chair, to do this program year round, it is taking about half a position to do this. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chair. The reason I ask is for possibly future reference when somebody comes and wants to take the Power Subsidy Program and put it in a different department, I think it is important that we know what it takes to administer the program. Is there any likelihood that this Power Subsidy Program will be moved in the near to not-too-distant future to the Department of ECE? Thank you, Mr. Chair.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. Mr. Chair, we haven't had the discussion with any departments to this date of actually moving that amount and that subsidy program over. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chair. If it is indeed the government's intention to have the one department looking after subsidy programs, would it not make sense to relocate the Power Subsidy Program to the Department of ECE to administer? Thank you, Mr. Chair.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. Mr. Chair, we have done a fair bit of work in identifying the different subsidy levels that we have paid across the board in a number of departments. This has been one of those that have been identified as a subsidy that is provided to residents of the Northwest Territories. We haven't sat down yet to discuss if all programs will fall into one area or if we will get the bulk of them that are funded through one department. It is not a discussion that can happen. We haven't had it to date. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chair. I just wanted to state, for the record, that I would be supportive of the government having a look at taking the Power Subsidy Program from FMBS and moving it under the roof of ECE so that it can better coordinate subsidy programs to all of our residents. I don't need a response from the Minister. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Page 2-63, activity summary, government accounting, operations expenditure summary, \$12.058 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 2-64, 2-65, activity summary, government accounting, grants and contributions, \$8.307 million. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chair. In the summer of 2005, the FMBS completed a review of the Territorial Power Subsidy Program. Is the department thinking about changes as a result of that review?

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. No, we are not contemplating any changes in the level of the support or changing the program as it exists. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chair. How does the department intend to control the escalating costs associated with fuel, the cost increases in the North here? Thanks.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. Mr. Chair, the Power Support Program or subsidy program in place in a sense offsets some of that impact, but we don't, through this program, affect the price of fuel or the price of fuel to deliver to the Power Corporation for example because that is what affects the rates to individuals. This is just lowering the cost of living, at least for the first 700 kilowatt hours, of individuals outside of Yellowknife to match that of what Yellowknife residents would pay. In a sense, it would impact on the cost of living side, but it would be no direct impact on the cost of fuel in communities. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Yakeleya.

**MR. YAKELEYA:** That's okay. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you. Page 2-65, activity summary, government accounting, grants and contributions, contributions, total grants and contributions, \$8.307 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 2-66, 2-67, information item, government accounting, active positions, 27.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 2-68, 2-69, activity summary, budgeting and evaluation, operations expenditure summary, \$1.583 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 2-70, 2-71, activity summary, budgeting and evaluation, grants and contributions, grants, total grants and contributions, \$91,000. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you. Is the Deton' Cho Diamonds, have they continued to make all their payments on schedule?



**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. Mr. Chair, they are, I guess we qualify that as being current. They have made their payments. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chair. It is a good answer. Thank you.

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**CHAIRMAN (Mr. Pokiak):** Page 2-71, activity summary, budgeting and evaluation, grants and contributions, grants, total grants and contributions, \$91,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 2-72, 2-73, information item, budgeting and evaluation, active positions.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 2-74, 2-75, activity summary, Audit Bureau, operations expenditure summary, \$1.259 million. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chair. I have two questions in one. I know we had some issues with the staffing of the Audit Bureau. I want to ask if that has been resolved, and are we at full capacity with the Audit Bureau? Thank you, Mr. Chair.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. Mr. Chair, we are still experiencing difficulties in filling a senior auditor position. As a result, we have had to do more contracting. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you. Then that leads to another question. When will we expect to fill that senior audit position and complete the contract to whoever the contractor is in terms of this position? Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. Mr. Chair, we have done what we can in a sense of our advertising and getting information out there to try to attract people to take that position on. We've now started focussing on trying to, along with the advertising portion of it, take from within and have people trained up to that level so that we can hopefully be more successful in that side of taking people from within the organization and have them trained so that they can take on a position like that. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chair. Mr. Chair, I support it if they can take a position within the department

and train them to be a qualified senior auditor candidate. I guess somewhere along the line, this is where the date is going to end in terms of including the contractor's position. That type of loss would be worse. I would just like to encourage the Minister that this type of philosophy also works within our regions and all different areas about filling positions. I certainly support the Minister in terms of having someone in the department move up to that level as much as I see anybody in our region was in maybe a similar position because they have the opportunity to also move to senior management levels. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. I thank the Member for his support in that area. That is something, as a government, we have tried to do through a number of programs. For example, it would be under another new department we will have established after this budget flows on, how we would try and attract our own forces or people from within up the ladder. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Yakeleya.

**MR. YAKELEYA:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Yakeleya. Next I have Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chair. I am just wondering if the Minister could elaborate a little bit further on what internal operational audits the Audit Bureau has conducted and in which departments in the past six to eight months. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chair. Mr. Chair, for that kind of information, I don't believe we have all of that available, but Mr. Voytilla does have some information that he can provide. If we can have Mr. Voytilla give some detail in that area. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Voytilla.

**MR. VOYTILLA:** Thank you, Mr. Chair. We have a system of risk assessment to determine which audits we should give priority to. We apply that assessment methodology to the organization and then build our audit plan from that. The only thing that sometimes comes in and throws a bit of a kink into our plan is the amount of special investigations. There is no control, really, over the volume and its frequency of special investigations. As they come up, we give them priority and act on them. Unfortunately, this summer and this fall we spent a lot of time on special investigations and so we are behind in our regular audit plan, but some of the operational audits have proceeded and are underway, but we are behind in our main audit program for this year because of the number of special.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Voytilla. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chairman. I'm just wondering if we should be alarmed that there's been a

number of special investigations being conducted, and I would just have to also question how the Audit Bureau would arrive at priorities. Maybe if the Minister or Mr. Voytilla could share with us what they feel are priority areas. Are there departments that are more likely to have the Audit Bureau go in and conduct an audit? I think this is the type of information that I'd like to know, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, there is a criteria established for when we would look at audits and how we would do those, and Mr. Voytilla can provide that detail. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Voytilla.

**MR. VOYTILLA:** Thank you, Mr. Chairman. I'd certainly be happy to give a full briefing on our risk assessment methodology. It's something that we developed just a few years ago and our audit committee oversees its application with the bureau, but it looks at the volume of transactions, it looks at the magnitude of the individual transactions involved, it looks at if there's been significant change and turnover in any particular organizational area. We also, of course, seek input from the senior management in areas that they think need special attention. So there's about five or six specific factors that we take into account in our waiting to determine priority for audit, and we'd certainly be able to give the Member more specifics and detail on that if he'd like.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Voytilla. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chairman. I think that a briefing like that would be beneficial to Members to try to get an idea of how risk assessment is arrived at and which departments. The thing I'm getting at is if we're not getting out there, if the Audit Bureau is not getting out there and conducting the work that it's prescribed to do, whether it's because of staffing or special investigations that are going on, then that causes me some concern, Mr. Chairman. Again, I think some more work has to be done in this area and I look forward to...I know Mr. Voytilla may not be with us much longer, but certainly somebody to give us a briefing on this risk assessment methodology. I think it's important for all Members to try to understand that. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, what Mr. Ramsay states about a concern of not getting out there and doing some of this work is a concern that is shared by the Financial Management Board Secretariat and that is why we're using more and more contracting to go out and get some of this work done. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Ramsay.

**MR. RAMSAY:** That's good. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you. Page 2-75, activity summary, Audit Bureau, operations expenditure summary, \$1.259 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 2-76, 2-77, information item, Audit Bureau, active positions. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. On a number of occasions, I've had the pleasure of asking questions on the Audit Bureau regarding staffing levels. The good Minister has offered some answers, but they've been very satisfactory. I'm looking forward to the continuation of that theme with some good answers. What is the present staffing level of the Audit Bureau? Even though we have hedged 12 funded positions, what is on average the last staffing level for that bureau? Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Hawkins. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, as the Members know, from time to time when you print documents or prepare briefing notes, it fluctuates from time to time, but as of yesterday I'm informed we've got a 50 percent vacancy, six positions vacant. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Hawkins.

**MR. HAWKINS:** Thank you. Would that be on average for the last year, or is there some prices that we're not aware of that's happened in the last little while? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Hawkins. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. That is higher than we would normally find. We have difficulties or had difficulties mainly in our senior staff positions, but this time we also have some in the assistant auditor positions, as well. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. I appreciate that, Mr. Minister. Can you give me some detail as in how we're going to correct this problem? As I seem to remember, I've been bringing attention to this problem to our Assembly now for over a year. Obviously, not every day or every session we sit, but it's been raised a number of times by me. Still 50 percent is pretty low. Is there anything we can do, or what is the Minister doing, or the staff doing, to ensure that we get a full complement? I think my colleague Mr. Ramsay just talked about making sure audits get done and get done in a proper priority and whatnot. I know, Mr. Minister, you expressed taking up the slack through contracted services, which is always a concern of mine in a process where we don't have the staff to do the work. So what are we doing to pick up the slack in the sense of hiring staff? I'm not talking about the work at this moment. So filling vacancies, Mr. Chairman. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Hawkins. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, as I stated earlier to another Member's question in a similar area, with the existing systems we have in place and pay levels and so on, it's difficult to fill those positions. We continue to aggressively advertise these positions to try to get people recruited to them. Beyond that, we're looking at doing some training from within the organization to try to have people move up to these positions. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Hawkins. Thank you. Page 2-76, 2-77, information item, Audit Bureau.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Page 2-78, 2-79.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Now can the Members turn to Main Estimates 2006-2007, Volume II, 2-7 under FMBS? Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chairman. I'm just wondering, given the substantial costs of the new FIS replacement review, it's a bit of a concern of mine that it seems to be getting pushed back. I'm just wondering if the Minister could let us know why the FIS program isn't advancing as he had originally told us it would. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, we did back this off for a year for a number of reasons; one being our organizational capacity, as well as coming up with the right plan to move forward with. So we've re-established the \$500,000 that we were initially going to spend in 2005-06 to 2006-07, and we are now in the position where we think we have the majority of work for systems selection and are preparing to move down that path for an actual selection and trying to come up with the right equipment. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chairman. I just wanted to, and again, given the size and the scope of this project being over \$15 million, who ultimately is going to be responsible for overseeing the implementation of this new FIS project and I guess financially responsible for it, as well? Like, who in the department is going to be the key person that's involved with this, or are we contracting everything out? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, there's a fair bit of detail with that. Ultimately it will come down between the chairman of the Financial Management Board and the secretary of the Financial Management Board, but there will be a steering committee established with that. For the detail and how we plan to unfold this, we'll have Mr. Voytilla give that information.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Ramsay.

**MR. RAMSAY:** Mr. Voytilla.

**CHAIRMAN (Mr. Pokiak):** Mr. Voytilla.

**MR. VOYTILLA:** Thank you, Mr. Chairman. This is a major project and so we will be organizing it in a very formal and comprehensive way. There will be a project terms of reference, there will be a steering committee established chaired by, I expect, the secretary of the Financial Management Board, but also made up of deputy ministers and other users. In the secretariat itself, we have one or two positions that will be dedicated throughout the life of the project. In addition, we expect we'll have to pull together a project team. We will be looking for recruits from across the organization to form that project team, and then we will still have to supplement that with contracted resources because the implementation period will take two to two-and-a-half years to complete, and we will have to draw upon levels of expertise that we don't have in house. We would hope, though, and we would intend, through the process, to do an awful lot of staff development, knowledge transfer from the contracted resources to our own staff so that afterwards we don't have an ongoing dependency with any particular supplier or contractor.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Voytilla. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chairman. That sounds good, thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. At this time can we return back to volume I, please, of FMBS under 2-51, volume I, page 2-51, program summary, operations expenditure summary, \$18.283 million. Questions?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** So can we go to volume II, under 2-7, FMBS, infrastructure acquisition plan, directorate, tangible capital assets, total tangible capital assets, \$500,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Total activity. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chairman. I should have asked this before, but I'll ask it now. The money that's budgeted here for the system review, does that include the money that Mr. Voytilla is talking about for the setup of the project team, any type of money for the steering committee to develop a terms of reference, like is there soft costs in this or is this just for the system itself?

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, this includes both; all costs, it's the total package. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chairman. If it does include both, I guess why would you present it in this way as a capital asset when some of this \$16 million isn't going to be a capital asset, it would be corporate knowledge in our employees minds and pieces of paper with terms of reference on it? I'm just wondering why you would address it as a capital asset if it's not, indeed, a capital asset. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, the majority of this will, in fact, fall under the capital assets as it will be an asset that the government will use. For the details of how this flows out and works within our tangible capital assets program, I'll have Mr. Voytilla give that detail.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Voytilla.

**MR. VOYTILLA:** Thank you, Mr. Chairman. Just for clarity, the time devoted by senior management to oversee the project won't be part of this. This will be the actual people that are hired to implement the system; the consultants, the dedicated staff resources. In this money is money for training, for data conversion, for business re-engineering. All of those are considered to be implementation costs. In fact, on a major project like this, a good 60 to 65 percent of your costs will be those types of labour inputs, labour costs. The actual licensing of the new software, whatever hardware is required, that constitutes a smaller part of the project, and in our accounting policies and accepted accounting policies across the country are that those dedicated project costs are capitalized and amortized over the life of the project.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Voytilla. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chairman. I can understand that. I guess if it's 60 to 65 percent, I guess I could do the quick math on what exactly the new system is going to cost and that's the licensing, and the actual software and that would be about four or \$5 million, is that correct?

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. The Member is correct; in the ballpark I guess is the way to put it. Again, it's hard to nail it down to 60 or 65 percent, but it would be in that area. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Ramsay.

**MR. RAMSAY:** Thank you, Mr. Chairman. Again, I can appreciate how that's done and when you're building a school or a hospital or something, a big capital piece of infrastructure, it's easy to see that of course the labour component is going to be included in something like that in the costs that appear before us in the CAP plan, but when it comes to software and I guess getting a new FIS system, it's a little bit tougher to comprehend why the labour component would be as much as it is. But again, I guess it's a little bit different. So again, I can understand why it's done the way it is, but to me there's something not

quite right about it. But I'll leave it at that, Mr. Chairman. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Ramsay. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, as Mr. Voytilla stated, in the rules that we operate under and the accounting rules that we use, capitalizing those costs are part of it. In this case, yes, it's rather on the high end of some of the soft costs, but again, because it's all going towards that project, the software as well as hardware is capitalized through our process here. Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you, Mr. Roland. Mr. Ramsay.

**MR. RAMSAY:** Thank you.

**CHAIRMAN (Mr. Pokiak):** Thank you. Page 2-7, infrastructure acquisition plan, directorate, tangible capital assets, total tangible capital assets, \$500,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Total activity, \$500,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Total department, \$500,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** Does committee agree that the Department of FMBS has been considered?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Pokiak):** At this time I'd like to thank the Minister and his staff for coming down. At this time I'd like to as the Sergeant-at-Arms to take them out.

---Applause

What is the wish of the committee? Ms Lee.

**MS. LEE:** I move that we progress, Mr. Chairman.

**CHAIRMAN (Mr. Pokiak):** Thank you. Motion is on the floor. The motion is in order. To the motion. All those in favour? All those opposed? The motion is carried.

---Carried

I shall rise to report progress. Thank you, committee.

**MR. SPEAKER:** Can I have the report of Committee of the Whole? Mr. Pokiak.

#### ITEM 17: REPORT OF COMMITTEE OF THE WHOLE

**MR. POKIAK:** Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Committee Report 5-15(4) and Bill 18, Appropriation Act, 2006-2007, and would like to report progress with four motions being adopted. Mr. Speaker, I move that the report of Committee of the Whole be concurred with. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Pokiak. Is there a seconder for the motion? The honourable Member for Tu

Nedhe, Mr. Villeneuve. There is a motion on the floor. The motion is in order. All those in favour? All those opposed? The motion is carried.

---Carried

Third reading of bills. Mr. Clerk, orders of the day.

**ITEM 19: ORDERS OF THE DAY**

**CLERK OF THE HOUSE (Mr. Mercer):** Mr. Speaker, orders of the day for Thursday, February 23, 2006, at 1:30 p.m.:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Reports of Standing and Special Committees
5. Returns to Oral Questions
6. Recognition of Visitors in the Gallery
7. Oral Questions
8. Written Questions
9. Returns to Written Questions
10. Replies to Opening Address
11. Petitions
12. Reports of Committees on the Review of Bills
13. Tabling of Documents
14. Notices of Motion
15. Notices of Motion for First Reading of Bills
16. Motions
17. First Reading of Bills
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and Other Matters
  - Bill 12, An Act to Amend the Territorial Court Act
  - Bill 15, Court Security Act
  - Bill 16, Tobacco Control Act
  - Bill 17, An Act to Amend the Public Colleges Act
  - Bill 18, Appropriation Act, 2006-2007
  - Bill 19, Supplementary Appropriation Act, No. 3, 2005-2006
  - Committee Report 5-15(4), Standing Committee on Accountability and Oversight Report on the 2006-2007 Pre-Budget Review Process
  - Committee Report 6-15(4), Standing Committee on Governance and Economic Development Report on the 2006-2007 Pre-Budget Review Process

- Committee Report 7-15(4), Standing Committee on Social Programs Report on the 2006-2007 Pre-Budget Review Process

20. Report of Committee of the Whole

21. Third Reading of Bills

22. Orders of the Day

**MR. SPEAKER:** Thank you. Accordingly, this House stands adjourned until Thursday, February 23, 2006, at 1:30 p.m.

---ADJOURNMENT

The House adjourned at 19:23 p.m.

