

18th Legislative Assembly of the Northwest Territories

Standing Committee on Government Operations

Report on the Review of Bill 1: Western Canada Lottery Act

Chair: Mr. Kieron Testart

MEMBERS OF THE STANDING COMMITTEE ON GOVERNMENT OPERATIONS

Kieron Testart MLA Kam Lake Chair

R.J. Simpson MLA Hay River North Deputy Chair

Daniel McNeely MLA Sahtu Michael M. Nadli MLA Deh Cho Herbert Nakimayak MLA Nunakput

COMMITTEE STAFF

Jennifer Franki-Smith A/Committee Clerk

April Taylor Committee Advisor



Legislative Assembly
Standing Committee on Government Operations
Assemblée législative
Comité permanent des opérations gouvernmentales

February 27, 2018

SPEAKER OF THE LEGISLATIVE ASSEMBLY

Mr. Speaker:

Your Standing Committee on Government Operations is pleased to provide its *Report* on the Review of Bill 1 – Western Canada Lottery Act and commends it to the House.

Kieron Testart Chairperson

Standing Committee on Government Operations

STANDING COMMITTEE ON GOVERNMENT OPERATIONS

REPORT ON THE REVIEW OF BILL 1: WESTERN CANADA LOTTERY ACT

TABLE OF CONTENTS

INTRODUCTION	1
BACKGROUND	1
THE PUBLIC REVIEW OF BILL 1	2
WHAT WE HEARD	3
More funding for the arts	3
The definition of "recreation"	3
No erosion of sports funding	4
Mutual support from both communities	4
Issues with specific provisions of the Bill	4
Shielding lottery proceeds from taxation	5
WHAT WE DID	5
More funding for the arts – outside the scope of the Bill	5
The definition of "recreation"	6
Recommendation 1	7
No erosion of sports funding – multisport games funding	7
The need for greater transparency – annual reporting on the Fund	8
Ministerial authority to accumulate a surplus or deficit in the Physical Activity, Sport and Recreation Fund	
Recommendation 2	9
CLAUSE-BY-CLAUSE REVIEW OF THE BILL	10
CONCLUSION	10
Oral Submissions	13
Written Submissions	13

STANDING COMMITTEE ON GOVERNMENT OPERATIONS

REPORT ON THE REVIEW OF BILL 1: WESTERN CANADA LOTTERY ACT

INTRODUCTION

The Standing Committee on Government Operations ("the Committee") is pleased to report on its review of *Bill 1: Western Canada Lottery Act.*

Bill 1, sponsored by the Department of Municipal and Community Affairs (MACA), repeals the existing *Western Canada Lottery Act* (WCLA) and replaces it with a new Act to establish a Northwest Territories Lottery Commission, under the direction of the Minister, with the authority to enter into agreements with the Western Canada Lottery Corporation (WCLC), the Government of Nunavut and retailers.

The Act also establishes a Northwest Territories Physical Activity, Sport and Recreation Fund ("the Fund"), pursuant to Part 7 of the *Financial Administration Act (FAA)*. This special purpose fund, which will form an account within the Consolidated Revenue Fund, will receive proceeds from the operation of lotteries by the WCLC. The Commission will be responsible for the conduct, management and operation of lotteries, while the Minister will administer the Fund and distribute proceeds for purposes related to the promotion and delivery of physical activity sport and recreation programs.

Bill 1 received Second Reading in the Legislative Assembly on October 20, 2017, and was referred to the Standing Committee on Government Operations for review.

BACKGROUND

Currently, the Western Canada Lottery Act (WCLA) authorizes the Minister to enter into agreements with any corporation established to conduct the Western Canada Lottery, for the purpose of undertaking, organizing, conducting or managing the Western Canada Lottery in the Northwest Territories.

The Western Canada Lottery Corporation (WCLC) is a Canadian non-profit organization, founded in 1974 and headquartered in Winnipeg, Manitoba, that operates lottery and gaming-related activities for its members – the governments of Alberta, Saskatchewan and Manitoba. Yukon, the Northwest Territories and Nunavut participate as associate members.

The WCLC works in conjunction with the following marketing organizations: Alberta Gaming and Liquor Commission, Saskatchewan Lotteries, Manitoba Lotteries Corporation, Lotteries Yukon and the Sport North Federation, which signed a licensing agreement with the WCLA in 1979. In 2009, the Northwest Territories Sport and Recreation Council (SRC) became the designated licence-holder.

In 2011, the Canada Revenue Agency advised the licensee that conduct of the lottery was a for-profit activity and, therefore, income was taxable under the federal *Income Tax Act*. In November 2014, the Canada Revenue Agency provided this interpretation to the Department of Finance.

In December 2014, MACA reviewed options with the Departments of Finance, Justice and Human Resources, for shielding lottery proceeds from taxation. This Bill represents the culmination of that process.

THE PUBLIC REVIEW OF BILL 1

The Standing Committee on Government Operations held a public hearing on Bill 1, in Yellowknife, on February 7, 2018.

The Committee Chairperson Kieron Testart, opened the meeting, followed by opening remarks by the Honourable Caroline Cochrane, Minister of Municipal and Community Affairs, who was accompanied by the following officials:

- Eleanor Young, Deputy Minister, Municipal and Community Affairs;
- Ian Rennie, Legislative Counsel, Department of Justice;
- Ian Legaree, Director of Sport, Recreation and Youth, Municipal and Community Affairs;
- Gary Schauerte, Director of Corporate Affairs, Municipal and Community Affairs;
- Melissa Kruger, Senior Policy and Legislative Advisor, Municipal and Community Affairs; and
- Mira Dunn, Ministerial Special Advisor, Executive and Indigenous Affairs.

The Committee takes this opportunity to thank Minister Cochrane and her officials for their appearance before the Committee.

The hearing was extremely well attended, with approximately 30 members of the public in attendance. The Standing Committee thanks everyone who came to the meeting, especially those who took the time to provide their input through written and/or oral submissions. All written submissions received by the Committee are appended to this report.

WHAT WE HEARD

More funding for the arts

Committee was struck by the conviction with which witnesses spoke of the many positive benefits derived from participation in artistic endeavours, including: the creation of jobs and economic opportunities; the provision of educational and personal growth opportunities; mental health benefits; the contribution of arts to vibrant and attractive communities and to civic engagement; and the impact of art on our northern cultural identity and the creation of cultural legacies.

A few witnesses spoke of the value that would be derived by members of the arts community in Yellowknife, if people who wanted to participate in artistic pursuits had a publicly-funded building in which such activities could be housed. They stressed that art supplies and materials can be cost-prohibitive and noted that a public arts facility would make art a more viable option for the less privileged members of our community, especially youth. They spoke of the benefits enjoyed by sports enthusiasts who have both the Yellowknife Multiplex and the Fieldhouse in which they can engage in sports and recreation activities. They asked only that Yellowknife artists be given the opportunity to enjoy similar benefits.

Speakers stressed the importance and necessity of territorial government funding to a thriving arts community in the Northwest Territories. Many wanted to see greater funding for the arts from the GNWT, and expressed the hope that Bill 1 would provide an opportunity to direct additional funding to the arts through the proceeds derived from the Western Canada Lottery program. Some witnesses also noted that they would like to see the arts benefit from multi-year funding arrangements, similar to those enjoyed by territorial sports organizations, which would allow them to stabilize their programming and enable them to spend less time preparing annual funding requests to be submitted to the NWT Arts Council.

The definition of "recreation"

In both written and oral submissions, witnesses raised their concern that "recreation" is not defined in the Bill. When questioned about this, Minister Cochrane indicated that MACA is looking to the members of the Northwest Territories sport and recreation organizations¹ to define what "recreation" encompasses in an upcoming engagement exercise. When questioned about the possibility of including representatives of the arts community in this discussion, Minister Cochrane replied that she was not willing to entertain this request.

¹In response to a question posed by a Committee Member, Mr. Legaree clarified that this reference includes the following organizations: NWT Recreation and Parks Association; Sport North Federation; Mackenzie Recreation Association; Beaufort Delta Sahtu Recreation Association; and Aboriginal Sports Circle NWT.

Witnesses expressed their profound disappointment at this response by the Minister. "This move," in the words of one witness "seems blatantly biased in favour of the established and well-supported sports groups, which benefit greatly from their secured and relatively stable funding, and close ties to the GNWT."

With respect to the issue of the definition of "recreation," one written submission pointed out a definition would provide some clarity for sports organizations as to their eligibility to access this funding, and it would also help to clarify which types of sports-related activities are eligible for funding.

No erosion of sports funding

A number of witnesses indicated their preference that Western Canada Lottery proceeds continue to be used solely for the continued funding for sports and recreation pursuits. They stressed the degree to which sporting activities already rely on the tireless efforts of volunteers. They also expressed concern about their ability to continue to deliver the existing range of sport and recreation activities, presently offered across the Northwest Territories, in the event that funding is reduced by being split between the arts, and sports and recreation activities.

Mutual support from both communities

Committee feels compelled to acknowledge the overwhelming support that advocates for both the sport and recreation and arts communities expressed for one another. Regret was expressed by witnesses that the circumstances of Bill 1 appeared to pit these two communities against one another. Committee agrees that this is unfortunate and should not be the case. Overall, Committee observed that representatives of each community had respect and admiration for the goals and aspirations of the other, and that both acknowledged vital benefits that sport and recreation and the arts provide to the people of the Northwest Territories.

Issues with specific provisions of the Bill

While there was limited discussion in the public hearing about the merits or drawbacks of particular provisions of the Bill, specific issues were raised in the written submissions received by the Committee. These include:

The need for greater transparency

A concern was raised that the bill does not contain any provisions requiring public disclosure about how the proceeds of the lottery will be disbursed to sport organizations.

Multisport games funding

Concerns were raised about the inclusion of multisport games funding under subsection 6(1) of the Bill. In written submissions, witnesses sought clarification about how this funding would impact on existing multisport games funding provided by MACA. They also expressed concern that the hosting of multisport games, which is an expensive undertaking, should not come from lottery funding to the detriment of sport and recreation partners that already rely on lottery funding.

Ministerial authority to accumulate a surplus or deficit in the Physical Activity, Sport and Recreation Fund

Subsection 6(2) of the Bill waives the applicability of section 101 of the *Financial Administration Act*. This has the effect of enabling the Minister to accumulate a surplus or deficit in the Physical Activity, Sport and Recreation Fund. Concern was expressed that if this is permitted, MACA will be able to overspend the fund on an ongoing basis, with the end result being that the Fund will never be in a position such that it can be used for new initiatives.

Shielding lottery proceeds from taxation

One of the primary purposes for Bill 1 was to bring the administration of the Western Canada Lottery program under the auspices of the Department of Municipal and Community Affairs, to protect lottery proceeds from potential federal taxation.

There was acknowledgement by some witnesses of the wisdom of this course of action. No one expressed any reservations about this objective.

WHAT WE DID

More funding for the arts - outside the scope of the Bill

From written submissions received in advance of the hearing, Committee was aware that there would be strong representation from members of the arts community who wanted to see some of the proceeds of the Western Canada Lottery directed to performing and visual arts endeavours.

For the record, when contemplating changes to a Bill that has been referred by the Legislative Assembly to a Standing Committee for consideration, the Committee must operate in accordance with procedural rules regarding the admissibility of any proposed changes. These rules may include, among others, consideration of the principle and scope of the Bill, the relevance and/or consistency of proposed amendments, and the prerogative of the Executive

branch of government to bring forward legislation that would impose costs on the public treasury.

In preparation for the public hearing, the Committee engaged the Legislative Assembly's Law Clerk to consider if an amendment to Bill 1, to permit the proceeds of the Western Canada Lottery to be directed to the arts, would be in accordance with the relevant rules of parliamentary procedure. Based on the advice received, the Committee Chair determined that such an amendment would be outside the scope of the Bill and, therefore, beyond the authority of the Committee to propose.

The Committee Chair made this clear in his opening remarks, to ensure that members of the public did not leave the public hearing with an expectation that the Standing Committee would be in a position to propose an amendment to the Bill to permit lottery funding to be directed to the arts.

It is clear from the passion with which presenters spoke that greater funding for the arts is important to people of the Northwest Territories. This was also evidenced by the February 21, 2018 presentation of a petition in the Legislative Assembly, by the Member for Yellowknife North (Mr. Cory Vanthuyne) on behalf of 314 signatories, requesting that the Government of the Northwest Territories amend the "Lottery Act" to allow for lottery money to be disbursed to artistic endeavours.

The Committee regrets that Bill 1 did not provide this opportunity in the way that members of the public hoped it would. However, the Committee is pleased to note that, in response to a request made by this Committee during the review of the 2018-2019 Business Plans, the Minister of Finance has made a commitment to increase funding for the NWT Arts Council by \$200,000 in the 2018-2019 fiscal year.²

The definition of "recreation"

The Committee shares the disappointment expressed by witnesses that Minister Cochrane demonstrated such unequivocal opposition to allowing representatives of the arts community to engage in this exercise. The Committee holds the view that there is little harm in mutually-respectful dialogue and that the input of representatives outside of the sport organizations may bring fresh views as to what the notion of recreation encompasses.

²"Mr. Chair, in our correspondence with committee, one of the recommendations they made was a possible addition to the funding to the NWT Arts Council. In my correspondence back to committee, I have made that commitment in the form of a supplemental we would be bringing forward an increase to the contribution to the NWT Arts Council of \$200,000," Honourable Robert C. McLeod, Minister of Finance, Unedited Hansard, February 20, 2018, p. 51

The Committee considered the merits of including a definition of recreation in the Bill, but considered that, given the long shelf-life of legislation, this might have the inadvertent outcome of preventing the future funding of recreation activities not yet considered or imagined.

The Committee notes that "A Framework for Recreation in Canada 2015 – Pathways to Wellbeing" offers the following nationally-accepted definition of recreation:

Recreation is the experience that results from freely chosen participation in physical, social, intellectual, creative and spiritual pursuits that enhance individual and community wellbeing.³

Noting, that establishing a clear definition of "recreation" would help people identify their eligibility for accessing lottery funding, the Committee makes the following recommendation:

Recommendation 1

The Standing Committee on Government Operations recommends that the Minister of Municipal and Community Affairs develop a funding policy, which provides clear guidance as to funding eligibility requirements, to guide the disbursement of lottery funding under the new Western Canada Lottery Act.

No erosion of sports funding – multisport games funding

Committee understands that the delivery of sport and recreation programming in the Northwest Territories depends on the commitment of volunteers and upon the funding provided by the GNWT and by non-government organizations and private businesses that sponsor sport and recreation activities.

For this reason, the Committee is concerned that the inclusion of multisport games funding, under subclause 6(1) paragraph (e) of the Bill, will result in the reduction of multisport game funding currently provided by the Department's budget appropriation as voted in the Legislative Assembly. The Committee's concern is borne out by the 2018-2019 Main Estimates for the Department of Municipal and Community Affairs, which show a reduction in the Department's

³Canadian Parks and Recreation Association/Interprovincial Sport and Recreation Council. *A Framework for Recreation in Canada - 2015 - Pathways to Wellbeing*. Ottawa: Canadian Recreation and Parks Association, February 2015, p.4.

appropriation for multisport funding from \$650,000 in 2016-17 to \$250,000 in 2018-19.

The Committee feels strongly that the Bill should be amended by deleting subclause 6(1) paragraph (e), thereby deleting multisport games as being automatically eligible for funding from Western Canada Lottery proceeds. To this end, the Committee proposed a motion to amend the Bill to delete subclause 6(1) paragraph (e) of the Bill.

The purpose of the proposed amendment is to signal that multisport activities will be funded, first and foremost, from the Department's budget. This would not prevent the Minister from exercising the authority to supplement such funding with disbursements from the Fund in appropriate circumstances.

The need for greater transparency – annual reporting on the Fund

During the public hearing, the Committee heard from representatives of the sport and recreation community and others that they wish to see more detailed reporting on the administration of the Physical Activity, Sport and Recreation Fund. The Committee agrees that transparency and accountability are important, so that the public may see how lottery proceeds are disbursed from the Fund.

In response to questions raised by the Committee during the public hearing on Bill 1, the Committee was advised of the Department's view that the *Financial Administration Act* (FAA) together with the *GNWT's Planning and Accountability Framework* provide the requirement for sufficient public reporting on the proposed Fund. The Committee is not satisfied with this response.

Part 7 of the FAA governs special purpose funds. While section 104 requires year end reporting for revolving funds, there is no similar requirement for year-end reporting for special purpose funds which, like the proposed Physical Activity, Sport and Recreation Fund, are not revolving funds.

The GNWT's *Planning and Accountability Framework* imposes certain accountabilities on Category A public agencies such as the Liquor Commission, the Human Rights Commission and the Legal Aid Commission. Bill 1 does not propose to amend the FAA to include the proposed Northwest Territories Lottery Commission in Schedule A, therefore, the Committee surmises that it cannot rely on this part of the *Planning and Accountability Framework* to ensure adequate public reporting on the proposed Fund.

While the *Planning and Accountability Framework* does impose certain accountability obligations on government departments (Category D), the required reporting (i.e. business plans, operating budget, and annual report) is at a high

level. The Committee seeks a greater level of detail than is required under the *Framework*.

Accordingly, the Committee proposed a motion to add subclause 5(5) to the Bill. This proposed amendment requires the Minister to table a report in the Legislative Assembly on an annual basis, within 90 days following the end of each fiscal year, with the following details:

- The total amount paid into the Fund in the preceding fiscal year;
- The recipient and amount of each disbursement from the Fund;
- A description of the purpose for which each disbursement was made from the Fund; and
- The value of the Fund at the close of the preceding fiscal year.

Ministerial authority to accumulate a surplus or deficit in the Physical Activity, Sport and Recreation Fund

The Committee shares the concern raised in submissions about the Minister's power under subsection 6(2) of Bill 1 to accumulate a deficit or surplus in the Physical Activity, Sport and Recreation Fund and wishes to ensure that reasonable limits are placed on this power.

When considering how best to amend the Bill to address this matter, the Committee sought and received additional information from Minister Cochrane. This exchange included a proposal from Minister Cochrane, developed in consultation with the Department of Finance, that the Department of Municipal and Community Affairs will make a submission to the Financial Management Board requesting that the FMB establish a limit on any accumulated deficit or surplus in the Fund.

The Committee agrees with this approach, provided that the limit set by the FMB is made public and shared with the Standing Committee, and reported on annually by the Department in accordance with the amendment proposed with respect to year-end reporting. Accordingly, the Committee makes the following recommendation:

Recommendation 2

The Standing Committee on Government Operations recommends that the Minister of Municipal and Community Affairs make a submission to the Financial Management Board requesting that the Financial Management Board establish a limit on any accumulated deficit or surplus in the Physical Activity, Sport and Recreation Fund and, furthermore, that this limit be made public, shared with the Standing Committee and reported upon annually by the Department, in its year-end reporting on the Fund.

CLAUSE-BY-CLAUSE REVIEW OF THE BILL

The clause-by-clause review of the Bill was held on February 26, 2018. At this review, the Committee moved the following motions:

Motion 1:

That Bill 1 be amended by adding the following after subclause 5(4):

- (5) The Minister shall, within 90 days following the end of each fiscal year, table a report of the Fund with the Legislative Assembly, which includes
 - a) the total amount paid into the Fund in the preceding fiscal year;
 - b) details of each disbursement from the Fund, including the recipient, the amount paid and a description of the purpose for the disbursement; and
 - c) the value of the Fund at the end of the preceding fiscal year.

Minister Cochrane concurred with this motion and the motion was carried.

Motion 2:

That subclause 6(1) of Bill 1 be deleted and replaced by a new subclause 6(1). This has the effect of removing paragraph (e), hence removing multisport funding from the list of items for which the Minister may make disbursements from the fund.

Minister Cochrane concurred with this motion and the motion was carried.

Motion 3:

That Bill 1 be amended by inserting the following heading immediately before clause 8: LIABILITY. This is a routine, non-substantive amendment intended to fix a drafting oversight.

Minister Cochrane concurred with this motion and the motion was carried.

CONCLUSION

The Standing Committee on Government Operations' Review of Bill 1 is the result of a collaborative process. The Standing Committee wishes to thank the Minister for her concurrence with the motions made by the Committee to amend the Bill. The Committee thanks the public for their participation in the review process and everyone involved in the review of this Bill for their assistance and input.

Following the clause-by-clause review, a motion was carried to report Bill 1: Western Canada Lottery Act, as amended and reprinted, as ready for consideration in Committee of the Whole.

This concludes the Standing Committee's review.

Page 11 of 11

APPENDIX 1

SUBMISSIONS

Oral Submissions

The Standing Committee on Government Operations heard oral submissions from the following members of the public:

- Janie Hobart, President, Mackenzie Recreation Association
- Eli Purchase
- Mary Kelly, Musician
- Terrence Pamplin, Artist & President Borderless Art Movement!
- Jazmine Gardner, Graphic Artist and Illustrator
- Matthew Grogono, Artist and Co-founder, Aurora Arts Society
- Doug Rentmeister, Executive Director, Sport North Federation
- David Wasylciw

Written Submissions

The Standing Committee received the attached 11 written submissions.

From:

Jessica VanOverbeek < jessica@mranwt.ca>

Sent:

Thursday, January 25, 2018 1:32 PM

To:

Jennifer Franki-Smith

Subject:

Bill 1: Western Canada Lottery Act

Hi Jennifer,

I'd like to register MRA as a presenter for the Bill 1: Western Canada Lottery Act review on February 7 at 11am. Our executive board (6 members) will be in town for training so if it's possible we would like to all come but the president (Janie Hobart) will be designated speaker. If space is a concern, please let me know.

Here are the points we would like to address:

- 1: Definitions: definition of recreation according to the bill
- 5.3: Revenue: current MACA multi-sport games budget to be added to this fund in addition to lotteries funding
- 6.1 who can apply or access funding: partners, organizations, communities, individuals
- 6.1.a: see definitions questions; capacity building and physical literacy
- 6.1.e: on top of current MACA contribution or replacing

Our points will be in more detail during the presentation but we wanted to let you know roughly what we would be addressing in case preparation was needed for responses.

Please confirm you have received this and if we are scheduled and all set. Regards,

Jessica VanOverbeek

Executive Director



w: www.mranwt.ca



Never miss out on what's going on in the MRA region:

* sign up for our monthly E-NEWS

* Follow us:







Mr. Kieron Testart Chairperson Standing Committee on Government Operations

On January 15th, 2018, the Aboriginal Sports Circle of the NWT (ASCNWT) received written correspondence from the Legislative Assembly regarding the Standing Committee on Government Operations reviewing **Bill 1:** Western Canada Lottery Act.

ASCNWT and its membership cannot stress enough the importance of protecting the lottery proceeds for sport, recreation and physical activity. Communities across the NWT are dealing with a number of mental and physical health issues many of which can be helped or prevented by sport, recreation and physical activity; which in turn will save the territory money in health care by having healthier residents. Currently many of our communities lack the professionals, capacity or infrastructure to allow our residents to stay physically active or even train them on the benefits of being active for life. ASCNWT's mandate is to develop community wellness through sport, recreation, physical activity and culture. This lottery funding is imperative to our success and to continue to better NWT communities and its residents.

ASCNWT board of directors, alongside the Executive Director have reviewed the bill and would like to bring forward some questions and concerns;

- 1. Will the Physical Activity, Sport and Recreation fund <u>only</u> receive proceeds from the Western Canadian Lottery Corporation or will the fund receive other proceeds from the GNWT budget?
- 2. According to section 6. (1) the minister may make disbursements from the fund for a number sport, physical activity and recreation initiatives these initiatives need to be defined further;
 - a. Under section 6. (1)(a) What is the definition of physical activity, sports and recreation and how does the minister determine who is allowed access to this funding?
 - b. Under section 6. (1)(c) What is the definition of high performance? How is the GNWT classifying high performance athletes?
 - c. Under section 6.(1)(g) how are decisions made to fund other initiatives that are "deemed necessary"?
- 3. ASCNWT would like confirmation of currently how Team NWT is funded and how hosting of multisport games is funded?
 - a. ASCNWT's understanding is that the GNWT provides \$650,000 a year towards the delivery of Team NWT, which does not come from lottery proceeds. Is this correct?
 - b. ASCNWT's understanding is that lottery proceeds currently are not used for the hosting of multisport games. Is this correct?



- c. ASCNWT believes that Team NWT and the hosting of multisport games should not come from lottery dollars. The lottery funds are already spread out amongst a number of sport and recreation partners. In years where there are 2 or 3 sets of games Team NWT is expensive to deliver, the GNWT should be funding these initiatives separately.
- 4. ASCNWT would like clarification on **Section** (2). ASCNWT believes that the GNWT is already overcommitting the amount of lottery funding available. If the GNWT continues to over commit, Lottery funding will not be able to catch up to a point where the fund can be used to new initiatives that could benefit the lives of NWT residents.

Thank you for allowing ASCNWT to submit feedback regarding the bill. ASCNWT hopes that these concerns will be addressed in the writing of *Bill 1 Western Canada Lottery Act* and that the Standing Committee can provide answers to our questions.

Sincerely,

Aaron Wells

Executive Director

Aboriginal Sports Circle of the NWT

Angela Grandjambe

Chairperson

Aboriginal Sports Circle of the NWT

Connie Belanger

Vice Chairperson

Aboriginal Sports Circle of the NWT

From:

Eli Purchase <eli.purchase@gmail.com> Wednesday, January 31, 2018 4:38 PM

Sent: To:

Jennifer Franki-Smith

Subject:

Western Canada Lottery Act Public Consultation

Follow Up Flag:

Follow up

Flag Status:

Flagged

Categories:

Government Operations

Hi there,

I am interested speaking at this consultation. I have created an ePetition surrounding the bill as I think it should be amended to allow lottery revenues to be spent on the arts.

Thanks, Eli Purchase 867-446-0312



February 6, 2018

Standing Committee on Government Operations

c/o Mr. Kieron Testart - Chairperson

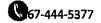
RE: BILL 1: WESTERN CANADA LOTTERY ACT

Dear Honourable Mr. Testart,

As a non-profit recreation organization representing 20 of the 33 communities in NWT and 1 of the 4 major recreation and sport partners in NWT, the Mackenzie Recreation Association (MRA) would like to emphasize the significance of the lottery funding has for communities in the NWT who represent roughly 52% of the population. MRA's mission is to enhance the quality of life of the Mackenzie residents by embracing the principles of Canadian Sport for Life* while fostering and supporting development of recreation, volunteers, and leadership. One of the MRA goals is to build capacity and leadership and is reflected in the high percentage of participation from the smaller Aboriginal communities that we have in our programs and services.

Over 63% of the NWT population is overweight and obese which is decreasing our life expectancy by 5 years and puts us 10% higher than the national average (51%). In addition to the physical burden, physical inactivity also has an economic burden. The national economic burden of physical inactivity is represented in two types of costs: direct costs at \$2.1 billion and indirect costs at \$4.3 billion annually. Research has proven how physical activity, including sport and recreation, is a key element to reducing this burden and helping communities to become healthy both physically AND mentally.

The majority of communities across the NWT are dealing with various physical and mental health issues and specifically include recreation, sports, and physical activity as priorities within their community wellness plans as they recognize its importance and rippling benefits. Furthermore, improving community health and reducing youth crime is a key component to the 94 calls to action in the Truth and Reconciliation Report. As Aboriginals represent 72% of the MRA community population, it is critical that we continue to promote healthy, active lifestyle in our region and even more importantly in the small isolated communities.





The MRA executive board and the executive director have reviewed the bill and would like to bring forward some questions and concerns:

- 1. Section 1. (1): What is the definition of recreation according to the bill?
- 2. Section 5. (3) & Section 6. (1) (e): Currently GNWT:MACA contributes to the multi-sport games budget. Will the Physical Activity, Sport and Recreation fund only receive proceeds from the Western Canadian Lottery Corporation or will the fund receive other proceeds from the GNWT: MACA budget?
- 3. Section 6. (1) How will the minister determine who is allowed access to this funding?
- 4. Section 6. (1) (a): Capacity building and physical literacy are specific terms referenced and supported within the Canadian Sport Policy and the A Framework for Recreation Canada. How are these terms represented in the disbursement guidelines?

Thank you for allowing us to submit feedback regarding the bill. MRA hopes that these concerns will be addressed in the writing of *Bill 1 Western Canada Lottery Act* and that the Standing Committee can provide answers to our questions.

Regards,

Janie Hobart

MRA | President

Nathan McPherson

yfut alfter

MRA | Vice-President

Jessica VanOverbeek

MRA | Executive Director

To whom it may concern,

I urge you to make the proper revisions to the bill regarding the allocation of funds from the lottery, so that arts in the NWT may be better supported to survive in the North.

The face of the north is arts and culture. That is what makes us unique and who we are, and yet the individuals and groups in this industry feel undervalued. Artists and Cultural practitioners are asked to share services, expertise and demonstrations with little or no compensation, while all competing for the same small pots of money, and receiving fractions of what is requested.

This territory is full of traditional knowledge keepers, who need the right people, resources, and support to save that information from dying. These resources, are a form of reconciliation. Art and creativity has as much of a role in wellness and opportunity as physical activity and academics. Money and resources are needed to support and instill this in our children and youth, so they have the same chance as anyone else in any other province or territory to pursue their dreams and enhance their community.

You use artists to design your websites, your buildings, your new branding. You use artists' footage and images to promote our territory abroad, their craftsmanship and artistry to share with other cultures. Whose creativity is behind promoting our city and territory for tourism? These people are all artists, and are all vital in very different ways.

Arts organizations needs more funding and resources to fuel their incredible ideas that make this city and this territory an amazing and unforgettable place to visit and live. They need support to bring people here to share their skills, and send our people elsewhere to enhance their skills. They need funding to create workshops and programming that inspire youth and emerging artists to keep learning, preserving and pursuing their dreams. Individual artists need funding to make being a working artist viable, in a territory with such high cost of living.

Being an artist or a facilitator of the arts is incredibly challenging, and not for the faint of heart. It takes hard work, countless thankless and unpaid hours of fine tuning a skill or an idea, and it is all run on passion, encouragement and local support. This community is a place like no other, where someone with the right idea, the right support, and guts to keep at a dream can make something out of nothing.

But what about getting past surviving, in this cold and isolated land; how can we create an environment where artists can thrive?

Please support the youth who dream of being artists, and the artists who dream of making a living and a life, sharing their talents, and strengthening their communities.

Julaine Debgorski

From:

walth@internorth.com

Sent:

Tuesday, February 6, 2018 7:50 PM

To:

Jennifer Franki-Smith

Subject:

lottery money

I fully support the concept that the lottery money should be used to promote health and well being in the NWT.

This of course includes sports. However I have never understood why it goes only to sports.

Health involves healthy bodies but also healthy minds and spirits.

So I would like to see the money also be used to help support arts and culture activities as well.

I include the word culture because, if you just say arts some people might take too narrow of a view of what art entails.

Encouraging kids to get out and play a sport like indoor soccer or baseball in the summer is great.

But so would a weekly arts class, the formation of a sewing circle, a wood working class or a cooking program.

I am all for sports and physical activity but also support arts, culture and exercise for the mind as well.

So I think the legislative assemble should use the lottery money to support sports, arts and culture. They are all important to creating healthy people, communities and a healthy north.

I am a professional prospector, artist and writer. I firmly believe that my love of and work in any one of those fields helps me in the others.

That is another reason why you should support sports, arts and culture.

If you have any questions please contact me.

Walt Humphries 873-5486

David Wasylciw david@wasylciw.com

February 7, 2018

Standing Committee on Government Operations
Legislative Assembly
PO Box 1320
Yellowknife, NT X1A 2L9

Dear Members of the Standing Committee on Government Operations,

Re: Bill 1 - Western Canada Lottery Act

Thank you for holding public hearings on the new *Bill 1, Western Canada Lottery Act*. This important legislation establishes the Northwest Territories Lottery Commission, establishing greater independence for lottery operations and funds in the NWT, and creates a Physical Activity, Sport and Recreation Fund to receive lottery proceeds.

The legislation appears to codify the current arrangement that dedicates all lottery funds to sports organizations; however, the legislation also fails to define physical activity, sport or recreation programs actually are. Over the years there has been public discussion on and off about expanding the eligibility of lottery funds to non-sports programs to include arts programs and this is the right time to consider this change. Opening the lottery fund for more broad application in the territory is reasonable step that mirrors other Canadian jurisdictions, such as Alberta, that have a more open access lottery fund.

While it is possible that arts programs could fit under the legislations undefined concept of 'recreation' programs, I recommend that committee bring forward amendments to the legislation to broaden the scope of the lottery fund and further generalize the name of the fund.

Finally, the proposed legislation does not require any specific openness or transparency for the newly established lottery fund. The legislation should be amended to require that any disbursements from the fund be publically disclosed. The disclosure should include the date of the funding grant, the recipient organization, the amount and purpose of the funding. These disclosures should be made, at least, quarterly, and published online in an accessible, open format.

While establishing this separate lottery fund is an important step in the growth of the NWT's approach to lottery funding, it is important that it is done openly and transparently.

Regards,

David Wasylciw

CC: Hon. Caroline Cochrane, Minister of Municipal and Community Affairs

To the committee members reviewing the Western Canada Lottery Act:

My name is Eli Purchase and I've lived in the Northwest Territories all my life. I've been in Yellowknife for the last eight years and I'm looking forward to raising my child here.

I want to start by thanking the GNWT for reviewing this very important legislation and providing us all an opportunity to come here today to voice our opinions. I also want to thank everyone who is here to show support and speak out for their priorities. Engagement in the governance process is incredibly important and everyone here should be commended. Thanks to everyone here supporting my view that lottery funding should be available to the arts, but also thank you to everyone from the sports community. The health and wellbeing provided by sport is very important and the work you do to ensure the wide variety of options available for kids, adults and elders is crucial to the people of the territory.

I am here today to speak in support of amending the lottery act to allow art as an activity that can be supported by lottery revenues. In other jurisdictions across Canada lottery funding is available not only to Arts, Sport and Recreation, but also health and education initiatives. Yukon, BC, Alberta, Manitoba, Ontario and Quebec all follow this format. Saskatchewan funds Indigenous culture and traditional activities that includes art. The Atlantic Provinces use lottery funding as general revenues which are unrestricted. Yukon has ticket sales that are almost 40% less than the NWT, yet use a large portion of its revenues on the Arts. While I understand the importance of this funding to sport, it is also of critical importance to supporting a vibrant artistic community in the territory.

I am not asking that a specific amount of funding go to the arts. I am not demanding that we match Yukon's level of support as such a change would be devastating to sport in the NWT. I am simply asking that the legislation be changed to allow the arts to be considered in funding decisions. Whether it is allowing arts organizations in the territory submit proposals to the current review system, or providing a small amount of funding directly to existing arts funding programs in ITI, ECE, or the NWT Arts Council. There are many ways that this could be implemented without the need for increased bureaucracy or increased expenses to the GNWT and with minimal impact on the existing beneficiaries of lottery funding in the NWT.

Art is an important form of recreation that enables creativity both individually and as a part of a group. In the same way that sport fosters physical and mental health, so does art. A dancer rehearsing three times a week gains the same health benefits and sense of camaraderie as a hockey player. In the same way that a climber grows their mind through solving a difficult climbing problem, a painter grows their mind solving colour and brush stroke technique. The feeling a runner gets flying down the road during a race and being encouraged at rest stops is the same as the feeling an actor gets on stage during a performance. I know because I participate in all these activities.

I use art and sport as a form of recreation and there are many people in the territory who do as well, or who solely use art but are unable to benefit from the lottery funding available to sport in the NWT. I serve on both arts and sports board of directors here in Yellowknife. I was a part of the Yellowknife Climbing Club that built a bouldering wall in Kam Lake, a precursor to the climbing wall now being installed in the field house. I know how difficult fundraising is and I know how important this money is to Territorial Sports Organizations. The absolute last thing I want to do is to make this an Art versus Sport issue because it is not. Art, sport, and recreation are all important to a healthy society and I am a firm believer that funding for all these endeavours should be increased on a regular basis.

For all these reasons I think it is only fair that the Western Canada Lottery Act be amended to allow lottery revenues to be used for the arts. Thank you again for this opportunity and have a wonderful day.

Eli Purchase 867.446.0312 4219 49A Avenue, Yellowknife, NT, X1A1B3 eli.purchase@gmail.com

From: outlandsound <outlandsound@gmail.com>

Sent: Wednesday, February 7, 2018 4:29 PM

To: Jennifer Franki-Smith

Cc: Cory Vanthuyne; Kieron Testart

Subject: Statement regarding lottery royalty sharing with the arts.

Ive been advised to provide my comment on sharing lottery funding between sports and arts. I am currently in university in Montreal and unable to attend the event but I would appreciate if this would be heard. It is as follows.

The Northwest Territories is unique in that it is the only region in Canada that does not share the royalties from lottery sales between sports and arts organizations. For many years in the arts community we've brought up this issue as we are chronically underfunded in the arts and behind our neighbors to the east and west never mind how far behind we are compared to the south.

It is a problem and as the territory tries to move forward we always find ourselves being held back by the scope and depth of our social problems. Residential schools, substance abuse, trauma, suicide, etc. This makes everything a challenge and we are currently maintaining a system that does not have the ability to fix the damage that has been done to the spirit of the people. Problems passed down to the generations that followed persist and effect the outlook and expectations of people to this day. Feelings of being overwhelmed, helpless, isolated, angry, hopeless, frightened, trapped are common all across the region. People respond through drugs and alcohol, violence, crime, suicide, despair, disengagement, etc. As an indigenous man I fear especially for the future of other indigenous men in northern Canada, suicide and self-destruction is a part of regular life and it's a demographic which has some of the worst markers than any other in the country.

We put an incredible amount of faith in sports as our primary socially beneficial activity. I thinks it is either from bias or total lack of imagination that we deny this same consideration for the arts. Indoor soccer and hockey are not in any way going to address where we find the state of ourselves at this point in our history. But art will, that's what it does and what it is. It is truth, listening, storytelling, sharing, affirming, exploratory, it speaks to everything a group of people are and who they aspire to be. It is the phenomena of their existence and an essential part of human existence. Art isn't something that just gets hung on a wall, it is in nearly everything we buy and consume from music, art, television, video games, books, magazines, cuisine, mobile apps, websites, clothing, architecture, etc. The benefits of developing our own capacities in these areas do not have to be explained in the rest of the country, it's an essential part of business, so what does that lack of awareness say about us? What makes us parse out our support and use it for appeasement or as social licence.

Currently we provide support for the arts like an allowance as opposed to a mortgage. We are deeply lacking in arts based infrastructure and stable core funding for organizations who are always living next to the edge of survival.

The arts are not seen as they should, as an investment in people, their culture and their future. Imagine what goes unheard by our deference to established practices. The songs, stories, artwork, dreams and inspiration that have gone and will go unheeded and what that does to the people of this territory. It makes them voiceless, it renders so many people mute at a time in this territories history when we need them present and engaged. Traditionally, we used to rely on hunter/gatherers for our survival and now we need

creator/collaborators. We need to build those people up as a community and a territory for the sake of our current and future generations. Imagine what that north would be like?

Unless we have become more uncomfortable with change than despair. Please finally give the arts their fair share.

Travis Mercredi

Sent from my Bell Samsung device over Canada's largest network.

From:

Soaring Tortoise <infosoaringtortoise@gmail.com>

Sent:

Wednesday, February 7, 2018 4:53 PM

To:

Jennifer Franki-Smith

Subject:

Lotteries Act

I believe the lotteries act should be amended to include allocation of some of the funds to go towards the arts. I think this funding should be managed by arts organizations, not recreation associations.

I don't believe the current funding structure is equal across the two disciplines because sports and recreation are provided ample indoor heated space at a highly subsidized or free cost. (at least in yellowknife). As a member of the arts community in Yellowknife for 10 years and someone who has direct experience accessing funding available for arts organizations, although the dollar amounts for sport and arts may appear to be similar, much of the grants that are awarded to those participating in the arts is spent on renting space. As the cost of rent in Yellowknife is very high, the percentage of funding spent on space is significant leaving a much smaller margin for art supplies and production.

I don't know if it is relevant to the act, but I think that some of the money from lottery sales should be set aside to create a permanent space for artists, something sports and recreation already has. If putting the money towards a permanent space is not an option, I do think it's fair to allocate some of this money towards the arts.

I agree that there is lot of sound documentation supporting sports and recreation as helping the physical and mental well being of people in the north. Art, however has a huge impact on mental health that cannot be ignored. In terms of celebrating aboriginal culture and bringing different social classes together arts is a unique tool for this purpose.

Having a permanent arts space is not something people in the north have, unlike the sports organizations. Having a community space for the arts encourages collaboration across different disciplines and the solidification of a strong arts community. This is something people are able to achieve in sports because they have a space to assemble, we need this for people in the arts as well to create an arts community.

According to stats canada, people living in the NWT have the highest mean income of anywhere else in Canada. Why are we not investing more resources back into the community? Arts is one of many social programs that deserves our attention.

Please take my vote to change the lotteries act to include art as recipient of a portion of the proceeds.

Jazmine Gardner 867-446-4433

From:

Nicholas Joldersma < njoldersma@gmail.com>

Sent:

Wednesday, February 7, 2018 7:23 PM

To:

Jennifer Franki-Smith

Cc:

Glen Abernethy

Subject:

Please expand Bill 1: Western Canada Lottery Act to include the Arts

Hello,

I would like to express my support to expand the Western Canada Lottery Act to include providing funding to the Arts.

The arts are an important policy asset and prosperity generator for us. In addition to their inherent value to society, the arts offer a distinctive blend of benefits, including:

- ECONOMIC DRIVERS: The arts create jobs and produce tax revenue. A strong arts sector is an economic asset that stimulates business activity, attracts tourism revenue, retains a high quality work force and stabilizes property values.
- EDUCATIONAL ASSETS: The arts foster young imaginations and facilitate children's success in school. They provide the critical thinking, communications and innovation skills essential to a productive 21st-century work force.
- CIVIC CATALYSTS: The arts create a welcoming sense of place and a desirable quality of life. The arts also support a strong democracy, engaging citizens in civic discourse, dramatizing important issues and encouraging collective problem solving.
- CULTURAL LEGACIES: The arts preserve unique culture and heritage, passing our precious cultural character and traditions along to future generations.

Please consider this in your discussions and support the arts. It is an investment in our collective future and will repay itself many times over.

Thank you,

Nicholas Joldersma

From: Rae B. <rae_braden@hotmail.com>

Sent: Wednesday, February 7, 2018 11:02 PM

To: Jennifer Franki-Smith

Cc: Alfred Moses; Bob McLeod; Caroline Cochrane; Daniel McNeely; Frederick Blake; Glen

Abernethy; Herbert Nakimayak; Jackson Lafferty; Kevin O'Reilly; Kieron Testart; Louis Sebert; Michael Nadli; RJ Simpson; Robert C McLeod; Shane Thompson; Tom Beaulieu;

Wally Schumann; Cory Vanthuyne; Julie Green

Subject: written submission Re: Bill 1 Western Canada Lottery Fund

Greetings,

I attended the committee meeting today on proposing amendments to Bill 1: Western Canada Lottery Fund.

I am writing to express support for amending Bill 1 to consider adding arts and culture to the funding recipients, which currently only distributes funds to physical activity, sport, and recreation programs.

I was encouraged to hear how regular MLA's generally agreed that the Act must be maintained to protect it from federal taxation, and I was also heartened to hear a majority of those who spoke advocated for both arts and sports as part of a healthy and vibrant NWT - a perspective I share as well.

However, despite hearing this shared perspective throughout the room, I was deeply disappointed to hear Minister Chochrane slam the door on any opportunity to encourage a dialogue around expanding the bill to include the arts. It seemed particularly evident that there would be no democratic voice allowed in the discussion when she stated that only the 'big five' sport and recreation groups would be consulted to define the term of recreation. This move seems blatantly biased in favour of the established and well-supported sports groups, which benefit greatly from their secured and relatively stable funding, and close ties to the GNWT.

The aspect that makes the lottery sports funding so successful is that it is recurring, consistent and perhaps most importantly, untouchable by the GNWT. This luxury lets the sports organizations plan, organize and administer - allowing residents to focus on participating, playing, learning and being healthy. Just think of what the arts community and all NWT residents could do if arts and culture were given the same opportunity.

Although I am putting my full support behind the idea of adding arts and culture to Bill 1, I would be equally supportive of any action the GNWT offered to increase regular and consistent funding to the arts.

Let's get creative, let's work together, let's put some energy into this renewable resource - our people - to encourage the dreams of Northerners.

Thank you for the opportunity to submit my opinion on this important issue,

Rae Braden 446-9906

From:

April Taylor

Sent:

Thursday, February 8, 2018 8:22 AM

To: Subject: Gail Bennett; Jennifer Franki-Smith FW: Bill 1: Western Canada Lottery Act

Gail, fyi.

From: Julie Green

Sent: Wednesday, February 7, 2018 7:25 PM

To: Aaron Wells Cc: April Taylor

Subject: RE: Bill 1: Western Canada Lottery Act

Thank you for your additional comments. I have copied them to the committee researcher for inclusion in our report.

Julie

From: Aaron Wells [aaron@ascnwt.ca]

Sent: Wednesday, February 07, 2018 3:49 PM

To: Michael Nadli; RJ Simpson; Kieron Testart; Daniel McNeely

Cc: Kevin O'Reilly; Caroline Cochrane; Julie Green; Cory Vanthuyne; Shane Thompson; Herbert Nakimayak; Geoff Ray;

Doug Rentmeister; Jessica VanOverbeek **Subject:** Bill 1: Western Canada Lottery Act

GNWT Standing Committee on Government Operations,

Today I attended the public meeting regarding Bill 1: Western Canada Lottery Act. I must admit I was a little discouraged at the lack of concern regarding the actual bill itself and the way it is written. Attached you will find again the Aboriginal Sports Circle of the NWT's written submission concerning the bill.

The Aboriginal Sports Circle of the NWT (ASCNWT) is a supporter of community wellness. Although many of our programs are provided through sport, recreation and physical activity we understand the overlap that happens in many of our indigenous communities relating to Culture Art and Sport. Many of our programs itself overlap with art and culture. Although the meeting seemed to take a turn towards how arts is underfunded it is severely important that the writing of the bill stay in focus.

ASCNWT believes that if the bill goes through the current way it is written there could be serious consequences to sport, recreation and physical activity funding and we will never get to a point where we can discuss the overlap of arts and how there could potentially be the ability to fund both. My concerns specially relate to two points in the bill:

- 6.(1)(e). ASCNWT's understanding is that currently Multi Sport Games are not funded by lottery dollars. Team NT and hosting of games is a significant cost. Lottery dollars should not be offsetting the cost of these government initiatives. If Team NWT or hosting of multisport games starts to come from lottery proceeds we will significantly see funding reduced to organizations that have direct impact on indigenous communities across the NWT. We also will never get to a point where we can discuss lottery dollars funding arts, or the definition of recreation because there will not be any money to go around.
- 6.(2). Currently ASCNWT believes that the SRC and MACA are over committing lottery dollars. In today's meeting
 the minister talked about how lottery funding has remained stable and not significantly increased. SRC and
 MACA are already over committing this funding I am fearful that if the minister has the ability to spend more

than available as per section 101 of the financial act then the recreation sector will never get to a point where we can fund new initiatives or pilot projects that could benefit the residents of the NWT.

Not all, but many of the questions the standing committee and other MLA's asked towards the minister did not concern the actual writing of the bill itself. I was hopeful that the written submissions by the sport and recreation partners would have helped drive some of the questions from the committee and MLA's. This was not the case and I felt some questions were asked based on personal agendas.

I want to ensure that ASCNWT's concerns in this letter are addressed, when can ASCNWT expect to receive answers to our questions/concerns that were sent in last week? If needed I would be willing to meet with the standing committee, or members of the standing committee that can bring my concerns about the writing of this bill forward to the entire committee. I believe these concerns got lost today in the comments made surrounding Arts and Lottery Dollars.

I have cc'd my colleagues from the sport and recreation sector to make them aware of ASCNWT's concerns along with the MLA's that were present.

Thank you

Aaron Wells
Executive Director
Aboriginal Sports Circle NWT
Phone: 867.669.8338

Fax: 867.669.7857 www.ascnwt.ca February 8, 2018

It would be self-serving and the opposite of democratic to have the sports interests re-define the word recreation as it is stated in the legislation that mandates the dispersal of lottery monies to recreation and sport.

I believe we can all trust the Webster's dictionary for the true and unbiased definition of the word.

Recreate: to give new life or freshness to

Recreation: restoration to health, to create anew, restore, refresh. Refreshment of strength and spirit after work, a means of refreshment or diversion.

I believe that the ARTS in all their iterations accomplish this act of recreation as well as sports.

Sincerely Terrance E . Pamplin President Borderless Art Movement

From:

Kerry Wheler < kerrywheler@gmail.com>

Sent:

Friday, February 9, 2018 10:49 AM

To:

Jennifer Franki-Smith

Subject:

Dependable funding for the Arts

To whom it may concern:

Thank you for reviewing the lottery act. This is a wonderful opportunity to increase opportunities in the Arts by providing essential funding. As an artist and educator, I deeply value the role of creative arts in the lives of young people, and have seen first hand how these experiences can contribute to a greater sense of self. It is essential for our community to provide artistic opportunities in order for our community to thrive.

Thank you for your thoughtful attention to this matter.

Sincerely,

Kerry Wheler