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The Honourable Tony Whitford, Speaker

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YELLOWKNIFE, NORTHWEST TERRITORIES

THURSDAY, MARCH 1, 2001

Members Present

Honourable Roger Allen, Honourable Jim Antoine, Mr. Bell, Mr. Braden, Mr. Delorey, Mr. Dent, Honourable Jane Groenewegen, Honourable Joe Handley, Mr. Krutko, Mr. Lafferty, Ms. Lee, Honourable Stephen Kakfwi, Mr. McLeod, Mr. Miltenberger, Mr. Nitah, Honourable Jake Ootes, Mr. Roland, Honourable Vince Steen, Honourable Tony Whitford.

ITEM 1: PRAYER

-- Prayer

SPEAKER (Hon. Tony Whitford): Bonjour, mes amis. Good afternoon, everyone, on the first day of March. I would say it is rather "lionish" out today, so March is officially coming in like a lion. Item 2, Ministers' statements. The honourable Minister responsible for Health, Mrs. Groenewegen.

ITEM 2: MINISTERS' STATEMENTS**Minister's Statement 66-14(3): Fetal Alcohol Syndrome and Effects**

HON. JANE GROENEWEGEN: Mr. Speaker, I rise today, along with colleagues in this House, to speak to the issue of fetal alcohol syndrome and effect, better known as FAS and FAE.

As Members know, the use of alcohol by pregnant women can lead to a number of social and health problems. One of the more serious long-term health consequences of drinking during pregnancy is that the baby is placed at risk of developing FAS or FAE.

FAS is a medical condition and symptoms include brain damage, developmental delays, behavioural problems and learning difficulties. FAE describes the medical condition where not all of the characteristics of FAS are present in a child.

Mr. Speaker, national estimates on the incidence of FAS and FAE are not available, nor do records currently exist for the Northwest Territories. However, we do know that here in the NWT, FAS/FAE are serious issues that require preventative action by our government and our communities. A 1993 Department of Health and Social Services survey showed that up to 25 percent of women surveyed reported drinking while they were pregnant. Since research shows there is no safe level of alcohol that can be consumed while pregnant, this means that nearly one-quarter of the babies in this survey were at higher risk of developing FAS or FAE.

The impact of FAS and FAE on victims, families and communities is devastating. The financial costs to government do not even begin to capture the suffering of affected children and their families. There are considerable challenges that FAS victims must live with for their entire lives, and it is tragic to think of the lost potential.

We believe that FAS/FAE is contributing significantly to the rising cost of health care in the Northwest Territories. A preliminary study at Stanton Hospital in 1998 confirmed that children with FAS have significantly greater use of hospital services. These children will require more health and social

care at the community level, as well as additional educational support. On average, the cost of treating and providing services to a single affected child may run as high as \$65,000 a year. We are already seeing cases of adult FAS victims who require highly specialized, secure placements, which can cost well over \$300,000 a year.

Mr. Speaker, in Towards A Better Tomorrow, we affirmed that priority must be given to improving the health and social well-being of Northerners. We recognized that we must invest in early childhood development and support the needs of mothers and families. These are critical steps in working to address the problem of FAS/FAE.

Mr. Speaker, the Department of Health and Social Services has been very active in addressing this highly preventable condition. The department has been working in partnership with the Status of Women Council of the NWT and the Native Women's Association of the NWT on a public education campaign about FAS/FAE.

The FAS/FAE awareness campaign focuses on the underlying causes of why women drink. There are often complex social and psychological issues that contribute to an addiction that are very difficult for some people to overcome. Without the necessary supports in place such as government services and supports from the family, friends or community, individuals often face their addictions, fears and issues alone.

The campaign was launched last November during National Addictions Awareness Week. The theme, Keep Families Strong, speaks to the need for building strong supports for pregnant women. A key message of the campaign is to prevent FAS/FAE by supporting recovery from addictions and abuse. To help build awareness and to communicate these important messages, a number of resources have been developed. They are included in the display in the Great Hall and have been distributed to communities through the Status of Women and Native Women's Association. In addition, two television ads will be released later this month.

I am also pleased to report to Members on an FAS/FAE pilot project that took place in Lutselk'e last week. This project was initiated by the Lutselk'e Health and Social Services Board in partnership with the department, the Native Women's Association and Dr. Nicole Chatel, an NWT pediatrician who has extensive experience working with children affected by FAS/FAE, and their families. The Lutselk'e pilot project included screening for early childhood developmental delays and diagnosis of FAS/FAE and related disorders by the pediatrician. As well, onsite counselling and support was available to families by the Native Women's Association. The project has also led to a number of community-based activities, including:

- a parenting skills workshop that will be offered to parents who are experiencing difficulty in coping with children with FAS;
- home visits to families to provide additional supports; and
- a workshop for youth to talk about dealing with trauma and developing strategies to keep themselves safe.

Mr. Speaker, early reports suggest that this pilot project was very successful and well received by the community. The department will evaluate this project to determine its suitability for use in other regions and communities. As Members know, there is also a three-day workshop on FAS taking place in Fort Simpson at this time.

Recently, we conducted a survey of licensed liquor outlets to gain a better understanding of how these establishments might support alcohol-free pregnancies. This survey confirmed that we need to work with these establishments to promote awareness of FAS/FAE and their role in helping support alcohol-free pregnancies. From work done in other jurisdictions, it is known that actions as simple as asking bars to provide pregnant customers with complementary alcohol-free beverages can make a difference.

In addition, our government, along with the governments of Alberta, Saskatchewan, Manitoba and Yukon, is a member of the Prairie Northern FAS Partnership. We will be participating in a conference in May where we will present our initiatives, including the pilot project.

Finally, Mr. Speaker, it is important to note that FAS/FAE prevention is a major component in a number of initiatives currently underway, including the Early Childhood Development Action Plan, the department's Healthy Pregnancies Strategy and the Addictions and Mental Health Strategy.

In conclusion, Mr. Speaker, I want to take this opportunity to recognize and thank the Status of Women Council, the Native Women's Association, the Yellowknife Association for Community Living, the Lutselk'e Health and Social Services Board, Health Canada and Dr. Nicole Chatel for their ongoing efforts and contributions. With their efforts, we are working to prevent FAS/FAE and providing the necessary supports to individuals and families who are dealing with FAS/FAE. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mrs. Groenewegen. Déclarations de ministres. Item 2, Ministers' statements. The honourable Minister responsible for Education, Culture and Employment, Mr. Ootes.

Minister's Statement 67-14(3): Supports for FAS/FAE

HON. JAKE OOTES: Thank you, Mr. Speaker. I would like to speak today about how the Department of Education, Culture and Employment is meeting some of the challenges presented by fetal alcohol syndrome and fetal alcohol effect.

FAS/FAE, as they are generally referred to, are not new, but it is only in the past few decades that society has come to realize that prenatal exposure to alcohol or drugs can result in a range

of neurological or physical challenges that can affect a child's development.

Mr. Speaker, FAS/FAE are preventable. Education is a major factor in prevention of this condition. The Department of Education, Culture and Employment has taken the following steps to educate children about FAS/FAE:

- units on the effects of alcohol and drugs in the Northwest Territories health curriculum;
- the "Skills for Healthy Relationships" program which addresses information, skills and attitudes needed by youth in order to make healthy lifestyle choices with regard to both alcohol use and sexuality issues; and
- making videos and resources available to classroom teachers that identify preventative measures and increase awareness about FAS/FAE.

In addition to prevention, we must also help with those currently affected by FAS/FAE. This condition is complex and does not affect everybody the same way. We can, however, develop strategies to help students affected by prenatal exposure to alcohol or drugs to lead normal lives.

The focus in the school system is to support teachers in meeting the diverse needs of all children, including those who may be affected by FAS/FAE. The recently completed Student Support Needs Assessment will be used to guide the work of the department in developing resource guides and support materials for teachers. This will help them develop programs that will help to ensure that the diverse needs of students in the classroom are being met.

Mr. Speaker, many community schools work with student support teams. These teams may include school-community counsellors, program support teachers, social workers, alcohol and drug workers and community agencies. Student support teams take an integrated approach to helping students by raising awareness around the prevention of FAS/FAE and by providing necessary support services.

The members of the student support teams in the communities are, in turn, supported in their efforts through professional development opportunities and training coordinated by government departments. The recent, very successful Honouring the Spirit of our Children conference gave team members an opportunity to acquire new skills and learn strategies for dealing with the range of student needs in today's classrooms. That event, sponsored jointly by the Departments of Health and Social Services and Education, Culture and Employment, was open to delegates from across the Northwest Territories.

Mr. Speaker, it is critical that we continue to work together to educate parents, students and communities about FAS/FAE prevention and, concurrently, to provide strategies to teachers to help them provide support to students who have been diagnosed with FAS/FAE and their families. Thank you.

-- Applause

MR. SPEAKER: Merci, Monsieur Ootes. Déclarations de ministres. Item 2, Ministers' statements. Item 3, Members' statements. The honourable Member for Frame Lake, Mr. Dent.

ITEM 3: MEMBERS' STATEMENTS**Member's Statement on Fetal Alcohol Syndrome and Fetal Alcohol Effects**

MR. DENT: Thank you, Mr. Chairman. Mr. Speaker, today all Regular Members have decided to focus on an issue that is having severe repercussions on the people and Government of the Northwest Territories -- fetal alcohol syndrome and fetal alcohol effect. Mr. Speaker, we are pleased the Cabinet Members are joining with us to discuss these conditions. Fetal alcohol syndrome, also known as FAS, as we all know, is a name given to a combination of mental and physical defects that a child is born with. These mental and physical defects are a direct result of the mother drinking alcohol while she was pregnant.

Fetal alcohol effect, Mr. Speaker, shares some of the same characteristics of FAS, but is not always as evident. However, babies with fetal alcohol effect, or FAE, often have the same amount of brain damage as children born with FAS.

Mr. Speaker, the saddest thing about FAE and FAS is that the effects are permanent. They are with the child for his or her whole life. There is no cure. However, Mr. Speaker, as we have already heard, both are completely preventable. FAE and FAS cross all socio-economic groups and affect all races. In the United States, the Oklahoma Department of Mental Health and Substance Abuse Services reports that the extra institutional and medical costs over the lifespan of a child born with FAS are expected to run between \$1.5 million and \$2.2 million in their lifetime. Mr. Speaker, that is in American dollars. If you convert this to Canadian dollars, the expected extra cost would run between \$2.3 million and \$3 million Canadian for each child.

However, Mr. Speaker, the biggest cost is not the financial one, but the personal one, the lost human potential. Each child born with FAE and FAS faces a life full of physical, emotional and mental challenges. Mr. Speaker, the incidence of FAS and FAE are under-reported. For every child identified with FAS, there are several others who are affected but lack the full set of characteristics for diagnosis. FAE is estimated to be three to ten times the incidence of diagnosed FAS cases.

Mr. Speaker, we are presently in a budget session. Budgets are used to plan for our future. Everyone agrees that FAS and FAE have become a major issue in the Northwest Territories, but because of the lack of services for diagnosis, we do not have reliable statistics available. Clinical diagnosis and good statistical information are necessary for planning programs, services and facilities. Mr. Speaker, I seek unanimous consent to conclude my statement.

MR. SPEAKER: Thank you. The honourable Member is seeking unanimous consent to conclude his statement. Are there any nays? There having been no nays, Mr. Dent, you may conclude.

MR. DENT: Thank you, Mr. Speaker, honourable Members. As I was saying, Mr. Speaker, in order to plan programs, services and facilities, we need to have good statistical information. Unfortunately, there is a glaring omission in our budget. Residents of the Northwest Territories are concerned that the incidence of FAS and FAE in the Northwest Territories may be increasing, but it is impossible to identify the present magnitude

of FAS and FAE in the Northwest Territories and our present budget does not address this issue.

Mr. Speaker, there are many government departments that feel the impacts of FAE and FAS in one way or another. However, this government does not have a government-wide action plan for FAE/FAS. Each department appears to be dealing with this problem independently. There is no coordinated approach, Mr. Speaker. Given the magnitude of the problem, there is a real need for the development of a government-wide action plan on FAE and FAS. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Merci, Monsieur Dent. Déclarations de députés. Item 3, Members' statements. The honourable Member for North Slave, Mr. Lafferty.

Member's Statement on Funding for Healthy Children Initiatives

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, in the budget it was announced that the government plans to spend \$2 million a year over the next three years on an Early Childhood Action Plan. This plan is to ensure healthy pregnancies and healthy babies. Some parts of this plan include healthy parenting, early childhood care, providing for learning opportunities and stronger community supports. I applaud the government's recognition of the need for early intervention and support for children and families who are affected by FAS and FAE. However, I doubt whether \$2 million across the Territories over three years is enough.

I am deeply concerned that this funding will not go into programs but will be eaten up in other areas of the Northwest Territories. Someone who can diagnose FAS and FAE, and the O and M to maintain an additional medical specialist entirely dedicated to FAS and FAE would cost over \$2 million a year without even considering the necessary support staff. This is before the programs are even established, Mr. Speaker.

In his budget speech, the Minister stated that if we truly believe that our people are our strongest resources, we must make investments in our youngest residents. If we as a government believe that people are our strongest resource, clearly more funding will be put in place to properly address this issue. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Lafferty. Déclarations de députés. Item 3, Members' statements. The honourable Member for Weledeh, Mr. Handley.

Member's Statement on Overcoming FAS/FAE Challenges

HON. JOE HANDLEY: Thank you, Mr. Speaker. I too wish to speak about fetal alcohol syndrome and effect. Far too many people in the Northwest Territories are suffering the effects of FAS/FAE, either personally or in their family.

It is not possible to quantify the costs of FAS/FAE in lost human potential, but there is no doubt that it is huge. There is a great need for awareness development, prevention programs, development of diagnosis and assessment techniques and support for children, youth and adults with FAS/FAE. Mr. Speaker, FAS/FAE is 100 percent preventable.

I applaud the efforts of those who are working in partnership to overcome the challenges this syndrome represents, especially the Native Women's Association, the Status of Women Council, and our own Department of Health and Social Services.

I also want to express support to the many parents and foster parents who also work with tremendous dedication to assist children suffering the effects of this disability. They need the support of medical specialists, the non-government agencies, volunteer groups and the government as they work to dedicate themselves to doing the very best they can for the children in their care.

Awareness initiatives are essential. This is not just a matter for mothers. It is an awareness that we all must have. We are all responsible and able to help prevent this condition that places limits on too many children's prospects of a self-sufficient, satisfying life. Every family, supporting agency and institution providing...

MR. SPEAKER: Mr. Handley, the time for your Member's statement has expired.

HON. JOE HANDLEY: Mr. Speaker, I request unanimous consent to conclude my statement.

MR. SPEAKER: Thank you, Mr. Handley. The honourable Member is seeking unanimous consent to conclude his statement. Are there any nays? There being no nays, Mr. Handley, you may conclude.

HON. JOE HANDLEY: Mr. Speaker, I want to repeat, this condition is 100 percent preventable. It is important to provide support and healing for women who may be at risk of drinking alcohol during pregnancy. Partners, parents, family and community all have an important role in this. Family violence, child abuse and even attitudes of blame or shame must be overcome. It only makes it more difficult for high-risk individuals to seek help.

Diagnosis and assessment is very difficult but necessary. We do not know how many individuals are affected by FAS or to what extent. Without a territorial assessment process for diagnosis, there are limits available on treatment.

Support for children, youth and adults with FAS is essential. Parents, teachers and other supporting people need more information on the best ways to work with children with FAS. Above all, addressing FAS is a complex and multi-faceted task that requires all of us to work together with care and compassion.

Mr. Speaker, in closing, by working together with care and compassion, we will make a difference. FAS/FAE is 100 percent preventable. Thank you.

-- Applause

MR. SPEAKER: Thank you, Mr. Handley. I just want to remind Members that Member's statements are two-and-a-half minutes. Of course, realizing the importance of the subject, the Chair does not like to draw away from that attention. However, in view of the number of Members who wish to speak on this subject, the Chair will be as diligent as it can be under the circumstances. Item 3, Members' statements. The honourable Member for Hay River North, Mr. Delorey.

Member's Statement on Human Rights and FAS/FAE

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, earlier this week the Minister responsible for Justice told us in this House about the consultation process that his department was undertaking to inform the residents of the Northwest Territories about the Human Rights Act.

Mr. Speaker, by way of background, basic notions of human rights have been around since the early ages of human civilization. The modern concepts of human rights emerged in 18th century Europe from the struggles for the rights of man. Mr. Speaker, these struggles focused on the rights of individuals to be left alone by the state, and were more negative in that they only required that the state not interfere. These were known, Mr. Speaker, as first generation rights and included the rights of expression, religion and assembly.

Mr. Speaker, presently in the Northwest Territories we have a very unique opportunity to look again at our current human rights legislation and to mould it into what we think should be protected under the general term "human rights." Mr. Speaker, there are those who state that expressive instances of discrimination in Canada are on the decline. However, more subdued and harmful discrimination persists. Equal treatment for all people does not produce equal rights.

Mr. Speaker, as we know, fetal alcohol syndrome, or FAS, is a medical diagnosis that refers to a set of alcohol-related disabilities associated with the use of alcohol during pregnancy. Possible fetal alcohol effect, or FAE, indicates that alcohol being consumed is one of the possible causes for a child's birth defects.

Mr. Speaker, I submit to you that persons with these types of disabilities will be affected by the definition of disability that will be included in the proposed Human Rights Act. At the appropriate time, Mr. Speaker, I will be asking the Minister of Justice how persons with these types of disabilities will be protected by the new human rights legislation. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Delorey. Déclarations de députés. Item 3, Members' statements. The honourable Member for Range Lake, Ms. Lee.

Member's Statement on Facts and Myths About FAS/FAE

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I too would like to add my voice to this very pressing issue that concerns all of us. Mr. Speaker, there are many myths about FAS that create barriers and hardships for those living with it. I would like to discuss today just a few of those myths that surround this condition.

One myth leads people to believe that behavioural problems associated with FAS/FAE are the result of poor parenting. However, experts in the field know that people with FAS/FAE do not process information in the same way that other people do. This can lead to behavioural problems.

There is the myth that children affected by FAS will grow out of it when they grow up. There is the shocking reality that FAS lasts a lifetime. However, early diagnosis, intervention and supportive services make a difference in reducing the other

health, emotional and social problems that can result from FAS. This gives people with FAS an opportunity to be productive and healthy members of society.

The needs of children with FAS are often misunderstood. Their actions need to be viewed as a product of a disability, not an act of will. An intensive, coordinated approach is needed to respond to children with FAS over their lifespan. We need to understand, respect and support their disability.

Affordable, available, accessible and knowledgeable help is needed, Mr. Speaker. The first step towards this support and the development of a comprehensive community action plan begins by having accessible diagnostic and assessment services, Mr. Speaker. Thank you.

-- Applause

MR. SPEAKER: Thank you, Ms. Lee. Item 3, Members' statements. Déclarations de députés. The honourable Member for Nahendeh, Mr. Antoine.

Member's Statement on FAS/FAE Workshop in Fort Smith

HON. JIM ANTOINE: Mahsi, Mr. Speaker. Mr. Speaker, people in the communities across the Northwest Territories have been dealing with fetal alcohol syndrome and fetal alcohol effect for many years now.

Over the past ten years, parents and teachers, social workers, alcohol and drug counsellors, community leaders, chiefs, Metis presidents and caregivers in Fort Simpson and other Nahendeh communities have met on several occasions to share information about this problem. They have also found some ways to work together to try to deal with situations which impact on the lives of so many families that are affected.

Mr. Speaker, many of these stakeholders are currently meeting in Fort Simpson. There is a week-long workshop on FAS/FAE. The Fort Simpson Friendship Centre planned and is coordinating this timely workshop with funding support from Health Canada. I understand that over 30 community representatives are participating in this workshop.

This three-day workshop provides an opportunity for participants to share their experiences, current information on prevention, treatment and the support of victims of FAS/FAE, their families and their communities. Mr. Paul McKenzie, a former police officer, and Mrs. Dillon MacGuire, coordinator of the FAS program at the Micmac Native Friendship Centre in Halifax, are there to participate and share perspectives on current techniques used to deal with the affected persons.

Mr. Speaker, today they will participate in the regional youth workshop and discuss the topic of FAS/FAE with students at the local schools. This evening they will meet with teachers to discuss how to best support the affected students and families, and discuss education and awareness strategies.

I applaud the continuing efforts of the individuals and organizations who make efforts to deal with the problem of fetal alcohol syndrome and fetal alcohol effect in my communities. I wish to acknowledge the work and dedication of the counsellors across the Northwest Territories...

MR. SPEAKER: The time for your Member's statement has ended, Mr. Antoine.

HON. JIM ANTOINE: Mr. Speaker, I seek unanimous consent to conclude my statement. Thank you.

MR. SPEAKER: Thank you. The honourable Member is seeking unanimous consent to conclude his Member's statement. Are there any nays? There are no nays, Mr. Antoine, you may conclude.

HON. JIM ANTOINE: Mahsi again, Mr. Speaker. Mr. Speaker, as a society here in the North, we are discovering new information and developing new approaches to help victims find a meaningful role in life, Mr. Speaker, and we must make every effort to ensure that our communities have as much information as possible on FAS/FAE, that we all work together to prevent new cases from occurring, and to provide the best assistance possible to victims and their families.

I would like to commend the people of Fort Simpson for their initiative in trying to deal with this issue in their communities, and I look forward to reviewing whatever recommendations come from this important workshop. I want to assure the participants that I will do whatever I can to encourage ongoing support for their efforts.

Mahsi, Mr. Speaker.

-- Applause

MR. SPEAKER: Mahsi, Mr. Antoine. Déclarations de députés. Item 3, Members' statements. The honourable Member for Yellowknife South, Mr. Bell.

Member's Statement on Impacts of FAS/FAE in Classrooms

MR. BELL: Thank you, Mr. Speaker. FAS and FAE are preventable but not treatable. This means that when a child is born with FAS, we will have to deal with the consequences every day for the rest of that child's life. Experts in the field know that people with FAS do not process information the same way other people do. Many FAS children have impaired rates of learning, exhibit reduced attention spans, are easily distracted, and demonstrate poor social judgment.

Mr. Speaker, the policy of our government is for inclusive education. This allows for each child to be in a classroom with peers their own age. However, to allow a child with FAS to progress with his or her peers it is necessary for them to have learning programs specific to their needs.

Mr. Speaker, teachers in the Northwest Territories face a dilemma. In order for children with learning disabilities to progress with their classmates, individual programs have to be developed. However, in order for effective individual programs to be developed, it is necessary for an assessment to be performed on the child. Testing and assessment of disabilities is a specialized field and one that most teachers are not trained or qualified to provide. Presently, there is only one qualified individual in the North who can perform FAS assessments.

Mr. Speaker, when a teacher graduates from a recognized college or university, they have areas of expertise. There are teachers who specialize in special needs. These individuals are trained to develop programs for students with learning disabilities. The majority of classroom teachers are trained to teach children with average abilities. They do not have

extensive training in the development of programs for students with special needs.

Mr. Speaker, I have the utmost respect for the teachers in our classrooms. Myself, I would not like to be placed in a classroom and be responsible for maintaining the interest of, disciplining and instructing 18 or so students with varying degrees of abilities. Each and every teacher is trying to do his or her best. Our system must supply more support for the classroom teacher in the area of special needs assessment and the development of programs for students identified with learning disabilities. We owe this to both the teacher and the child.

FAS is a territorial problem, Mr. Speaker. Consultants in B.C. are producing FAS training modules which may be used by other regions across the country. Rather than reinventing the wheel, the Departments of ECE and Health and Social Services should investigate these modules or develop modules of their own that could assist teachers in developing individual programs for children with FAS in the classroom. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Bell. Item 3, Members' statements. Déclarations de députés. The honourable Member for Thebacha, Mr. Miltenberger.

Member's Statement on 2000 Student Support Needs Assessment

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, FAS is not new. It has been with us since the discovery of alcohol. It has just taken us this long to figure out the great damaging affects of alcohol ingested during pregnancy. We have heard the grim statistics today in this House, the most sobering one being that 25 percent of women have acknowledged that they drink during pregnancy.

Mr. Speaker, the issue of special needs has been before this House my whole time as an MLA and it has been very, very emotional and very, very pressing. One of the big issues is, how do we deal with special needs children in the schools?

Mr. Speaker, the Minister of Education referenced the Student Support Needs Assessment for the Year 2000, and I have gone through the document a couple of times, read it and I have made some underlinings. While it acknowledges that there are problems and they have done lots of work in this area, there is no specific or clear reference to FAS or FAE. There are references to all types of behavioural issues and some disabilities such as attention deficit disorder, Mr. Speaker, but as we have heard in this House, while diagnosis is difficult, unless you know what you are dealing with in a school, it is very difficult to prepare a proper plan for that individual child.

A behavioural problem, because there are problems at home resulting from a possible separation in the family or other family problems, is going to be a totally different problem than anger management problems at school resulting from FAS or FAE, Mr. Speaker. Therefore, I would encourage the Minister of Education, Culture and Employment to take a look at how they can improve this document. It is a good start, but very clearly if we want to really make a difference and try to provide the best service possible for children with FAS/FAE, when we do student support needs assessments, it has to be identified, as

it has been in this House, as a very critical problem, that while preventable, is not treatable.

When we start doing that, then we can start building the kind of programs and the kinds of supports that we need to deal with these very special children. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Miltenberger. Item 3, Members' statements. Déclarations de députés. The honourable Member for Mackenzie Delta, Mr. Krutko.

Member's Statement on Progress on FAS/FAE Programs in the NWT

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, over two years ago, I made my concerns known to this government on FAS/FAE. Two years, Mr. Speaker, and not much has really changed. As an example, there is still only one medical specialist who is capable of properly diagnosing FAS/FAE in the Northwest Territories.

That is unacceptable, Mr. Speaker. A moderate form of FAE can cause low birth weight and growth, small body size, and also skeletal abnormalities. Mr. Speaker, children and adults who suffer from these conditions have difficulty understanding and learning. We know that FAE is preventable, but it is also incurable.

Mr. Speaker, in spite of the recent funding proposed for the Early Childhood Development Action Plan, it is still not enough to enable us to address FAS/FAE needs. We need more funds and resources to provide public education and preventative programs that will support the victims, especially our children.

In the Mackenzie Delta, there is the need to address the problem of FAE/FAS, especially in our education system. Some seriously affected students, especially the ones with disabilities who need extensive supervision and others need support to help reach their full potential.

I acknowledge that the government's FAS initiatives in the Beaufort Delta region have started. They have taken on some programs which include FAS parent workshops, in-home support, working groups and support in early childhood programs. Mr. Speaker, it is still not enough.

Mr. Speaker, from 1997-98 to 1998-99 in Fort McPherson there has only been a 0.3 percent increase in the number of teaching positions, an increase that is only one-third of a position in the classroom. The divisional board of education teachers have demanded more allocation and more resources to assist them in their classroom. Mr. Speaker, I seek unanimous consent to conclude my statement.

MR. SPEAKER: Thank you. The honourable Member is seeking unanimous consent to conclude his statement. Are there any nays? There having been no nays, Mr. Krutko, you may conclude.

MR. KRUTKO: Thank you, Mr. Speaker. Thank you, colleagues. Mr. Speaker, the divisional board of education in the Beaufort Delta has identified teacher allocation as being insufficient. There is a basic need to ensure that we have the teachers in the classrooms that are needed to assist with this major problem of FAS/FAE in the classroom. The needs in our

education system have to be a priority of this government and along with providing support to the FAS/FAE students, we must ensure we have the programs to assist them. Mr. Speaker, at the appropriate time, I will be asking this government questions to update us and brief us as to exactly what efforts have been made to improve the FAS/FAE effects in our communities.

-- Applause

MR. SPEAKER: Merci, Monsieur Krutko. Déclarations de députés. Item 3, Members' statements. The honourable Member for Tu Nedhe, Mr. Nitah.

Member's Statement on Characteristics and Defects Associated with FAS/FAE

MR. NITAH: Thank you, Mr. Speaker. Mr. Speaker, it is sad that the work of our caregivers are stretched by the needs of FAS and partial FAS children and adults. FAS is a totally preventable disease. FAS can result in birth defects such as a small brain that does not work well because cells are destroyed or the brain may have holes in it. There may be abnormalities in the middle part of the face with a low-set nose and smaller eyes. FAS children can be born smaller, shorter and skinnier, Mr. Speaker.

The effects on the family can be frustrating, to say the very least. Infants with FAS are very hard to deal with because they are irritable. They cry a lot and they do not sleep through the night putting pressure on the parents and the family.

According to a pediatrician, as FAS children grow older, a 15- or 20-year-old can still be like a seven- or eight-year-old, Mr. Speaker. This presents a challenge in the schools where they really need to change the curriculum to meet their needs and that puts stresses on other children who do not have that problem.

Some can later live as independent adults while others need special needs. Children with FAS can have slow speech, lower IQs and some are mentally deficient. They can also be very hyperactive. Many are labelled as having behavioural problems, Mr. Speaker.

FAS children with birth defects are one to three per 1,000 live births in industrialized countries. Recent studies by Health Canada have suggested that rates of FAS/FAE in some aboriginal communities may be significantly higher. A couple of years ago, it was suggested that more than 30 percent of children in some of our communities in the Northwest Territories have this problem. However, the most specific statistics are not kept in the Northwest Territories on FAS diagnosed children and this is a major problem, Mr. Speaker.

We must put more effort into prevention and stuffing mailboxes is not going to achieve this. Mr. Speaker, I seek unanimous consent to conclude my statement.

MR. SPEAKER: Thank you. The honourable Member is seeking unanimous consent to conclude his statement. Are there any nays? There being no nays, Mr. Nitah, you may conclude.

MR. NITAH: Mahsi, Mr. Speaker. What we need are good resources and support to help expectant parents through a strong prenatal program and we need to identify children at an early age so they can get the help they need with language

stimulation, for example. The community of Lutselk'e is to be commended for their recent participation in a pilot project to do FAS/FAE assessment. Children were looked at from infants to the age of six. A pediatrician took part to assist with speech and motor skills. The Native Women's Association was also part of the pilot project. Mr. Speaker, parents, teachers and health programs staff can all be working together and this is a prime example of that.

If children are to be identified as FAS/FAE at a very early age, it can then treat those children with problems right into adulthood. Our present system is a testament to that. A direct link has been found between learning disabilities and present inmates in the United States, Mr. Speaker. FAS/FAE brings varying degrees of learning disabilities and inappropriate behaviours. The children and adults with this problem need the support of the community and it is up to us, as leaders, to give them all the support they need.

The Yellowknife Correctional Centre is dealing with this very issue. Inmates there are benefiting from literacy programs designed for those that learn at a slower pace due to FAS/FAE. This type of program needs to be developed for other adults with this major problem. I applaud the Justice department for developing programs that meet the needs of Northerners with this problem.

At the end of the day, Mr. Speaker, the ultimate responsibility lies with the person who is carrying the baby. I will have questions for the Minister responsible. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Déclarations de députés. Item 3, Members' statements. The honourable Member for Deh Cho, Mr. McLeod.

Member's Statement on Community Support for FAS/FAE

MR. MCLEOD: Thank you, Mr. Speaker. We are holding this theme day on fetal alcohol syndrome and fetal alcohol effect to raise the awareness of the problems in the Northwest Territories. For too long, there has been a stigmatism attached to admitting that there is a problem. I know this, Mr. Speaker, because in the past I have seen the unwillingness to talk about this problem in the communities that I represent.

I am proud to say, Mr. Speaker, this is no longer the case. For example, the community of Fort Providence, through programs developed by the Deh Gah Elementary and Secondary School, is tackling the issue of FAS and FAE. Through positive programs that do not attach blame or identify children with FAS or FAE, the school is creating an atmosphere that ensures all students, including those with FAS and FAE, can make the most out of their educational experience. To ensure that students are not distracted, hallways have been cleared of all displays. Teachers now focus on teaching expected behaviour rather than punishing students for unacceptable behaviour.

The school has also shortened the school day by eliminating the afternoon recess, so that end of the day programs can be offered that build on the student's interests and strengths. Mr. Speaker, this initiative, although started at the pre-school, has evolved to include the community.

Representatives from Education, Culture and Employment, Health and Social Services, the Department of Justice, and

Deh Gah Gotie Dene Council, the Aboriginal Head Start and the friendship centre are now involved. At a recent interagency meeting to allocate the Brighter Futures dollars for the upcoming fiscal year, it was reaffirmed that FAS and FAE would remain a high priority in the community.

In the month of March, there will be an awareness and prevention session for students. The interagency group and the school staff will attend the FAS conference in High Level. From April 5th to the 10th, there will be a course open to anyone but primarily for social workers, nurses, educators and other caregivers on supporting FAS- and FAE-affected persons.

So you see, Mr. Speaker, some communities are dealing head on with the issues of FAS and FAE and are serving as models for other communities in what you can do if you take a cooperative approach. Now, Mr. Speaker, perhaps the government could perhaps take note of the benefit of a cooperative approach.

All government departments must work together to reduce the incidence of FAS/FAE, to treat those people already affected by this preventable condition. Mr. Speaker, I seek consent to continue my statement.

MR. SPEAKER: Thank you. The honourable Member is seeking unanimous consent to conclude his statement. Are there any nays? There having been no nays, Mr. McLeod, you may continue.

MR. MCLEOD: Thank you, Mr. Speaker. The Department of Education, Culture and Employment and education boards must allow the schools to implement strategies that will support children with FAE and FAS. We must decrease the student-teacher ratios. We must provide teachers with the training to deal with the students affected with FAE and FAS to look at changes to the curriculum. We must provide support both financially and morally to non-government organizations such as friendship centres who are on the front line in delivering preventative programs aimed at reducing the incidents of FAS/FAE.

Mr. Speaker, I ask that my colleagues join me in applauding the efforts of the communities in the Deh Cho for their efforts in dealing with the issue of FAS and FAE. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. McLeod. Item 3, Members' statements. The honourable Member for Great Slave, Mr. Braden.

Member's Statement on Long-Term Effects of FAS/FAE

MR. BRADEN: Mr. Speaker, we all know that each child born with FAE or FAS faces a life of physical, emotional and mental challenges. Often, Mr. Speaker, the physical defects will be less serious than the overall intellectual and emotional hurdles. In one study of older adolescents with FAS, researchers found reading comprehension was below a grade 4 level, arithmetic scores were at a grade 2 level, and the social and intellectual behaviour averaged that of a seven-and-a-half-year-old child. Reasoning, judgement, self-control are severely impaired in an individual with FAS.

Mr. Speaker, I have heard anecdotal information that in some classrooms in the Northwest Territories there may be a population as high as 60 percent of people suffering from this. Even if this situation is only half as bad, we are facing a situation of crisis proportion in the decades to come.

Prevention will be an important component of our overall plan, but we are also compelled to deal with the people who have already been affected. The victims and families of FAE/FAS will need early diagnosis and treatment so children can reach their potential. We will need assistance in the classroom and the community for children and adults with FAE/FAS.

We will need structured residential facilities for adults who cannot live in a home setting. In short, Mr. Speaker, we will need a continuum of care for decades to come for people who suffer from FAE/FAS. Using jails, medical long-term care facilities or institutions to warehouse adults is not acceptable today and it will not be in the future.

Additionally, Mr. Speaker, the government should take the lead to destigmatize this situation at the territorial, community and the family levels. Here is the key, Mr. Speaker. Whereas we admit there is a problem, we are finding ways that we can develop solutions. Fort Simpson and Lutselk'e, as we have heard, are two communities with recent progress in this. As my colleague has mentioned, the Department of Justice has introduced a program at the Yellowknife Correctional Centre to help inmates with just this kind of innovative programming.

Mr. Speaker, through the Early Childhood Development Action Plan, health care and educational professionals are receiving additional funding, but I have yet to hear the actual dollar amount that will focus on FAE/FAS. I seek consent, Mr. Speaker, to conclude.

MR. SPEAKER: Thank you, Mr. Braden. The honourable Member is seeking unanimous consent to conclude his statement. Are there any nays? There having been no nays, Mr. Braden, you may continue.

MR. BRADEN: Where does this leave us, Mr. Speaker? Where does this leave us? We appear to be making progress in dealing with children with FAE/FAS, but there are no apparent contingencies, either today or in the future, for adults with FAE/FAS other than jail and long-term care medical facilities. I will have questions for the Minister responsible for Health and Social Services on the need for the continuum of care for people who suffer from FAE/FAS. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Braden. Item 3, Members' statements. The honourable Member for Inuvik Twin Lakes, Mr. Allen.

Member's Statement on Personal Experiences With FAS/FAE

HON. ROGER ALLEN: Thank you, Mr. Speaker. In view of the many comments made today in the House in regard to the matter of FAS/FAE, I would like to share my own personal experiences on this very matter, as it has been a valuable life experience for me personally. Not only since raising a stepdaughter who is diagnosed with FAE, but I have also worked with many young offenders who have been diagnosed with similar characteristics, Mr. Speaker.

In my work with young people with these symptoms, quite often the medical community felt that the only way to eradicate any behavioural problems was to put them on Ritalin. Mr. Speaker, one of the first steps I have taken as a parent was to prevent the use of this drug to suppress any kind of erratic behaviour, basically forbidding the administration of this drug to the child who required a different technique in her development.

Mr. Speaker, in listening to what has been said in this House today, I can only say to the Members that anyone who works with or has raised a child with these symptoms should share in this concern. Sometimes it requires tremendous patience and special care in working with a special child. As of today, this child, who is now 13, can only read at a grade 2 level, but her mother has spent a lot of time and dedication and fortitude which has helped her develop good oral skills that I am very proud of, Mr. Speaker.

In terms of how we deal with these special people, I have always advocated a need to develop a special school for them. Unfortunately, the ideology is to keep everyone in the classroom, hoping they would integrate and function at that same level. We know that clinically, this is impossible. I continue to urge the Members to support this alternative approach.

I cannot agree more that we need to educate future mothers on the effects of FAS/FAE so it would be most appropriate to introduce education and the effects that alcohol and drugs will have on unborn or newborn babies because the mother was consuming alcohol during pregnancy.

Mr. Speaker, I am no authority on the subject matter, but I have found through my own experience and common ground which I dealt with it, a lot of tough love, the coach's approach and a lot of patience pays dividends. In closing, Mr. Speaker, I share the comments of my colleagues that we need to find methods that deal in the prevention of FAS/FAE. As a surrogate father to a child who has...

MR. SPEAKER: Your time for your Member's statement has expired, Mr. Allen.

HON. ROGER ALLEN: Mr. Speaker, I seek unanimous consent to conclude my statement. Thank you.

MR. SPEAKER: Thank you. The honourable Member is seeking unanimous consent to conclude his statement. Are there any nays? There having been no nays, Mr. Allen, you may continue.

HON. ROGER ALLEN: Thank you, Mr. Speaker. Thank you, my fellow colleagues. Again, as a surrogate father to a child who has been diagnosed, I would like to let you know that our commitment to this challenge will be extended far beyond the needs of a normal child to which we have worked hard to fulfill that commitment. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Allen. Item 3, Members' statements. The honourable Member for Inuvik Boot Lake, Mr. Roland.

Member's Statement on FAS/FAE Volunteers and Supporting Persons and Organizations

MR. ROLAND: Thank you, Mr. Speaker. Today we have focused upon FAS and FAE and the impact it has on government, schools, correctional institutions, the individuals themselves and the community. As Members of this Assembly, we have dealt with FAS/FAE for just a small amount of time compared to those who deal with it on a daily basis.

These are the people who live with the profound impact of FAS/FAE on a daily basis; the birth mother, the father, the adoptive or foster parents, the family, the teacher, the fellow student, classroom assistants, supervisors, the community and the affected individual, to name a few.

The support people in groups that work with people with FAS and FAE are often unappreciated. Mr. Speaker, I would like to recognize the volunteers and non-government agencies that devote time and money in order to assist people with FAS/FAE and other cognitive disabilities.

The FAS community team has been instrumental in today's theme on FAS and FAE. Members of the FAS community team include representatives of the following groups: the Department of Health and Social Services, parents, public health, Status of Women Council of the Northwest Territories, Tree of Peace, Yellowknife Women's Centre, Yellowknives Dene Community Wellness Program, Stanton Regional Hospital Pediatric Rehab Team, Mackenzie Regional Health, and the Northwest Territories Council for the Disabled Persons. My apologies if I have missed any of the other groups involved.

Mr. Speaker, in May 1996 the Status of Women Council of the NWT released a report entitled, Keeping Women and Communities Strong-Women, Substance Abuse and FAS/FAE, an NWT Needs Assessment. This is a valuable document as a source of information for FAS/FAE in the Northwest Territories. It sets out the groundwork for what should be done to confront our problems with FAS/FAE. Unfortunately, all of the recommendations within the document have not been acted upon.

Mr. Speaker, there are no statistics on the extent of FAS/FAE in the NWT. We operate in a void. The Special Committee on Health and Social Services, a committee of this House, stated in 1993: "We heard estimates of anywhere from 15 to 50 percent of the students..."

MR. SPEAKER: Mr. Roland, the time for your Member's statement has expired.

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

MR. SPEAKER: Thank you. The honourable Member is seeking unanimous consent to conclude his statement. Are there any nays? There having been no nays, Mr. Roland, you may conclude.

MR. ROLAND: Thank you, Mr. Speaker, and colleagues. Mr. Speaker, the Special Committee on Health and Social Services, a committee of this House, stated in 1993:

"We heard estimates that anywhere from 15 to 50 percent of the students in a given

school, and up to 25 percent in one region, may show the effects of FAS/FAE."

As a Territory, we have no idea of the magnitude of our problems with FAS/FAE. As a government, we have not adopted any strategy or plan to deal with this problem. It will not go away. Often, we have left it up to outside agencies and community groups to deal with the issue. Perhaps now is the time to work with our partners and deal with FAS/FAE in a planned and coordinated way. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Roland. Item 3, Members' statements. Déclarations de députés. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. The honourable Member for Frame Lake, Mr. Dent.

ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, we have a number of visitors in our gallery today because of our theme. I will have to ask for the assistance from my colleague, the deputy chair of AOC, to recognize as many as possible.

We have today Mr. Brian Harrison for the Yellowknife Association of Community Living; Ms. Helen Farrigan for the FAS project as Yellowknife Association of Community Living; Kathy Landry is also from that organization; Kiran Kanwal is here from Health and Social Services, Government of the Northwest Territories; Ann Kennedy from Yellowknife Foster Families Association; Elizabeth Von Vlaricon from Bosco Homes. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Dent. Item 5, recognition of visitors in the gallery. The honourable Member for Inuvik Boot Lake, Mr. Roland.

MR. ROLAND: Thank you, Mr. Speaker. Following on Mr. Dent's recognition, we also have in the gallery Dianne Cook and Emily Cork, from the NWT Council for the Disabled; Pat Dove, Barb Andrews, Mike Saloy and Krista Gill from the YWCA; we have Liz Baille from the YK Catholic Schools; Pat Struess from YK Foster Families; and Jolene Bordak and Georgina Firth, concerned residents. Thank you.

-- Applause

MR. SPEAKER: Thank you, Mr. Roland. Item 5, recognition of visitors in the gallery. The honourable Member for Weledeh, Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, I too would like to recognize the people who have joined us today in this very important discussion. In particular, I would like to recognize several: Mr. Jim Peterson, who is the president of the Barrenground Outfitters Association; Mr. John Evans, a captain with First Air and a good Weledeh resident. I had seen Chiefs Rick Edjericon and Peter Liske. I cannot see them right now, but they were with us a while ago. Thank you.

-- Applause

MR. SPEAKER: Thank you, Mr. Handley. Item 5, recognition of visitors in the gallery. The honourable Member for Hay River South, Mrs. Groenewegen.

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize a Hay River resident who technically is not in my riding but he is my neighbour and lives on the same street, Gordon Norbert. Thank you.

-- Applause

MR. SPEAKER: Thank you. Item 5, recognition of visitors in the gallery. The honourable Member for Tu Nedhe, Mr. Nitah.

MR. NITAH: Mahsi, Mr. Speaker. Mr. Speaker, I would like to recognize a very busy person from the community of Lutselk'e, Mr. Cliff Sabirsh, manager of the Lutselk'e Community Development Corporation. Welcome to the House. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Item 5, recognition of visitors in the gallery. The honourable Member for Yellowknife Centre, Mr. Ootes.

HON. JAKE OOTES: Thank you, Mr. Speaker. It is a great deal of pleasure for me to recognize someone who is not from my constituency, but who does work for all of Yellowknife and all of the Northwest Territories, a very important person in many of our lives, Captain Al Hough from the Salvation Army here in the Northwest Territories, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you. Item 5, recognition of visitors in the gallery. Welcome, Captain Hough. He is also the president of the Yellowknife Rotary Club. I believe you have a Page serving with us today, Captain Hough. Item 5, recognition of visitors in the gallery. Item 6, oral questions. The honourable Member for Frame Lake, Mr. Dent.

ITEM 6: ORAL QUESTIONS

Question 420-14(3): FAS/FAE Action Plan

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, my questions are for the Premier. As was mentioned earlier, there are a number of Government of the Northwest Territories departments that are involved in the treatment, identification and prevention of FAS/FAE. Government departments need to coordinate their efforts to ensure that there is a cohesive and cooperative approach being taken. In this case, we can learn from our neighbours.

In the early 1990s, the Government of the Yukon developed a Fetal Alcohol Syndrome/Fetal Alcohol Effect Action Plan. This document addressed prevention programs, services to people affected by FAS/FAE, community involvement, integration of services and research.

Mr. Speaker, the concept of a government-wide action plan for FAS/FAE is not new. Is the Government of the Northwest Territories willing to consider the development of an action plan for fetal alcohol syndrome and fetal alcohol effect? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. The honourable Premier, Mr. Kakfwi.

Return to Question 420-14(3): FAS/FAE Action Plan

HON. STEPHEN KAKFWI: Thank you, Mr. Speaker. This government is interested in developing such an approach and is currently working on that. The Minister taking the lead on this initiative is the Minister responsible for Health and Social Services, Jane Groenewegen.

MR. SPEAKER: Thank you, Mr. Premier. Supplementary, Mr. Dent.

Supplementary to Question 420-14(3): FAS/FAE Action Plan

MR. DENT: Thank you, Mr. Speaker. I think that is extremely welcome news that the government is in fact moving forward with this kind of approach. I think it is good to hear Minister Groenewegen is in the lead. Can the Premier advise this House when we can expect to see such a plan tabled within this House?

MR. SPEAKER: Thank you, Mr. Dent. The honourable Premier, Mr. Kakfwi.

Further Return to Question 420-14(3): FAS/FAE Action Plan

HON. STEPHEN KAKFWI: Thank you, Mr. Speaker. I believe the intent is for the Minister to discuss an approach that would involve coordination with other Ministers and the Cabinet and come up with some suggestions to Cabinet in the next few months about how we may best involve all Members of the Legislature in the development of what we would call a social agenda, a social action plan and further, how to look for ways to seek the full involvement of the aboriginal governments, the aboriginal leaders and other interested groups in the Northwest Territories to work in partnership on an approach that could effectively address the difficulties we see with fetal alcohol syndrome and fetal alcohol effect.

This is what we will be expecting the Minister to bring to Cabinet and ultimately to all Members of the Legislature in the next few months. Thank you.

MR. SPEAKER: Thank you, Mr. Premier. Supplementary, Mr. Dent.

Supplementary to Question 420-14(3): FAS/FAE Action Plan

MR. DENT: Thank you, Mr. Speaker. I certainly support the government moving forward with a social agenda, but I believe that is going to be a very big undertaking. I think that because of the importance and the urgency of dealing with this issue, I would hope that the Premier would put an emphasis on getting a coordinated plan for this government on FAS/FAE before this House, hopefully by the May session. Will the Premier try to encourage the lead Minister to be able to develop that for the House by May? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. The honourable Premier, Mr. Kakfwi.

Further Return to Question 420-14(3): FAS/FAE Action Plan

HON. STEPHEN KAKFWI: Thank you, Mr. Speaker. Perhaps we will be looking to continue some short-term initiatives between the Department of Health and Social Services and the

Department of Education, Culture and Employment. We still need a broad approach, a collaborative, partnership approach.

As Members know, we have our agenda, Towards A Better Tomorrow, an economic plan that involves all communities, aboriginal groups, governments and the private sector in developing an economic plan, but we also need, in order to assure our people that we are thinking about their social well-being as well, something we can start calling a social agenda, a social plan.

We need to make sure that it is all-inclusive as we start to develop it. We do not want to end up with a plan that is all printed up in brochures and announced to the public. We want to make sure that Members of the Legislative Assembly are involved in this, as well as the aboriginal governments, who we will seek partnerships with. This will be the approach that I think we will take. We will try to come with something to the next session, which I believe will be some time at the end of May. Thank you.

MR. SPEAKER: Merci, Mr. Kakfwi. Final supplementary, Mr. Dent.

Supplementary to Question 420-14(3): FAS/FAE Action Plan

MR. DENT: Thank you, Mr. Speaker. I appreciate the Premier's commitment to consultation and his commitment to try and bring something forward by May. Just for certainty, he only mentioned the Ministers responsible for Education and for Health. I would hope that he would remember that we are looking for a government-wide approach. This should include the Department of Justice, the Minister for Youth, as this problem touches every department of government.

Will the Minister make sure that it is a broad approach? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. The honourable Premier, Mr. Kakfwi.

Further Return to Question 420-14(3): FAS/FAE Action Plan

HON. STEPHEN KAKFWI: Thank you, Mr. Speaker. I stand corrected. The Member is correct. There are other Ministers that I should have rattled off here on my list. My list was short, but it shall include all of Cabinet. Thank you for that.

MR. SPEAKER: Thank you, Mr. Premier. Item 6, oral questions. The honourable Member for North Slave, Mr. Lafferty.

Question 421-14(3): Funding For Early Childhood Development

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister responsible for Health and Social Services, the Honourable Jane Groenewegen.

As I indicated in my Member's statement, I have serious doubts as to whether the \$2 million allocated to early childhood development will even begin to address the area of prevention, intervention and remediation of FAS/FAE. I would like to ask the Minister if she can look at increasing the funding for this critical issue. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Lafferty. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Return to Question 421-14(3): Funding For Early Childhood Development

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I alone cannot increase funding to address these issues, but as Mr. Lafferty has said, there has been \$2 million per year allocated over the next three years to address early childhood development. Within the four broad categories of parenting and family support; pregnancy, birth and infancy; early childhood care and learning; and community support, there is capacity for dealing with FAS/FAE. I do not have an exact breakdown of the specific dollars that would be dedicated to FAS/FAE prevention and support, but as this particular initiative rolls out we will be in a position to clearly identify which initiatives in these areas pertain to FAS/FAE. Thank you.

MR. SPEAKER: Thank you, Madam Minister. Supplementary, Mr. Lafferty.

Supplementary to Question 421-14(3): Funding For Early Childhood Development

MR. LAFFERTY: Thank you, Mr. Speaker. I am glad that the Minister identified some areas where we are dealing with this issue other than just the funding. Aurora College recently ran a program for early childhood education in my region, and seven people will be graduating.

Unfortunately, the program will not be offered in the Dogrib region this fall, even though there is a huge need for this program and it has been well received in the communities. Can the Minister commit to working with Aurora College to ensure that training opportunities exist for northern intervention workers? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Lafferty. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Further Return to Question 421-14(3): Funding For Early Childhood Development

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, it is part of this government's objective to ensure that Northerners are trained to do all different sorts of work in the social area and certainly early childhood education is one of them. As to the availability of programs for this type of training offered by the college, I will commit to work with my colleague, Mr. Ootes, to identify what is available and to ensure that there is ongoing capacity. This also ties in with our desire to maximize northern employment. Thank you.

MR. SPEAKER: Merci, Madam Groenewegen. Supplementary question. Mr. Lafferty.

Supplementary to Question 421-14(3): Funding For Early Childhood Development

MR. LAFFERTY: Thank you, Mr. Speaker. The Minister has identified \$2 million annually for this program. I would like to ask the Minister how these funds will be allocated to the communities. Would one of the criteria be need? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Lafferty. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Further Return to Question 421-14(3): Funding For Early Childhood Development

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, we will be looking at community resource centre pilot projects. We will be looking at resource kits that would be provided to different target groups within all communities. This is a very comprehensive program and it will not exclusively result in the provision of financial resources for community-based initiatives. We will also look at territorial-wide initiatives that would encompass all communities. Thank you.

MR. SPEAKER: Thank you, Madam Minister. Your final supplementary, Mr. Lafferty.

Supplementary to Question 421-14(3): Funding For Early Childhood Development

MR. LAFFERTY: Thank you, Mr. Speaker. FAS and FAE are national issues. I would like to ask the Minister, what direction is her department taking to share information with the rest of the provinces and the territories? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Lafferty. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Further Return to Question 421-14(3): Funding For Early Childhood Development

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, FAS and FAE do come up at our federal/provincial/territorial meetings. Also, more specifically, the Ministers from the prairie northern provinces get together on a regular basis to discuss FAS/FAE specifically. We have a Prairie Northern Coalition on FAS/FAE and this is an opportunity to share our experience here in the North, and also to gain valuable insight into what other jurisdictions are doing, and the kinds of initiatives they are undertaking, what is successful. It is an excellent opportunity to discuss the challenges our Territory faces regarding FAS/FAE. Thank you.

MR. SPEAKER: Thank you, Madam Minister. Item 6, oral questions. The honourable Member for Hay River North, Mr. Delorey.

Question 422-14(3): Consultation on a Human Rights Act

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, in our discussions today concerning FAS, it has been noted that this is a medical diagnosis that refers to a set of alcohol-related disabilities.

Can the Minister of Justice tell this House what consultation the department has had, or intends to have, with disability groups or those who advocate on behalf of persons with disabilities, with regard to a new Human Rights Act? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Delorey. The honourable Minister responsible for Justice, Mr. Antoine.

Return to Question 422-14(3): Consultation on a Human Rights Act

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, in the development of the new human rights legislation, the consultation paper was just given out in the fall, I believe in September, and we are getting into a much broader campaign to bring the awareness out to the public. We are undertaking a consultation process as we speak. We will be sure to talk to people and groups who are advocating for people with disabilities, including FAS and FAE people. So we will be talking to people as we get into the consultation phase. Thank you.

MR. SPEAKER: Thank you, Mr. Antoine. Supplementary, Mr. Delorey.

Supplementary to Question 422-14(3): Consultation on a Human Rights Act

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, different jurisdictions across Canada have wide-ranging definitions used within their human rights legislation. The Saskatchewan human rights code partially defines disabilities as any degree of physical disability, infirmity, malformation or disfigurement that is caused by bodily injury, birth defects or illness. Can the Minister advise this House how disability will be defined in the new human rights legislation?

MR. SPEAKER: Thank you, Mr. Delorey. The honourable Minister responsible for Justice, Mr. Antoine.

Further Return to Question 422-14(3): Consultation on a Human Rights Act

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, the word disability is not yet defined. Like I said earlier in my answer to the first question, we are undertaking the consultation stage at this time and this is an issue that the department will consult about as well. Currently, the Department of Justice staff suggests that there is not an actual need for the definition at this time. This is because the courts have concluded that the word disability gives protection to people with a broad range of disabilities. However, if people think, as we do the consultation, that there should be a definition for disability, then we will hear about it and we will consider it as well. I think this is worth noting and I think we have to consider it as we get into the consultation phase. Thank you.

MR. SPEAKER: Thank you, Mr. Antoine. Supplementary, Mr. Delorey.

Supplementary to Question 422-14(3): Consultation on a Human Rights Act

MR. DELOREY: Thank you, Mr. Speaker. I appreciate the Minister's comments and the fact that there is consultation going on and they are addressing this issue. Would the Minister please indicate to this House if persons affected by FAS/FAE will be protected? Will you make sure that they are protected from discrimination in the area of accommodations, services and facilities? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Delorey. The honourable Minister responsible for Justice, Mr. Antoine.

Further Return to Question 422-14(3): Consultation on a Human Rights Act

HON. JIM ANTOINE: Thank you, Mr. Speaker. The proposed human rights legislation has a section that forbids discrimination for services, including accommodations and so forth. So they will be protected. Thank you.

MR. SPEAKER: Thank you, Mr. Antoine. Final supplementary, Mr. Delorey.

Supplementary to Question 422-14(3): Consultation on a Human Rights Act

MR. DELOREY: Thank you, Mr. Speaker. Again, in the consultation process in developing this Human Rights Act, would the Minister please advise if persons with FAS/FAE disabilities will be granted priority hiring status should they apply for work within the Government of the Northwest Territories? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Delorey. The honourable Minister responsible for Justice, Mr. Antoine.

Further Return to Question 422-14(3): Consultation on a Human Rights Act

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, I believe that in our Affirmative Action Policy, there are provisions in there and this is one of the categories we have to consider in hiring people in the North. There is a priority to hire people with disabilities as well. Thank you.

MR. SPEAKER: Thank you, Mr. Antoine. I just want to remind Members that the question should stick to the one subject that has been initiated. Item 6, oral questions. The honourable Member for Range Lake, Ms. Lee.

Question 423-14(3): FAS/FAE Assessment in Schools

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I am not sure if my question should go to the Minister responsible for Health and Social Services or Education, Culture and Employment. It has to do with clinically diagnosing FAS/FAE as it applies to students. So I will just pose my question and leave it to the Ministers to decide.

Mr. Speaker, my question is, what is in place right now in the Territories to assess those students who may have the disability of FAS/FAE? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister responsible for Education, Mr. Ootes.

Return to Question 423-14(3): FAS/FAE Assessment in Schools

HON. JAKE OOTES: Thank you, Mr. Speaker. During our student needs survey that was conducted, Mr. Speaker, we did do an extensive questionnaire as to the needs of students. One of the things we found was that with regard to FAS/FAE, it required a medical diagnosis. We were informed that only could be done through a clinical process by medical doctor, Mr. Speaker. So our educators are not in the position to be able to do that. Thank you.

MR. SPEAKER: Thank you, Minister Ootes. Supplementary, Ms. Lee.

Supplementary to Question 423-14(3): FAS/FAE Assessment in Schools

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, with FAS/FAE being a medical diagnosis that requires a specialist, I understand that there is only one specialist in the North who is qualified to do such diagnosis. Mr. Speaker, I wonder if the Minister could advise this House as to whether or not that is enough to meet the dire need of our situation in the Northwest Territories? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister responsible for Education, Mr. Ootes.

Further Return to Question 423-14(3): FAS/FAE Assessment in Schools

HON. JAKE OOTES: Thank you, Mr. Speaker. Our survey certainly indicated that the numbers that were identified are far below what may be out there, but we had to live with the statistics and the process that was in place to record those who were clinically diagnosed. So the Member is correct. We feel there is a requirement out there for an ability to assess students and I feel that with the many discussions that are taking place in this whole area, it is an area that some attention needs to be paid to. We are discussing this with Health and Social Services through our social envelope process, Mr. Speaker. Thank you.

MR. SPEAKER: Thank you, Minister Ootes. Supplementary, Ms. Lee.

Supplementary to Question 423-14(3): FAS/FAE Assessment in Schools

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I am of the belief that I do not think anyone could take effective action unless we know what the problems are. If we do not have enough manpower or womanpower to diagnose the problem, I do not know how any words being spoken here have any meaning. Mr. Speaker, may I ask the Minister whether or not he has any plans to get the necessary resources to make sure that all those in need are diagnosed and assessed? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister responsible for Education, Mr. Ootes.

Further Return to Question 423-14(3): FAS/FAE Assessment in Schools

HON. JAKE OOTES: Thank you, Mr. Speaker. As the Premier stated, we are working on a social action plan and there needs to be broad collaboration in the approach to that whole area. The Minister of Health and Social Services is the lead in that area. In the interim, Mr. Speaker, and certainly I can speak on the education matters, our approach is that all students are in the system that may require assistance no matter what ailments or what diagnosis they are under. Where we work from is trying to provide them with as much resource help as possible and to provide as much training and education in various fields including a concentration on FAS/FAE. Hopefully, much more so in the future, Mr. Speaker. Thank you.

MR. SPEAKER: Thank you, Minister Ootes. Your final supplementary, Ms. Lee.

Supplementary to Question 423-14(3): FAS/FAE Assessment in Schools

MS. LEE: Thank you, Mr. Speaker. I appreciate the Minister's expression of intention to look at the special needs situation of students, but could the Minister advise as to whether or not there is anything in place right now that trains people specifically for special needs? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister responsible for Education, Mr. Ootes.

Further Return to Question 423-14(3): FAS/FAE Assessment in Schools

HON. JAKE OOTES: Thank you, Mr. Speaker. I understand with regard to Aurora College, there was a program referenced earlier for northern intervention workers and our teachers do partake in workshops and our department resources material as much as possible because this is coming to the fore. I must state, however, it is becoming a much more prominent issue that will require more and more attention as we speak and in the future, Mr. Speaker. Thank you.

MR. SPEAKER: Thank you, Minister Ootes. Item 6, oral questions. The honourable Member for Yellowknife South, Mr. Bell.

Question 424-14(3): 2000 Student Support Needs Assessment

MR. BELL: Thank you, Mr. Speaker. My question is for Minister Ootes, the Minister responsible for Education. The recent student support needs assessment indicates that 73 percent of the student population requires support. The support being an additional services above and beyond those provided to all students as part of the regular school program, Mr. Speaker. Support most often provided is program modification to accommodate difficulty in learning.

I note that in the Department of Education's telephone listings, there are 12 coordinator positions in the area of early childhood and school services. Given that 73 percent of the students in our schools require support above what is supplied in the regular classroom, are any of these coordinators specialists in special needs assessment and development of programs for students with special needs?

MR. SPEAKER: Thank you, Mr. Bell. The honourable Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Return to Question 424-14(3): 2000 Student Support Needs Assessment

HON. JAKE OOTES: Thank you, Mr. Speaker. I do not know what the specific qualifications of these particular positions and the individuals that fill them, Mr. Speaker. Certainly a good question and an interesting one, and I can certainly provide the Member with further data on that. Thank you.

MR. SPEAKER: Thank you, Minister Ootes. Supplementary, Mr. Bell.

Supplementary to Question 424-14(3): 2000 Student Support Needs Assessment

MR. BELL: Thank you, Mr. Speaker. I would appreciate further data on that. I am also wondering if the boards and DECs have trained professionals who supply special needs assessment and decide which classrooms in fact need support? Thank you.

MR. SPEAKER: Thank you, Mr. Bell. The honourable Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 424-14(3): 2000 Student Support Needs Assessment

HON. JAKE OOTES: Thank you, Mr. Speaker. The DECs, the DEAs do, in some cases, contract services for special help in the case of specific needs. They do that in some cases through their own employees, but in other cases through contracted situations. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Supplementary, Mr. Bell.

Supplementary to Question 424-14(3): 2000 Student Support Needs Assessment

MR. BELL: Thank you, Mr. Speaker. As I mentioned in my statement, there are consultants in British Columbia producing FAS training modules which may be transferable to other jurisdictions. I am wondering if the department has investigated these modules as a possible resource to assist teachers in the classroom.

MR. SPEAKER: Thank you, Mr. Bell. The honourable Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 424-14(3): 2000 Student Support Needs Assessment

HON. JAKE OOTES: Thank you, Mr. Speaker. There is a sharing of information between the various jurisdictions on a very cooperative basis, the western provinces and the northern territories. We participate in that, Mr. Speaker. It has been a valuable resource for us to obtain information. The reference to the Member to that particular program is one that I am not sure they have, but if it was developed by the education system in British Columbia, there is no doubt in my mind that we would have had knowledge of it and, in all likelihood, have made use of it or parts of it. Thank you.

MR. SPEAKER: Merci, Mr. Minister. Final supplementary, Mr. Bell.

Supplementary to Question 424-14(3): 2000 Student Support Needs Assessment

MR. BELL: Thank you, Mr. Speaker. I am hoping the Minister will confirm that. I am also hoping that here today, he would commit to either developing our own or acquiring FAS programs that teachers in the Northwest Territories can use to assist our children in the classrooms. Thank you.

MR. SPEAKER: Thank you, Mr. Bell. The honourable Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 424-14(3): 2000 Student Support Needs Assessment

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, there is no question that we should develop our own resources. We have unique situations, isolated communities and small populations in communities, and our needs are sometimes beyond the school. There is a need for a community approach here and overall, an all-departmental approach as the Premier had spoken before. Yes, we will look towards resourcing our own approaches to all of this as we develop our social agenda, Mr. Speaker, to the best of our abilities and resources. Thank you.

MR. SPEAKER: Merci, Mr. Minister. Item 6, oral questions. The honourable Member for Thebacha, Mr. Miltenberger.

Question 425-14(3): FAS/FAE Not Included in Assessment

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, my questions are addressed to the Minister of Education, Culture and Employment regarding the student support needs assessment, to follow up on my Member's statement today about the issue of FAS/FAE.

The Minister indicated in his statement today that the focus in the school system is to support teachers in meeting the diverse needs of children, including those who may be affected by FAS/FAE, and the recently completed student support needs assessment will be used to guide the work of the department.

Mr. Speaker, as I indicated in my statement, I have found no reference at all to FAS/FAE in this document. I recognize it focuses on behaviour, some of which may be exhibited by children of FAS/FAE. I would like to ask the Minister if he could speak to the issue of why it was not identified as it was in his statement in this document as a special need and one that requires support. Thank you.

MR. SPEAKER: Mr. Miltenberger, that question is a bit broad. The Chair recognizes it as a very broad question. Could you be more specific? To speak on it is not quite a question. Give him a question.

MR. MILTENBERGER: Thank you, Mr. Speaker. Can the Minister explain why FAS/FAE is not specifically mentioned in this student support needs assessment? We identify other problems, disabilities like hyperactivity and attention deficit disorder, but FAS/FAE is not mentioned in this document. It is a guide for teachers in the classroom, but there seems to be an omission. Could the Minister explain why it is not in this document?

MR. SPEAKER: Thank you, Mr. Miltenberger. The honourable Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Return to Question 425-14(3): FAS/FAE Not Included in Assessment

HON. JAKE OOTES: Thank you, Mr. Speaker. The document indicated the process that was used as well as the findings that were developed by the individuals who did the survey. The clinical diagnosis revealed very small numbers of individuals with FAS/FAE. That can be interpreted, and I am sure all Members would interpret that, as well as the public, but we had to live with the clinical diagnosis figures, Mr. Speaker. We are

preparing a response to the report. We also have a technical report, Mr. Speaker, that is returned to all of the regional districts that formulated part of this to allow the districts to compare the data to their particular reports, and then to have an ability to readdress some of the situations, Mr. Speaker. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Supplementary, Mr. Miltenberger.

Supplementary to Question 425-14(3): FAS/FAE Not Included in Assessment

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, in this House today, we have heard an extensive list of statistics, 25 percent of women drink when they are pregnant, the range of children who may have FAS/FAE. The Minister himself has acknowledged that, as have most of his colleagues. The question I have to the Minister is when do they intend to specifically address the issue of FAS when they look at student support needs assessment and the special needs issue? It is important in the school for children.

MR. SPEAKER: Thank you, Mr. Miltenberger. The honourable Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 425-14(3): FAS/FAE Not Included in Assessment

HON. JAKE OOTES: Thank you, Mr. Speaker. It is an urgent matter. As the Premier stated, we are looking at a social action plan. The Members have asked if we could bring something forward for the next session. In relationship to all of that and the work we are doing, I think that over the next several months we can look to identifying areas of approach and clarify the approaches to all of this in all likelihood over the coming months. We want to try and see whether we can develop something in that timeframe so that through the summer, we can look to enhancing our services to schools with resource materials by the fall. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Supplementary, Mr. Miltenberger.

Supplementary to Question 425-14(3): FAS/FAE Not Included in Assessment

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, am I to understand from the Minister that he is committing, as part of the strategy to be brought forward, to address strategies for FAS in the schools in that strategy as part of the overall government plan the Premier spoke to? Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. The honourable Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 425-14(3): FAS/FAE Not Included in Assessment

HON. JAKE OOTES: Thank you, Mr. Speaker. I want to ensure that we have accessed all of the potential information, all of the potential resource materials that can be provided. I guess in that sense, I am speaking in terms of trying to inject some sort of approach with the social action plan that we want to develop, Mr. Speaker. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Final supplementary, Mr. Miltenberger.

Supplementary to Question 425-14(3): FAS/FAE Not Included in Assessment

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, the Minister's reply was carefully ambiguous. Until we clearly speak to the issue of FAS in the schools, it is going to be very difficult to identify the resources that we need to support and to provide the proper programming. FAS needs are not the same as just your average behavioural problems because of say a broken home or whatever. Can the Minister confirm that they will come forward with some specific plans in the school to support children with FAS and FAE? Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. The honourable Minister responsible for Education, Mr. Ootes.

Further Return to Question 425-14(3): FAS/FAE Not Included in Assessment

HON. JAKE OOTES: Thank you, Mr. Speaker. As I said, we want to develop and gather as much information in this area as we can and to also access resource materials and then to discuss the approaches to how to tackle issues of FAS/FAE on an overall basis as well as into specific areas. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Item 6, oral questions. The honourable Member for Mackenzie Delta, Mr. Krutko.

Question 426-14(3): Progress on FAS/FAE Programs

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, with regard to my Member's statement, I think we have to seriously look at the progress of FAS programs in the Northwest Territories. Mr. Speaker, can the Minister inform the House of how many people in the Northwest Territories, especially in the Beaufort Delta region, are affected by FAS/FAE?

MR. SPEAKER: For clarification of the chair, Mr. Krutko, could you tell me which Minister you are directing this to?

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Health and Social Services.

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Return to Question 426-14(3): Progress on FAS/FAE Programs

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, no, I do not have numbers of people who are affected by FAS/FAE for the Beaufort Delta region. FAS/FAE are conditions which are sometimes difficult to diagnose and sometimes there are people with intellectual challenges that are suspected of being fetal alcohol affected, but this has not always been easy to definitively diagnose this. I do not have the numbers the Member requests. Thank you.

MR. SPEAKER: Thank you, Madam Minister. Supplementary, Mr. Krutko.

Supplementary to Question 426-14(3): Progress on FAS/FAE Programs

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, I believe that is our problem. We do not have an understanding of how many people we are talking about. Will she commit to recruit more FAE/FAS medical specialists, realizing we only have one in the Northwest Territories? I believe that is insufficient. Will the Minister consider recruiting more FAS/FAE medical specialists?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Further Return to Question 426-14(3): Progress on FAS/FAE Programs

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, Mr. Krutko is right that we do have one pediatrician in the Northwest Territories who is a resident specialist and who also has expertise in the area of diagnosing FAS/FAE, Dr. Nicole Chatel. Through Dr. Chatel's involvement with other organizations that are attempting to work with us on this, we are developing screening tools which will help us to really more clearly define the magnitude of this problem. Thank you.

MR. SPEAKER: Thank you, Madam Minister. Supplementary, Mr. Krutko.

Supplementary to Question 426-14(3): Progress on FAS/FAE Programs

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, the government has proposed a \$2 million study regarding an Early Childhood Development Action Plan. How much of that money is specifically allocated towards FAE/FAS programs in the Northwest Territories?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Further Return to Question 426-14(3): Progress on FAS/FAE Programs

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, it is important to recognize that quite a number of our strategies have some bearing on the issue of FAS/FAE, whether we are talking about our Mental Health and Addictions Strategy or whether we are talking about our strategy for early childhood development. There are a broad number of strategies in this government which, in some way, affect health in the area of FAS/FAE. Part of the work of the Ministerial Committee on the Social Agenda is to identify coordination and collaboration between departments, but also to inventory resources that are being applied to these various pressing social issues. So at this time, I am not able to say out of the ECD initiative exactly how much is related to FAS/FAE, but it will be an exercise we will undertake as part of the commitment the Premier has just made here to identify the resources that are applied to this issue. Thank you.

MR. SPEAKER: Thank you, Madam Minister. Your final supplementary, Mr. Krutko.

Supplementary to Question 426-14(3): Progress on FAS/FAE Programs

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, earlier on in my term, I made an FAS statement, in 1998 and I asked the government to provide information on FAS programs such as the parent workshop, in-home support works, support in early childhood programs and speech aid programs to assist students in the Beaufort Delta region. Will the Minister please provide me with a progress report on those initiatives? Which communities were able to carry them out and what is the success rate of that initiative?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Further Return to Question 426-14(3): Progress on FAS/FAE Programs

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. An important part of any initiatives, strategies or activities undertaken by our government is to be able to identify and measure the outcomes and the effectiveness of those programs. Mr. Krutko refers to undertakings of the previous government, but I will attempt to compile that information on some of the outcomes of those for him and provide them to him. Thank you.

MR. SPEAKER: Thank you, Madam Minister. Item 6, oral questions. The honourable Member for Tu Nedhe, Mr. Nitah.

Question 427-14(3): Alcohol and Drug Treatment Centre

MR. NITAH: Mahsi, Mr. Speaker. Mr. Speaker, I just found out that there was a Chipewyan interpreter in the House today, so I will be asking my questions in Chipewyan. So if everybody could dial into channel four, Tony Buggins is interpreting for us today.

(Translation starts) Mahsi, Mr. Speaker. The way I look at it, we have to look at everything. We have to look at the whole picture. That is the only way. Thank you, Mr. Speaker. The way I think, after the job is done we cannot fix one problem, we have to look at the whole issue. We have to look at the traditional values, your language, your tradition, your spiritual attitude, the way you are taught, your education system. We have to all help each other, all like one. Over in this country, after people move to treatment centres and places like that, those are very important. We only have one facility like that here. The Minister of Health and Social Services is planning on closing the one treatment centre. Now there is only one. Is she going to find another treatment centre for us? (Translation ends)

MR. SPEAKER: The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Return to Question 427-14(3): Alcohol and Drug Treatment Centre

HON. JANE GROENEWEGEN: The problems with FAS and FAE are symptomatic of a much broader problem with addiction and the underlying causes of addictions in the Northwest Territories. We recognize that many of the social challenges that we have in our Territory today are really part of

a broader issue. It is our intention to attempt to approach them in a broad way as well.

The Member mentions the availability of residential treatment placements in the Northwest Territories. As we have discussed in the House before, the Nats'ejee K'eh on the Hay River Reserve with 30 beds for residential treatment is the only residential treatment service available. At this time, Mr. Speaker, there are no plans to construct or deliver more residential treatment programs, but we are looking at various other alternatives to addictions treatments. Thank you.

MR. SPEAKER: Thank you, Madam Minister. Supplementary, Mr. Nitah.

Supplementary to Question 427-14(3): Alcohol and Drug Treatment Centre

MR. NITAH: Mahsi, Mr. Speaker. (Translation starts) These kids who grow up with FAS/FAE, if we are to help them, we have to help their parents to quit drinking, even for one year. In order to solve this problem, the Minister says they have a different approach of trying to solve the problem. What does she mean by that? Thank you, Mr. Speaker. (Translation ends)

MR. SPEAKER: Thank you, Mr. Nitah. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Further Return to Question 427-14(3): Alcohol and Drug Treatment Centre

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, through a variety of ways, including things like mobile treatment, which goes into the communities, that has been piloted in numerous communities for women and for youth, through the work of alcohol and drug counsellors, mental health counsellors in our community, we attempt to address the issues of addictions.

Also, the government is not the only provider of addictions services in the Northwest Territories. We do still have the access for not only southern referrals, but also for work that is still being undertaken by the Northern Addictions Services in this region, so there are quite a number of different ways in which the issue of addictions are addressed. Residential treatment, under a 28-day program, is one of those methods. Thank you.

MR. SPEAKER: Thank you, Madam Minister. Supplementary, Mr. Nitah.

Supplementary to Question 427-14(3): Alcohol and Drug Treatment Centre

MR. NITAH: (Translation starts) Thank you, Mr. Speaker. I am glad that you are bringing up all of these points on what you are planning to do. We have to all work together, especially in this part of the world.

The Government of the Northwest Territories and the Ministers, along with other departments, the Department of Education, Culture and Employment, all these various departments, how you work with children, how you work with adults. We all have to work as one.

Thank you, Mr. Speaker. (Translation ends)

MR. SPEAKER: Thank you, Mr. Nitah. I did not quite hear a question. Madam Minister.

Further Return to Question 427-14(3): Alcohol and Drug Treatment Centre

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. It is very important that we coordinate our efforts because the needs are great and the resources are always limited and never seem to be quite enough. It is extremely important that we coordinate our efforts amongst the various social envelope departments, and through our Ministerial Committee on the Social Agenda. We will be including consultation with other government leaders, with MLAs, the Standing Committee on Social Programs, key stakeholders and the front-line workers so that we ensure that we have the most effective programs possible. Mr. Nitah's point regarding coordination is a very important one. Thank you.

MR. SPEAKER: Thank you, Madam Minister. Your final supplementary, Mr. Nitah.

Supplementary to Question 427-14(3): Alcohol and Drug Treatment Centre

MR. NITAH: (Translation starts) Thank you, Mr. Speaker. That is right, we have to work together. We have a lot of work to do here, all of us here, a lot of different jobs but we cannot say when. That is why I am asking you now. We have all these jobs that you mentioned we are going to be starting, the various programs, when will it start? (Translation ends)

MR. SPEAKER: Thank you, Mr. Nitah. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Further Return to Question 427-14(3): Alcohol and Drug Treatment Centre

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, a lot of programs are currently underway, and it is a function of government, for us as leaders, to be assessing the effectiveness and value of these programs, which we do on an ongoing basis.

With regard to the new initiatives that have been identified by the various strategies, this is our budget session, so starting in the new fiscal year there will be new activities added to the existing programs. Over the course of the summer we hope to consult with people at a number of the assemblies, and look forward to putting together a social agenda, as I said before, in consultation with other government leaders and many other stakeholders. We look forward to a conference being held in the fall to help us define what that social agenda will look like for future years business planning. Thank you.

MR. SPEAKER: Thank you, Madam Minister. Item 6, oral questions. The honourable Member for Deh Cho, Mr. McLeod.

Question 428-14(3): Funding For Community-Based FAS/FAE Programs

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, I have a number of constituents who are attending the FAS workshop in Fort Simpson and they sent me a series of questions that they would like me to ask the Minister of Education, Culture and Employment.

The first one is regarding the Early Childhood Development Action Plan. It has been presented as "investing a significant amount of money for FAE/FAS programming." Can the Minister inform us as to how much funding will be available for community-based FAE/FAS programming? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. McLeod. The honourable Minister responsible for Education, Culture and Employment, Mr. Ootes.

Return to Question 428-14(3): Funding For Community-Based FAS/FAE Programs

HON. JAKE OOTES: Thank you, Mr. Speaker. Yes, I am very pleased that the conference is on in Fort Simpson and certainly pleased that the members there are also taking an interest, and no doubt they will be watching today.

Some reference before has been made to the issue of funding through the Early Childhood Development Program, Mr. Speaker, and the details of the funding allocations have not been finalized yet. I would like to state that the moment we can finalize this area, we certainly want to ensure that individuals and Members know about it, and that communities become aware of it as well. Thank you.

MR. SPEAKER: Thank you, Minister Ootes. Supplementary, Mr. McLeod.

Supplementary to Question 428-14(3): Funding For Community-Based FAS/FAE Programs

MR. MCLEOD: Thank you, Mr. Speaker. I realize that the department is still working on the final details of the Early Childhood Development Action Plan. I would like to ask the Minister if he could tell us whether there will be opportunities for communities such as Fort Providence and the Hay River Reserve to apply for access funding through this program? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. McLeod. The honourable Minister responsible for Education, Culture and Employment, Mr. Ootes.

Further Return to Question 428-14(3): Funding For Community-Based FAS/FAE Programs

HON. JAKE OOTES: Thank you, Mr. Speaker. More and more, our government is working on the basis of partnering, Mr. Speaker, and certainly the Member's question is very relevant here. Wherever possible, we will certainly look to ensuring that we partner and try to utilize local processes if the resources are available in the local setting.

Given that, we also spoke earlier about the social action plan, and again it is an area that is, as we discussed today, under development headed by the Minister of Health and Social Services. To repeat myself, our efforts are more and more continuing on the process of partnering on situations, because we recognize that the importance of delivery is very effective when it is done locally. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Supplementary, Mr. McLeod.

Supplementary to Question 428-14(3): Funding For Community-Based FAS/FAE Programs

MR. MCLEOD: Thank you, Mr. Speaker. A question that was also sent to me by a resident of the Hay River Reserve concerned what the department is doing to ensure that education standards and techniques are improved to deal with this issue.

MR. SPEAKER: Thank you, Mr. McLeod. The honourable Minister responsible for Education, Culture and Employment, Mr. Ootes.

Further Return to Question 428-14(3): Funding For Community-Based FAS/FAE Programs

HON. JAKE OOTES: Thank you, Mr. Speaker. The issue has been around for a bit of time and some work has been done, but our efforts continue on the whole area of equipping teachers and educators with the ability to deal with specific issues in the classroom. That requires the accessing of resources. I mentioned earlier that we are partners with the western provinces to share information. Certainly that gives us an opportunity to give a lot of material and a lot of ability to look for ways and means, but in the long run, as I mentioned earlier, for our intent is to try to create and tailor our own resource materials here in the North to effectively deal with the different situations that we have compared to other jurisdictions.

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

Supplementary to Question 428-14(3): Funding For Community-Based FAS/FAE Programs

MR. MCLEOD: Thank you, Mr. Speaker. Does his department know the number of students that are affected by FAS and FAE currently in our schools?

MR. SPEAKER: Thank you, Mr. McLeod. The honourable Minister responsible for Education, Mr. Ootes.

Further Return to Question 428-14(3): Funding For Community-Based FAS/FAE Programs

HON. JAKE OOTES: Yes, we do, Mr. Speaker. The student needs survey, which was conducted and completed several months ago, did a complete survey of 9,000 students in the school system. I believe it was 2,500 who had individual assessments done and of that number, we learned that the medical diagnosis for FAS/FAE numbered only one percent, only 42 individuals, but that was the medical diagnosis. That is what we have to go by because we have no way of being the judge of who is FAS/FAE. It is an area where the educators are not allowed to make the diagnosis. It requires a medical diagnosis. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Item 6, oral questions. The honourable Member for Great Slave, Mr. Braden.

Question 429-14(3): Services Available to FAS/FAE Adults

MR. BRADEN: Thank you, Mr. Speaker. As I mentioned in my Member's statement, I am concerned that once a victim of FAS/FAE becomes an adult, our ability to cope with them, to help them manage is very limited. Can the Minister of Health

and Social Services outline for this Assembly what services the department offers today for adults affected by FAE and FAS? Thank you.

MR. SPEAKER: Thank you, Mr. Braden. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Return to Question 429-14(3): Services Available to FAS/FAE Adults

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, there are a number of adult individuals who are in facility placements throughout the Northwest Territories with symptoms that are attributed to FAS/FAE. These individuals are in placement in group homes and independent living situations. There are also many individuals with more serious needs who require supports for additional diagnosis along with suspected FAS/FAE. These individuals are receiving a continuum of support including residential support, life skill training, job coaching and support for more independent living situations. My department, in partnership with Education, Culture and Employment, does provide funding towards support for persons attributed to have FAS/FAE. The department funds health and social services boards to contract these services from professional, non-profit organizations.

MR. SPEAKER: Thank you, Madam Minister. Supplementary, Mr. Braden.

Supplementary to Question 429-14(3): Services Available to FAS/FAE Adults

MR. BRADEN: Thank you, Mr. Speaker. Related to that, can the Minister give us some sense of how heavily subscribed, what is the demand on this range of services? Thank you.

MR. SPEAKER: Thank you, Mr. Braden. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Further Return to Question 429-14(3): Services Available to FAS/FAE Adults

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. All of these services are well subscribed to and I do have detailed information on the numbers of adults who are living with these various supports and would be happy to provide that to the Member. Thank you.

MR. SPEAKER: Thank you, Madam Minister. Supplementary, Mr. Braden.

Supplementary to Question 429-14(3): Services Available to FAS/FAE Adults

MR. BRADEN: Thank you, Mr. Speaker. Can the Minister give some information, some idea of what kind of trends we are looking at in the number of FAS/FAE cases over the next ten years? Thank you.

MR. SPEAKER: Thank you, Mr. Braden. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Further Return to Question 429-14(3): Services Available to FAS/FAE Adults

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, at this time it is not possible to project the future needs of people affected by FAS/FAE. This is mainly due to the fact that we do not have any hard data on how many people are currently affected and many of the cases that we deal with we suspect are alcohol-affected but we do not have, as Mr. Ootes referred to, the medical diagnosis. Thank you.

MR. SPEAKER: Thank you, Madam Minister. Item 6, oral questions. The honourable Member for Inuvik Boot Lake, Mr. Roland.

Question 430-14(3): Liquor Profits Dedicated to Addictions Programs

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, earlier in my statement I made reference to a document released in 1996 by the Status of Women Council of the Northwest Territories titled Keeping Women and Communities Strong: Women, Substance Abuse and FAS/FAE - a Northwest Territories Needs Assessment. Recommendation 12 of that document relates to the profits of liquor sales. It is clear that the territorial government is spending several million less on alcohol and drug programs and treatments than it takes in annually in profits from liquor sales. Given the level of concern and seriousness of the problems of substance abuse and FAS/FAE in the North, would the Minister of Finance be willing to consider that a toll be implemented on liquor and a portion of the profits from liquor sales be devoted to substance abuse and FAS/FAE prevention and programming? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Minister of Finance, Mr. Handley.

Return to Question 430-14(3): Liquor Profits Dedicated to Addictions Programs

HON. JOE HANDLEY: Mr. Speaker, I do not have the specific numbers with me here, but I can assure you that we spend considerably, in fact a lot more on these sorts of programs than we ever collect in liquor sales. Thank you.

MR. SPEAKER: Thank you, Minister Handley. Supplementary, Mr. Roland.

Supplementary to Question 430-14(3): Liquor Profits Dedicated to Addictions Programs

MR. ROLAND: Thank you, Mr. Speaker. Will the Finance Minister provide the details of what is actually spent on drug and alcohol programs? We know we have closed a number of facilities over the last couple of years and we have reduced funding in the drug and alcohol area. There is little to be said on the specific issue of FAS/FAE. So can the Minister of Finance provide the information to substantiate his claim? Thank you.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Minister of Finance, Mr. Handley.

Further Return to Question 430-14(3): Liquor Profits Dedicated to Addictions Programs

HON. JOE HANDLEY: Mr. Speaker, I will work with my colleagues to try to put that together. Remember, we spend a lot of money directly on drug and alcohol treatment. We also spend a lot of money on other programs that are directly related to alcohol abuse and so on, in justice and in a number of areas. My point is that we spend much, much more on these programs than we do ever collect in liquor sales. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Supplementary, Mr. Roland.

Supplementary to Question 430-14(3): Liquor Profits Dedicated to Addictions Programs

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, that is the concern, that we are spending on the after-effects of the problem. I would like to know if the Finance Minister will provide information on what is spent on prevention. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Minister of Finance, Mr. Handley.

Further Return to Question 430-14(3): Liquor Profits Dedicated to Addictions Programs

HON. JOE HANDLEY: Mr. Speaker, yes, I will work with my colleagues and try to put together an estimate of how much money we spend on treatment. Thank you.

MR. SPEAKER: Merci, Mr. Handley. The time allocated for question period is over. Item 7, written questions. The honourable Member for Great Slave, Mr. Braden.

MR. BRADEN: Thank you, Mr. Speaker. I would like to request consent to return to item 5 on the order paper.

REVERT TO ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

MR. SPEAKER: The honourable Member is seeking unanimous consent to return to item 5, recognition of visitors in the gallery. Are there any nays? There are no nays, Mr. Braden, and there is no one in the gallery.

-- Laughter

MR. BRADEN: Thank you, Mr. Speaker. I have been trying to identify someone who would very much deserve recognition, but I hope that that person will return later. Thank you.

MR. SPEAKER: Thank you. I am sure she is in the building. Item 5, recognition of visitors in the gallery. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to the opening address. Item 10, petitions. Item 11, reports of standing and special committees. The honourable Member for Inuvik Boot Lakes, Mr. Roland.

ITEM 11: REPORTS OF STANDING AND SPECIAL COMMITTEES

Committee Report 8-14(3): Report on the Review of Bill 13: Hotel Room Tax Act

MR. ROLAND: Thank you, Mr. Speaker. The Standing Committee on Governance and Economic Development is

pleased to report on its review of Bill 13, the Hotel Room Tax Act.

This committee report was prepared by members of the Standing Committee on Governance and Economic Development: Floyd Roland, chair; Sandy Lee, deputy chair; Bill Braden, Paul Delorey, David Krutko, and Steven Nitah.

The Minister of Finance, Joe Handley introduced Bill 13 for first reading in the Legislative Assembly on November 7, 2000. On November 8, 2000, the Hotel Tax Act received second reading on the principle of the bill by a narrow margin of a 10 to 8 vote. The bill was referred to the Standing Committee on Governance and Economic Development. Under the Rules of the Legislative Assembly, the standing committee has 120 days to review and report on the bill.

The standing committee met on several occasions to discuss and review the background research material and legal issues. The committee also conducted public hearings on Bill 13 during the week of February 5 to 9, 2001 in Inuvik, Hay River, and Yellowknife.

Prior to the hearings, the committee placed advertisements in every newspaper in the Northwest Territories informing the public of the committee's review, inviting oral presentations and written submissions and advising that applications for travel assistance would be considered by the committee. Public service announcements were also aired on northern radio stations and notices were placed on community television channels, where available. Media advisories were sent advising the press where hearings would be held. The committee also provided packages with detailed explanatory material about Bill 13 and an offer of assistance to appear before the committee to over 200 identified interested parties.

The Standing Committee on Governance and Economic Development would like to thank all of the individuals and organizations who made their views known to the committee at the public hearings or by written submissions. The comments and suggestions were of great assistance to the committee and were carefully reviewed by the committee during its deliberations.

Appendix 1 to this report contains a list of witnesses who appeared before the committee. Appendix 2 is a list of the individuals or organizations that provided written submissions, which were received and considered by the committee. Copies of submissions and/or transcripts from the public hearings are available upon request.

Background to Bill 13: Hotel Room Tax Act

In mid-October 2000, during the committee's review of the 2001-2004 business plans, the Department of Finance included as a key strategy, the implementation of a hotel room tax. The committee report (TD 102-14(3)) noted:

"The committee remarked that hotel tax revenues have already been incorporated into the government's revenue and expenditure projections even though the tax has not yet received legislative approval. Committee members noted that tax legislation should receive the same level of stakeholder consultation and committee consideration as other

legislation. A Member observed that the government might be fast-tracking the proposed hotel tax without due process. According to the department, the hotel tax is expected to generate about \$1.3 million. Administration fees are expected to be \$150,000." (p.12)

Tabled document, NWT Tourism – The 2006 Challenge, Towards a Tourism Strategy (TD 50-14(3)), referred to as a "rolling draft", noted at p.14:

"Government and the tourism industry have also discussed ways to increase funding. A new hotel accommodation tax is currently proposed."

On November 8, 2000, the Minister of Finance indicated during second reading of Bill 13 that more money was required to improve the tourism industry. The Minister noted that, while worldwide tourism is growing, there is every indication that the situation in the Northwest Territories is not keeping up with the pace. During debate on the principle of the bill the Minister gave some indication that the revenues collected from this tax would be put towards tourism strategies in an attempt to boost northern tourism.

Mr. Speaker, at this time I request the deputy chair, Ms. Lee, continue with the report. Thank you.

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

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker,

Objectives and Design of the Hotel Room Tax Act

The bill establishes :

- a five percent tax on the price of accommodations at hotels, motels, lodges and other such establishments;
- a procedure to register operators of accommodation and authorize the operators to collect the tax; and
- sets out enforcement provisions to ensure the tax is paid, collected and remitted in accordance with the act and the regulations.

The tax does not apply to lodging in a place with less than five sleeping units and other accommodation exempted by the regulations.

Every operator of an accommodations business will have to:

- register to obtain a registration certificate (like a business licence) from the government and keep it current;
- assign values to the value of accommodation that they sell to customers;
- collect the tax from customers;
- remit the tax to the government together with a return;

- obtain government clearance to sell the land or accommodation building or its stock in trade. The clearance certificate will certify that all of the hotel tax owing has been paid; and
- maintain proper books and records that will keep track of the amount owing, collected, remitted and paid or refunded.

The bill also contains detailed penalty, enforcement and appeal sections.

What We Heard

In opening comments at the outset of every public hearing the chair advised that the tax was a government initiative and it was the committee's responsibility to hear the views and comments of the residents of the Northwest Territories. The chair confirmed that, after careful consideration, the committee would report those concerns back to their colleagues in the House. Despite this reassurance the committee continually heard from various stakeholders that Bill 13 was a "done deal". Jack Rowe, a Hay River operator (Homesteader's Inn) wrote "Precedence proves that once Cabinet makes up their mind on a particular item it becomes a way of life and the individuals adapt."

Government Survey (Nexus Report)

There was agreement among all stakeholders that some parts of the Northwest Territories tourism industry have been in steady decline as government investment in tourism has been cut back. The government commissioned the Nexus Group to conduct a survey of hotel owners (Nexus Report) and on page 3 the report states:

"As evidence, they pointed to the fact that government investment in tourism marketing that peaked in the early "nineties" at over \$1.2 million had fallen to just under \$550,000, the lowest of any jurisdiction in Canada. Compounding the cuts in the marketing budget was the elimination of the regional tourism zone associations."

However, the Nexus Report also found that "certain tourism sectors, big game outfitting and aurora viewing have been able to maintain or strengthen their positions in the market place." (p.3).

The committee heard many times that there was vast potential for tourism to provide the residents of the Northwest Territories with a source of income and employment that does not depend on mega projects or the fluctuating price of oil or natural gas. However, there is now a serious need to make the necessary investment to capture this potential. There was general agreement among all stakeholders that there is an urgent need for the development of a strong NWT image or identity and for the promotion of the NWT as a "destination" place.

The committee notes that the Nexus Report states that "many operators felt that increased funding was not the only solution and that government support for the industry could be better rationalized, particularly, in conducting market research and in working closer with the NWTAT (NWT Arctic Tourism

Association) in planning for the development of the industry.” (p.4)

The committee also notes with interest that the Nexus Report found that “the credibility of estimates about the revenues to be generated from the tax and the cost to the government of collecting the tax was an issue.” (p.3) This concern was heard again and again during the public hearings.

Mr. Speaker, now I would ask that my colleague from the committee, Mr. Delorey, continue with our report. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Member for Hay River North, Mr. Delorey.

MR. DELOREY: Thank you, Mr. Speaker.

Hotel and Tour Operators

Overwhelmingly, the committee heard negative criticism and outright opposition rather than support for the hotel room tax. Many of those who spoke at the public hearings appeared to give reluctant or very qualified support for the tax. The support that was given appeared to be based on the assumption that if there was no hotel room tax, there would be no new financial investment in the industry by government.

In Inuvik, Dennis Zimmerman, manager of Inuvialuit Tourism, Arctic Nature Tours, owned by the Inuvialuit Development Corporation advised the committee:

“With respect to the hotel tax, or what is being thrown around now and being called the travel adventure tax, I reluctantly support the tax. No one likes the tax, especially when it is being perceived as coming off the backs of our own industry. We wish the money could have been created from somewhere else. In some respects, we feel we are being held hostage and forced to accept this new revenue which we desperately need.” (Committee transcript, p.3)

Vince Brown, chief financial officer for the Inuvik Mackenzie Delta Hotel Group told the committee:

“Every single business, every single person within this town benefits from tourism, even if they are not directly engaged in a tourism type of business. So it follows that perhaps every business should share in the burden of collecting and remitting this tax. Maybe this is because the government might underestimate the effect of a five percent price increase and how the consumer perceives it. It does not seem that much really, but it is enough, believe me, in a lot of cases for somebody to: (a) choose a different place to get lodging, whether it is changing from a hotel to a bed and breakfast; or even to rent an apartment, which may be the case of a lot of long-term lodgings...” (Committee transcript, p.15)

The committee heard some operators question the profile of the type of “tourist” who would be paying the accommodation tax. In Hay River, Don Fergusson (Caribou Inn/ Migrator Inn/ Pelican Rapids Inn, Fort Smith), vice-president of the NWT Hotel Association told the committee:

“According to our Northwest Territories survey*, roughly 50 percent of all travel within the Northwest Territories is Government of the Northwest Territories employees, their agents or contractors and groups and individuals funded directly or indirectly by the Government of the Northwest Territories. Eighty percent of all travellers in the Northwest Territories are residents of the Northwest Territories. We are not taxing tourists, we are taxing ourselves.” (Committee transcript, p.17)

*(The survey referred to was undertaken by the NWT Hotel Association.)

The committee heard varying percentages quoted as direct or indirect expenditures for government-related duty travel. The committee does however note that a large portion of the users of accommodation which would be affected by the hotel room tax are either employees of the Government of the Northwest Territories, its agencies or contractors carrying out “duty travel”.

The committee heard a number of times from operators that the exemption of bed and breakfast operators with less than 5 rooms jeopardized their competitive position and many of them stated that the tax, if instituted, should be made more broad based and should apply to all bed and breakfast operators.

Committee members are concerned about the lack of buy-in or involvement of the industry stakeholders with respect to the new tourism strategy. Very few operators indicated that they were familiar with or had been asked for their input into the document, Setting a Course for Action: 2001/2002 Business Plan. This document is an annual action plan that is based on a five-year tourism strategy. It is an integrated business plan, which outlines new initiatives for both the NWTAT and the Department of Resources, Wildlife, and Economic Development’s (RWED) business plan for tourism activity in 2001/2002.

As with other operators, Beth Phillip, representing the Snowshoe Inn in Fort Providence, advised the committee she had yet to see a copy of the business plan. She told Members:

“It is not so much that I do not think the money generated will benefit tourism, I do. I just do not think I am going to see any of it. That is what makes me mad. I just need it to be equitable. I would love it if those dollars that I put in the pot generate the kind of money that you say the Yukon is, for example. They put all that money into it and they generate a lot of tourism dollars. Well, that would be great, I just do not see how that is going to happen the way it is proposed right now.” (Committee transcript, p. 39)

In Yellowknife, Harry Symington, president and chief operating officer of Regency International Hotels (Explorer Hotel and Discovery Inn) and president of the NWT Hotel Association,

told the committee about the fragile nature of the hotel industry and his organization's marketing efforts:

"Myself, as a hotelier, I invest over \$300,000 in marketing my product, and I market it, I visit China, Japan, Hong Kong, Taiwan, and I went to Korea this year. We spend the money to drive this traffic here, and with no support or help from the government. But I do believe that it is still very fragile, and we are very much in the hands of the operators, that is the tourist operators who come out of Vancouver and these particular countries. At the moment we are dependent on the Japanese, and I would say without any reservations at all, that we have no guarantee for business like this next year. In fact, the competition is so fierce it is unbelievable." (Committee transcript, p. 41)

At this time, Mr. Speaker, I would like to turn it over to Bill Braden, member of the committee.

MR. SPEAKER: Thank you, Mr. Delorey. The honourable Member for Great Slave, Mr. Braden.

MR. BRADEN: Mr. Speaker, colleagues.

Lodge Operators / Outfitters Association

At the public hearing in Hay River, Don Fergusson, (vice-president of the NWT Hotel Association) told the committee:

"The Northwest Territories Arctic Tourism apparently have a lot of people that are supporting them, but I have not talked to them, I do not know who they are. In this region, I know for sure that the majority of the lodge owners are against this proposal and these are the ones that I understand that are supposed to be benefiting from this tax. They do not want it. The hotels do not want it either. I really think our MLAs should listen to this." (Committee transcript, p.47)

John Pollard, a former Member of the Legislative Assembly appeared before the committee representing his wife Ellen, owner and operator of the Brabant Fishing Lodge on the Mackenzie River. Mr. Pollard, like many of the established hotel and/or lodge operators, told the committee:

"...we do not belong to any organization in the Northwest Territories, any tourist establishment, organization, Northwest Territories Arctic Tourism or whatever they are called and we have not been contacted, to my knowledge, by any of those organizations to talk about any kind of tourism strategy. We are a premier lodge in the Northwest Territories and, as I say, we do business around the world. So, I would have thought that if somebody is doing something they might have contacted us and said, hey, look, we are

doing something. Are you interested?" (Committee transcript, p.52)

Jim Peterson, representing Peterson's Point Lake Lodge, appeared before the committee. Mr. Peterson is also the president of the Barrenground Caribou Outfitters Association, which has a membership of 11 outfitters. As an active member of the Northwest Territories Arctic Tourism Association, Mr. Peterson told the committee that he had only very qualified support for the hotel room tax. When urged by the committee to clarify his position, Mr. Peterson stated:

"We want to promote our industry; however, we do not want a tax. It is as simple as that. We do not. However, what alternatives do we have? What alternatives do we have as an industry?" (Committee transcript, p.14)

Mr. Peterson gave the committee a long list of amendments and possible funding alternatives which the Minister of Finance had told him could be considered.

Mayors and Chambers of Commerce

In Hay River, both Mayor Duncan McNeil and Duane Morgan of the Hay River Chamber of Commerce spoke against the implementation of a hotel room tax. Likewise, in Inuvik, Mayor Peter Clarkson told the committee his council was opposed to the hotel room tax. Mayor Clarkson encouraged the government to look for other sources from within their current budget and if that was not possible, he urged the government to look at their priorities and search for further opportunities to save money. It was also suggested that any money generated in a region from the tax be reinvested in that region.

Aboriginal Leaders

The committee heard from both Dene National Chief Bill Erasmus and Yellowknives Dene First Nation Chief Richard Edjericon. Both aboriginal leaders spoke against the tax, citing legal, constitutional and treaty grounds as the essence of their opposition. Chief Edjericon read to the committee a unanimous resolution signed by all chiefs of Akaitcho Treaty 8. The resolution stated that, "the imposition of a hotel tax of five percent by the Government of the Northwest Territories on the Akaitcho Dene people is a treaty violation" and that if such a bill is passed, "Akaitcho (will) take measures to stop the imposition of the tax on Akaitcho people."

Mr. Speaker, I would now like to pass this on to my colleague, Mr. Nitah, the Member for Tu Nedhe, to continue with the report.

MR. SPEAKER: Thank you, Mr. Braden. The honourable Member for Tu Nedhe, Mr. Nitah.

MR. NITAH: Mahsi, Mr. Speaker, colleagues, Mr. Braden.

Northwest Territories Arctic Tourism Association

Richard Lafferty, president of NWT Arctic Tourism (NWTAT) and his staff led the committee through a very comprehensive presentation of the history and objectives of the association. Mr. Lafferty assured the committee that the association had a broad representative base and said:

"It is a fairly broad and dynamic organization, and it is an aboriginal organization, which many people, including a lot of aboriginal leaders – perhaps they just do not know. We have been recognized by Aboriginal Business Canada as being an aboriginal organization, and we can access different programs for specific projects because of that." (Committee transcript, p.3)

Representing over 250 members from different sectors of the tourism industry, Mr. Lafferty explained the team approach that was used in the development of their tourism strategy (NWT Tourism – The 2006 Challenge and its companion document, Tourism in the Northwest Territories: Setting a Course for Action). The committee was very impressed with the work that the NWTAT has done to date given the limited funds which are at the disposal of the association and agrees with Mr. Lafferty that "NWT Arctic Tourism achieves maximum results with a minimum budget."

The committee advised Mr. Lafferty that the majority of hotel operators who appeared before them did not feel they had been involved in either the development of the five-year tourism strategy or the NWTAT annual business plan. In response to these concerns, Mr. Lafferty stated:

"Everybody is welcome to that plan. The Department of Resources, Wildlife and Economic Development has it. We work with them consistently with it. All 250 members have it, municipalities, the MLAs. It is out there.

If we have missed anybody, all that they have to do is, if they take out a membership in Northwest Territories Arctic Tourism, they get it automatically. If they do not have a membership then it is certainly not secret, by any means.

We encourage participation and input to it." (Committee transcript, p.30)

Suggestions for Alternative Funding Sources:

On November 8, 2000, during his closing remarks on the principle of the bill, the Minister of Finance told the House:

"I listened carefully today for some idea on an alternative by those people who opposed this. I did not hear the alternative. I do not know what it is. It is easy to say find it within, but you can only do that for so long. I was hoping to hear an alternative today. I was hoping that somebody would say instead of doing this, do this, but I did not hear that. I just hear people who are opposing it, saying we need more dollars in tourism. I think everybody said that. We need more dollars. We all agree with that. I do not think anybody disagrees with the need for dollars, but where do we get them from? How do we do this?" (Hansard, November 8, 2000, p.809)

The committee strongly agrees with the Minister that there is an urgent need for "more dollars in tourism". On a positive note,

the committee heard many opinions on alternative ways of working which would provide not only a badly needed infusion of funds into the tourism industry, but an opportunity or "flash point" for building consensus among all stakeholders.

We heard from Charles Dent, MLA for Frame Lake, who told the committee:

"One of the new initiatives that the Premier talked about was maximizing northern employment. Is tourism not part of that initiative? Does tourism not provide an awful lot of jobs in our economy? So why would that not be part of maximizing northern employment? Are we only able to find money to fund other opportunities in mining, oil and gas? People keep talking about the importance of tourism to our economy. Why then do we not find the money to invest in it that we do for the other initiatives?" (Committee transcript, p.21)

Yellowknife City Councillor, Dave Ramsay, spoke to the committee on behalf of the Yellowknife City Council. Mr. Ramsay encouraged:

"the GNWT to consider all other options for increasing the amount of funds allocated to tourism marketing and development prior to implementing this proposed hotel tax. Options may include finding a new revenue stream such as insisting on a new economic development agreement with the federal government, increased control over non-renewable resource royalties with a percentage rolled into a tourism fund." (Committee transcript, p.33)

Jim Peterson (Barren Ground Caribou Outfitters Association) suggested that revenues from license fees, trophy fees and other direct user costs be specifically directed back into tourism development. (Committee transcript, p.12)

During his presentation to the committee, former MLA John Pollard referred to Bill 13 as "a skinny tax" and noted that, "if the tourism industry were to be able to take a look at the way the monies are being spent right now, maybe you would not have to go this route of a new tax." (Committee transcript, p.66)

Thank you, Mr. Speaker. I want to bring it back to Mr. Roland for the conclusion. Mahsi.

MR. SPEAKER: Mahsi, Mr. Nitah. The honourable Member for Inuvik Boot Lake, Mr. Roland.

MR. ROLAND: Thank you, Mr. Speaker.

Conclusion

After a detailed review of what we read and heard during our committee hearings and following productive discussions with the Minister of Finance, a majority of the committee has come to a position that we cannot support the implementation of the hotel room tax.

We have heard loud and clear that the tourism industry is in dire need of additional funding. In light of this and our present fiscal position, we urge the Minister to work with all stakeholders to develop some of the creative suggestions we

heard during our review. In particular, we recommend that the Minister make available to the NWTAT, without qualification, an additional \$375,000 from internal RWED reallocations.

The committee is very encouraged that the public review process acted as a catalyst for raising the public's awareness of important issues surrounding the funding challenges facing the tourism industry. Members are hopeful that the Minister of Finance and RWED and all stakeholders will take this opportunity to rise to the challenge of building consensus so that all parties can be part of the solution. In closing, the committee can do no better than repeat the impassioned words of Jim Peterson, president of the Barren Ground Caribou Outfitters Association:

"Tourism is characterized by unique and powerful links to vital issues of the day. Perhaps most fundamentally, tourism raises those issues of national identity and culture that are central to the sense of who we are. Tourism serves as a bridge between the Northwest Territories, southern Canada, the United States, and the rest of the world. Tourism helps the Northwest Territories strengthen its position by helping to forge ties of familiarity and friendships with the national and international community in promoting us as a world-class destination. As we project the best possible image of ourselves to the world, we are forced to clearly express what it means to be a Northerner." (Committee transcript, p.4)

Thank you, Mr. Speaker. That concludes the committee's report.

MR. SPEAKER: Thank you, Mr. Roland. The Chair recognizes the honourable Member for Inuvik Boot Lake, Mr. Roland.

MR. ROLAND: Mr. Speaker, that concludes the report on the review of Bill 13, Hotel Room Tax Act, by your Standing Committee on Governance and Economic Development. Therefore I move, seconded by the Member for Range Lake, that the Report on the Review of Bill 13, Hotel Room Tax Act, be received and adopted. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. We have a motion. The motion is in order. To the motion. Question has been called. All those in favour, please signify. Thank you. All those opposed? Thank you. The motion is carried. The review of Bill 13 has been reported. Item 11, reports of standing and special committees. Item 12, reports of committees on the review of bills. Item 13, tabling of documents. The honourable Member for Nunakput, Mr. Steen.

ITEM 13: TABLING OF DOCUMENTS

Tabled Document 111-14(3): Department of Transportation Revenues, Recoveries and Transfer Payments, Summary of Changes for 2001-2002

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I wish to table the following document entitled Department of Transportation Revenues, Recoveries and Transfer Payments, Summary of Changes for 2001-2002. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Steen. Item 13, tabling of documents. Item 14, notices of motion. Item 15, notices of motion for first reading of bills. Item 16, motions. The honourable Member for Great Slave, Mr. Braden.

ITEM 16: MOTIONS

Motion 18-14(3): Appointment of Alternate Member to the Standing Committee on Rules and Procedures

MR. BRADEN: Thank you, Mr. Speaker. My motion is regarding the appointment of an alternate Member to the Standing Committee on Rules and Procedures.

WHEREAS the rules of the Legislative Assembly have been amended to permit the appointment of four alternates to the Standing Committee on Rules and Procedures;

AND WHEREAS it is desirable to name and appoint an alternate to the Standing Committee on Rules and Procedures who must be a Minister;

NOW THEREFORE I MOVE, seconded by the honourable Member for Weledeh, that the honourable Member for Nahendeh, Mr. Antoine, be appointed as an alternate Member to the Standing Committee on Rules and Procedures.

Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Braden. We have a motion on the floor. The motion is in order. To the motion. Question has been called. All those in favour, please signify. Thank you. All those opposed? The motion is carried. Item 16, motions. Item 17, first reading of bills. Item 18, second reading of bills. The honourable Member for Nahendeh, Mr. Antoine.

ITEM 18: SECOND READING OF BILLS

Bill 21: An Act to Amend the Labour Standards Act

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker,

I MOVE, seconded by the honourable Member for Weledeh, that Bill 21, An Act to Amend the Labour Standards Act, be read for the second time. Mr. Speaker, this bill will extend the period of parental leave to which an employee is entitled from 12 weeks to 37 weeks. Transitional provisions are included to allow eligible employees who are already on leave or who have already requested leave, and whose children were born or placed for adoption after December 31, 2000, to extend or resume parental leave. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Antoine. To the principle of the bill. Question has been called. All those in favour? Thank you. All those opposed? Thank you. The motion is carried. Bill 21 has had second reading. Accordingly, the bill stands referred to a committee. Item 18, second reading of bills. Item 19, consideration in committee of the whole of bills and other matters: Bill 16, Bill 19, Bill 20, Committee Report 5-14(3), Committee Report 6-14(3), Committee Report 7-14(3) with Mr. Krutko in the chair.

ITEM 19: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

CHAIRMAN (Mr. Krutko): Welcome to committee of the whole. The committee is considering bills and other matters: Bill 16,

Bill 19, Bill 20, Committee Report 5-14(3), Committee Report 6-14(3), Committee Report 7-14(3). What is the wish of the committee? Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I would like to recommend that the committee continue consideration of Bill 19, Committee Reports 5, 6 and 7 concurrently. Specifically, to conclude the Department of Resources, Wildlife and Economic Development, followed by Executive Offices, then the Financial Management Board Secretariat, then Aboriginal Affairs.

CHAIRMAN (Mr. Krutko): Does the committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): I would like to ask the Minister if he will be bringing in his witnesses.

HON. JOE HANDLEY: Yes, I will bring in witnesses.

CHAIRMAN (Mr. Krutko): Does the committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): With that, we will take a short break.

-- Break

CHAIRMAN (Mr. Krutko): I will call the committee to order. Will the Minister introduce his witnesses for the record, please?

HON. JOE HANDLEY: On my left is Mr. Bob McLeod, deputy minister of Resources, Wildlife and Economic Development. To my far right is Fred Koe, president of the NWT Development Corporation, and Jim Kennedy, director of corporate services for RWED.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Welcome witnesses. We are on page 11-9, corporate management, operations expense, total operations expense, \$12,543,000. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, just looking at compensation and benefits, the amount from the 1999-2000 actuals to what is proposed this year, \$8,778,000, has grown 150 percent. I do not think that salaries have grown by that much, so it must be that we are seeing a fairly significant increase in staff. Is that what is driving this increase?

CHAIRMAN (Mr. Krutko): The Minister responsible for Resources, Wildlife and Economic Development.

HON. JOE HANDLEY: Mr. Chairman, there are three items -- there is the superannuation transfer, the collective bargaining agreement increase and a transfer in from other expenses. To give you the detail of those other expenses, it is a collection of items here: superannuation was \$1,287,000; there is a self-government increase here of \$79,000; the Development Corporation reallocation of \$771,000; the Mackenzie Valley/Liard planning of \$91,000; internal reallocation \$187,000, and so on. There are a whole number of items there, some of it is from reallocating money into this section and others are superannuation and the collective bargaining adjustments. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. From what the Minister says, would it be correct to say that a majority of this increase is in transfers from other areas of the budget, or is the majority from new items like the superannuation growth of \$1 million?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, as I mentioned, \$1,287,000 of it is from superannuation. The biggest single part of it, though, is made up of a number of items that we have experienced increases in; \$647,000 on travel and transportation, materials and supplies, these have been transferred in, \$474,000.

Let me start over again. To go from the 1999-2000 actuals of \$5,906,000 over to the 2001-2002 main estimates of \$8,778,000, there are a number of adjustments that have been made, and the biggest one is on superannuation. There are a number of internal reallocations, bringing us down to a total of \$8,778,000. Then we have an item referred to as "other expenses" that amounts to \$3,687,000. Maybe I will ask Mr. Bob McLeod to explain that category.

CHAIRMAN (Mr. Krutko): The deputy minister, Mr. Bob McLeod.

MR. BOB MCLEOD: Under other expenses, these are the expenses that are utilized by all of the different activities in corporate management, which include human resources, financial services, industrial initiatives, remote sensing, policy and so on. The expenditures are used for travel and transportation, materials and supplies, purchased services, utilities, contract services, fees and payments, other expenses and for computers, for a total of \$3,687,000. That is what the other expenses are made up of. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Bob McLeod. Corporate management. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I would just like to speak to the issue of regional funding transfers on the question that was raised by myself and my colleague, Mr. Roland. I would like some further clarification. I made reference to this as a carefully crafted letter. The Minister has said that it is not carefully crafted, but I assume every one of his letters is carefully crafted.

What I was told was that as part of ongoing management we determine the demand for departmental resources exceeded the departmental budgets, the departmental expenditure management plan was initiated to focus on only the most critical areas. My concern was that \$160,000 was taken out of the regional budget for the South Slave, out of program dollars and such, which limited the ability of the people to do their jobs. There was \$125,000 in the North Slave, \$65,000 in the Deh Cho, \$25,000 in the Sahtu and \$140,000 in Inuvik.

I was wondering if the Minister could just clarify that for me. He says that no funds were physically transferred from the regions to headquarters, which I can appreciate, I did not think there would be bags of loonies moving back and forth, but the money is in headquarters. Headquarters giveth and headquarters can taketh away. I was wondering if the Minister could just clarify this particular issue. It is not clear to me. I have questions when I see the way it is worded. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister, Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, in the letter I indicated four categories of increased costs: computer chargebacks, PeopleSoft, employee liabilities and dental premiums.

What the department did, they had all of the costs allocated to headquarters, but then asked each of the regions to pay their share of the increased costs in those areas. On computer chargebacks, the North Slave region, South Slave, and so on, were each asked to come up with their share of the increase. The same with PeopleSoft, and so on.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Thank you. So what does it mean when you state that the amount for departmental resources exceeded the departmental budgets and, therefore, a management plan was initiated to focus only on the most critical areas. These four areas you outlined, computer chargebacks, PeopleSoft, employee liabilities and dental premiums, seem like standard run-of-the-mill issues that we would budget for as an ongoing matter of practice.

Is this event one that happened just this year, or does it happen every year, when all of a sudden money is taken back from the regions according to their budgets? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister, Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, each of these was a new item that was not taken into consideration. We did not have the information when we did the business plan. The costs had to be covered somewhere. In future years, and the next fiscal year, we include these costs into the salaries and benefits, rather than having to find the money after.

As I mentioned in my opening comments, RWED has been very squeezed given the demands on our money by our various mandates, so we did not have the money out of headquarters to pay for it all on behalf of the regions, so we had to ask each of the regions to identify their share. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Mr. Miltenberger.

MR. MILTENBERGER: I am not clear. You are telling me that computer chargebacks, PeopleSoft, employee liabilities and dental premiums are new items or that there was unanticipated cost in those areas, which I would have assumed have been on the books for quite some time. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, if I take one example, on computer chargebacks, in the middle of the year we were asked to pay for Resources, Wildlife and Economic Development's share of computer chargebacks, \$397,000. This is something we had not budgeted for. So we had to find the money from within Resources, Wildlife and Economic Development. The most reasonable way of doing it was to have headquarters pay its share and each of the regions pay their share. The same happened with PeopleSoft, employee liabilities and dental premiums. In future years, these are all added into the salaries and benefits. So we should not have this happening, unless again we get a surprise in the middle of the year.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Mr. Chairman, why have these dental premiums and employee liabilities, for example, not been in employee benefits before? I am assuming that PeopleSoft and computer chargebacks are separate from the pay and benefits, but you were saying this is new and it has happened because it is a one-time thing. Where was this before? Where were dental premiums before and where were employee liabilities before? That is one concern.

The other concern I would just like the Minister to confirm. Were there program dollars taken out of the regions to cover this or was it taken out of the administrative part of the budgets in the regions so that program dollars were not negatively impacted? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: On these four items, these are all expenses the department faced after the beginning of the year, whether it is computer chargebacks, employee liabilities, dental premiums or the PeopleSoft program that was introduced in the middle of the year, so we had to find it from within. The department does not tell the regional superintendent where to find the money, whether to find it out of their corporate services or to take it out of programs. Those are decisions they have to make at the regional level. I should also point out, Mr. Chairman, the department expenditure management plan is bigger than just these four. There are a lot of other things that happen as we go through a year, especially one like this where we have a lot of pressures on the department.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Could I just ask the Minister then, this money as you indicated was for these four major areas and not to cover some over commitments made at the headquarters level and the regions have to pay for it because the headquarters budget was expended early? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: No, Mr. Chairman, that is not the case. The Member's assumption there is correct. If it had been a year where we had not spent all our money in headquarters, we might have been able to help the regions out, but this year we had to ask them to pay their own share. Thanks.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Mr. Bell. Operations expense, total operations expense, \$12,543,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Corporate management, grants and contributions, total contributions, \$78,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Page 11-13, environmental protection services, operations expense, total operations expense, \$1,869,000. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, in his opening comments last night, the Minister mentioned that one

of the goals this year was to bring into place a beverage container recovery program, which would be revenue neutral. I know the Minister spoke early on in his mandate of Minister of Resources, Wildlife and Economic Development about how important he saw this. I know I have a number of constituents that have come to me in the past few years asking why we cannot have this kind of program in the North. The Minister did talk about wanting to do this last year. I was wondering if we could find out what has been the stumbling block. Why have we not been able to get this up and running sooner and are we certain we can get it going in this fiscal year that we are talking about now? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, I think the main stumbling block has been workload for our people in this section. We should have the draft report by the end of March and I would be happy to share it as soon as we have it. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I do not know how much detail we can get before the draft report is done, but will this program cover all regions of the Northwest Territories or is it going to, because of cost, going to be limited to the larger centres?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, no, our intention is to have it cover all communities in the Northwest Territories and hopefully have a program that is cost-neutral. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I am happy to hear that and look forward to seeing the paper and hopefully helping to bring this into place in the next year. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: We will make it available as soon as we have it. Thank you.

CHAIRMAN (Mr. Krutko): I have to make sure it is on the record. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I just have a couple of issues I would like to address with the Minister. The first one is with regard to the energy strategy, the broad energy strategy that he references in his opening remarks. My recollection was there was no time line on the plan to do that. I fully support the need for an energy strategy. I would be interested to know what time line the Minister has attached to that very important process. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, we have a fairly small staff working in our environmental protection section, so they have a lot of tasks underway. We do view energy management as being important. Our schedule now for the final strategy to be brought to Cabinet is January 2002.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Will there be a chance for consultation and input from the people before the final product is stamped as complete? As the Minister knows, for example, I have some people who are quite knowledgeable in this particular area and I think they would add a lot to the debate and discussion to a really top-notch broad-range energy strategy. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, we want to do this with as broad a consultation as possible. The intention right now is to have a preliminary strategy put together by May for discussion purposes, conduct some consultation with stakeholders over the June/July/August period and then have it ready to go out to public consultation some time in October/November, somewhere in that period.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, my final question in this particular activity is in relation to the community energy planning. One of the recommendations in the report on electrical distribution put out by Mr. Robertson recommended the use of interruptible power and excess power at the community level, possibly looking at converting current facilities that use oil or petroleum products to electrical, which would be import replacement and probably much more energy efficient.

The Minister and I have talked about this. I just wanted to raise it in the House, the issue of a pilot project in the community of Fort Smith, for example, to look at converting the college, the hospital and the schools and all those other related large buildings, look at least at the logistics and the numbers and the payback to convert to electrical energy, and to see if in fact that particular recommendation does make sense. Right now, it should, but the hard numbers are not there to analyze that. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, yes, I am interested in having a look at that kind of proposal. We need clarification on exactly what we are piloting. There is surplus interruptible power right now. As soon as the consultation period is over on the power generation study, then I think we as a Cabinet will take a look at the recommendations and how we will proceed with it. Certainly Fort Smith is connected by the power grid. There should be some interesting options to look at there. Thank you.

CHAIRMAN (Mr. Krutko): Environmental protection services, operations expense, total operations expense, \$1,869,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): I will just clarify the number. Total operations expense, \$1,869,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Page 11-15, environmental protection services, grants and contributions, contributions, total contributions, \$694,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Resource management and economic development, operations expense, total operations expense, \$32,631,000. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I have a number of questions related to the activity summary on page 11-16. In the second last paragraph, the last sentence there says that the department provides guidance and resources to NWTAT and the Nunavut Tourism Association. I would have to ask why would the department be supporting the Nunavut Tourism Association?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, that is a misprint. We do not provide support to the Nunavut Tourism Association.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I am happy to hear that. Another question I have has to do with investment and economic analysis. I have noted over the years that the amount of money that is given out to support northern businesses has declined rather significantly. I would like to ask the Minister, have the number of offices in the Northwest Territories that oversee this kind of operation and staff declined commensurately?

I know I have had a number of people suggest to me that in many cases in the Northwest Territories now, we have offices where they used to give out hundreds of thousands or millions of dollars where the cost of the office is probably \$200,000 or \$300,000. We still have the same number of employees in those offices, and they do not even have the value of what it is costing to run that office to give out in business support. Is that in fact the case?

CHAIRMAN (Mr. Krutko): The Minister responsible for Resources, Wildlife and Economic Development, Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the money has decreased. Part of that is because of decreasing support from the federal government. We have not had an economic development agreement since 1996. Over the past few years, there has also been pressure to transfer positions to the communities and they work for community governments. There have been a number. I do not have the exact number offhand, but there have been a number of positions transferred out of the department and are now working for hamlets, municipalities and so on.

The other initiative that we are undertaking this year is to combine our community economic development services division and our trade and investment sections. It will be five or six positions smaller during this coming fiscal year. Yes, there has been a gradual decline in a number of employees we have in the trade and investment, economic support side. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Under diamond projects, we are in between allocations of diamonds now. I am not sure how much more work could be done in the support for

diamond polishing operations to get set up. What is on the table now for diamond projects?

CHAIRMAN (Mr. Krutko): The deputy minister, Mr. Bob McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. There are a number of important initiatives that this division still has to accomplish. Primarily, there are two new diamond mines that are going to be starting up within the next two to three years. We have to negotiate value-added opportunities with them.

Also, we are still dealing with a number of issues with regard to Northwest Territories diamonds, with regard to trademarks, with regard to monitoring and enforcement, with regard to diamond certification and with regard to developing legislation to deal with diamond manufacturers licence.

As well, we have to work with the federal government so that we can ensure or try to impress upon the federal government the importance of developing federal legislation that would protect the secondary diamond industry.

Of course, we have to stay on top of best practices in the diamond industry because diamonds are an international business and are very competitive. It also requires a lot of expertise that is very difficult to obtain. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Do we maintain our contract with the diamentaires in Belgium to be on call to discuss issues that may come up in the industry?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, yes, he is still on contract. It is being renegotiated at the end of March. I expect there will be less need than what we have had in the current year, but that has to be negotiated. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Would the Minister care to guess as to how much less? This has been a very expensive contract in years past. I would think, given the amount of time that we have between now and when we can next expect to see a polishing operation come along, that there should not be a big call on this gentleman's time. Are we going to see a contract that is 50 percent or 25 percent the size that it was?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Our estimate at this time, assuming we can just continue business as usual in the diamond sector for the next couple of years, would be to have 40 to 50 percent less need for his services out of Europe. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I know last year when we were going through the budget I had asked what the value of the contract was. I cannot remember now. Can the Minister tell me what the value of the contract was in this current fiscal year?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: The current year contract is a bit over \$200,000 for this past year. So next year, I expect \$100,000 to \$150,000, somewhere in that range.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. In the last paragraph on page 11-16 talking about diamond projects, it talks about diamond projects developing programs to address access to diamonds. How are we spending our time developing access to diamonds before these mines come on-stream?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, with the Diavik/Aber mine, we have two sets of negotiations going on there. We are negotiating socio-economic agreements with Diavik and that one includes provision for some of the rough to stay in North America. We have an MOU in place and we need to negotiate the terms of that.

With Aber Resources, who are not the operator of the mine, we have negotiations beginning with them as well for a separate agreement for them to leave some diamonds here. We have also begun some initial discussions with De Beers on their Snap Lake property although theirs is three years or more away from actual production. We are entering into the period soon with Diavik where we will get down to negotiating not just the amount, but the size and type of stone that we could best use here. Thanks.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I see that one of the other items on the table for diamond projects is taxation issues. Is that to enforce those negotiations if necessary? Are diamond projects looking at those taxes that might choke a mule if necessary to make sure we get the diamonds to stay in the North for polishing?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, no. If we do have the mining tax, we will likely do it through Finance or FMBS. This one is more in reference to diamond-specific or jewellery taxes. The main one, of course, is the excise tax and we are continuing to negotiate to try to have the federal government drop that one.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I would just like the Minister to speak to the issue of the review that is going on between the BCC and the Development Corporation and Community Futures and the BDF. Once again I know it is in the process. I would like the Minister just to indicate a time line on this particular issue, since it does affect, once again, just about all of our constituencies. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, the schedule is to have the report completed in April. It will come to me as a draft report and I think shortly after that I hope to be able to sit down with the committees and go over some of the recommendations. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. I have several questions within this area of the budget. Since we just finished with diamond works, I will concentrate on that. The socio-economic negotiations and agreements with the mining companies, the revenue from that, does that go to general revenue? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, there is no cash that comes to the Government of the Northwest Territories as a result of that socio-economic agreement. It provides other benefits to people like jobs, training, business opportunities and so on but we do not get any cash. In fact, we contribute toward the cost of the monitoring board that represents all of the stakeholders.

CHAIRMAN (Mr. Krutko): Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. A couple of days ago in the House, I brought up Members' statements and questions to the Minister of Education, Culture and Employment on the need for day cares in a lot of the communities. A lot of communities that have employment with these companies work two and two. I am wondering if there is any thought or discussion of trying to get cash compensation or some kind of compensation that will realize some funds going to the infrastructure development in communities for day cares and other associated impacts of diamond mines? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, as I saw the various opportunities and benefits for us as a government and also the other impacted communities, I felt that as a government we would focus on jobs, on training, on business opportunities and so on, value-added. Any kind of cash contributions or grants from the company, we would leave that to the communities to negotiate through their impact benefit agreements or participation agreements.

We did not want to be competing with the impacted communities for a share of the same pot of money. So we did not look at any cash. I would not want to do it that way. I would much prefer, unless it is completely hopeless, to try to get the federal government to give us a share of resource revenues. Then it comes from the federal government and not directly from the company. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. I cannot help but agree with a certain logic with that statement. Let us go down to the Business Development Corporation then. What has this corporation been doing over the last year in creating business opportunities or assisting communities in realizing their business opportunities such as day cares in communities? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: I believe Mr. Nitah was talking about the Business Credit Corporation or the Development Corporation. Development Corporation?

CHAIRMAN (Mr. Krutko): Mr. Nitah, do you want to clarify your question?

MR. NITAH: Okay. I will be very specific. The Northwest Territories Development Corporation that was established to create employment and income for Northerners, to emulate growth of business in the North and promote economic diversification specifically in smaller, aboriginal or northern communities. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, as I mentioned yesterday, the Business Development Corporation is committing about \$1 million this year into subsidiaries and opening some of the new plants and so on. As well, the Business Development Corporation has about \$1 million that is available for ventures. So those are the main areas. The role of the Business Development Corporation is to attempt to generate economic activity or businesses in places where the private sector might not be willing to enter initially. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. If he has the information today, I would just like to know what kind of work has been done through this corporation in the last year. I know it has been pretty quiet in the communities I represent. Actually, it has been going the other way. If the Minister could answer that question for me. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, I think the Development Corporation had a fairly busy year this year getting some of the business back in order the way it should be. The board itself has representatives participating in the review of all of our business centres. In terms of the specific activity, I have the president of the corporation here. Maybe I will let him get into a bit more detail on that.

CHAIRMAN (Mr. Krutko): President of the Northwest Territories Development Corporation, Mr. Koe.

MR. KOE: Thank you. A lot of time and energy, as the Minister mentioned, has been spent on reconciling and taking stock of our existing operations. There is also a lot of headquarters energy in terms of dealing with the legislative and accountability issues that have been raised by the Auditor General and various committees in other reviews. We are at a stage now where in the past six months and into next year where we are looking at actively pursuing new ventures, new investment opportunities.

As a start to that, several months ago we did put out communiqué to all bands, all Metis locals, business organizations, our economic offices. We sent out a brochure and application, saying we are in business and we do have money, trying to generate applications.

We do operate by receiving applications and expressions of interest. We do talk to business people or groups who have potential opportunities for investment. We have had and dealt with some applications. We are looking for more.

CHAIRMAN (Mr. Krutko): Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. Before I get into another subject on page 11-16, put it on the airwaves that the NWT Development Corporation is ready for business.

The area on the fish and wildlife, specifically the responsibility of monitoring the sport fishing, I understand that a lot of anglers from Yellowknife and other parts of the Northwest Territories go to the East Arm of Great Slave Lake. The monitoring of the amount of fish they take and so on is mainly a responsibility that has been undertaken by the federal fisheries department.

I am wondering what kind of role the GNWT is playing or is planning to play in it. There is always a concern by the people in Lutsel'k'e that the fish stock will diminish and the number of anglers and people who vacation out there are really disturbing the pristine, natural environment, good hunting places that people normally go. It is just not the same anymore.

I would like to ask the Minister if his department has ever approached the community in regard to the tourism to see if they can work hand in hand in trying to control the traffic in that part of the lake, so that hunting areas are left alone and the possibility of the pristine wilderness is being protected from fires, garbage, et cetera.

The idea I am having is why the community and RWED not work together without claiming any ownership to the land or anything like that that will cause suspicion, and see if we can have a little more control in the East Arm from anglers from other parts of the Northwest Territories and Canada. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, we do have officers who do patrols. It is a huge area out there. We have limited staff. They do patrols. They have ex-officio status with DFO. The real responsibility is with DFO, not with us.

With regard to land and having someone monitor the land, the fishing and so on, DFO I am told does contract with the communities to have local people monitoring what is going on out there. We are a little bit reluctant to step into areas that are not our responsibility. Too often that happens where we step in and start doing the federal government's job for them.

We do it to some extent, but how much we can do is limited by our budget. The fisheries side is certainly DFO's responsibility. The land is clearly DIAND's responsibility. Our officers do as much as they can. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, in this area, there are a number of issues I would like to get some clarification on. Starting off with a question asked earlier in the area of the Business Development Corporation, or the Northwest Territories Development Corporation and the Business Credit Corporation. There is work ongoing to see what could be done. It was in the business plans that were tabled, about coming forward with a plan to see amalgamation, I guess is the word to use on those areas. If the Minister at this time could make an update to that issue and where the plans are. I know I have seen a letter come across our desk in the recent weeks to give us a bit of an update. I would like to find out where that is moving.

The other one, as Mr. Koe referred to in his response earlier about the concerns that were raised by the Auditor General in the area of expenditures, regulations and policies, I would like to know if there has been work done on that and when those would be updated and put into existence, so to speak. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Roland. Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, first of all, on the business program review, there is a committee that is going out and examining the options. These include looking at programs, Business Credit Corporation, the Development Corporation, Community Futures, BDF or Business Development Funds, and grants to small business, as well as our joint Canada-NWT Business Service Centre.

They have held meetings in Yellowknife, Normal Wells, Inuvik, Fort Simpson, and Fort Liard, and Fort Smith. Sorry, yes, they have already been to Fort Smith. I believe they are going into Hay River as well, if they have not been there already. They are doing the meetings. I have not spoken to them recently about anything in terms of what they are hearing. They are aiming at getting a report to me by the end of March. I look forward to seeing what they are proposing. The committee is made up of a representative from RWED, but other than that, it is a committee made up of board members from the various organizations.

In regard to the second question on the Development Corporation and the business there, I will let Mr. Koe answer that, Mr. Chairman.

CHAIRMAN (Mr. Krutko): The president of the Northwest Territories Development Corporation, Mr. Koe.

MR. KOE: Thank you. I think the issues with the Auditor General, the majority of them are resolved. We seem to be on good working terms. They are just finalizing last year's audit. In terms of the regulations, I am pleased to say that the regulations have been approved and were put in force towards the end of December.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. I would like to thank Mr. Koe for that information. That is good to hear. In other areas within the resource management, economic development activity area, there has been much discussion in the public and amongst Members about tourism and the need for dollars for tourism. In this area, tourism is parks and tourism; tourism facilities, and visitors centres and so on are part of that, also the resources to the NWT Arctic Tourism Association.

I would like to know from the Minister here, as I was looking through this area and through grants and contributions, the only area I saw, for example, in contributions to the tourism industry marketing contribution was \$279,000. I am aware there has been more funding identified and spent in that area. If the Minister can give us an update on where those funds come from.

CHAIRMAN (Mr. Krutko): The Minister responsible for Resources, Wildlife and Economic Development, Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, with regard to the contribution from the GNWT RWED to NWT Arctic Tourism, the plan has been to provide, first of all, the revenues that were going to be raised through the hotel tax, estimated at \$9,000,000. There was a management support contract for \$100,000, and we have a service contract with them where they provide services on behalf of the department, particularly in the area of marketing, for \$525,000. The contribution in total was to be \$1,525 to Arctic Tourism for this year.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. I want to seek clarification. The Minister said \$1,525, does he mean \$1,525,000? And he said "was to be". Can we get clarification on that? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister, Mr. Handley.

HON. JOE HANDLEY: It was my mistake, I meant \$1,525,000. We had anticipated having the hotel tax revenues beginning to flow as of July 1st and we were going to make adjustments as of March 1st, assuming that we would get money back through the proposed hotel tax. Without that stream of revenue, we have to look at the tourism business plan in total -- that is both the RWED piece and also the tourism association piece -- and figure out how we make this work with much-reduced funding. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Speaker. In this area specifically, I am referring to the hotel room tax as much discussion has happened with NWT Arctic Tourism, the department and Members, and information has gone back and forth. There was a letter that was provided to NWTAT of \$375,000.

I would like to get a commitment from the Minister at this time that that would remain there and that we would continue to work to try to find other sources of revenue, whether it be through go-wide initiatives of looking from within, or looking at possibilities of other revenue sources however they may come about. Hopefully, we will get that confirmation from the Minister.

I was speaking to the president of NWT Arctic Tourism, Mr. Lafferty, and he informed me that he has been in contact with yourself and the department regarding a number of situations and cases trying to secure other funding or ways of working together from within the department with the NWT Tourism Association. The area that came up was, right now within the department there are a couple of vacant positions, there are some changes occurring within the tourism sector of the department. I would like to know at this time if there is any opportunity for the department to work with the NWT Arctic Tourism Association to work along or second those positions to them, so that we can get a tighter working group. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, first of all, without having the hotel tax revenues, it does cause us to have to rethink everything we are doing here, figure out how we are going to do it. I cannot confirm how the \$375,000, which was the government's contribution, will be allocated. We had made a commitment to increase our revenue one way or the other if we had hotel tax money. It is my intention to still try to put that

\$375,000 into tourism. We will do everything we can. We have steps underway, including, as I mentioned before, combining kits, trading investments, saving money there, and so on to be able to do that. We will continue on that track.

Where will that money go? Again, I cannot say today that it is going to go to the tourism association or be split between them and the department. I will have to look at the needs. We only have six positions in our whole tourism section in the department. They have to deal both with tourism development and needs as well as with parks. When you start breaking it down, and one is a director and one is a secretary, there are not many people to divide up.

Having said that, we have to look at our whole tourism support here. I want to have some time to think about it, figure out how we are going to do it. I have to take it back to Cabinet. I think without that other source of revenue, it means going back to the drawing board. We certainly cannot strip the department completely and turn it all over to the tourism association, unless it is a clear decision to set up a tourism authority independent of government and have very little responsibility there. Thank you.

CHAIRMAN (Mr. Krutko): We are under resource management and economic development, page 11-17. Mr. Lafferty.

MR. LAFFERTY: Thank you, Mr. Chairman. I just have a question on parks and tourism. With respect to the parks facilities, how are decisions made as to which areas get buildings, which areas have retrofits, which areas need new parking, more parking? How is it decided? Is there someone out there that goes and checks and rates these facilities, or do they wait until a building falls down or something?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, we do have people who do regular visits, in the summer in particular, of all the park facilities. Based on their assessment of needs in terms of the condition of buildings and facilities, as well as traffic patterns, where the tourists are going, then there are decisions made. It is part of the business planning process that we decide where we can put our limited resources. It is both where the tourists are going and the condition of the facilities.

CHAIRMAN (Mr. Krutko): Mr. Lafferty.

MR. LAFFERTY: Thank you, Mr. Chairman. If you have a facility that is not up to standard, you will not have the tourism and you will not have the numbers. But if you were to upgrade the facilities, then maybe the tourism will be there. From what I gather -- I am not sure how they decide where funds should go -- I wonder if the Ingraham Trail signs are an indication of what we will have across the Territories. Those nice beautiful ten-by-ten signs. Are those the new signs that are going up all along the highways in the Territories?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, yes, I hope that we can have those signs right through the Territories eventually. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Lafferty.

MR. LAFFERTY: Thank you. I was just looking at the budget and notice an identification for funds for everything past Yellowknife, and I am trying to count on my one hand how many tourism facilities we have in my region and I still have five fingers when I look at one hand. There were none. Is the department ever going to look at the North Slave and start putting a little more tourism in there because they have even taken two campgrounds away and have one in there that is not even standard? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, I would be happy to work with the Dogrib leadership on identifying areas for park development and working on plans as to how we can move forward from there. I agree with Mr. Lafferty, if you do not have parks you do not have tourists. I think getting the claims settled will certainly help us in being able to identify land where we can develop. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Lafferty.

MR. LAFFERTY: I am glad the Minister agreed that we should look at some areas and I think this time we have in here, it needs to have a little bit of a change. Where it says "various" maybe they should just say "North Slave various." Maybe they should change the location name and then it will be a fair, equal distribution of funds. Looking at the budgets from the last few years, everything has been going north of Yellowknife. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, I would be happy to sit down with Mr. Lafferty and the Dogrib leadership and have a look at our parks. I am sure our parks superintendents would be pleased to do that as well to see what we can develop jointly. Thanks.

CHAIRMAN (Mr. Krutko): Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. I think related to this area and also to references that the Minister made in his opening comments and in the goals of the department is a phrase that he uses called "reference to the traditional economy." Not to be rhetorical, Mr. Chairman, I think it is something I would have a certain definition of, which may well be different from what other Members have or indeed that of a department. Could we get a description or an inventory from the point of the view of the department of what is the traditional economy? Thank you.

MR. CHAIRMAN: Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, the core to the traditional economy is the fur industry, but also and of more value to a lot of people is the traditional hunting that people take part in and the support we provide there. We provide support in a number of areas and I mentioned yesterday the support through the Development Corporation on the fur industry. We do have a pretty good program of support to trappers, \$334,000 for the Fur Pricing Program. We have \$473,000 for the Community Harvester Assistance Program. That includes fur, but it is broader. There is \$244,000 in this budget for the Western Harvesters' Support Program. That is a program whereby about \$10.6 million has been allocated out to communities for harvesting activities and they control that now.

In addition to that, we provide support to wildlife boards and committees at \$336,000. Now while it is not necessarily a traditional economy, we also provide \$395,000 to commercial fishermen. Then on the arts and crafts side, there is considerable support, particularly through the Development Corporation.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. So we have the fur side and trappers' assistance and hunters. I might take some liberty and put in some finished products, garments and things. Hunting, harvesting, commercial fishing, arts and crafts; so we are talking about quite a basket of what we would consider the economy up here is also the traditional economy.

CHAIRMAN (Mr. Krutko): Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. Thanks. I wanted to move onto another area under the minerals, oil and gas area. Over the last few years, I believe the territorial government has made a contribution to gold exploration projects in the Yellowknife gold belt to help with mapping, exploration, with the idea to see if there could be continued life or perhaps new life breathed into the gold industry here. I wanted to ask, are we still continuing with a contribution to that program? I believe it was called EXTECH. What kind of results are we getting out of that? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: I will ask Mr. McLeod to deal with the detail on that one. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Bob McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. I guess there are a couple of areas. One is the arrangements that were worked out between the Government of the Northwest Territories, the federal government, Miramar Con Mine and the City of Yellowknife. With regard to continuing operation of Giant Mine, this is the one area the government had provided funding as part of the agreement to Miramar for continued exploration for a period of two years. The total over the two-year period was \$410,000. With regard to ongoing mapping, we do have an arrangement with DIAND and the Geological Survey of Canada where we have a partnership approach working out of the C.S. Lord Centre where there are some funds available and have been accessed through federal Natural Resources Canada programs for some programs such as mapping. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Braden.

MR. BRADEN: Thanks, Mr. Chairman. Can the department demonstrate any results or any information that was gleaned from this investment? Are we able to show that we helped extend the life of the mine, we opened up some new areas or opportunities? What's the feedback or return on this investment? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, it is difficult to tell exactly how much difference our contribution made, but the information I have from Con Mine is that by having done some exploration deeper, they have come up with some richer ore and therefore

the life of the mine continues to be extended, but to put measures on exactly what our dollars did, it is impossible.

CHAIRMAN (Mr. Krutko): Mr. Braden.

MR. BRADEN: Okay. Thank you. I appreciate that and I understand you cannot nail this thing down to the fine point. This is something I have been repeating with just about every department is to try to get some reporting back, some documentation back that says here is what we got for our money, here is the way to measure the value of this investment. I would like to see more of this kind of thing so that we can do a better job of holding Ministers accountable, but also as we make our decisions here, the people out there who are every once in a while voting for us will have some measurement of just the accountability we can bring to the table too.

I would like to turn now to the area of the tourism industry and following on what my colleague Mr. Roland was asking about in the area of staffing. The Minister has indicated already that our tourism shop is a pretty small one. Right now, it is even further disadvantaged because there are, from the last report I had, at least three or four vacancies out of six positions in there. As Mr. Roland indicated, I think a really good opportunity or potential opportunity is here, Mr. Chairman, to build some linkages, some bridges, some new economies with industry itself and see potentially if some of the staff, because they are working so intimately on the same work and with the same objectives, could combine their work spaces, their objectives, their economies of scale.

My question is, at this point, when we are recruiting for new talent in the tourism marketing and development area, what is the realm of the department to explore that kind of new relationship with the industry? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, as I said before, we now have to rethink our whole tourism strategy and what we can afford to do and not do. We do have responsibilities within the department that we have to maintain. I have to keep that in mind.

I do not want to make a knee-jerk decision just because we have three vacancies to suddenly start dismantling the department. I think we should think this through carefully with the tourism association. I agree with the need to work more closely together, and that certainly has always been our objective. If there is a way of doing it, we would be receptive to that. I really have to take some time here and just look at where we are heading with tourism and with the strategy that was worked out, which will obviously have to be changed.

If there is a way of doing it, we will look at it. The positions that are vacant right now are the director's position and the coordinator of marketing services. If there is a way of working out marketing, for example, maybe there is some room there. The other person was an executive assistant level position, and that is being filled, I understand. There is really only the two. Thank you.

CHAIRMAN (Mr. Krutko): Thank you. At this time, I would like to recognize the lady in the gallery. Thank you for coming and observing what is happening in the House here. Next on the list I have Mr. Nitah, Mr. Dent, and Mr. Roland. Mr. Nitah.

MR. NITAH: Mahsi, Mr. Chairman. I am glad the Minister and his department will be thinking about the NWT Tourism Association and possibly thinking of putting the marketing people to work along with the association. God knows they can use all of the help they can get.

Speaking of marketing, I would like to throw an idea out to the Minister and his department on the potential of tourism in the Lutselk'e area. There are a lot of people in that community who have guidance certificates, work for the frontier and other fishing lodges. Would the Minister and his department consider, maybe through Mr. Koe's office, to work with the community or the Development Corporation over there to set up small, independent businesses where individuals could act as tourist guides for people who go into the community? Hopefully, if they fill that marketing position, they could help market that product in Lutselk'e. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, I think that is a beautiful part of the Northwest Territories and a territory that has a lot of tourism potential, in my view. We do need trained people to act as tourism guides, fishing guides and so on. I hope we can find a way to provide training, first of all, so that we have people who deliver a good product when tourists come.

Second is, within the resources we have available, I would like to work with Mr. Nitah and others on looking at what we can plan to do in that area. It is an area that I think a lot of tourists would be interested in being there. I think there is a good future for people from the area in the tourism industry. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. Mr. Handley is right, it is a beautiful area. A lot of people call it God's country. I look forward to working with him in developing that area for tourism.

The other question that I have is about caribou. There is a lot of caribou in the Northwest Territories. We have seen statistics through our review of the hotel tax that big game hunting is on the rise. The traditional kind of hunting is always there and is always consistent. There are a lot of caribou hides out there that do not get utilized. Has the department ever sent out caribou hides, whether with the fur attached or detached, both the fur and the hide itself, for product development? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: I will ask Mr. McLeod to answer. We have had attempts at tanning and so on, but I will let Mr. McLeod answer.

CHAIRMAN (Mr. Krutko): The deputy minister, Mr. Bob McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. As the Minister has indicated, we have tried a number of initiatives over the years in various regions. The reason we prefer to do it here in the North is transportation costs to ship raw hides out for tanning is very prohibitive. You have to pay transportation in and out both ways. Most people find it is easier to just order from catalogues where you only pay one way. What we are trying to do is to show people how to tan here in the Northwest Territories. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. Tanning is a good idea, but I am not just talking about tanning. I am talking about maybe making pillows out of the fur and different products, whether tanned or not tanned, out of caribou hides, like leather briefcases, et cetera. The product development research development I am talking about is not the shipping of the fur, the hide, or the raw materials south and getting them shipped back. I am talking about just researching different ways that it could be done that could be incorporated in the Northwest Territories, as Mr. McLeod indicated. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, we do a lot of that kind of support for the value-added work through the NWT Development Corporation. If there are individuals who are interested in doing that kind of development and value-added work, I would really recommend that they be put in touch with Mr. Koe. I would be happy to do that.

CHAIRMAN (Mr. Krutko): Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. Mr. Koe is going to be a busy man. The other area of interest, specifically for tourism and possibly big game hunting, is on the south side of the lake. Our buffalo population is healthy. The buffalo themselves may not be healthy. A lot of them are infected with tuberculosis and so on. Those are going to be managed.

The biggest market for big game hunting in the world seems to be the United States. For some odd reason that I am not sure of, they do not allow buffalo products into the United States. Has the department ever tried to look into the possibility of lobbying or finding loopholes within the United States immigration or customs to allow hunters to come up here and take some of the products that they may be getting in the Northwest Territories from buffalo?

Fort Resolution has a very depressed economy. I am sure they could really use a boost in tourism. Buffalo is something that is unique in this day and age. I think they would be appreciative if they could open that area of tourism. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Nitah. Mr. Bob McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. That is certainly an area that we have looked at. It is one of the objectives we want to achieve in regard to buffalo. As the Member knows, buffalo was classified as an endangered species. It has now been downlisted to threatened. We do have experience in getting entry into the United States market with regard to sports hunting. We were able to successfully do so with polar bears. The same approach would have to be taken with buffalo in order to be able to get American hunters to get back a buffalo trophy, the head. The most important consideration is to have healthy buffalo herds. What is generally recognized is that they are free-roaming buffalo herds.

What we have done in the past with polar bears is we would utilize somebody strategic in the United States as our point man to help us get the legislation through on the United States side. That was the approach that we used with polar bears and it would generally be the same for buffalo. Thank you.

-- Technical Difficulties

CHAIRMAN (Mr. Delorey): Welcome back. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. Yesterday when I was questioning the Minister of Education, Culture and Employment, we had some technical difficulties as well. I am just wondering if I am asking some difficult questions or if the people who are operating the sound and camera equipment do not like the answers that I am getting.

Anyway, I am encouraged by the answer Mr. Bob McLeod has given me on the area of buffalo and trying to get buffalo products into the United States. It is one of those unique animals in the Northwest Territories, in the world, and I think they would attract tourism in a controlled, managed environment. I look forward to working with the Minister and his deputy in the community of Fort Resolution and any other community that may want to be involved in this kind of business in the future.

I want to get back to the anglers that go to the East Arm from Yellowknife and other parts of the North in Canada that do not particularly have any rules to follow out there. They could go anywhere, anytime. They disturb the hunting areas of the community people of Lutselk'e. They could be taking any number of fish. There is no safeguard and, as I stated earlier, the people of Lutselk'e are worried about their fish count of the kind of fish that are there. Recognizing that Resources, Wildlife and Economic Development has significantly cut the budget for forest fires, there needs to be more management in that area. People are making fires anywhere and disturbing all kinds of areas.

There are all kinds of historical sites around Great Slave Lake, lots of burial grounds and I think there is an opportunity -- I am not stepping on any other government's responsibility here -- to make sure that the pristine environment is protected, possibly creating employment in the community by having people from the community work with the Resources, Wildlife and Economic Development to establish park-like areas that people could use to camp. I strongly encourage the department to work with the Lutselk'e Dene Band to come up with an agreement to do so.

Again, I would like to hear the Minister's thoughts on that. It is not stepping on the federal government's responsibilities and I am sure the band would look forward to starting discussions in this area. It is a concern and I think there is an opportunity rising from that concern. I think the department could recognize that. Thank you very much, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Mr. Minister.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Of course, we are very limited by our resources, the money we have to manage the various parts of the department and for the department as a whole. If there are ways of doing it, one might be to use our fire crews to do some of that kind of work of establishing areas, then I would be willing to look at doing that. We would need to work closely with the community to identify what areas they would agree to us developing and encouraging fishermen to use, but I think the biggest challenge for us this year is going to be to find the money to be able to do it. Having said that, we will continue to negotiate with the federal government on an EDA agreement, try to get some tourism money and so on. I cannot promise anything right now. It is a good idea but we do not have the resources in here.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. Next on the list is Mr. Dent, Mr. Roland and Mr. Delorey. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I was very pleased earlier to hear that the regulations have been delegated to the Development Corporation. I was wondering if I could get a commitment from the Minister to distribute those to all Members?

CHAIRMAN (Mr. Delorey): Mr. Minister.

HON. JOE HANDLEY: Yes, we could do that, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Going back to resource management and economic development, I notice in the detail for parks and tourism that there has been, since 1999-2000, about a 50 percent increase in the budget. It has gone up from \$3.7 million to \$5.3 million. So a \$1.6 million increase approximately. What has been driving that increase? What is included in that?

CHAIRMAN (Mr. Delorey): Minister responsible for Resources, Wildlife and Economic Development, Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, there has been a fair increase of \$553,000 on capital. That counts for a big piece of it. Of course, the collective agreement adjustment of \$42,000. We received a supp this year in 2000-2001 for \$95,000 for park merchandise. That is just a situation where we put the money up front and the parks sell the merchandise and get their money back. We were anticipating \$900,000 out of the tourism strategy, the tax that is included in there, and there are a number of just minor items from the transfer of a contract from environmental protection to tourism and so on. Those are the main ones that have accounted for the increase. It also reflects the attempt by the department to give this area some emphasis and some priority.

CHAIRMAN (Mr. Delorey): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. What is the distribution of expenses in parks and tourism between parks and tourism?

CHAIRMAN (Mr. Delorey): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, if I recall, it is approximately \$2.4 million for tourism and about \$2 million in this past fiscal year for the parks side of the operation. That is speaking very generally. I do not have the exact breakdown handy right now unless I can find it.

CHAIRMAN (Mr. Delorey): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Just under grants, I notice that there is another one in here called industry assistance. It is \$180,000. It was in this current year and it is proposed for next year. It is to provide funding for a business recognized by the Minister as being a fundamental industry. Can I find out what is meant by that, what is a fundamental industry?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, that \$180,000 was for Giant Mine. It was a commitment that was worked out as the

mine was going through its stages, and I believe this was for exploration. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Another grant I was noticing here is for Northern Accord contributions, and this is to enable aboriginal organizations to participate in the development and implementation of a Northern Accord. I would like to ask the Minister, does he believe that we are getting close to an implementation?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: I am sorry, I could not hear the last part of what Mr. Dent said.

CHAIRMAN (Mr. Krutko): Mr. Dent, could you restate your question?

MR. DENT: Sure, Mr. Chairman, thank you. I was just asking if the Minister can tell us if we are getting close to implementation of a Northern Accord. It is in the description of the spending of this \$105,000 that we are going to spend in order to develop and implement a Northern Accord.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, this amount of money is used to assist aboriginal organizations in doing research, values assessment and so on in the renewable resource area. How long is this title going to be in here, I do not know. It has been there for a number of years as we keep trying to make some headway on a Northern Accord. I cannot even guess how long we might have to continue to provide support in our moves towards a Northern Accord or devolution. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I am interested in finding out why we would have something and it would not be in another place. Why would not Aboriginal Affairs, for instance, have all the funding for contributions to organizations to participate in this? My worry is that if we have a number of different little funds all over the place it makes it very difficult for the public and legislators to track what is actually happening with the money. It would be much clearer if it were all in one spot and handled as one contribution.

I think everyone agrees that we want to move this process along, but I would feel more comfortable knowing that all of the various line items in the budget that related to devolution or participation in the Intergovernmental Forum, things that are in the same vein, are actually in the same place.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, I could see why it would be easier to understand if we had it all in one pool of funds in one department. The practice has been to have the money with the department that is the lead on that particular area of interest. In this case, this money is used to support aboriginal governments and organizations primarily in wildlife research and preparation, so we keep it in here. It could theoretically be all put together in one spot. The concern, I suppose, from our perspective, would be to eventually possibly lose the emphasis that we feel is necessary on land and wildlife.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I would think that if there was that kind of concern, one way around that would be to keep the various pots of money in the different departments, but I would think it would be useful for the Minister of Finance, at some point, to present to the standing committee what the whole allocation is so that people can see where the funds are being spent.

I have a question concerning the Business Credit Corporation. I understand that there is some look at perhaps streamlining operations between the Development Corporation and the Business Credit Corporation, and so on. Why has the O and M contribution varied so much? From 1999-2000 to the next year, it went up by over \$100,000, and then was cut the next year, and in this year's budget by \$50,000. I do not understand why the contribution for operating expenses would vary quite so much.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, looking at page 11-18, if you look at the total amount of support to the Business Credit Corporation, it went from \$636,000 to \$654,000. What is reflected in here is a change from a contribution to salaries, so the contribution will have gone up but the salaries will have gone down. If you are comparing the revised 2000-2001 to the 2001-2002, it is just a movement between salaries and contributions.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Following on my earlier line of questions in the area of resource management and economic development, in the tourism sector, when we referred to the positions that were vacant and look to be filled by the department in the tourism sector, the Minister stated that there needs to be some presence within the department unless we go to a tourism authority.

Here might be the opportunity to look at doing that and going that route. Why not now in the sense of the time that is there? It would help the tourism association to better promote the work - they have done great work as everyone said, with the funds they had -- and it would really tie, in a sense, the department with clear linkage to them through an authority. They are well on their way. They have developed, and they are ready to take on more challenges in that sense, and any available dollars could be utilized by them to further expand on the services they are providing to their membership.

Maybe I could have the Minister expand on that. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, as I said before, I do not want us to make, as I referred to, knee-jerk reactions. I think we have to look very carefully at it. There was a study done by the NWT Tourism Association looking at the merits of going to a tourism authority model. It has pros and cons, and I think you would find a lot of different views in the industry. I think we would want to look at that carefully, do a fair bit of consultation, beside what the industry feels would be best for them. I think you will find a lot of mixed feeling. I would not want to make that decision for them. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. That at least sounds like the door is open, and if it is, because there has been some looking at it already by the tourism association, would there be a time line as we are looking forward to hearing from them as a result of their work?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, I am aware of the study that was done, and I really have not heard much about it recently. I would want to talk to the tourism association first before trying to set any sort of time line on it.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. I hope that is an avenue as we are looking at trying to increase how we can support, with resources, the NWT Arctic Tourism. That might be one of the avenues if it is accepted from their organization. I agree that the Minister will need to work closely with them on that initiative. Going back to my earlier question again and it was brought up through the process of the Hotel Room Tax Act, through discussions with the NWTAT and the Minister himself of a \$375,000 that was talked about reallocating initially on the condition of the tax going through.

My first question is the Minister, I feel, gave a lukewarm reception to the fact of keeping those dollars there. I would like to get the Minister to hopefully firm up that commitment so it is there and they will have to look at the overall plan and see how to best use those dollars, but the fact that those dollars will be there for the use through the department and the NWTAT.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, as I have said before, I fully intend to try to find that \$375,000 and allocate it to tourism. We are probably having a lot less flexibility the next year here at least, so I will have to look at what the options are for us to consider. I am not sure where the tourism association's plans will be at either because they are part of this.

Just going back for a minute to the notion of a tourism authority, one of the proposals in the study that they had done was a \$3 million increase in tourism. I do not think they are very eager to take on more with an empty bank. So they are looking at this as well from what is in it for them.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. I think that is at least a step in the right direction and I hope to see them continue to work with them in that area. One of the suggestions made by one of the presenters that came forward in the area of alternative funding is the existing fees that are paid by the outfitters and operators out there and establishment owners. There are fees paid out that go to this government whether it be a licence fee for carrying on a business and so on and they are quite substantial after a while. Is that avenue open that they could look at using those fees if they become an authority, for example?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, that is something we would have to negotiate in the event of them becoming an authority. Being an alternative for funds for them, there is about \$300,000 or \$350,000 that is generated through licences and fees directly into tourism. To take that and give it to tourism or use that argument is just taking from one pocket, because it is already government revenues, and putting it in the other pocket. When I talked to the Minister of Finance, he was not that keen on that one.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Another area, and I am going on a letter I received this afternoon from the Dene Nation, is the Minister of Finance stated in his budget address that there is a surplus of a couple of million dollars in this fiscal year. That would be an avenue that is a high priority of this government and Members of this Assembly state that and present that to the Finance Minister. Hopefully he would take that and allow the Minister of Resources, Wildlife and Economic Development to have those dollars.

One specific question, Mr. Chairman, is in the area of contributions. There is one area in the main estimates proposed for this year where there is no longer any funding. In the previous year, the revised estimates for 2000-2001 is \$500,000 contributions various, contributions and support for natural resource, environmental and economic development issues. There is no longer any funds identified there. Can we get some explanation of that? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, the comment on the first part, we are projecting a \$2 million surplus for the end of this coming fiscal year. Before we can commit to putting that into tourism, we have to look at all the priorities. Today we heard about the priority on FAS/FAE and we have so many priorities where we could spend that \$2 million. It is an option, but we have to look at it as a government. With regard to the \$500,000 decrease that the Member is referring to, that is the one-time contribution that we had made to the Aboriginal Pipeline Group.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Can the Minister inform us as to how many strategies and studies are ongoing within his department and the value of those? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, that is information I would be happy to try to pull together for you. In fact, I would be very interested myself to look at how many there are and what stage they are at. We have a number that are coming to conclusion, as we mentioned, the business activities, the BIP and so on. We have some that we are starting with the energy strategy. I would be happy to pull that together and share it with the Member. Thanks.

CHAIRMAN (Mr. Krutko): Mr. Roland. The Minister is offering that information. How soon would you like it?

MR. ROLAND: Thank you, Mr. Chairman. I know other members of the committee are interested in that area, but if he could have it for us as soon as he can put it together, we would gladly look at that. I think it would be key pieces of information

as we look how we are going to support the NWTAT. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, some of it is in the business plan. So we would have a look at that and if that is complete and up-to-date, then you have already got it. If not, we will update it. Thanks.

CHAIRMAN (Mr. Krutko): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I was going to touch on that same issue of strategies. That is one thing that has got my interest up since I have come into this job, as far as what the different departments are doing, in particular this department with strategies and studies as to how we are operating, spending our money and how we are helping the people that we are supposed to be helping. Now that Mr. Roland has touched on it and the Minister is going to supply some of that information, I know we did see some of it in the business plans and there may be other ones out there that the Minister could supply some information on.

I know the Business Development Corporation is spending money in developing projects in the diamond industry and manufacturing and marketing. I was wondering if the Minister could just inform me whether this department is open to spending money in the diamond industry outside of Yellowknife, if there were proposals that came forward to the department in that area?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, yes, we would be interested in providing financial support to any proposals that make good economic sense, if we perceive them as such. We are open to wherever we can have a good business proposal from.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. My understanding is in the diamond industry, if you want to set up a business in that area as far as cutting and polishing, one of the first things that has to be obtained is -- from my understanding, the government has input and there is no guarantee where they are going to set up businesses -- in the area of diamond quotas to be able to set up a business. Could the Minister explain for me that process of what you have to go through to get quotas to be able to set up a diamond industry? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Minister.

HON. JOE HANDLEY: In order to get a quota, the main thing is to get the agreement by the mining company to sell you diamonds. They sell some diamonds, in fact most of the diamonds are sold offshore in Europe and so on. If you want diamonds for polishing in the North, then it is the same thing. You would have to have an agreement with the company. If you want assistance from the GNWT, and the assistance is mainly in the form of a loan guarantee to enable the company to do the cash flow of buying the diamonds, polishing and selling them again, if you want that kind of assistance, then we would have to become involved and be sure that the business

proposal is sound and that we are not risking our money unnecessarily.

There is also a due diligence review that is done jointly by the mining company and by our government during a case where we are both involved. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I guess I will have to get further clarification on that. In looking into it in the past, I was under the impression that to get a quota, the government is involved in getting a quota as far as diamonds are concerned. To be able to set up a business, you need the quota. That is where the government comes into it. I could be wrong there, but that was my understanding before.

I would like to ask the Minister, does he ever receive or know of any proposals that were put forward through business ventures out of Hay River to get into the diamond industry? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, yes, I am aware of some initial proposals that were put forward a few years ago. Just to be clear for the Member with regard to getting access to diamonds for northern polishing, we negotiate an amount of diamonds that we want the company to leave here for northern polishing. If a company wants a share of those, then they have to go through a process with us.

If they just want to buy diamonds from a company, BHP or whoever it is, and set up a polishing plant in the North or somewhere else and need no assistance from us, then they could just work that out with the company. The company sells diamonds internationally. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. Does the government have a supply of diamonds right now, or are they all spoken for and already in business? They do not have any further diamonds to give out as far as quotas to other businesses?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, we have an agreement with the company that they will leave a specified amount of diamonds in the North. We never actually own the diamonds. All we have is an agreement that the company will make that amount available.

Presently, at least two of the three diamond polishing plants are not using up their quota, so there are diamonds that are allocated for the North that are not being polished in the North because of capacity. The companies are reluctant to enter into any long-term agreements because eventually they may not be able to fulfill their obligation on that.

If someone wants to polish, that is an issue they should take up with the mining company themselves, first of all. We would be happy to put them in touch with the president. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. Let us go on to a different area. The NWT Development Corporation was established to create employment and income for Northerners and to stimulate growth of businesses in the North. There are a number of businesses operating in the North that have been here for a long time that have been very instrumental in bringing the North to what it is now. It seems to be that we are getting more and more where jobs that are created have money attached to them where there are strings attached to the money. It has to go to certain businesses. We had businesses folding up because they cannot bid on things.

From a department perspective, does every business out there have equal opportunity to work in the North right now? What businesses are we after?

CHAIRMAN (Mr. Lafferty): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, I think every company has equal opportunity with the exception of situations where, through a land claim agreement, they may not have equal opportunity for various reasons. There are also situations as we had with the Mackenzie Valley winter road bridges, where the money came out of an aboriginal economic development fund and there had to be an aboriginal component in the work. So it depends on where the funding is coming from. Generally speaking, there is a level playing field except where people have special rights through land claims, aboriginal rights.

With the private sector, I cannot speak on that one, but I expect that the private sector tends to operate very much by who gives the best product for the best price.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. In promoting the oil and gas industry and getting opportunities out in the region in that sector, the Minister mentioned in his opening remarks that there were three positions. How many of those three positions were actually new job creations? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, in terms of new positions, all three of them will be new positions. Are there new people in the positions? In Inuvik, the person who is occupying that position was transferred from elsewhere in the department, and he took a transfer from one job to another. In Norman Wells, the person taking that position came from another department. In the case of the Deh Cho area, there we have a person who has been with the department for a long time acting in that position, mainly until we know what the Deh Cho leaderships' wishes or desires are, on how we are going to fill that position.

CHAIRMAN (Mr. Lafferty): Thank you. Budget summary. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. My question is in the area of the Development Corporation and also the deal with the Fort McPherson Canvas Shop and the Aklavik Fur Shop. The Aklavik Fur Shop has been closed for some time, but the concern I have is in regard to the situation that they find themselves in. It was not a question of demand, but I think it was a question about the misuse of funds in the area of marketing, and what not, compared to the previous administration in that office.

You made reference to the Auditor General's report, but the concern I have is that because of the marketing scenarios that were put forth with the previous government, there is a lot of money spent in establishing these wholesale distribution centres. There were shops established in southern Canada at most major airports, Banff and other places around the country.

A lot of money was wasted on that initiative, in which a lot of the companies that this government owns, the Fort McPherson Canvas Shop, the Fur Shop in Aklavik, the Fur Shop in Tuktoyaktuk, have felt that. There have been layoffs and shutdowns because they were not able to develop their products, or even have a say in how they were being marketed. A lot of that stuff was sitting in warehouses and the people who were making all of the money were the people doing the distribution on the wholesale side of it.

I would like to ask the Minister exactly what has the department done to improve that, knowing we have sold off a bunch of leases that this government held in southern Canada or got out of them altogether? There was a cost associated with that. What has the Minister done to improve the operations of the companies that we own such as the canvas shop in Fort McPherson and the fur shop in Aklavik?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, following division of the Territories, we moved quickly to try to begin restructuring the Development Corporation and making some fiscal sense of what was going on there. We got out of a lot of those businesses, in fact all of the businesses in the south because they were all money-losing ventures and we did not feel that we should be spending money supporting businesses in the rest of Canada. We should be looking at what we can do in the North.

With regard to what we have done in the North or what are our plans in the North, maybe I will let Mr. Koe speak to that since he is the man in charge of restructuring this corporation. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Koe.

MR. KOE: Mahsi, Mr. Chairman. A couple of comments first. Through our audits, a lot of our audits over the years have been clean audits in the sense that the Auditor General of Canada who does our audits has given non-qualified opinions on our audits. There is no indication of misuse of dollars. In terms of dollars being wasted, there are good intentions. We are trying to create employment and generate businesses in the communities by creating these factories and assisting other small businesses through joint ventures. The intention is to create viable ventures and viable businesses to create jobs.

The focus in the past has been very much production-oriented. Buildings were put up, machinery was put into buildings and people were hired to make products whatever they were. Then the intent was to try to sell those, try to find the markets and we know that that type of environment does not work. So what the focus today and in the past year is focusing on is the market. What is it that the market wants? What do customers want? Then we look at whether or not we can produce what they want at the price point that the customer is willing to pay and the price point that our factories can make them at and in between, the people that handle the product also have to make a dollar in doing business. They are all independent businesses. That

has been the major focus change, to become more market-oriented. Now we are looking at each company. In Fort McPherson we just hired a new manager and we have a plan now to hire local people in terms of production and looking at focusing on the markets. What can we sell? What are people willing to buy? What new products can we make that people want? It is similar with Aklavik.

In Aklavik and Tuktoyaktuk, we just had a major initiative here. We went and visited both communities. We had meetings with producers, we had meetings with the public and the same intention is there. What is it that we can make that people want to buy in the general marketplace and can we make it in the quantity that is going to make these businesses viable?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Could the Minister tell us if there is any internal probes or investigations going on because of what has happened with some of the deals, especially the Fort Resolution sawmill and the overall dollars that were lost in the handling of the wholesale distribution in southern Canada? Is there any internal probes or investigations that the Minister is aware of at this time?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, other than the audits that are going on yet of what has happened in the past, there are no criminal investigations ongoing right now. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Under the activity summary, you talk about oil and gas participation and development, coordinating plans and the transfer of provincial-type responsibilities from DIAND to the Government of the Northwest Territories. What coordinated plans are you talking about? Do you have plans being developed right now of how many positions you are going to need, what type of criteria you are going to take on? Are we going to have geologists, different people in different sectors, oil and gas, drill experts, whatever? Have you gone that far?

If we take on these responsibilities, we have to understand what we are getting into. Is the government working on some sort of a preliminary or implementation plan on how much space we are going to need, how many people we are going to need, what is going to be needed if we do take over oil, gas and minerals lock, stock and barrel? What is the cost associated with it, how many positions are we talking about? Have we gone that far with regard to oil and gas and the devolution process on the Northern Accord?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, the main document or the main plan we have for our needs in the event of devolution is through the Non-Renewable Resource Development Strategy. In that strategy, we have laid out a four-year plan of what our needs are until devolution actually happens. So that continues to be our main plan.

In addition to that and in the meantime as we move through devolution, we are also working on a number of fronts, the Intergovernmental Forum is one, industry is another. We are taking on a lot of smaller, more specific projects in order to

maximize benefits. These go from helping with travel assistance to human resource coordinators to looking at the kind of support we needed for the Aboriginal Pipeline Group and some of those more specific ones. Overall, it is the Non-Renewable Resource Strategy that continues to be our plan.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Regarding wildlife and wildlife protection and habitat, this government is responsible for the habitat of wildlife and also we do have agreements that we have with international organizations and other provinces and in the territory. I am mostly speaking with regard to the Porcupine Caribou herd where this government is responsible for the habitat and the protection of the population of the herd, knowing what is happened in Alaska with regard to the 10-02 lands. Also we have an international Porcupine Caribou agreement that has been signed between the Government of Canada, the United States and also between the Government of the Northwest Territories and the Yukon. What is this government doing to ensuring that we are living up to our obligations under those international agreements that this government is signature to?

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, first of all, with regard to the Porcupine Caribou Management Board, we do participate on the board. The international Porcupine Board is made up of representatives from both Canada and the United States. Our department is represented by one member and an alternate member. So we continue on the international level to work with that one.

At the territorial level, we are involved in support to a number of renewable resource boards. The Canadian Porcupine Caribou Management Board, we have one member on that one, and again an alternate member on it. We monitor very closely what is happening between Canada and the United States, especially on the Porcupine Caribou herd.

We are aware of the discussions that the Prime Minister had with President Bush. We have in the past written several letters supporting Canada's position on no drilling on the ANWR. On a number of fronts we continue to ensure that we are supporting the initiatives. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Page 11-17, operations expense, total operations expense, \$32,631,000. Mr. Krutko.

MR. KRUTKO: I have a question for the Minister. In his statement he mentioned the \$1 million they have to invest, especially through the subsidiaries. I have been working with the organizations within my region trying to access dollars from this government, but at our regional offices they are saying they do not have any money. But knowing that we have \$1 million to invest in the Northwest Territories through the NWT Development Corporation, I find it hard to believe that we cannot even get \$20,000 out of this government to do a preliminary study to access federal dollars.

I would like to know exactly what the government is doing to ensure that small communities and regions outside Yellowknife are able to access dollars from this government. It seems that because everything is based out of Yellowknife, they have better access to the boards and better access to the

departments. Yet at the regional level, where resources are needed because we do not have any economic development agreements in place, or resources at the regional level. Or if it has been there, it seems as if it has vanished.

I would like to ask the Minister exactly what he is doing to improve the relationship between the regional centres outside Yellowknife, and also the small communities, so they can take advantage of the monies that are within the organizations such as the NWT Development Corporation, where they say that they have an investment of \$1 million that they can look at? I would like to ask the Minister, what are they doing to improve that relationship?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, the main thing we are doing is a review of our business support services. As I mentioned before, that report should be available to us at the end of March and hopefully give us some direction. Currently, we cannot mix NWT Development Corporation dollars with the department dollars. The Development Corporation money and priorities and so on are set largely through that corporation and through their board and their president. It is not easy for us, we need \$20,000 to dip into that other budget.

At the regional level, we have always allowed our superintendents a fair bit of flexibility in determining regionally how the money is going to be allocated. There is quite a bit of flexibility there. I think all of the regions would like to have more money. The one thing that we are proposing for this coming year in order to ensure that everybody has the opportunity, is that we are limiting our BDF grants to \$25,000, so you do not have three or four applications taking it all up. We will be able to help more people. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. It was the superintendent of renewable resources that I have been hounding to try to get some money out of, but he is basically saying that his pockets are empty and he does not have any resources, and you have to wait for the new budget to come down for the new fiscal year. That is the point I am trying to make. We have all this development happening in our region, but as the department that is responsible for that, they do not have any resources to assist at the regional level. I think it is important, as a government, that we find ways of finding new program dollars.

We are able to develop different scenarios within this department. We came along with a loan guarantee with regard to the secondary diamond industry. We have managed to get money for the Giant Mine and other mines around Yellowknife, investing money there so that they can look for new sources of gold. We have done these things and we have been able to pull money out of a hat in the past, but for some reason with the oil and gas stuff we are being nickle and dimed. I think that if we did this for the diamond industry and we did it with regard to the gold industry, with regard to Giant Mine and other companies, where we have managed to get millions of dollars to put into these things, but yet I do not see anything within the budget where we are seeing millions of dollars being put into the gas sector.

I would like to ask the Minister exactly what is he doing, or does he have any plans to bring in any new initiatives, so that we are

able to access those grants and contributions for the oil and gas industry?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, first of all let me say that we are developing criteria for the oil and gas industry in the same way we did for the diamond industry. In fact, I have asked the department to try to set up a time for me to meet with them to look at how we can best take advantage of our own resources, as well as to track new resources, to be able to invest in the oil and gas industry. We plan to do that probably in April, once this session is over, as a beginning toward planning for the next business plans.

While I cannot commit right now as to what we would be able to do, I agree with the Member. I think we need to put more money into business support. I am beginning, with the department, in April well before the business plan. I hear what the Member is saying and I agree with it. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Another area where I have a lot of concern is about the people in the field, and it is quite some time since they have had their equipment replaced -- snowmobiles, equipment around the shops. They are trying to just make do with what they have. I think that sooner or later we are going to have an incident on our hands where somebody is either going to break down or basically have a situation where either someone will lose their life, or we are going to have a situation where we cannot react to something because there is an incident out on the land and we are not able to get our people out there because of the lack of adequate equipment which would allow the people to do the jobs they are trained to do.

We have some good people out in our communities and out in the field who really want to do things, but they are limited because of the lack of good equipment. We need to find ways to replace this equipment so they do have reliable equipment in the field and in the areas they work in. We have to do more to improve the working conditions of the people in the field.

I would like to ask the Minister, do they have any plans to make an attempt to seriously look at the inventory and resources we have in our communities so that we can make the job a lot easier for people out in the field?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. We will not put our people out on the job, in the field or on the land, with unsafe equipment. We keep that as a basic standard. In terms of our ability to replace equipment and provide additional equipment, it is only limited by our budget. We do have standards for setting priorities. With our limited resources, we try to keep the equipment in as good a shape as possible. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Does the Minister and his department have any criteria with regard to how often you replace equipment within a shop? I believe some of the equipment we are talking about has quite a few years on it. In the past you would replace equipment, say every five years or

what not, so that you did not have a situation where you have old equipment. I would like to ask the Minister, do you have any regulation or rules that you follow that you try to make an attempt to have specific replacement of equipment over a period of time? You do not allow them to be run into the ground?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Yes, we do have guidelines and criteria for replacing and maintaining equipment. We attempt to do that in all cases and I know there will always be different opinions on the quality of pieces of equipment. Thanks.

CHAIRMAN (Mr. Lafferty): Thanks. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. The other area I wanted to touch on sort of came from Mr. Nitah's question. One of the things we do not seem to do enough of is use the people that live on the land to be our eyes and ears that are out there. We see groups such as the Rangers who do work on behalf of the Canadian Armed Forces. We have hunters and trappers that live out on the land. We have people that are out there, but if we somehow expand the responsibilities to not just the game officers, but give responsibilities to the hunters' and trappers' associations, do not give them enforcement powers, but give them the ability that they can monitor or do things on behalf of this government where we might not be able to send our people out to a specific area. If we know there is a trappers' association or a renewable resource board that have people out on the land doing different work or people that are just out there, you could have people go to the East Arm or a particular area so you could identify areas where you can see where somebody either had left garbage or what not.

That is one thing we see a lot of in the Yukon, but we do not see hardly anything on this side of the border where you have a 1-800 number that you call if you see people poaching along the highways or hunting caribou or hunting moose. The renewable resource officers in the communities seem to be registered police officers. Could this government look at working with renewable resource councils, HTAs, and give them more of a monitoring role when it comes to wildlife management?

In the past, we used to have special status for a wildlife officer. There was a local person who worked along with the wildlife officer who did not really have the training...

CHAIRMAN (Mr. Lafferty): Mr. Krutko, your time is up.

MR. KRUTKO: Could the Minister tell me if that is something his department will consider looking at?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, yes, it certainly is something we will continue to look at. We can also say the majority of our officers are aboriginal as well. I hope to see that trend continue. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Operations expense, total operations expense, Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I just wanted to touch on an issue that I asked before, but it has to do with the \$150 to trappers for offsetting fuel prices for anybody who has

\$500 worth of fur. In the grants and contributions, I mentioned why this was not being provided to fishermen as well. I think the answer that I got was the fisheries already have contributions through a fund for offsetting high fuel prices and that trappers did not have that. I guess maybe they are under a different place, but how would the supports to grants and contributions to trappers... I see they show up in a number of different issues here. It may be the way Mr. Dent was saying it, but what was the total contributions through grants for trappers from this department?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, currently the contribution to the commercial fisheries is \$395,000. Then to trappers, we provide contributions through a number of programs. There is \$473,000 through the Community Harvester Assistance Program, \$345,000 to the Fur Pricing Program, \$244,000 this year on the Western Harvester Support Program and \$336,000 to support the wildlife boards. Not all of that goes directly to trappers. It goes to supporting their organizations as well. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Delorey.

MR. DELOREY: So from the figures that you are reading out, that would almost indicate to me that they are indeed getting as much, if not more, funding than the fishermen are. So why would the fishermen not be eligible for a fuel rebate as well?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, when Mr. Delorey asked me this question before, I believe in committee, I said that I would look at whether or not there was a way of doing it. I am pleased to say that I have found enough money to be able to give fishermen the same size of fuel rebate per commercial fishermen as we are giving to the trappers. It will be based on the numbers. They will have to catch and sell at least \$500 worth of fish in order to be eligible. They will have to have a commercial licence and we are also extending that program not only to the Great Slave Lake fisheries but to commercial fishermen from Kakisa and the other areas of the Territories.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I know it shows under here grants and contributions, commercial fisheries, \$395,000. It seems to me that last year when we met with the fisheries and the department took over what could be done for the fishermen to help them offset that, it seems to me the freight subsidy was at \$110,000 and there was something like \$50,000 left in that subsidy. That is what the fishermen were given to offset their costs for the year. Maybe I could get some clarification there from the \$110,000 that I see to this \$395,000. What is the difference?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, that \$395,000 is broken down into different kinds of activities. For example, the winter fishery is different from the summer fishery. There is \$395,000 that is held by the department as a freight subsidy for fishermen. It is given to them at a rate of 15 cents per pound for the fish that they bring in, if I remember correctly. Last year, the catch was low, so there was surplus money. This year, we are running into the same thing. Even though the catches are

higher, there is a little bit of surplus left over and rather than have it come back into the department, we are going to provide assistance one time again for the commercial fishermen. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. Will the fuel subsidy for the fishermen then be over and above this access funding in that freight subsidy?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, it will be over and above the money they receive on a per pound freight subsidy. That amount varies from fisherman to fisherman and it is only for the ones who are fishing off of Great Slave Lake. The program we are talking about is above that. It is a flat \$150 per fisherman who has sold \$500 worth of fish. Typically what happens under the \$395,000, there is a holding figure. If it just lapses, it comes back to the government and just lapses. This year, we are taking some of that and using it to give them back rebates. The surplus in there is much smaller this year than it was last year.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Delorey.

MR. DELOREY: I just have one more question and that is with the positions from DIAND for oil and gas. What is the latest in how many positions DIAND is setting up, and is there a push on getting those positions moved to the North? If so, where would the department be looking at setting those positions up?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, as I understand, the documentation is being prepared to go to the federal Cabinet or Treasury for approval. DIAND does not tell us exactly how many positions they are talking about. When I met with the Minister of DIAND at the end of January, he told me that it would include positions for DIAND but also in some cases for other federal departments.

He could not confirm how many, particularly from other departments, have come to the North and certainly there has not been any discussion at all until we know how many people we are talking about as to where they would go.

As I have said before, my preference would be they go in the areas where the activity is. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Resource management, economic development, operations expense, total operations expense, \$32,631,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Resource management, economic development, grants and contributions, grants, total grants, \$678,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Contributions, total contributions, \$9,252,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Total grants and contributions, \$9,930,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 11-25, forest management, operations expense, total operations expense, \$28,503,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 11-27, forest management, grants and contributions, grants, total grants, \$100,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 11-28, active positions, information item, lease commitments, infrastructure. Page 11-29, information item. Page 11-30, Fur Marketing Service Revolving Fund, information item. Details of work performed on behalf of others. Page 11-34, work performed on behalf of others, total department, \$3,322,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 11-35, revenues, recoveries and transfer payments. Total revenues, \$3,038,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Going back to page 11-7. Department summary, operations expense, total operations expense, \$75,546,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): We shall now go to capital. Page 20, resource management and economic development, total resource management and economic development, \$1,288,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Total department, \$1,298,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): That concludes the department. Thank you, Minister Handley and thank you to your staff.

HON. JOE HANDLEY: Thank you.

CHAIRMAN (Mr. Lafferty): The next one on the list is the Department of the Executive. What is the wish of the committee? Does the Premier wish to make his opening comments?

HON. STEPHEN KAKFWI: Thank you, Mr. Chairman. I do have opening remarks. The Department of Executive provides overall management and direction to government so that the government and its partners can achieve acceptable results. Core business activities include support to the Premier, Executive Council and to the Ministers' offices, as well as coordinating the Government of the Northwest Territories' relations with other governments and the public.

For the year 2001-2002, the Department of Executive is seeking approval of a forced growth increase of \$342,000 to meet the requirements of the collective bargaining agreement

that was ratified by the UNW in December and a critical investment of \$330,000 to fund aboriginal government participation in the Intergovernmental Forum. These investments will allow the department to continue its efforts to promote strong and effective public governments that will operate cooperatively to ensure a strong future for all residents of the Northwest Territories. Many initiatives of the department are already producing results such as those which promote a stronger public service and the work of the Intergovernmental Forum.

The first investment of \$342,000 results from this government's efforts to recognize the importance of the people who work for this government. The provisions of the agreement reached with the UNW have been extended to all excluded and management group employees as well. The total investment of 6.4 percent in salary dollars over two years is significant when compared to current inflationary trends.

A second investment of \$330,000 is the funding we are providing to aboriginal governments in order that they may participate in the Intergovernmental Forum or IGF. This increased funding requirement was identified in the business plan that the standing committee reviewed last fall.

Mr. Chairman, Better Governance Through Partnerships is a key component of the 14th Assembly's vision, Towards a Better Tomorrow. The Intergovernmental Forum, which has been established by the parties as a forum for the discussion of important initiatives such as devolution and resource revenue sharing, will allow partnerships to be forged and is critical to achieving our agenda.

The success of the Intergovernmental Forum depends on aboriginal government participation. This is recognized not only through this investment proposed by the Department of Executive, but also through the federal government's agreement to also provide support to the IGF in the amount of \$670,000 per year. In essence, for every dollar this government spends on supporting aboriginal government participation in the IGF, the federal government will spend two dollars. Given the parties' commitment to this partnership, the funding the department is seeking in support of this initiative will allow this government to make a fair and reasonable contribution to this important process.

On December 1, 2000, the Government of the Northwest Territories and a majority of aboriginal leaders from across the Northwest Territories agreed to begin a formal process to determine how the transfer of authority over lands and resources, currently held by the federal government, will devolve to appropriate territorial and aboriginal governments.

Mr. Chairman, other than these two important investments in our future, the Department of Executive is presenting a budget consistent with the business plan reviewed by this committee. We have held the line on other operational spending and have added no new positions to the department's staff complement.

I would now be happy to answer any questions that you may have on the department's 2001-2002 main estimates submission.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Premier. Does the chair of the standing committee responsible for overseeing this department have any comments? Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman.

Department of the Executive – Executive Offices

The Department of Executive is composed of three separate and distinct programs under the authority of their own Ministers: the Executive offices, the Financial Management Board Secretariat and Aboriginal Affairs. Corporate services supports all three programs of the department by providing budgetary, financial and administrative services. The Financial Management Board Secretariat and the Ministry of Aboriginal Affairs submit their own business plans and main estimates for committee review.

The Standing Committee on Governance and Economic Development met to review the main estimates of the Executive offices, Department of Executive on January 16, 2001.

Business Plan and Main Estimates Review

Business planning is crucial as a planning process and as a means to arrive at the budget figures presented in the main estimates. The only change in budgeting for the 2001/2002 fiscal year, since the business plan review, is an increase of \$342,000 to meet the requirements of the collective bargaining agreement that was ratified by the UNW in December.

During the review of the 2001/2004 business plans, it came to the attention of the committee that the Executive offices planned to consolidate the Women's Advisory with the Office for the Status of Women in the 2002-2003 fiscal year. In its report, Review of the 2001/2004 Business Plans, the committee recommended this consolidation not occur and that the funds be reinstated in the 2002-2003 operations expenses for the department. The committee was pleased to learn that the department has decided not to proceed with the proposed consolidation.

Regional Reorganization

In the 2000-2003 business plans, reviewed by this committee in June 2000, the Executive offices presented their strategy to "support a collaborative approach to effective and efficient program delivery and capacity building." An outcome measure for this strategy would be "a plan for regional reorganization and capacity building is developed and initiated." The committee was informed that a review of regional organization is underway. Further to this, in those same 2000/2003 business plans, the Executive offices announced the formation of a regional relations section tasked with enhancing communications within the regions and between regions and headquarters. The new section will also assist the regions in preparation for the transfer of government programs and services through capacity building and aboriginal self-government.

It is apparent that the government has lost its focus and purpose on the Regional Reorganization Initiative announced last year. The committee was told this issue is much more complex than originally conceived and that the responsibility for regional reorganization has now shifted from the Department of Executive to a ministerial committee.

The standing committee is at a loss to define or make tangible suggestions on the state of this initiative, especially given the government's confusion in this matter. The committee urges

government to reassess their need for regional reorganization and, if it still exists, redefine and review this initiative.

Devolution and Revenue Sharing

In his opening remarks to the committee, the Premier stated, "On December 1, 2000 the GNWT and a majority of aboriginal leaders across the Northwest Territories agreed to begin a formal bilateral negotiating process to determine how the transfer of authority, currently held by the federal government, over lands and resources will devolve to appropriate territorial and aboriginal governments and to develop a position of resource revenue sharing."

The committee is pleased with this development but worries that the government may hold itself in limbo awaiting finalization of negotiations. While the focus is on devolution at the territorial level, opportunities for development at the regional and community level may be lost.

The committee requests an up-to-date status report on devolution and revenue sharing negotiations.

Events/Planning Chart

During the review of the 2001/2004 business plans in October, the committee requested that an events chart be developed to give members a perspective of what has to be done as the Northwest Territories moves towards devolution and revenue sharing. An events flow chart was circulated to members. However, the committee was surprised to hear that Cabinet has abandoned this chart as a planning tool and have not circulated it outside of Caucus. Departmental staff indicated that by suggesting target dates, aboriginal partners might feel that negotiations with the Government of the Northwest Territories are "precooked".

The committee is of the opinion that there are events that the government and other organizations have already agreed upon that could be put into a schedule. The committee is aware of legislation which is new or is under review that could easily be put in the events calendar. It is also well understood that our pursuit of devolution and resource revenue sharing requires a sequence of events to occur. It would be helpful for these events to be identified, not necessarily with a target date.

The committee hopes that Cabinet revisits its decision not to use an events chart as a planning tool. The committee empathizes with the difficulty in setting target dates when negotiations are involved. However, Members and the committees still would like to have targets and a sequence of events to assist them in their planning for the remaining term of this government.

That concludes the Standing Committee on Governance and Economic Development's committee report on the Department of the Executive. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Does the Premier wish to bring in any witnesses?

HON. STEPHEN KAKFWI: Yes.

CHAIRMAN (Mr. Lafferty): I would like to ask the Sergeant-at-Arms to escort the witnesses in.

Mr. Premier, can you introduce your witnesses for the record, please?

HON. STEPHEN KAKFWI: Thank you, Mr. Chairman. I have on my left the secretary to Cabinet, the deputy minister of the Executive, Liz Snider. On my right Carl Bird, director of finance and administration.

CHAIRMAN (Mr. Lafferty): Thank you. General comments, Executive.

AN HON. MEMBER: Detail.

CHAIRMAN (Mr. Lafferty): We are on page 2-13, Commissioner's office, operations expense, total operations expense, \$209,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-15, Ministers' offices, operations expense, total operations expense, \$3,553,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-17, Ministers' offices, grants and contributions, grants, total grants, \$123,000. Total contributions, \$458,000. Total grants and contributions, \$581,000. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Under contributions, the Beaufort Delta regional coordination, in the 1999-2000 actuals there was an amount of \$50,000. I believe an agreement was signed by the Beaufort Delta regional council, or interim regional council, to set up a position, a regional coordinator position to work on behalf of self-government issues. Is this the same area?

There is no more funding here, so has it been cut now? Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Premier Kakfwi.

HON. STEPHEN KAKFWI: Thank you, Mr. Chairman. Apparently the money has been transferred to Cabinet Secretariat but the dollars still are contributed to the same party. It is just not listed here.

CHAIRMAN (Mr. Lafferty): Thank you. Total grants, contributions, \$581,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-19, Cabinet Secretariat, operations expense, total operations expense, \$6,639,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-21, Cabinet Secretariat, grants and contributions, total contributions, \$380,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-23, Public Utilities Board, operations expense, total operations expense, \$401,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Information item, active positions, page 2-24.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-25, detail of work performed on behalf of third parties, total department, \$700,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-26, lease commitments. This is an information item, infrastructure.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Back to page 2-11, program summary, operations expense, total operations expense, \$10,802,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): That concludes the Executive. Thank you, Mr. Premier, and thank you to the witnesses. Next item we have on the list is the Financial Management Board Secretariat, page 2-35. We will take a quick ten-minute break until the Minister of Finance can return.

-- Break

CHAIRMAN (Mr. Lafferty): I will call the committee back to order. I would like to ask the Minister if he has any opening comments. Mr. Handley.

HON. JOE HANDLEY: Yes, Mr. Chairman. Mr. Chairman, I am pleased to be before the committee today to present the Financial Management Board Secretariat's 2001-2002 main estimates.

The 2001-2002 main estimates propose expenditures of \$26,961,000. This provides for total net expenditures growth from the 2000-2001 fiscal year of \$1,370,000. The expenditure increases proposed for the FMB Secretariat include:

1. \$623,000 associated with the compensation changes resulting from the successful completion of negotiations with the Union of Northern Workers;
2. \$1,314,000 related to the interim financing arrangement with the federal government that provides funds for the increased costs to the Government of the Northwest Territories associated with changes to the Public Service Superannuation Act. This arrangement runs until the 2003-2004 fiscal year;
3. \$1,100,000 to provide for additional costs to the power subsidy program associated with fuel rate rider increases.

These increases are partially offset by funding reductions associated with the conclusion of one-time projects including tangible capital assets implementation, the external evaluation of public/private partnership pilot initiative, and collective bargaining with the Union of Northern Workers.

For 2001-2002, the FMB Secretariat's main estimates provide funding for 139 of its 146 current and term positions. This

provides for a total net reduction of two positions for the 2000-2001 fiscal year. This is comprised of a reduction of three term positions in headquarters associated with projects that have been successfully completed, and is partially offset by the re-establishment of one position in the Fort Simpson area office.

The Standing Committee on Governance and Economic Development has made an observation that there has been significant growth in the FMBS funding, responsibilities and human resources over the past few years.

Since 1999-2000, the FMB Secretariat budget does show a 46 percent increase in funding and a 25 percent increase in human resources. However, only nine percent of the funding growth and five percent of the human resource growth have been ongoing base increases. These ongoing funding increases are primarily associated with the power subsidy program, amortization expense, and collective agreement revisions.

The balance of the funding increase, 37 percent, and human resource increase, 20 percent, is associated with term projects: the equal pay project, the pension reform project, self-government related activity, and the four-year federal superannuation contribution.

The standing committee is correct in observing that over the past few years, there have been many significant responsibility areas that have been assigned to the FMB Secretariat. These additional responsibility areas have been high-profile short-term projects and have been assigned to the FMB Secretariat primarily due to the significant government-wide financial impacts associated with them. All the projects have been undertaken by the FMB Secretariat without the requirement for additional funding, including:

1. The division of the assets and liabilities of the Northwest Territories;
2. The division of the Northwest Territories Power Corporation;
3. The reporting of GNWT geographic expenditure data from an expenditure beneficiary point of view -- geographic tracking of expenditures;
4. The coordination of the Non-Renewable Resource Development Strategy; and
5. The review of electrical power generation, distribution, regulation and subsidization in the NWT.

Many of the strategies the FMB Secretariat is involved with are multi-year in nature. However, the FMB Secretariat has undertaken numerous initiatives that speak specifically to the Towards a Better Tomorrow strategies.

Public expectations concerning probity and accountability continue to rise with more demands for greater transparency, disclosure and rules designed to protect the public interest. Accountability expectations mean more consultations, clearer plans with specific goals and objectives and public results reporting on accomplishments. Accountability and efficiency demands also extend to how government does business with respect to such things as competitive tendering, preference policies, adherence to trade agreements, debriefing of

unsuccessful bidders, public appeal processes and many more.

The FMB Secretariat has undertaken specific initiatives in this regard:

1. A review of government procurement and contracting vis-à-vis best practices;
2. With RWED, initiated the Business Incentive Policy review;
3. The development of a code of conduct for the public service;
4. Major efforts to improve government results reporting, including the development of government-wide performance measures and improvements to department performance measures; and
5. Initiation of the development of a third-party accountability framework.

Public sector management is becoming more complex as governments strive to meet increasing expectations with fewer dollars. Conditions change rapidly and public sector managers must adapt while adhering to best practices. Recent trends to partnership arrangements, delegation, client focused "one-window" service access, e-commerce, and operational streamlining constantly require re-evaluation of how business is conducted and the role of the government. All of these issues are impacted by how government manages and uses information and knowledge.

The FMB Secretariat is leading the development of a knowledge management strategy. The strategy will provide direction regarding information and knowledge management and will provide a policy framework by which the Government of the Northwest Territories can structure its related activities. These are some of the major ways that the FMB Secretariat is working to meet the goals outlined in Towards a Better Tomorrow. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Braden, for the Standing Committee on Governance and Economic Development.

MR. BRADEN: Thank you, Mr. Chairman. The Financial Management Board Secretariat, along with the Ministry of Aboriginal Affairs and the Executive Offices, is part of the Department of the Executive. Each one submits their own business plans and main estimates for committee review.

FMBS is comprised of the following activities; the directorate, labour relations and compensation services, government accounting, budgeting and evaluation, and the audit bureau.

The Standing Committee on Governance and Economic Development met with the chair of the Financial Management Board and his staff on Wednesday, January 17, 2001, to review the Secretariat's main estimates for 2001-2002.

The committee noted a \$1,719,000 increase in the operations expense from the Secretariat's 2001-2004 business plan projections. This projected increase reflects:

- amendments arising from increases in compensation and benefits in the amount of \$623,000 as the result of the recent UNW collective agreement;
- a reduction in amortization estimates of \$29,000;
- an increase of \$1,280,000 in the base funding for the Power Subsidy Program (which provides subsidies for both domestic and commercial consumers of electricity who pay for their own power and reside in high cost areas); and
- a decrease in other adjustments of \$155,000.

FMBS did not propose any new capital expenditures from their 2001-2004 business plan.

There were no changes to FMBS' revenue projections. Although the Secretariat proposed a six-position increase from their 2001-2004 business plan, this readjustment results in an actual two-position decline from their 2000-2001 main estimates.

Hydroelectric Potential

In addition to the committee's earlier comments in this report, members questioned why this project is with FMBS instead of the Department of Resources, Wildlife and Economic Development or the Northwest Territories Power Corporation. Committee members had previously noted in the review of FMBS' 2001-2004 business plan that there had been a significant growth in the Secretariat's funding, responsibilities and human resources over the past few years. FMBS explained that this hydro initiative is an overall government issue as it will have significant financial impact. The committee concurred and referred this issue to the Standing Committee on Accountability and Oversight as a government-wide concern.

Some committee members added that the proposed hydro project will be located in the South Slave region and reminded the government that jobs associated with the project should be located there too.

Pay Equity

The cost of the pay equity dispute amounts to \$3,000,000 annually for this government. The government reports an 83 percent settlement rate. The government added that if they could locate the remaining employees, a 100 percent acceptance rate could be achieved, effectively retiring the pay equity issue for this government. The committee encourages the government to find and settle with the remaining employees. However, FMBS added that this process might be further complicated as the Bell Canada pay equity decision has been overturned.

The committee was also concerned with the financial implications of the next collective agreement with the teachers. The Minister advised the committee that the government and the union are still negotiating.

NWTPC Debt

NWTPC's long-term debts shared with Nunavut need to be settled. Although Nunavut funds their portion of the debt service, the debt principal is nonetheless carried on our books

and restricts our borrowing capacity. Committee members stated that if we divide the assets of the NWTPC with Nunavut, then we must divide the debt too.

Our debt limit or maximum borrowing limit is \$300,000,000 as per the NWT Act. Most of this debt is for NWTPC. There is some program debt, but the NWTPC debt accounts for the largest portion of our total debt. If the Nunavut portion is transferred, this will increase our borrowing capacity. At the very least, it will move us away from the debt wall. Our territorial government's guarantees for the NWT Power Corporation accounts for \$124,458,000 of our total debt for the upcoming 2001-2002 fiscal year. Our total net debt is expected to be \$250,815,000 and our available borrowing capacity will be \$49,185,000.

Power Subsidy Program

The committee noted that the program had initially projected a decrease of \$180,000. However, upon review of the main estimates with FMBS, the committee learned that there will be no decrease as the government decided to retain the program to help offset power rate increases. Instead, there will be an upward adjustment in the 2000-2001 power subsidy program of \$1,280,000.

Committee members were concerned how the government will pay for the expenditure increase. The Minister replied that he will come forward with a supplementary appropriation to address program demands in the short term and hopes that development of alternatives such as hydroelectricity will economically meet our energy demands in the future.

Incremental Costs of Self-Government

The committee recognizes that self-government negotiations have an impact on the development of future regional organizations. However, the committee is of the opinion that rather than focusing on the end product and doing nothing, government should focus on developing an effective and responsive process for future regional reorganization to occur.

Furthermore, the committee concluded that the territorial government needs to be aware of their responsibility in this matter to accurately determine the current costs of program and service delivery. The committee added that economic development opportunities are dependent upon and are delayed by land claim negotiations. Negotiations require that at least the present costs of program and service deliveries be identified.

That concludes the committee's report, Mr. Chair.

CHAIRMAN (Mr. Lafferty): Thank you. Does the Minister wish to have witnesses?

HON. JOE HANDLEY: Yes, I would, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Does the committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Sergeant-at-Arms, would you please escort the witnesses in. Would the Minister please introduce his witnesses for the record.

HON. JOE HANDLEY: Thank you, Mr. Chairman. With me on my right is Lew Voytilla, secretary to the Financial Management Board, and Mr. Taggart, manager of corporate services. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. General comments. Page 2-37. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. I would like to make some comments. After listening to the Minister's opening remarks, and he spoke of projects that have been undertaken by the FMB Secretariat without the requirement for additional funding, he included the division of the assets and liabilities of the Northwest Territories, the division of the NWT Power Corporation, the reporting of the GNWT geographic expenditure data from an expenditure beneficiary point of view, geographic tracking of expenditures.

Those three in particular, Mr. Chairman, as I am aware, were undertaken and for the most part completed during the 13th Assembly as we prepared for division. I find it a little difficult to hear that this Minister is stating those things when our concerns of growth have been in the 14th Assembly for the most part. It is almost a case of blowing your own horn, and I just felt that I had to make that comment. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, I do not think it is a just a matter of blowing our own horn. There has been a considerable amount of work that has had to be done to complete these tasks. In fact, division of the Power Corporation is an exercise that is still ongoing. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. I detected a smirk on the Minister's face. The fact is, I agree, there has been a lot of work done by this department in preparing for division of the Territories and some of the ongoing work. My comments are not to belittle the work of the department because they have done some good work, and I am always impressed with Mr. Voytilla's forecasts. He is coming in sharper than a bell. I must say that in a previous life he must have been a weather forecaster. Thank you.

-- Laughter

CHAIRMAN (Mr. Lafferty): Thank you. General comments. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, in the Minister's opening comments he made the observation that the Standing Committee on Governance and Economic Development has made the observation that there has been significant growth in FMBS funding responsibilities in human resources over the past few years.

Mr. Chairman, the one word that is missing there is "influence". In my five-and-a-half years in this Assembly it seems to me that FMBS has become the single most influential government -- it is not even a department -- but it has become the most influential unit in government. It is the gatekeeper, it seems, to just about all government activity.

While I recognize the need for probity and accountability in counting the money, my concern is in fact that they have

significant influence as well in a lot of program areas. While I as well appreciate the hard work of the FMBS and Mr. Voytilla's unique and never-ending forecasting requirements and having to balance all those many financial bills and do all that work, I do share the concern and observation by the Standing Committee on Governance and Economic Development.

It is not necessarily a money issue, but it is just a concern – and this was a concern when I worked for the government as well – that personnel, finance and government services went from service organizations to control organizations. I do not know if it is part of this cyclical revolutionary development of bureaucracies, but it is something that I want to state for the record as part of this process today.

The Minister has laid out the many projects that the FMBS has worked on. Some of them seem like RWED processes, some of them seem that they could be in other departments. However, that is not what has happened. I must acknowledge as well that my recollection is that every Minister of FMBS has been very influential because where the money is, is where the decisions tend to be made.

The Ministers that I have had involvement with have all been hard-charging individuals and I must give them credit for their initiative. However, the corporate structure they have built up around them has had a significant and lasting influence long beyond the time of the particular Ministers. So my concern is that. I am watching with interest to see because things like the Human Resource Development Strategy, for example, I am hoping will be separate from FMBS, so FMBS can concentrate on running PeopleSoft and keeping the books balanced and not get involved with necessarily a lot of these other program areas. A lot of these program areas are not necessarily financial and the people at FMBS tend to be financial people. That is my concern. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Minister Handley, would you like to speak to the comments?

HON. JOE HANDLEY: Mr. Chairman, if the Members agree, I will just hear general comments and then respond to all of them.

CHAIRMAN (Mr. Lafferty): Thank you. General comments? Are there any more general comments? Minister Handley, you can respond.

HON. JOE HANDLEY: Mr. Chairman, thank you. I appreciate the comments from the Members, particularly the positive comments towards Mr. Voytilla's ability at predicting and also keeping us on the right path. I think he deserves a lot of credit for our success in managing many of our affairs, particularly financial. The department has been very busy. At the same time, I have to say that FMBS has also devolved a lot of responsibilities out to departments. So it has not been all a case of just pulling in more responsibility.

There are many things that FMBS is involved in and some of them may appear that they should be in Resources, Wildlife and Economic Development or they should be in another department, but many of the things we do in major new initiatives we are undertaking or reviewing are issues that have financial implications. I think it is critical that we have FMBS either leading it or at least participating in the exercise.

So in terms of Human Resource Development Strategy and so on, that has been an exercise led largely by FMBS. We will wait and see what FMBS' role is going to be on that one in the future.

With the amount of human resource activity and responsibility taken on by FMBS, that is again a feature of our government where we have done away with some departments like Personnel and we still need to have that central coordinating function. FMBS has played the role very well.

With that, Mr. Chairman, I would be happy to discuss any other issues in detail. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. General comments? Does the committee wish to go into detail?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-37, directorate, operations expense, total operations expense, \$5,609,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. In the pages covering detail for the department, there is one area that is not covered or not highlighted and I would like to see if I could ask a question now about the Knowledge Management Strategy. This was an initiative announced last year and I, and I think most of my colleagues, had a chance to have an interview with the contractor who was working on it. At the time, I was quite impressed and remained optimistic that there may be some strategic initiatives coming out of this that would really help to streamline government not only internally but from the point of view of the people of the North, in effect the customers and clients of this department or this government.

It really seems to me to be a fairly forward-thinking move that will hopefully avoid, as the Minister said, some of the stovepipes and barriers that have been built into our bureaucracy over time and that we will make this government more responsive and more streamlined and more user-friendly, but I do not see it highlighted in the detail. I would like to ask the Minister for an update on where we are with the Knowledge Management Strategy and when we might expect to see some further progress here. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, we just received the first draft of the recommendations and anticipate having the project complete by the end of March, but I will let Mr. Voytilla give you a quick overview on the project.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Voytilla.

MR. VOYTILLA: Thank you, Mr. Chairman. The project, as the Member pointed out, is quite broad in scope. It covers a lot of aspects of how we manage information and knowledge in the organization. The study, to date, has been very thorough and a lot of people have been interviewed and a lot of research has been done. The consultants have worked extensively with a steering committee of deputy ministers. I think they have, to date, done a pretty good analysis of what we need to do as a government to better manage our information, our information

systems and move towards a comprehensive Knowledge Management Strategy.

From the initial work and conclusions that this study has demonstrated, we will not be leaping into a broad Knowledge Management Strategy immediately. We have got some initial prerequisites to get into place and they have given us a very good, we think, set of recommendations to consider. We hope once the committee and the consultant finalize the recommendations in the next few weeks, we will have a product that we can then take to the Financial Management Board for initial review and then to the committees as well.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chair. I will look forward very much to seeing that paper and working through it.

One specific area of concern that has arisen across a number of departments is the records management area. I know this is specifically one that has been in the ballpark of the Department of Public Works and Services, but there is a quite an expectation that the Knowledge Management Strategy will cover some of the shortcomings that we have got in that area. I would just like to ask if we can anticipate the recommendations will cover this specific area, records management? Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Voytilla.

MR. VOYTILLA: Thank you, Mr. Chairman. Yes, we can confirm to the Member that the broad strategic approach on how records management integrates with knowledge management will be addressed in this strategy.

CHAIRMAN (Mr. Lafferty): Thank you. Directorate, operations expense, total operations expense, \$5,609,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-39, directorate, grants and contributions, total contributions, \$1,238,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-41, labour relations and compensation services, operations expense, total operations expense, \$10,058,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-43, government accounting, operations expense, total operations expense, \$8,783,000. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I am not sure if this is the right place to get into it, but the Minister I am sure will tell me if it is a different page that we should discuss this item.

I wanted to talk about overall debt for the Government of the Northwest Territories. I know that there has been some discussion about trying to increase the debt limit that is set on us by the federal government in order to take a look at the option of highways, work being undertaken by way of tolls, and borrowing the money within being liquidated by those tolls.

I know that anytime you talk about increasing government debt, there are people who are concerned about it. I would just like to get a sense of what does the Minister see in terms of deficits

for budgets in the next little while. Are we going to be able to balance our budget within the life of this Assembly, knowing the chances for royalty resources are, I would say, very slim in the next three years? What are we headed for in the next few years?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, if things continue just as they are now and we were not able to make any progress on resource revenue sharing, and if our revenues did not improve, then clearly we would not be able to have a balanced budget during the life of this Assembly. We are counting on two things happening. One is we are still optimistic to make some progress on resource revenue sharing and see some revenue increase on that side. Second is with the increased economic activity, there is every indication that with population growth and increased revenues from a number of various sources, that should also help our situation.

Generally speaking, without a better resource revenue sharing arrangement, I do not predict we will look forward to a balanced budget during the life of this government.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I was wondering, does the Minister believe that within the life of the 14th Assembly we will actually see significant revenues flowing from resource royalties to this government?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Depending on the arrangement we would have with the federal government, there could be significant royalties. For example, I think there is probably \$100 million worth of royalties and revenues coming out of the Norman Wells area right now. With BHP Mine getting close to having recouped its capital investment in the mine, then we will see considerable resource revenues coming from that mine.

The others, in terms of oil and gas development in particular or the other two mines, we are probably not going to see much of that royalty, at least for the next four or five years before they would be contributing. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I believe in response to Mr. Krutko, I heard the Minister say that he did not believe that the Northwest Territories was going to achieve the same sort of natural resources ownership that Alberta and Saskatchewan did with the Natural Resources Act of 1930. In fact, he said something along the lines of "I do not believe we will get anything nearly so generous."

In his budget speech, he indicated that within a decade, a decade -- ten years -- we could expect to see \$200 million in resource royalties flowing out of the North altogether. That is after three diamond mines in operation, he said, a Mackenzie Valley pipeline, and other oil and gas development.

If we are talking about \$200 million in total, we are talking about not nearly the same sort of beneficial agreement that Alberta and Saskatchewan saw in terms of the transfer, and we know that we are going to have to talk about sharing revenues

with aboriginal governments as well. What does that really leave us in terms of what we are calling significant revenues here?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, no, I do not expect that we are going to get the same arrangement as Alberta. I do not think anyone in Canada will get that arrangement again. I still think that we will see significant revenues. In the budget speech, I used a very conservative figure of \$200 million. I think a lot of people would say that is much too conservative. In fact, I heard that from the oil and gas people on Sunday.

I do not want to be overly optimistic in predicting how much resource revenues we are going to get. I think that can be pretty disappointing in the end as well. I would sooner err on the conservative side.

How much we will see out of the Northwest Territories? I said \$200 million out of existing developments. If we see huge fines, a pipeline down the Mackenzie Valley and continued high prices in the gas industry, then it could be a lot more than that.

I hope that through the negotiations on resource revenue sharing devolution that we see an agreement that is efficiently generous and fair with the federal government to give our government a reasonable allocation, the aboriginal self-governments a reasonable allocation, and the federal government, of course, would be getting some piece of that. To be on the conservative side...\$200 million is safe. It is conservative.

I think on the others, and maybe I will have Mr. Voytilla mention a bit of it, in terms of the performance of our formula later on down the road here, looking at what we predict.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Voytilla.

MR. VOYTILLA: Thank you, Mr. Chairman. There is no doubt that in the last few years, we have been disappointed with the performance of our formula financing agreement with Canada. The level of revenue growth coming to us through that formula has been very constrained. It looks like it will be for this year and potentially into next year as well, although we are starting to see own-sourced revenues make up a lot of the revenue requirement. That has been encouraging.

Over the next three to four years in our forecast, however, it does look like our formula financing arrangement with Canada will start to improve in its annual growth rate. We will start to see growth rates driven by formula in the two-and-a-half to three-and-a-half percent range, which will help us significantly in meeting our annual forced growth expenditures.

We will have a few more years yet, as the Minister pointed out, where the formula will not be performing in an aggressive way, but certainly our current forecast shows that in years three and four, it does start to improve and narrow the gap between our revenue and expenditure growth rates, which is really the fundamental challenge at hand.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I certainly hope Mr. Voytilla's forecasts are accurate in this case. Obviously, that could all change if Canada does slip into a recession. That I

guess is the reason for my asking these questions. Do we have the capacity to continue on with the spending that we are doing and the revenues that we might expect conservatively and get through the life of this government and still leave the 15th Assembly a chance to get started?

As the Minister is probably aware, I was quite actively involved in bringing in the Deficit Elimination Act in the 12th Assembly because of fears of building up too much of a deficit. Given the level of own-sourced revenues that we have, any growth in our debt gets to be very problematic because we do not have a lot of different places we can get revenue from.

I was wondering, has the Minister considered whether or not it might be useful to take a look at some long-term planning in terms of heading towards a balanced budget in the Northwest Territories? Is he aware of, for instance, the Tax Payer Protection Act the Yukon has adopted?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, I am generally familiar with the legislation in the Yukon the Member refers to but I think at this time we have a choice to make. We have a lot of economic activity going on in the Northwest Territories, a much, much different situation than the Yukon, Nunavut or some other parts of Canada.

At the same time we are doing that, we do not have a resource revenue sharing arrangement with the federal government nor do we have responsibility or rights over land and water and minerals and so on. We are moving ahead with all of those, and I certainly have not given up hope in terms of coming to a good arrangement with the federal government and aboriginal governments.

We have a choice now. We can either tighten our belts and cut spending and cut investment and try to get back to balanced books but I do not think that is the right time to be doing that. I quite honestly believe we have to take advantage of the opportunities that are here right now. It means putting some investment, not only in roads where we are doing a major piece now, but also in training and business opportunities. There is too much going on for this to be a time when we would just hunker down and try to save money.

The path we are on is one of making some critical investments, crucial investments, and at the same time doing it responsibly and ensuring that we do as much as we can where we are able to prove results out of the expenditures we are making.

I am not thinking along the same lines as the Yukon Legislature, for example, that directs the government to work toward.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I was not recommending that we go to draconian measures that might be required to get us to a balanced budget this year, Mr. Chairman. What I am concerned about though is that we do not continue on our path, counting on getting something that may not appear so we get ourselves so deep into a hole that we have no way of getting out.

I have taken note of Minister Handley's comments yesterday in which he responded to Mr. Krutko again by saying, "I think it is

something we all have to take a look at, agree if we do not make some progress in the short-term, in the next six months as Mr. Krutko says, then we are probably going to have a pretty steep hill to climb from here on in, in this Assembly."

So obviously Mr. Handley is somewhat concerned about the future as well. I think that if in the next six months we do not see some positive signs we cannot just continue to get deeper and deeper in debt. There has to be a clear light at the end of the tunnel in order to justify this.

All I am saying is I hope the Minister is looking out for it. I would not want him to work really hard at this, but I do hope that he is watching with an eye towards a plan B if that is the way we have to head.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, certainly I do not want to get us into a hole either that we cannot dig our way out of. At the same time, I do not want to miss the opportunity for investments here. As I said yesterday, if we do not begin to see some signs of progress on some major fronts, including the resource revenue sharing in the next six months to a year, then yes, we have to rethink what we are doing here because it could be taking us towards that hole.

I am very aware of that, but I do not want to be driven by it either, so we have to invest at this point. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Page 2-43, government accounting, operations expense, total operations expense, \$8,783,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-45, government accounting, grants and contributions, contributions, total contributions, \$5,680,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-47, budgeting and evaluation, operations expense, total operations expense, \$1,269,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-49, audit bureau, operations expense, total operations expense, \$1,242,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Information item, active positions. Page 2-51, detail of work performed on behalf of others. Total department, \$1,694,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-52, revenues, recoveries, and transfer payments.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-35, program summary, operations expense, total operations expense, \$26,961,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): We are going to capital, Financial Management Board Secretariat. Page 3, capital, capital acquisition plan, government accounting, total government accounting, \$120,000. Total department, \$120,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): That concludes the department. Thank you to the Minister and his staff. We will now continue on to Aboriginal Affairs. The honourable Minister responsible for Aboriginal Affairs, do you have any opening comments?

HON. JIM ANTOINE: Yes, Mr. Chairman. Mr. Chairman, thank you for the opportunity to present the Ministry of Aboriginal Affairs' 2001-2002 main estimates for the committee's consideration.

The proposed budget will support the vision of this government in promoting strong partnerships with aboriginal, federal, provincial and territorial governments, and supporting aboriginal people to have greater self-determination over their social, cultural and political destiny. The intent of negotiations is to settle agreements that recognize and respect both the collective rights of aboriginal people and individual rights of all NWT residents.

The ministry's 2001-2002 proposed budget is \$4,893,000 broken down as follows: \$3,325,000 for compensation and benefits, \$360,000 for grants and contributions, \$1,178,000 for other expenses and \$30,000 for amortization.

The Ministry does not collect any revenue and does not require capital funding. The Ministry has 34 positions. Additionally, the Ministry received \$363,000 from Canada to fund three positions to coordinate and manage the implementation of settled land claims.

Mr. Chairman, these are exciting times in the Northwest Territories. After years of complex and difficult work by our negotiators, I have every hope that over the next several months we will reach significant benchmarks in several of our aboriginal rights negotiations.

This spring we expect to conclude negotiations on an agreement-in-principle with the Inuvialuit and Gwich'in on self-government in the Beaufort Delta region.

Also by spring, I expect Canada will conclude a memorandum of intent with the Salt River First Nation, setting out their intent to fulfill Canada's outstanding Treaty 8 obligations.

By this summer, we hope to have concluded negotiations and approved a final agreement with the Dogrib Treaty 11 Tribal Council on lands, resources and self-government. This will be the first such agreement negotiated in the NWT.

In my own constituency, I have already announced in this House that the Deh Cho leadership has approved a negotiation framework agreement and an interim measures agreement. These agreements are being reviewed by the federal and territorial governments. Once signed, they will open the way to formal negotiation with the Deh Cho First Nations on their land, resources and governance rights.

Mr. Chairman, this concludes my opening remarks. I would be pleased to answer any questions the committee may have. Mahsi, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Minister. Does the committee responsible for reviewing the department's estimates have any comments? Ms. Lee.

Ministry of Aboriginal Affairs

MS. LEE: Thank you, Mr. Chairman. Mr. Chairman, the Ministry of Aboriginal Affairs is one of the three separate and distinct programs operated within the Department of Executive. The ministry, in order to fulfill its responsibilities is comprised of the following activities: the directorate, policy, implementation, and negotiations.

The Standing Committee on Governance and Economic Development met to review the main estimates for the Ministry of Aboriginal Affairs, Department of Executive on January 18, 2001. The committee noted a \$206,000 increase in operations expense from the Ministry's 2001-2004 business plan projections, of which \$176,000 is attributed to the UNW collective agreement and \$30,000 as an increase in the amortization figures.

Business Plan and Main Estimates Review

Business planning is a means to arrive at the budget figures presented in the main estimates. Changes in budgeting for the 2001-2002 fiscal year since the business plan review in October 2000, include an increase of \$176,000 to meet the requirements of the collective bargaining agreement and a \$30,000 change in the amortization figure.

During the 2001-2004 business plan review, the committee made a number of requests for information to the Ministry. The committee would like to compliment the Ministry on its prompt response to all but one of the requests. The Minister committed to sending regular updates on negotiations at the seven tables. The committee has just recently received the first of these updates.

Sectors of Government Involved in Self-Government Negotiations

In its Report on the Review of the 2000-2003 Business Plans and 2000-2001 Main Estimates, the committee expressed serious concerns over the numerous sectors in government that are involved in self-government, land claims, devolution and resource revenue sharing negotiations.

In the spring of 2000, the Executive offices added the Intergovernmental Forum Secretariat, a Regional Relations section and an Intergovernmental Affairs section, all of which are involved in self-government issues. Along with the Ministry of Aboriginal Affairs, there are staff in the Department of Municipal and Community Affairs; Resources, Wildlife and Economic Development; FMBS; Justice; and Health and Social Services involved in intergovernmental negotiations. Information supplied to the committee in October by the ministry indicated that the GNWT devotes 44 positions and \$6,195,000 to negotiations. During the recent review of the 2001-2002 main estimates, the committee was informed of the newest addition to the self-government milieu – a committee of Ministers.

The Standing Committee on Governance and Economic Development recommends that the coordination of the new ministerial committee and impact of government-wide negotiations be clarified and that the government establishes

clear lines of authority for all sectors of government involved in self-government negotiations.

Incremental Costs of Self-Government

The Government of the Northwest Territories has assumed the position that all incremental costs for self-governments are the responsibility of the federal government. However, to identify what the additional costs will be, the Government of the Northwest Territories has to determine what the present costs of programs and services are. It is time that the GNWT recognizes this responsibility and acts upon it. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you, Ms. Lee. At this time, I would like to ask the Minister if he will be bringing in any witnesses.

HON. JIM ANTOINE: Yes, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Does the committee agree? Sergeant-at-Arms, could you escort the witnesses in?

Mr. Minister, for the record, would you please introduce your witnesses, please?

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, on my right I have Mr. Charles Overvold. He is the deputy minister of the Ministry of Aboriginal Affairs. To my left is Veronica Puskas. She's the manager of planning and analysis. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Minister. Welcome, witnesses. General comments? Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I have two general questions I would like to ask the Minister. One of them is to do with the legal opinion that was tied into the Dogrib claim at the community level where you are bringing together the public government and the band for all the citizens and that only Dogribs could run for chief and that only Dogribs could vote for a chief. There was a legal opinion being waited for. I would just like to know where that is because it was an issue of concern. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Minister.

HON. JIM ANTOINE: Yes, we do not have that legal opinion yet. We are still waiting for it. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. When do they anticipate they are going to have that opinion? Thank you.

CHAIRMAN (Mr. Lafferty): The Minister responsible for Aboriginal Affairs, Mr. Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, we do not know at this time when this legal opinion will be ready. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Is the intent to have the legal opinion before they sign any final agreements or is it considered...Will it be obtained before the final agreement is signed? Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Minister.

HON. JIM ANTOINE: Yes, we will try to get it as soon as possible and certainly before anything final is signed. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. While it may seem like a small issue, to me it has significant implications. I look forward to seeing what the legal opinion will be.

My other question has to do with an issue I raised in the House repeatedly with the Minister of Education, Culture and Employment and that is student financial assistance and trying to get the government and the department to agree to move that program down to the community and regional levels. One of the arguments I have raised and used in the House is it is on the table for self-government. That is one of the programs the aboriginal governments are looking at taking over. I would just like to take this opportunity to ask the Minister if, in fact, student financial assistance is one of the programs that is on the table with the Dogrib people since their claim is so close to finalization? Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Minister.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, specifically in the Dogrib claims, there is a provision -- it is a proposed provision right now since it is still being negotiated -- that there is a community service board that would oversee all the programs and services of the Dogribs, including the education portions of the programs. They intend to use this board for up to a period of ten years and to re-evaluate it at that time. This is not a final product yet, but that is the intention of where it is going. They are tabled different from each other. This is the way, since the honourable Member asked specifically about the Dogribs, they are dealing with this issue. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Miltenberger.

MR. MILTENBERGER: Thank you. Is the Minister saying that block of money for the Dogrib beneficiaries will be taken from headquarters where it is administered and transferred to the community service board, and they will administer for beneficiaries? Is that what the Minister is telling us? Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Minister.

HON. JIM ANTOINE: Thank you. As I said earlier, we are still in negotiations with the Dogribs on the financial aspect of their claim. We have not concluded that yet. Since the honourable Member is talking about the block of money, I would like to say right now that we have not negotiated the money aspect of it yet. We are still trying to deal with that. The Dogribs intend to continue with the existing board and they will change the name to a community services board and they will be providing programs and services to the people in the Dogrib region -- not only to Dogribs but also to non-Dogribs as well. We are still negotiating the financial aspects and we still have some way to go to complete that.

CHAIRMAN (Mr. Lafferty): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Maybe I can just raise it up a level away from any specific claim. Is the

Student Financial Assistance Program one of the programs that is on the table to be turned over for delivery, and the money flowing to the aboriginal governments, for any of the claims -- those who have claims but are negotiating self-government, or those that are in the process of doing claims and self-government? Is the general intent to negotiate some sort of transfer arrangement where that program would be delivered lock, stock and barrel by the aboriginal governments? Thank you.

CHAIRMAN (Mr. Lafferty): Minister responsible for Aboriginal Affairs, Mr. Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, the programs, specifically in education and student financial assistance, are on the table. Maybe the different aboriginal groups have that aspect in certain areas to deal with it. I have to say that, yes, it is on the table, and how the program is going to be divided will be decided through negotiations.

CHAIRMAN (Mr. Lafferty): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I am trying to find out and make sense of why the government, if it is on the table for self-government, would not want to devolve this program. I would just like to ask the Minister, since he sits at the table and it is part of the discussions for self-government, is fear of confusing the issue and negotiations with the aboriginal governments one of the reasons that SFA is kept at headquarters at this point?

CHAIRMAN (Mr. Lafferty): Mr. Minister.

HON. JIM ANTOINE: Right now the different programs and services that are being provided by this government are continuing to be provided by this government. There are different programs and services -- we are using student financial assistance in this instance to be an example for the sake of discussion. The student financial assistance will continue to be provided by the Department of Education. In the instances where the aboriginal groups would like to talk about it at the table and have it transferred, we would like to keep it at the department level for the time being until it has been negotiated. If we start taking the programs and services apart now, it will create some confusion and problems on how we provide programs and services as we currently have it. I know there have been calls for it.

I just wanted to also say that as the Ministry for Aboriginal Affairs, our role is to coordinate the overall government approach at the negotiating table. We also work with the different departments when the subject area is the responsibility of another department. We do not create the positions, and we do not create the negotiating positions for departments. We work with them and we coordinate the approach with them. I just want to make it clear that we do not call the shots on different departments at each table. We listen to what the different parties at the table bring to the table on these programs and services, and then we take it back and work with the respective departments to see if it is acceptable and to see what their position is, then we move that forward. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Minister. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. I have several questions. First, I just want to address the opening remarks by

the Minister. He has given us an update on several tables, but also excluded several tables, specifically the Akaitcho table and the South Slave Metis Tribal table. Can he give us a verbal update, if he is not going to give us a hard copy update? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Mr. Minister.

HON. JIM ANTOINE: Thank you. I will start off with the Akaitcho First Nations negotiations. As we all know, there was an initial framework agreement in June, and the framework was signed in Deninu Ku'e in July. The signed framework agreement then goes back to the respective parties. In our case, the framework agreement has gone to us and the Cabinet. We are supportive of it, and it also went back to the Akaitcho Territory Assembly, and it was accepted. This mandate has also gone back to the federal counterparts.

My information is that the federal mandate has not been approved. I think they have to develop a mandate to negotiate with the Akaitcho to continue with the formal discussions that are just going to start. There is discussion on interim measures and there is preparation by the Akaitcho leaders to prepare themselves for formal negotiations on their lands and resources and governance. They are doing that through a series of agreeing on a work plan and agreeing...They are doing some workshops and so forth to get themselves ready for it. It is my understanding that there is no real formal negotiations that have started, but they are on the verge of doing that.

The South Slave Metis are negotiating the land resource portion of their agreement. They are aggressively having a series of different negotiation sessions and they are dealing with some of the issues at this time. So they have a plan to continue on negotiations on a regular basis. So things are going fairly well in that instance. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Nitah.

MR. NITAH: Mahsi, Mr. Chairman. I just wanted to get the opinion of the Minister of Aboriginal Affairs on the federal government's agreement to negotiate lands and possible resources with Denesuline people of northern Saskatchewan for lands north of the 60th parallel. Some view that as a diversion tactic by the federal government on the process that might be taking on in the Akaitcho territory. I just want to know if the Minister has looked at it from that perspective and if he has, what are his thoughts and the Ministry's thoughts on that?

CHAIRMAN (Mr. Lafferty): Mr. Minister.

HON. JIM ANTOINE: Thank you, Mr. Chairman. The Denesuline First Nations of northern Saskatchewan, in the communities of Fond du Lac and Black Lake and Hatchet Lake, have apparently taken the federal government to court a while back and through discussions, the federal government agreed to negotiate land resources with them. This allowed them to set aside their court case so they could get into formal negotiations. This came to our attention recently and there was a delegation that travelled here to the Northwest Territories. I met them. I met the leaders of the Athabasca Denesuline here a couple of weeks ago. They also did meet with the Akaitcho First Nation chiefs, I believe, to let them know of their intentions. I did have a series of meetings with the officials in the Ministry of Aboriginal Affairs, with the delegations, as well as a federal representative that was there.

What happened is Canada has signed an MOU, a negotiations framework, with the Athabasca Denesuline to deal with the Athabasca Denesuline treaty and aboriginal rights in the Northwest Territories. This is something that just came to light very recently. We got wind of it about a month or so ago. So this is something that has been developing between the Denesuline and Canada I guess for some time, but it was just brought to our attention and we are trying to deal with it. It is a new issue that we have to deal with. I do not know if it is a diversion or whatever, but there is an official process that is underway between Canada and the Denesuline. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. It is quite interesting the timing of the federal government deciding to allow negotiations north of 60 by groups south of 60. I imagine there is all kinds of questions that will be asked and are being asked. I have a few myself, but it is pretty early in the process and we will cross that bridge when we get to that bridge, I imagine.

The other area that I want to ask the Minister is on the Mackenzie Valley Resource Management Act. That act was enacted by the federal government resulting from the Gwich'in and Sahtu land claims. It took a legal threat by the two claimant groups to enact those acts, which is the main body to review the environmental review processes that denies or accepts project proposals by industry. Those regions and those aboriginal governments that do not have land claims yet do not have a voting seat on there.

I personally feel, and the people I represent feel also, that the people who have signed their land claims and gave up their treaty rights, through the signing of their claims have no right to interfere in other aboriginal peoples and their treaty rights and the treaty rights to their lands when they decide on development on lands outside of their claim area. I am wondering if the Minister of Aboriginal Affairs has ever gotten a legal opinion on the validity of the Gwich'in, the Sahtu people, deciding on what goes on on Deh Cho, Dogrib and Akaitcho lands? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Mr. Minister.

HON. JIM ANTOINE: Thank you, Mr. Chair. Mr. Chairman, this is a government-wide issue. The Mackenzie Valley Resource Management Act is now the regime that manages lands and waters in the Northwest Territories. Yes, it did derive from commitments made during the Gwich'in and Sahtu claims and it went through. As for the ministry having a specific legal opinion on it, we do not have a specific legal opinion on it. I am sure there is a lot of work done by the government as a whole during the development of the act. So there is probably a lot of work done to try to determine what this act will do and how it is going to impact on the citizens in the North and the different claimants groups that are affected by that. So, no, we do not have a specific legal opinion in the Ministry of Aboriginal Affairs. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. Last week, there was quite a bit of press about a decision that was reached in an Ontario court regarding the status or the rights of Metis people in Canada. Things have been busy around here and I have not paid too much attention to it, but it seemed to be something that may have a significant effect in terms of

benefits that Metis people in the Northwest Territories may be entitled to and also impacts on this government in the way services are delivered to those people. These are impressions that I have. I am wondering, Mr. Chair, if the Minister may be able to give us a bit of a scope to what extent, if any, does this Ontario court decision about the Metis people effect what's going to happen here in the Northwest Territories. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Minister.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, this is a very interesting area for Metis people. I am sure the decision there will help eventually in trying to determine the rights of the Metis people, their traditional rights to hunt, and so forth. My understanding of the court case which we are still studying and trying to determine what kind of impact it is going to have here on us since it is just a recent decision and we will need a little bit of time to study it, my understanding initially is it was a decision in the Ontario courts, therefore it seemed to be applicable in Ontario, I understand, but it will have implications in other jurisdictions across the country, including ourselves.

Right now, we need to determine what the decision was and how it is going to impact on us. Certainly we will provide that determination to the Members as soon as we get that. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. Is this decision something that is subject to appeal, or is it a given, is it locked in now? Is there anything further that may affect its implementation? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JIM ANTOINE: Thank you, Mr. Chairman. We do not know at this point in time if it there is going to be an appeal. There is always that possibility of appeal, but we do not have any indication right now of any appeal at this time. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. Given that there is a lot happening, a lot on our plates, I have a couple of constituents and there are perhaps others in the Assembly who are interested in this. I am wondering if the Minister could give us some sense of when he would be able to advise the Members and the whole of the Northwest Territories on what the implications might be for this government and for Metis people in the North. When could we get some sense of that review? Thank you.

CHAIRMAN (Mr. Krutko): Can I have some order in the House, please. Mr. Minister.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, we may be able to get some more information as early as tomorrow in this issue. If not, it would be the first part of next week. As soon as we get more information we will inform people in the House. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. One other aspect I had on the general comment is perhaps more of a reflection of where we are or where we have been, certainly, where we

seem to be going. The Minister has given us tonight, a snapshot of where we are tonight on a number of negotiating tables and in the recent couple of weeks has provided committee with a lot more detail. There is more happening, there is more advancement and more progress seeming to take place in the last few months, Mr. Chairman, than I have ever seen in the North.

We have a complicated negotiation landscape up here, seven different tables with the potential for more coming on. It is good to see that there is progress being made, substantive progress being made on a number of areas.

I guess it does give me some reason to look, to continue to look ahead, Mr. Chairman, to see when we might be able to see the work of this department completed, finalized, successfully of course, is what we are all hoping for, and that we will see the trend in more and more resources and more and more people. I think as Ms. Lee read in our report, it is something like 45 people and \$6 million in this government alone going into simply negotiating agreements. I do not even want to speculate on what other governments and the aboriginal people themselves are investing just into negotiating.

I think I would be safe in saying it is probably in the neighbourhood of \$10 million or more per year. That is a lot of cash, a lot of very valuable experience that is going into something that is very fundamental and very important. I guess what I am musing about here, Mr. Chairman, is hoping that we can see in the not to distant future when we can start to turn the corner and see this department and others actually saying the job is done.

We are pulling back. We are rededicating, reallocating these resources and getting on with life and really starting to see some implementation and some benefits and some rewards of all of this work going into our society. I do not have a question, Mr. Chairman, other than to reflect on what seems to be still a growth industry in negotiating land claims and self-government and a very sincere hope that perhaps within the life of this government we can start to see that turning around. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JIM ANTOINE: Thank you, Mr. Chairman. The honourable Member is correct. Along with the Ministry of Aboriginal Affairs we have FMBS involved because of the costing and the program and service aspect of negotiations we have. The Department of Justice is involved because of the legal aspects of the different negotiations and legislation changes that will probably have to be made to accommodate it.

Municipal and Community Affairs is also involved because of the area of lands in the municipal areas. They have to be involved because they have the knowledge of it. Resources, Wildlife and Economic Development is also involved because there is the hunting, trapping and resource aspect of it. Whenever they are called upon they participate, but they are not there full time. I just want to make that point.

I also want to say that we did check with other jurisdictions before, and we learned that the Government of British Columbia spent over \$43 million and have 207 positions and they have numerous negotiating processes. The Government of Newfoundland and Labrador spent \$2.1 million, they have 22 positions and they have two processes. The same as the

Yukon Territory, they have \$1.6 million, ten positions and two processes. We spend \$4.6 million with the Ministry of Aboriginal Affairs. We have 34 positions and we have seven negotiating processes going on. If you figure that out, then I think we are doing okay compared with other jurisdictions. Thank you.

CHAIRMAN (Mr. Krutko): We are on the Ministry of Aboriginal Affairs, page 2-61. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. According to the Minister's opening remarks, part of the remarks state "supporting the aboriginal people to have greater self-determination over their social, cultural and political destiny." I would say the Mackenzie Valley Resource Management Act contravenes that statement.

You have two land claim groups who benefit from any development that happens in the Northwest Territories, whether it be oil drilling in the Sahtu settlement area, oil drilling in the Gwich'in settlement area, or diamond mining in the backyard of Lutselk'e. They will still get a percentage of those royalties.

Can we depend on them having a fair and open process and deciding that there are people who are concerned that they do not want anything happening in the region of the Lutselk'e area, the Akaitcho territory, Deh Cho or Dogribs – that these guys will say, "Okay, we agreed, we will not allow this development to happen?" Of course they will allow this development to happen. They are going to get 11 percent of the \$5 million a year royalty regime. Where is the fairness in that?

Again, I would encourage the department to do their jobs and get a legal opinion on the validity of the Mackenzie Valley Resource Management Act. I do not know if the department has thought about that from that perspective, but I would like to ask the Minister if they have.

CHAIRMAN (Mr. Lafferty): Mr. Minister.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, this Mackenzie Valley Resource Management Act is a federal act that has gone through the federal process. The government as a whole, the government of the day, was involved in that, but really it was the initiative of the federal government to put this legislation in place.

Our role here in the Ministry of Aboriginal Affairs is to coordinate this government's approach at the different land claim tables. What happened in the past, the act is in place, they have implemented the act. I think the act provides for different representatives from different regions to be on the board. I know that where I am from in the Deh Cho there is a provision that there could be a Deh Cho representative on the board, but they have not chosen to go there yet. But there is the provision for them to have representation on the board like all the other regions in the North. I am not too sure what provisions are in there for representation from the Akaitcho to be on that board, but I am sure there is something to put somebody from the Akaitcho on that board. I am not too familiar with the whole board structure and so forth, but I am sure there is that provision there.

We are at the claims table because the different aboriginal governments, groups and organizations see themselves in their

own traditional areas, and they want to negotiate land resources and they want to negotiate their own governance in their own areas, so they have made application to the federal government. The federal government has accepted their application to negotiate, and that is how the claims process is taking place. This is where we say that the First Nations want to negotiate their own lands and their own resources and their own governance on it, so at the end of this whole process I would assume that they would want to do that so that they would control their own destiny and their own lives, and they want to have a say on what happens on their own land. They would benefit from it.

That is my understanding of why First Nations would want to go through the whole process of sitting down and negotiating the process. I am sure that is what the intention of the Akaitcho First Nation government is. That is why we are saying that we are there to negotiate what eventually would be good for the First Nations. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Minister. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. I am surprised that the Minister does not know what the conditions of having membership to this board is, because as far as I know, this government through the Ministry of Aboriginal Affairs, is a signatory to the Gwich'in and Sahtu land claims and the Inuvialuit land claims. I am sure that the Minister knows that the Deh Cho, Akaitcho and the Dogrib representatives, if they choose to sit on the Mackenzie Valley Resource Management Board, do not have a voting right. They can sit around the table all day long and discuss something, but when it comes to a vote, they are asked to leave.

Effectively, what the federal government has done, with the consent of this government, is use other aboriginal groups to pressure groups that have not signed land claims into negotiating something they may not totally agree to, because their lands are being alienated by their own people. The Gwich'in and Sahtu people are deciding if the development is going to happen in the Deh Cho, Akaitcho or Dogrib regions. In Denendeh, the Dogribs, Deh Cho and the Akaitcho people do not have a say.

I think there must be some kind of law that protects them from that. That is why I ask the department to get a legal opinion on this. They would be doing their jobs then. By just coordinating the role of negotiations and not having a say or getting an opinion, why are we spending \$4,893,000 per year on staff that do not have any responsibility here, or do not want to take any responsibility for their actions? We could use those dollars for programs and services, building day cares in communities. Just leave the negotiations to the federal government and the aboriginal groups.

Why do we spend money here? Most of the time we are just slowing up the process, according to both sides of the table, both the federal and the aboriginal tables say that the GNWT slows down the process. Again, I will ask the Minister, would he look into getting a legal opinion? Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Antoine.

HON. JIM ANTOINE: Thank you. If the honourable Member wants a legal opinion, then we will get a legal opinion. I just want to say in response to the general comments there, in this line of work I hear a lot of criticism of this government and I

have to stand up for the Ministry of Aboriginal Affairs when we are accused of slowing down the process. I would like to know specifically in which area we are slowing down the process. I want to know. This is what I tell the leadership of the aboriginal governments. You throw that out, and then we are working hard, the negotiators are working very hard for the people of the North and for this government and this Legislature, and then we are accused of slowing down the process. We want to know specifically where.

In many times, almost all of the times, there was no specific explanation of what they are saying when it comes down to we are slowing down the process. We could say that for the other parties as well in many instances when the process is stalled for one reason or another, but we do not go accusing other people of slowing down the process. We have to respect each other and honour each other. There are some areas where we have to work things out.

I think we have come a long way in the Dogrib claim. We are more than 90 percent done. We have come a long way to accommodate and deal with all the issues. We have some big issues still left. In the Beaufort Delta, they are pretty close to an AIP, so we are making progress. At the end of the day, there is going to be some benefits. The Deh Cho have approved the initialing of the framework agreement and they also agreed for their negotiators to initial their interim measures agreement.

I understand that the Akaitcho Territory is looking at an interim agreement as well. What this interim measures agreement would do is protect the Deh Cho lands that they want to get protected while they are negotiating so that their lands will not get alienated. I understand the Akaitcho leadership is also thinking in those terms as well. There are different ways of doing it. The work is complicated and difficult at times. We have people in the Ministry that are capable of doing the work and we are making progress. I just have to say that.

I think it is important to say that because there are some time lines that we put in place and this year we are going to see some conclusions of some of these tables. It has come a long way to get this far. The other process, that is just starting up, there is still some work to be done. I think what we have to do and try the best we can to represent this government, represent the Legislative Assembly and ultimately represent the people in the Northwest Territories is to try to conclude some of these negotiations. Thank you.

CHAIRMAN (Mr. Lafferty): General comments? Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. When treaties are signed, there are different interpretations of treaties obviously. There is the federal government version where they say for \$5 a year and for some free medical and education, you give up all your lands and resources to this whole Territory. The aboriginal side is saying the peace and friendship treaty where we agreed to let you come and live amongst us. You do not impose taxes on us, you do not develop resources, you do not take anything out of this land. You leave things the way they are supposed to be.

Through nickel and diming different aboriginal groups, making them fight with one another, creating this government, giving them the responsibility of delivering programs and responsibilities on behalf of the federal government, a lot of that is aboriginal dollars designated for aboriginal people. He's asking for some specific area. A lot of times the territorial

negotiators go to the table without a specific mandate. When a decision needs to be made, they do not have the mandate to say yes or no. So they stall, we have to go back to get a mandate to go back and say yes or no. That is one example.

When you are negotiating a specific program or service, this government tries to hang onto that. It slows things down. There is another specific area. I would like to know when we can expect this legal opinion. Thank you very much.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: I am sure there has been a lot of work done in the past in leading up to the Mackenzie Valley Resource Management Act. We will put it together as soon as we can. I do not know how long it is going to take. Just give us some time to put it together and we will pass it on to the honourable Member. Mahsi. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Nitah. General comments? Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. I just have brief comments. It is a difficult area with the things that are changing all the time. We have a lot of tables on the go when it comes to negotiations. One of the areas when I became a Member of the 13th Assembly and still have today an area of concern, as the Minister was explaining to Mr. Nitah about working on behalf of all residents, I think that is a good thing because right now, as we know, our funding situation from Ottawa and what resources or revenues we raise from our own sources here in the Northwest Territories are very small and all these agreements are going to cost money to implement when it comes down to it.

Today we raised the issue on FAE/FAS. We hear about tourism and we would like to give it more money. We have got a contract with NWTTA that increases every year for the next couple of years dealing with the pupil-teacher ratio, all that requiring more money. We know that although we continue to get promising words from the Finance Minister right now, he still has not been able to get anything solid besides a handshake from the Finance Minister in Ottawa. So that is scary.

I would encourage Aboriginal Affairs to continue to work in this area in securing and identifying. I know the Department of Finance and FMBS, I believe, play a fairly large role in trying to identify actual incremental costs in other departments as well. So it is a collaborative effort from all departments. It has grown in the last number of years and Members have had concerns and mentioned that in our previous reports, but I think it is going to be an issue that is not going to get any easier because a lot of these tables have put the financing issue off the AIP, for example, and around before the final agreement and that will put pressure on this government to come up with the number, and accurate numbers, and identify those.

I know the Minister provided updates to Members on the different talks. He had a meeting with Minister Nault. It was interesting to see that Minister Nault said they would agree with paying 100 percent of incremental cost, but by their definition of incremental cost. So it is still wide open as far as we see. In those areas, I would encourage the work to continue because there is much work to do and we need to identify costs as well. This department's lead on negotiations at all the tables, on that issue I would ask the Minister to update us as to the areas

when it comes to incremental costs and the federal government and the meeting he had with Minister Nault and if there is a little more to what they have been putting forward as incremental costs. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Whenever we negotiate self-government arrangements, whatever political structure is going to be created by the First Nations, the programs and services that they may eventually be providing, all that will require funding of some sort. Some of that will be coming from the existing programs and services we are currently providing through our governments. However, it is going to cost additional dollars. We know that. We call that incremental costs.

It has been the position of this government that since the responsibility for the incremental costs of implementing self-government, in general, remains an outstanding issue between ourselves and Canada, our position is that the federal government is responsible and has to be responsible for 100 percent of the incremental cost to implement self-government.

In a recent meeting with the Minister of Indian Affairs, Robert Nault, in Vancouver along with the Dogrib leadership and negotiators, the Minister confirmed that the federal government, through DIAND, will pay 100 percent of the incremental costs to implement self-government and the Dogrib Agreement. I made sure, I repeated a number of times to confirm that is the case. They did not indicate that yes, that is his position. Like the honourable Member, I would like to know what it really means, what is the interpretation of this incremental cost of the federal government.

We agreed to work on it. We have people within the Government of the Northwest Territories that have costed out arrangements. We are ready to put them to work to try to deal with this one here. We in the Government of the Northwest Territories believe that a zero-based costing approach is the best method of determining the actual cost of implementing self-government. Yes, we will be transferring funds associated with the delivery of programs and services, as well as any type of savings that we may realize as a result of the new, negotiated self-government arrangements.

Right now, we are directly involved in trilateral negotiations with the federal government, with the Dogribs, to look at the financing agreement, implementing an implementation plan for the negotiations, including the modeling of the different programs and services, and trying to determine the costing for it. There is a significant amount of work that is still yet to be done in that whole financial aspect, specifically with the Dogrib claim, but I think we have agreement to go ahead and try to do some modeling and some costing.

That is, for us, a positive turn of events. Hopefully, if this is a good process to follow, we will use it in other tables that we are involved in. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Roland.

MR. ROLAND: No more questions, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Page 2-61, Aboriginal Affairs, operations expense, total operations expense, \$4,893,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-63, Aboriginal Affairs, grants and contributions, grants, total grants, \$300,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Contributions, total contributions, \$60,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Total grants and contributions, \$360,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Work on behalf of others, detail of work done on behalf of third parties, total department, \$777,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Information item, active positions.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-59, program summary, operations expense, total operations expense, \$4,893,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-5, department summary, operations expense, total operations expense, \$42,656,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): That concludes the department. I would like to thank the Minister and his staff. What is the wish of the committee? Mr. Krutko.

MR. KRUTKO: I move we report progress.

CHAIRMAN (Mr. Lafferty): The Chair recognizes a quorum. We have a motion to report progress. All in favour? All those opposed? The motion is carried. We will rise and report progress.

MR. SPEAKER: The House will come back to order. Item 20, report of the committee of the whole. The honourable Member for North Slave, Mr. Lafferty.

ITEM 20: REPORT OF THE COMMITTEE OF THE WHOLE

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 19, Appropriation Act 2001-2002, and Committee Report 6-14(3) and would like to report progress. Mr. Speaker, I move the report of the committee of the whole be concurred with.

MR. SPEAKER: Thank you, Mr. Lafferty. Do we have a seconder for the motion? The honourable Member for Hay River North, Mr. Delorey. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? Thank you. The motion is carried. Item 21, third reading of bills. Item 22, orders of the day. Mr. Clerk.

ITEM 22: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Speaker, meeting of the Standing Committee on Accountability and Oversight at 9:00 a.m. tomorrow morning.

Orders of the day for Friday, March 2, 2001:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Oral Questions
7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address
10. Petitions
11. Reports of Standing and Special Committees
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 16, An Act to Amend the Motor Vehicles Act
 - Bill 19, Appropriation Act, 2001-2002
 - Bill 20, Supplementary Appropriation Act, No. 2, 2000-2001
 - Committee Report 5-14(3), Standing Committee on Accountability and Oversight Report on the 2001-2002 Main Estimates
 - Committee Report 6-14(3), Standing Committee on Governance and Economic Development Report on the 2001-2002 Main Estimates
 - Committee Report 7-14(3), Standing Committee on Social Programs Report on the 2001-2002 Main Estimates
20. Report of Committee of the Whole

21. Third Reading of Bills

22. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. Accordingly, the House stands adjourned until Friday, March 2nd at 10:00 a.m.

-- ADJOURNMENT

The House adjourned at 9:50 p.m.