



# **NORTHWEST TERRITORIES LEGISLATIVE ASSEMBLY**

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**Day 2**

**17<sup>th</sup> Assembly**

## **HANSARD**

**Thursday, May 24, 2012**

Pages 541 - 576

**The Honourable Jackie Jacobson, Speaker**

# Legislative Assembly of the Northwest Territories

## Members of the Legislative Assembly

### Speaker

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(Nunakput)

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*Minister of Human Resources*

*Minister of Public Works and Services*

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*Public Utilities Board*

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*NWT Housing Corporation*

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**Hon. J. Michael Miltenberger**

(Thebacha)

*Government House Leader*

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**Hon. David Ramsay**

(Kam Lake)

*Minister of Industry, Tourism*

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**Mr. Norman Yakeleya**

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Box 1320

Yellowknife, Northwest Territories

Tel: (867) 669-2200 Fax: (867) 920-4735 Toll-Free: 1-800-661-0784

<http://www.assembly.gov.nt.ca>

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**YELLOWKNIFE, NORTHWEST TERRITORIES**

Thursday, May 24, 2012

**Members Present**

Hon. Glen Abernethy, Hon. Tom Beaulieu, Ms. Bisaro, Mr. Blake, Mr. Bouchard, Mr. Bromley, Mr. Dolynny, Mrs. Groenewegen, Mr. Hawkins, Hon. Jackie Jacobson, Hon. Jackson Lafferty, Hon. Bob McLeod, Hon. Robert McLeod, Mr. Menicoche, Hon. Michael Miltenberger, Mr. Moses, Mr. Nadli, Hon. David Ramsay, Mr. Yakeleya

The House met at 1:31 p.m.

**Prayer**

---Prayer

**SPEAKER (Hon. Jackie Jacobson):** Good afternoon, colleagues. Welcome back to the Chamber. The honourable Minister of Finance, Mr. Miltenberger.

**Budget Address****Introduction**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. This budget comes three months into the fiscal year. I would like to take this opportunity to thank all Members of the Legislative Assembly who worked individually and collectively to contribute to the interim appropriation for the current fiscal year.

We have started the 17<sup>th</sup> Legislative Assembly with a difficult fiscal reality and Members worked hard to help build this first budget of the 17<sup>th</sup> Assembly. We appreciate the advice of the standing committees during the recent business plan discussions. We are reviewing and considering the committees' recommendations, and the government will address these recommendations through the supplementary appropriations process later this session.

During the recent recession, the Government of the Northwest Territories spent over \$1 billion on important capital projects such as schools, highways, housing and community infrastructure. This investment helped shore up our economy during the slowdown in the private sector.

Although we are proud of the way our last government responded to the worst recession since the Great Depression, we knew it was not sustainable. Circumstances are also now changing.

Private investment is returning to the NWT. With most industries recovering, it's time for government to step back, recalibrate and rebuild.

That's what this budget is about. We are catching our breath after one of the most difficult economic downturns in modern times and restoring the

balance between our revenues and expenditures so that in two years we will be ready to start reinvesting in our growing infrastructure needs.

**Economy**

Mr. Speaker, the NWT economy is showing signs of recovery from the global economic downturn; however, we have not returned to our pre-recessionary peak. Although the economic outlook for the NWT is good, we are not expecting the double-digit growth we saw in the first half of the last decade.

Recovery in the NWT labour market is strong. The number of people working is the same as when the global recession first hit in 2008. In 2011 we added 1,200 new jobs.

Led by the diamond industry, mining is still the economic engine of the NWT, accounting for a third of our economy. Although carat production decreased in 2011, stronger diamond prices propelled diamond production values to \$2.1 billion in 2011, the highest in seven years. Production targets are higher for 2012.

Exploration activity, a key precursor to actual mines, is set to increase by \$20 million this year. However, while the other territories have exceeded their pre-recession peaks, we continue to lag behind. Our share of total exploration dollars has fallen from 7 percent in 2007 to 3 percent anticipated in 2012.

We're also seeing the return of oil and gas exploration. Chevron is starting seismic work in the Beaufort Sea and last summer 11 exploration licences representing over \$500 million in work bids were granted in the Sahtu. This summer two more parcels will be awarded in the Sahtu and six parcels were recently nominated in the Beaufort Sea.

Both retail and wholesale trade have picked up some growth over the past year, although they also remain below their pre-recession highs.

The private sector is reinvesting in the NWT. The extra \$230 million expected in 2012 represents the largest percentage increase we've seen in more than five years. The Conference Board predicts a 14 percent rise in economic activity and 1,800 more jobs over the next two years.

Even with this forecast growth, 2012 GDP will be 20 percent lower than the highs reached in 2007. At

that time, our two operating diamond mines were producing record carats and undertaking heavy construction and our third diamond mine was being built. To return to busy times like we saw in 2007 requires another large project.

The good news is we've got quite a few in the wings. In approved, these projects could bring more than \$2 billion in new investment, as well as 2,000 new jobs to a number of regions. Projects such as Avalon's Rare Earth Element Project provide opportunities for the establishment of a non-precious metals secondary processing industry in the territory. Projects such as Prairie Creek and Pine Point will facilitate economic growth in the Deh Cho and South Slave. These and other future mines are critical to our economy over the medium term as our existing mines reach their half lives.

### **Fiscal Strategy**

As Canada's provincial and territorial economies recover, their governments face new fiscal realities. Recently, we've seen countries, states and cities face downgrades in credit ratings and, in some cases, bankruptcies. Inadequate fiscal management is not an option and we must ensure our fiscal house is in order.

We remain one of the best managed jurisdictions in Canada. Our Aa1 credit rating is the second highest rating obtainable from Moody's Investors Service, with only Alberta and British Columbia receiving higher ratings in Canada. Our debt servicing costs are only 1 percent of revenues, and we have one of the lowest debt to GDP ratios in the country. And we intend to keep it that way.

There are two reasons for this. First, we don't want to jeopardize our Aa1 credit rating by wavering in our commitment to the rules set in the Fiscal Responsibility Policy. We will not borrow for operating expenditures and we won't borrow for more than half the cost of infrastructure. A strong credit rating is not just about lower debt costs. It also signals a fiscally strong, stable environment for outside investment. We are determined to maintain that advantage.

The second reason is that we are constrained by the federally legislated borrowing limit. We worked collaboratively with Canada to secure an increase to our borrowing limit from \$575 million to \$800 million. This provides us with the added flexibility to invest in capital but is not as substantial as the new limit would suggest if fiscal discipline is not maintained.

Our borrowing is made up of both long-term and short-term debt. Most of our long-term debt is self-financing through user fees or ratepayers. On the other hand, our short-term debt needs to be carefully managed to ensure we have both the borrowing room and cash to pay for future investments.

Over the past few years, we used short-term borrowing to cover cash shortfalls created by increased infrastructure spending during the recession. Our short-term debt increased substantially.

As our private sector rebounds, we are assured that the decision to use short-term borrowing to invest in more capital has paid off. Now it is time to reduce our short-term borrowing and start to rebuild our cash to more sustainable levels.

This means generating sufficient operating surpluses to repay short-term borrowing and fund a minimum of half of new capital investments with cash. We will do this by constraining growth in our spending on existing and new programs at rates lower than the growth in revenues and turning to a more affordable level of capital investment.

At the same time, we recognize that our current level of capital investment will not address the GNWT's growing infrastructure deficit, which is currently estimated at \$3 billion over the next five years. Just like the staff that occupy them, health centres, hospitals, schools and other facilities are essential tools needed to deliver our programs. Roads, airports, ice crossings and bridges are the lifelines for food, supplies, tourists and resources.

That's why, Mr. Speaker, our plan for rebuilding will not be easy. Not only is our infrastructure deficit growing, but increased costs challenge us at every turn. Rising fuel and electricity prices put pressure on all residents and our programs. We are also expecting increased demand for services such as health care due to changing demographics. In 15 years the number of people 60 years of age and older will double in the NWT.

We are also under no illusions about our potential revenue growth in the near term. Our Territorial Formula Financing Grant makes up 70 percent of the GNWT's budget for programs and services. Although the federal Minister of Finance has assured us that the formula will not change through to 2018-19, we know that the grant's growth will slow significantly because of stagnant population growth and restraint in provincial government spending. While we will continue to work with Canada to secure federal transfers in priority areas such as health and infrastructure, the March 29<sup>th</sup> federal budget is a clear indication that new funding through federal transfers should not be part of our plan.

Despite these pressures, this government is committed to protecting the programs and services our residents rely on. This budget makes no cuts to the \$1.4 billion earmarked for programs and services. We have worked hard through the collective bargaining processes to ensure that we retain the public service we need to deliver those programs. We are making good progress in finalizing the collective agreements and welcome

the fiscal certainty this will provide to the end of this Assembly.

In the face of decreasing growth in revenues over the medium term and a growing infrastructure deficit, decisions will have to be made on what the priorities for spending are to make our vision for the NWT come true. Mr. Speaker, as we heard in the throne speech, this government has made a commitment to doing things differently. We are reaching out to engage Northerners in building new partnerships. That means starting a conversation with residents about what they expect government to provide with limited resources.

We know we cannot fund everything. We also know we need the support of NWT residents to make these tough choices. This fall I will meet with residents, businesses and governments across the NWT. We want their input on how we can better serve our people and grow the economy.

### **Budget Highlights**

Mr. Speaker, our fiscal strategy is highlighted by our return to operating surpluses with a \$74 million surplus projected for 2012-13. We have accomplished this by holding 2012-13 operating expenditures to \$1.4 billion, an increase of 3.7 per cent or \$51 million from the previous year.

Increasing demand for, and costs of, existing services account for \$33 million of the increased expenditures. An additional \$35 million will be invested in the priorities of this government. These increases will be partially offset by sunsets.

The increase in our operations expenditures will be financed through an estimated \$1.5 billion in revenue, an increase of 9.5 percent from the 2011-12 revised estimates.

Short-term debt is projected to be \$216 million at the end of 2012-13. When combined with our long-term debt, and the debt of the NWT Power Corporation, NWT Housing Corporation and other public agencies, total GNWT debt will be \$656 million at March 31, 2013.

### **Expenditures**

Mr. Speaker, this budget makes investments in the goals and priorities set out by the 17<sup>th</sup> Assembly in October.

### **Supporting our People**

This budget continues to support individuals, children and families by perfecting the critical services they rely on, but also makes a number of strategic investments.

In 2012-2013 we've budgeted \$818 million or nearly 60 percent of every dollar for education, health care, social services, housing, policing and corrections programs. Most of this money is an investment in health services and education to help

us meet our goal of having healthy and educated people.

Our health care facilities are at the top of our list of critical infrastructure needs. To address our territory's health facilities deficit, we are spending \$30 million this year on facility replacements and renovations.

New facilities, such as the H.H. Williams Memorial Hospital in Hay River, and renovations like the Fort Smith Health Centre, ensure our health system remains capable of serving our regional centres. As well, \$3 million will be spent on a planning study for the Stanton Territorial Hospital. This money is the first step in extending the life of a facility that provides critical health care services to residents from all across the territory.

We also recognize that good physical and mental health starts at home. This is why improving housing conditions is a key priority of the 17<sup>th</sup> Assembly. This budget commits \$2.2 million in new funding to implement the priority areas for actions identified by our recently completed shelter policy review. This funding includes \$1 million for improving public housing rent scales and \$1.2 million for a new rent supplement for private rentals.

Northerners have told us that the existing public housing rents aren't working. The rents are complicated, unpredictable and create disincentive to work. The addition of \$1 million starting in 2012-2013 will be used on a new public housing rent scale to fix the problem. The new scale will be simple, predictable and fair. It represents a huge step in the right direction to ensure that public housing promotes self-reliance.

We are also improving the quality of our public housing through a \$13.2 million investment for the Housing Corporation's capital plan. This investment will give a major refit to 118 public housing units and replace another 26 units. Twelve new or retrofitted units are for the Homeownership Entry Level Program, which provides assistance to prospective first-time home buyers.

We are also lowering public housing utility costs. With declining federal funding for operating public housing, we need to ensure our programs are as efficient as possible. The \$700,000 budgeted for additional eco-energy retrofits will make the public housing program more affordable and sustainable over the long term by lowering operating costs.

Public housing is just part of the equation. We have too many working families that receive regular paycheques but struggle to pay both the rent and put food on the table. These are people who are not eligible for public housing or income assistance. The \$1.2 million rent supplement included in this budget supports working families that are struggling to pay full market rents and is a step forward

towards our goal of having healthy, educated people free from poverty.

High power costs also contribute significantly to our residents' costs of living. Recognizing how debilitating the rising cost of living can be, we are allocating \$15.6 million to offset a portion of the NWT Power Corporation's upcoming rate increase. Although we are unable to absorb the entire power generation cost increases at the NTPC, this investment will moderate the transition to higher rates.

Going forward, we are looking at regulatory improvements that will avoid the need for such drastic price increases by providing for an annual indexing mechanism.

We also want to help families lower power bills through initiatives that support energy conservation. That's why we're continuing the popular Energy Efficiency Incentive Program with an investment of \$350,000. Rebates on more efficient models of appliances, such as fridges and washing machines, can help decrease overall power consumption.

This budget includes \$500,000 to establish child and family services committees in five communities. These committees allow communities to take a more active role in supporting children and families in a culturally appropriate manner.

Children are our future and we all work together to ensure that they have the support they need. The legal system can be intimidating, difficult and stressful for them. The children's lawyer gives children a voice in child custody or child protection actions, and helps the court in resolving matters more quickly and with better outcomes for children. This budget commits \$150,000 to finalize the creation of this office.

This government understands that action is needed to address family violence. We remain committed to implementing the recommendations of the Framework for Action on Family Violence. Part of our plan is an investment of \$137,000 for an RCMP family violence coordinator. This coordinator will ensure RCMP officers have consistent information and training to deal with family violence. The position can also provide a dedicated RCMP liaison for front-line workers and social program agencies. The result will be a more effective response to family violence.

### **Supporting our Communities**

This budget not only supports our residents but also the communities in which they live. We know that people flourish in sustainable, vibrant and safe communities.

The 2012-13 budget provides over \$69 million so community government can provide a variety of programs such as municipal services, water and

sewer and community sport and recreation programs.

We will continue to provide stable and predictable funding so that communities can manage their infrastructure. This fiscal year the GNWT will continue to provide \$28 million to our 33 communities in addition to the flow-through of \$15 million under the Federal Gas Tax Agreement to support community infrastructure priorities.

We will also continue our efforts to improve delivery and access to programs and services in our communities. In 2012-13 we will be opening five new single-window service centres in Sachs Harbour, Tsiigehtchic, Tulita, Fort Liard and Gameti. Building on the eight already in existence, these service centres will continue to improve access to government services in small and remote communities.

We remain committed to developing governance and autonomy at the municipal level. To help make this happen, we are investing \$185,000 to conduct legal surveys to help transfer title of Commissioner's land in and around Deline as part of the implementation of the Deline Self-Government Agreement. To further the goal of effective and efficient government, we are spending \$462,000 to continue the Regional Land Administration Program right across the NWT.

Another step towards building sustainable communities is our investment in local and renewable sources of energy that reduce reliance on environmentally unfriendly and costly diesel-generated power. An investment of \$100,000 will help the NT Energy Corporation match communities with potential hydro and other renewable energy projects to reduce energy costs and greenhouse gas emissions. To promote more energy efficiency, \$200,000 is budgeted for the work of the regional energy advisors that visit communities to conduct home energy audits, training and workshops. These investments support our goal of creating sustainable communities in an environment that will sustain present and future generations.

The town of Inuvik is facing an imminent depletion of its natural gas source, and we are committing \$100,000 to help the town's residents and businesses install wood pellet stoves and boilers. In addition, \$100,000 will be invested in exploring medium- to long-term options for Inuvik's natural gas shortage. We will use what is learned in Inuvik to support other communities facing supply uncertainty, such as Norman Wells.

Mr. Speaker, community safety is a shared responsibility and we all have a role. While economic development is positive, we know that many communities are struggling with the impacts of high amounts of disposable income that could lead to higher levels of alcohol and drug abuse.

This budget invests \$276,000 in actions to monitor the impact of economic development on our residents and implement a Community Safety Strategy. This work will involve assessing and sharing best practices and defining community strengths and resources that keep communities safer. This will include working in conjunction with the RCMP to develop specific plans based on the priorities of the communities. Together we will build safer communities where people can thrive.

### **Supporting our Economy**

As our economy recovers, we will make sure Northerners and their communities benefit as much as possible from this growth. We will do this by expanding the economic opportunities available across the NWT.

We have been talking about the need to secure lasting benefits from economic growth to smooth out the boom and bust cycles of our resource-based economy. The implementation of the Macroeconomic Policy developed in the last Assembly will allow us to bring economic considerations to bear more heavily in our business planning. The policy will be used to evaluate investments made to grow the economy and to measure how our efforts are working.

We have to expand our conversation about economic diversification and growth from the need to do something to a plan to do something. In 2012-13 we will invest over \$1 million to develop a Mineral Development Strategy and an Economic Development Strategy to guide our economic policies, programs and services. We look forward to hearing from Northerners about how we can craft strategies that will help us achieve our goal of a diversified economy where every community and region has opportunities and choices.

Mining is a cornerstone for robust growth in our economy. We have long heard about the rise of the west. Now it is time for the rise of the North and the cohesive strategy for mineral development will ensure we play a leading role. A territorial-wide Mineral Development Strategy for the NWT will celebrate the successes we have enjoyed as a result of mining, but it will also address the challenges. There is no time like the present to address the challenges of one diamond mine approaching the latter half of its life and the other nearing its midpoint. We also need to address exploration expenditures well below the historical highs and unfavourable industry perception of the NWT's regulatory regime.

Developing a plan for mineral development with input from all levels of government, citizens and industry will help us sustainably realize our full mineral potential. As we near the completion of a devolution agreement for non-renewable resources, this strategy will guide our activities during and after the transition of responsibilities.

At the same time, we will continue to maximize the benefits from the mines we already have. We continue to invest in the Mining Workforce Initiative which is aimed at increasing the number of mine employees living in the NWT. Increasing our population will grow our revenue and economic base.

A diversified economy needs more than just mines. It needs tourism operators, manufacturers, thriving service and creative industries and much more. By engaging with our stakeholders, we will produce a new Economic Development Strategy to help us to achieve our goals to diversify and put us on a path of prosperity that works for everyone.

Once a proposed land use sustainability framework is completed, it will guide decisions on land use planning and management and will support the Mineral and Economic Development strategies. These three pieces will support our vision for sustainable development in our territory in the years to come.

Our commitment to the traditional economy is highlighted in this year's 10<sup>th</sup> anniversary of the revitalized Genuine Mackenzie Valley Fur Program, a model for other programs across the country. This program works because it provides income directly to trappers and because it gets youth out on the trap line. With this year's record-breaking fur prices and nearly 2,300 youth in the Take a Kid Trapping Program, our traditional economy should continue to thrive for years to come.

Tourism remains a key economic priority in our plans for economic development and diversification. In 2012-13 the GNWT will invest \$10.4 million in tourism. The new marketing plan for NWT Tourism contains some exciting ideas to bring new visitors to experience the natural beauty of our territory. As well, this year we are spending \$100,000 to host the national Committee on Internal Trade meeting. This is an excellent opportunity to showcase the NWT's economic and tourism potential to the rest of Canada. We are continuing our ongoing support for our outfitting industry with \$300,000 for the Sports Hunter Outfitter Marketing Support Program.

NWT businesses will also benefit from over \$137 million in capital investment planned for 2012-13. Our capital investment will employ Northerners and continue to provide a strong activity base for our construction industry. Combined with the increased activity expected in private and non-residential construction in 2012, our construction industry is well poised to see strong growth this year.

Recognizing the challenges experienced by small businesses, we continue to support small businesses in building our economy. In 2012-13, \$3.9 million will be available under the Support for Entrepreneurs and Economic Development Program. We are also providing \$200,000 in rebates to implement energy conservation and

efficiency measures by NWT businesses that save on heating, water and electricity bills.

### **Supporting our Environment**

Mr. Speaker, sustainable economic development is only achieved by protecting the environment. We expect to spend almost \$66 million in 2012-13 to protect our environment by making sure our resources are used wisely and that people understand their part in keeping the environment healthy.

In addition to ongoing work to implement environmental protection strategies started in previous Assemblies, we are investing \$905,000 in this budget to negotiate transboundary water agreements. These agreements will protect the quality and quantity of water entering the NWT from neighbouring jurisdictions, particularly Alberta, and they are a promise to protect the ecological integrity of the Mackenzie River Basin while allowing people to continue to choose a traditional way of life. This additional funding will bring our total investment in our NWT Water Stewardship Action Plan to \$3.2 million.

We are committed to reducing greenhouse gas emissions with the dual goal of reducing energy costs for residents and businesses. This budget invests \$6.4 million to fund new and ongoing energy projects and initiatives. This includes \$1.8 million in base funding to the Arctic Energy Alliance, \$470,000 for ongoing energy planning work, \$654,000 for capital asset retrofits and another \$3.5 million in new initiatives.

The \$3.5 million in new energy initiatives includes the \$1.55 million previously mentioned for our energy efficiency programs, the NWT Housing Corporation's retrofits and the alternative energy options in communities. We are also including \$150,000 in this budget to renew the NWT Energy Plan, which will establish our priorities and approaches towards energy over the next decade.

We are exploring alternative energy sources such as biomass, geothermal, wind, water and solar that will help communities reduce their dependency on diesel-generated power. The forthcoming Solar Energy Strategy, exploration of our geothermal potential, and our \$800,000 investment in the NT Energy Corporation continue our efforts to displace fossil fuels. Such investments use the natural endowments of the land to support our goal of creating an environment that sustains present and future generations.

Another \$100,000 will be invested in the implementation of the Biomass Energy Strategy. As the price of fuel oil rises, generating heat and power using wood and wood pellets can help make our communities more sustainable. Over the long term, locally produced pellets could also help diversify our economy.

We are continuing our programs to reduce the government's dependence on non-renewable energy with an additional \$850,000 for the installation of biomass and electric boiler systems at the Deh Gah School in Fort Providence and Fort Smith's Northern Lights Long-Term Care Facility. This capital investment will be brought forward as a supplementary appropriation later this session. It will displace another 172,000 litres of fuel oil annually, saving us \$136,000 per year. These two projects will reduce greenhouse gas emissions by an estimated 470 tonnes per year.

We also recognize the challenges resulting from climate change. This budget adds \$142,000 provided by the Building Canada Plan for research and pilot projects to be undertaken by the Department of Transportation to deal with the impacts of climate change on infrastructure, bringing total funding this year to \$406,000. Such research will provide the GNWT and other interested stakeholders with the best practices to mitigate and adapt infrastructure to the impacts of climate change, such as permafrost degradation.

### **Revenues**

Mr. Speaker, this budget introduces no new taxes. We will not be adding to the rising cost of living of Northerners. We also know that a stable and competitive tax system encourages job creation, as well as business and economic growth.

However, we will continue our policy of indexing taxes and fees to inflation where possible and practical. Steady and stable indexing avoids large, painful adjustments in the future.

We expect our modest economic recovery will bring in more tax revenues, but we will continue to closely monitor our revenues, particularly if the economic recovery is slower than expected. As our most volatile revenue source, corporate income tax exposes our budgets to swings in balances.

We are investigating the possibility of a Revenue Stabilization Fund, similar to that in other provinces, to more actively manage sharp increases and decreases in revenues.

### **Looking Forward**

Mr. Speaker, this budget and fiscal plan it is built on sets the path for achieving this Assembly's priorities. But this is a marathon, not a sprint. Today we are strategically investing in priorities for our people, our environment and our economy while rebuilding our cash reserves. Tomorrow we will be ready to invest in the big infrastructure projects that will further strengthen and diversify our economy.

Projects such as the Inuvik to Tuktoyaktuk portion of the Mackenzie Valley Highway in partnership with Canada. This 135 kilometre all-weather road is currently undergoing an environmental assessment and when complete will support sustainable

economic development and lower the cost of living in the region. It will also advance the dream of connecting Canada from coast to coast to coast.

Lowering the cost of living is not only achieved through road access but also through access to lower cost power generated by hydro and other alternative energy initiatives. The last few years have demonstrated a need to think outside the box as the energy resources that our communities have relied on are depleted. We will continue to make development of renewable energy sources a priority of this government so that NWT residents will benefit from new technology that will lower costs, diversify our economy and energy base, and reduce our greenhouse gas emissions.

Achieving our goal of healthy people free from poverty will require investments in improving our housing stock and addressing our health facilities deficit.

We will also continue to explore the possibility of a public-private partnership for a fibre optic cable from Fort Simpson to Inuvik. This \$65 million fibre link project could transform the economic base of the NWT by promoting economic growth in knowledge-based industries, diversifying the private sector, and improving its competitiveness. We also look forward to its potential to revolutionize government service delivery by improving community connectivity up and down the valley.

We are confident that these and other new projects will become realities over the medium term as we build our cash reserves over the next two years through budgetary surpluses and fiscal restraint. We will talk to NWT residents, businesses, and governments to understand where they see opportunities for savings, as well as how they see the GNWT allocating future fiscal resources to make investments.

Infrastructure is not the only precursor for a strong, sustainable future. We need control over our lands to ensure our future reflects the vision of Northerners.

We are in negotiations to finalize the Devolution Agreement-in-Principle signed in 2011. Devolution means decisions about public lands, resources, and water will be made in the NWT instead of Ottawa. The final agreement will establish the funding to run the devolved programs as well as provide a net fiscal benefit through our resource revenue sharing agreement.

Every day without a final agreement means another \$165,000 of resource revenue leaves the NWT; about \$60 million a year. The resource revenue sharing agreement will return those revenues to the North to be used to benefit our people by helping meet the infrastructure needs of NWT communities and by building our legacy heritage fund.

The GNWT has offered to share 25 percent of the resource royalties generated by development on public lands with Aboriginal governments. This would be in addition to any resource royalties the Aboriginal governments themselves receive from development on settlement lands.

This budget provides \$9.3 million for the negotiation and implementation of the final devolution agreement, including money for engaging Aboriginal governments and funding their participation in the final agreement negotiations. As this process unfolds we must ensure all of the players have a voice and place at the negotiating table. We hope to have an agreement completed by the end of 2012 and will work on implementing it over the following 18 months.

Devolution is critical to ensure the decisions about our lands and resources are based on northern priorities of sustainable development and that our future reflects our vision.

### Conclusion

With this budget we are starting to build that future by firmly committing to our plan of long-term fiscal sustainability. This budget makes progress towards the priorities we set out just seven months ago. It won't all happen in one budget, but we present this budget as a solid start.

Over the past three months we've seen budget after budget tabled across Canada calling for curbs or cuts to spending to raise governments out of years of deficits. Our residents can take pride in the budget that returns us to balance while protecting the value of programs and services we rely on.

This balance is critical to restoring fiscal sustainability, paying down short-term borrowing, and rebuilding cash reserves to invest in critically needed infrastructure in the future. Rebuilding today will put us on solid financial footing to invest aggressively tomorrow.

We believe the best way to predict the future is to create the conditions to achieve it. We see the challenges facing our economy but we also see the opportunities. Our sound financial management will allow us to address these challenges and seize these opportunities to plan and build the tomorrow we want for the NWT. Mahsi.

---Applause

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Now we'll recess for a 30-minute break in the Great Hall.

---SHORT RECESS

### SPEAKER'S RULING

**MR. SPEAKER:** Colleagues, I would like to provide my ruling on a point of order raised by Mr. Hawkins during oral questions yesterday.

Last night when I had Hansard sent up to us, I was struck by the difference between this set of questions and answers and the exchange between Mr. Nadli and the Premier right before it: respectful, articulate in tone. The first set of the questions and answers remind me of how we just talk to people when we're at home talking to people. They did justice to the civil nature of our system of this government. The second exchange that followed did not. It was really disrespectful for this House.

Mr. Hawkins and Mr. Ramsay are both experienced Members. Mr. Hawkins set the tone in his Member's statement by using provocative, insulting language. He accused Mr. Ramsay of being thin-skinned, and then jumped up with a point of order when the Minister reacted in a strong language of his own. This is Mr. Hawkins' third term as a Regular Member. He should be setting a good example for new Members on that side of the House.

Mr. Ramsay is also an experienced Member and now a Minister and a member of the Executive Council. When asked a question, a Minister can do one of three things: answer it, take it as notice, or refuse to answer it. When provoked, Ministers should stay focused on the issue rather than turn up the heat and make things worse.

In the response to Mr. Hawkins' last question, Mr. Ramsay chose to criticize Mr. Hawkins' manner of expressing himself, rather than use one of the three options available to him. He did this after I took the point of order under advisement and after I asked Members to stop taking shots at each other in yesterday's oral questions.

This House is not a theatre. It may be that way in other jurisdictions, but not here. We're elected by the people to lead, not to entertain each other or entertain the viewing public. I'm not suggesting that our questions and answers should be boring or uncontroversial, but yesterday it went too far. It was very personal and disrespectful.

Whatever is going on behind the scenes, I want Members to leave it at the Chamber doors when you come in here and focus on the work of the people when we're in here. That is what they expect of us, to do the job for the people, and that's what we owe each other. So there is no point of order.

Item 3, Ministers' statements. Item 4, Members' statements. The honourable Member for Hay River South, Mrs. Groenewegen.

## Members' Statements

### MEMBER'S STATEMENT ON PROPOSED PUBLIC HOUSING RENT SCALE FOR NWT SENIORS

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. Today I would like to talk about seniors housing in the Northwest Territories and the new rent scale that came about as the shelter review policy was undertaken.

During the last couple of weeks my colleague from Hay River North and I had the opportunity to meet with some of the seniors in Hay River to discuss this very topic. I would first like to articulate a few of the benefits seniors have living in the Northwest Territories.

We have from our government the fossil fuel subsidy, the reduction to the cost of drivers' licences, supplementary health care benefits – including pharmacy formulary which is second to none. Now the shelter review policy has indicated that perhaps seniors living in public housing should be paying some rent.

This new rent scale will lower rent for families and will raise rent and actually begin charging rent to others, seniors included. The net benefit to this government is only \$350,000, but I think there is a principle here. When we heard from the NWT seniors in their presentation, the representatives seemed to equate being elderly with being without means, with not having sufficient funds to support themselves. We know the cost of living is high in the North, but I don't think that's a direct correlation that we can draw.

I certainly know in the case of Hay River and in other places, as well, seniors living in public housing who are paying zero rent at this time who are over 60 are neither income nor means tested. Now, is that a policy that needs to be reviewed? In my opinion, yes, it is.

I do not believe that this policy is fair. I do not believe that it is sustainable. As Mr. Miltenberger said in his budget address today, the demographic of people living to be over 60 is growing everywhere in Canada, and as he said, in the next 15 years the number of people over 60 in the Northwest Territories will double. So we need to be very forward thinking as a government and say, is this policy on the books currently a sustainable policy. I do not believe it is.

We cannot afford to do it for everybody. I think that we need to look as a government also on the flipside of that of doing more to help sustain people who are living independently in their own homes right now. Whether that's an annual maintenance program or emergency repairs or enhanced home care, I believe we need to look at the benefit and the cost saving of people living independently in

their own homes and put an end to this very unfair policy.

**MR. SPEAKER:** Thank you, Mrs. Groenewegen. The honourable Member for Nahendeh, Mr. Menicoche.

MEMBER'S STATEMENT ON  
TOURISM INVESTMENT IN THE NWT

**MR. MENICOCHÉ:** Thank you very much, Mr. Speaker. Today I wanted to speak about tourism in the NWT. Last week I attended the Rendezvous Canada down in Edmonton. It was a great pleasure to attend it with Mr. Ted Grant of Simpson Air, as well as Loyal and Ria Letcher from North Nahanni Naturalist Lodge.

It was great to be there and it was great to see all the ideas that are there from all jurisdictions in Canada. All jurisdictions are very supportive of their tourism industry.

For years our Northwest Territories Tourism has worked hard, with a limited budget to promote the NWT around the world. Recently, ITI boasted that tourism contributed over \$110 million to our economy every year and that 70,000 visitors were drawn to the NWT in 2001. In this year's budget there is a reduced funding to tourism.

Yukon, our main competitor for tourists, invests easily twice as much in tourism as the Government of the Northwest Territories. Three hundred thousand visitors contribute over \$200 million to the Yukon economy every year, making tourism their biggest private sector employer. Even Nunavut has found a way to make a small increment to its tourism investment in 2012-2013. Not our government.

Tourism is one of our greatest resources. Not all our communities benefit from mining but every community can benefit from tourism. For every dollar we spend on tourism we get at least two back. There is a guaranteed return on investments in conferences, festivals, cultural and sporting events, and Aboriginal tourism.

Infrastructure investment that supports tourism should also be a priority. NWT Tourism has developed a detailed marketing plan to target potential visitors worldwide. If we increase their budget, they could tell us line by line exactly what they will use those added dollars for. Instead, the funding will be decreased. We are only losing out on opportunities for economic growth.

Thanks to the hard work of people in our tourism industry, the Northwest Territories is recognized around the world. TV shows like Ice Pilots and Ice Road Truckers have put us on the map. We are no longer known as the territory somewhere east of Alaska. The Northwest Territories is the best northern destination on the planet and we need the resources to prove it.

**MR. SPEAKER:** Thank you, Mr. Menicoche. The honourable Member for Weledeh, Mr. Bromley.

MEMBER'S STATEMENT ON  
ARCTIC ENERGY ALLIANCE  
ENERGY ACTION AWARD RECIPIENTS

**MR. BROMLEY:** Thank you, Mr. Speaker. The Arctic Energy Alliance has announced the winners of this year's Energy Action Awards. As we turn our attention this session to the ballooning cost of energy, I want to salute the accomplishments of our citizens and businesses who are showing us the way to a more secure energy future.

Doug Whiteman of Norman Wells won the Individual Energy Action Award. Starting with a biomass pellet space heater, Mr. Whiteman then converted this home to forced air pellet heating. His annual heating costs dropped 40 percent, paying off the cost of purchase and installation in less than four years. He has since added pellet heating to his business workshop and commercial chicken operation. Best of all, he is now protected from the spiking heating costs facing most of us.

The YWCA Yellowknife's institutions award recognized energy reduction of 15 percent through simple equipment replacements. Low-flush toilets, taps and showerheads, front-load washers, programmable plug-ins and motion sensing lights, LCD lights and lower corridor temperatures were introduced with help from DeBeers and the GNWT. The Y is looking at a pellet boiler to drive costs down even further.

The Hamlet of Enterprise took the communities award for similar measures across the community. Front-load washers, low-flow toilets and taps have reduced water use and the amount of water being trucked, lowering greenhouse gas output. Help from the GNWT energy efficiency incentives was key.

The business award went to the Yellowknife Co-op for its aggressive replacement of refrigeration units with energy-efficient models and capturing heat output of cooling units. New freezer and cooler cases consume an amazing 83 percent less energy.

Mr. Speaker, I salute the achievements of these energy leaders. Unfortunately, the very programs enabling such success are capped to small and oversubscribed budgets. We have meagre amounts available under the commercial energy conservation and energy efficiency incentives and EnerGuide programs and no money available for small-scale conversions to biomass. Every project under every one of these programs saves our consumers money, provides energy security, protects our environment and builds our local economies. We need to beef up our support for these vital programs. Mahsi.

**MR. SPEAKER:** Thank you, Mr. Bromley. The honourable Member for Sahtu, Mr. Yakeleya.

MEMBER'S STATEMENT ON  
TRANSPORTATION INFRASTRUCTURE  
STRATEGY

**MR. YAKELEYA:** Thank you, Mr. Speaker. As I listened to the Minister of Finance in the budget address this afternoon, I'm hoping that throughout this whole session that we would have ample opportunity to have some of our wishes on this side here be included as part of the discussions.

Mr. Miltenberger talked about the Great Depression in his opening statement here on our finances in the Northwest Territories. Through the Great Depression I understand also there were many opportunities for people to get out there to find jobs, to find opportunities that would benefit them in the future. Also, a lot of wealth was created during the Great Depression, Mr. Speaker, because of the low prices of land and business and that.

That was a real opportunity for us in the Northwest Territories. We have that. You know, the economic outlook may not look so good. We had all our hopes on the Mackenzie Gas Project and right now it's not getting much support, either, from the companies or even Ottawa. We don't even know what's happening with that. But we seem to be looking at, well, that's still our great white horse that's going to bring us the economic prosperity to the Northwest Territories. We need to wake up and look at it and say it's not getting the attraction that we want. It has all the potential but it's not there yet. We need to look beyond this and diversify.

One of the things we need to do is to get to those riches. This is something that I hope this government will look at, is a transportation strategy infrastructure to get to those resources. We're rich in them but we just don't have the means of getting into those areas that could produce a lot of prosperity for us.

This is what I'm looking for in this budget address and how do we get our people, get our infrastructure in place, get the education in place for our younger people, get the addiction programs in place. We need to wake up. This budget, I hope, gives us the opportunity to look at the reality for what it is and do something within the short time that we're here.

I'll have many questions for the Ministers on this budget throughout the next two to three weeks.

**MR. SPEAKER:** Thank you, Mr. Yakeleya. The honourable Member for Range Lake, Mr. Dolynny.

MEMBER'S STATEMENT ON  
CANADA HEALTH TRANSFER  
FUNDING FORMULA

**MR. DOLYNNY:** Thank you, Mr. Speaker. The Canada Health Transfer to provinces and territories has grown steadily from \$20.3 billion in 2005 and is expected to reach \$28.6 billion in 2012-13, at a growth rate around 6 percent. Under the federal government's new unilateral funding formula, this growth will continue until 2017-18, and then proceed in line with nominal GDP growth at around the 3 percent per year level.

This all sounds pretty good and it's simply an extension of what the provinces and territories have become accustomed to to receive from the federal government. Even the Minister of Finance has alluded earlier in this session that things should be good in the short order. However, there is a significant difference in how transfers will be calculated in the very near future.

Starting in 2014-15 the Canada Health Transfer will be allocated on an equal per capita cash basis only, where before payments were made on both a per capita basis and a points tax transfer. Because equity calculations can be complex, this new equal per capita cash payment is being sold as the simplest way to distribute money to the provinces and territories as a fair system. Yet, there is a difference between equity and equality, and treating everyone the same will prove very difficult, especially for the North and the Northwest Territories with its smaller population base and pending natural resource revenues with devolution.

Every province and territory is different in their fiscal capacity, rates of population growth, rates at which the population is aging, the proportion of Aboriginal and immigrant population or the incidence of various disease conditions. In essence, many believe that health transfers should be equalized to address regional differences in health and not just based on per capita funding.

The real solution that this government should pursue is a blended formula that combines the need for base core funding with recognition that variances in population characteristics and demographics create different regional spending pressures.

Therefore, the Canada Health Transfer payment for the Northwest Territories should be broken down into two components: one, an equal per capita cash payment recognizing fixed costs of operating a health care system with reasonable comprehensive range of services no matter the size of our territory, and two, a base payment on a formula that takes into account our population growth, differences in our age proportions and population, our proportion of Aboriginal and immigrant populations and our geographic hurdles of service delivery.

Mr. Speaker, only with this type of blended formula can the future federal health transfers be truly fair and sustainable for the people of the Northwest Territories. I wish to thank Dr. Matteo, professor of economics at Lakehead University, for allowing me to share some of his views today. I will be asking questions later for the Minister. Thank you.

**MR. SPEAKER:** Thank you, Mr. Dolynny. The honourable Member for Inuvik Boot Lake, Mr. Moses.

#### MEMBER'S STATEMENT ON IMPLEMENTATION OF RECOMMENDATIONS FROM GNWT REPORTS

**MR. MOSES:** Thank you, Mr. Speaker. I wanted to touch on in my Member's statement today about the experience I've had since I've been in this Assembly. It's been quite the eye opener in terms of reading reports, interacting with Ministers and with the government. There are a lot of things that I do shake my head at sometimes, and there are a lot of times where I do get a little bit overwhelmed with some of the responses that I do get, specifically around reporting.

In past governments and this government, that we can make a positive change here. We can put a lot of these recommendations that are in reports that I've been reading into reality. We have an opportunity over the next four years to do that, working with Ministers on that side of the table and working with government. In fact, there are recommendations that I've seen in reports when I was working for government, when I was working on committees and volunteered, that have not been actioned. There are a lot of people in the Northwest Territories who put a lot of work into these strategic plans, work plans, and hoping that when it does get to this House that it's just not tabled and it gets action to.

Well, I can make a commitment today that over the next four years, as I learn about these reports, as I see these reports, that I will bring it into the House and question the government to make sure that some of these recommendations that are put forward, if they haven't already been addressed, do get addressed or looked into for future business plans.

I do know that the GNWT staff do a lot of work, and based on resources and funding, you know, there are some restraints in what we can and cannot do, but if we start putting our efforts to what these specialists recommend and the front-line workers recommend, then I think we can start seeing a positive change in the health and wellness of our people, our economy and everything that was mentioned in the statement earlier today with the financial budget address.

I just wanted to talk about reporting and that when it comes to the House that it just does not get tabled and left at that. That recommendations do get a serious look at and that we do work on them.

Today I will have some questions on a report where I had some input on recommendations when I was working for the government and also as a volunteer of the public. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Moses. The honourable Member for Hay River North, Mr. Bouchard.

#### MEMBER'S STATEMENT ON IMPLEMENTATION OF MIDWIFERY REVIEW

**MR. BOUCHARD:** Thank you, Mr. Speaker. Today's Member's statement will be about the happiness that I am having with a lot of my friends who are expecting children. However, the difficulty is they are having to travel to Yellowknife or southern destinations, Grande Prairie, Edmonton, to have these children, because in Hay River we cannot deliver babies.

My question today will be to the Minister of Health. Now that the Midwifery Program has been completed, I am looking to know when we can see the implementation of these recommendations to put the delivery of children closer to home. The Midwifery Program review indicated that there is a cost savings to allowing these ladies to have their children closer to home and in the regional centres. There is also a benefit to the families and the young children that are being born to be closer to home.

As I have indicated to the Members here earlier a couple of months ago, we had the joy in Hay River of actually accidentally delivering a baby in Hay River. It gave great joy to myself and several friends and family that were able to be close to the family when they are right in Hay River. As well, the staff at the hospital were happy to see a newborn baby, like I indicated in my Member's statement a couple of months ago. They could see the start of life as opposed to always having to see the dark side in the illness in the hospital.

I look forward to hearing from the Minister on the implementation of midwifery. I do believe that we need to get the names of Hay River, Fort Smith, Inuvik, Norman Wells, Fort Simpson back on the birth certificates of residents and to our future voters of the Northwest Territories. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Bouchard. The honourable Member for Frame Lake, Ms. Bisaro.

MEMBER'S STATEMENT ON  
NEED FOR STAND-ALONE AURORA COLLEGE  
CAMPUS BUILDING IN YELLOWKNIFE

**MS. BISARO:** Thank you, Mr. Speaker. There is an urgent need for a stand-alone Aurora College campus in Yellowknife. At this time the other two NWT communities with comprehensive college curriculums, Inuvik and Fort Smith, both have stand-alone campus buildings and designated student housing infrastructure. Yellowknife has neither, however. Aurora College students attending courses in Yellowknife take their classes in a crowded, leased space in a high-rise building. The lease on that space was renewed last year but only for a short time.

The housing stock at Yellowknife North Slave Campus is very limited and all units are rented, not owned. So do we have plans for the future? I sure hope so.

This government prides itself on being fair and equitable on striving to provide the same opportunities to all residents. Students taking programs in Yellowknife deserve the same treatment and the same support and campus amenities as the other campuses. But the current campus situation in YK cannot be said to be fair to the students nor can it be considered a situation equal to that of the other two campuses.

We should be much further ahead in the planning for a stand-alone Yellowknife campus than we are. It is the responsibility of the Minister to ensure NWT education facilities are up to expected standards and as fair and equal as possible. The Minister should be working with the college board and president to get this project started, to get this project beyond just the talking stage. There has been a lot of talk about this project but so far no concrete action. We should be anticipating the start of actual construction in three or four years' time. Are we there yet? I think not.

I recognize that our fiscal situation is tight right now and that it will be so for the next couple of years. I can accept that it is necessary to reduce our capital budget, that we need to be fiscally prudent, but what I cannot accept is that future infrastructure plans for this government do not include a Yellowknife Aurora Campus project.

We need college programs which have relevance to the employment realities of today. A stand-alone Yellowknife campus will help with that, and it must be a high priority for this Assembly. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Ms. Bisaro. The honourable Member for Deh Cho, Mr. Nadli.

MEMBER'S STATEMENT ON  
ELDERS PARLIAMENT 2012

**MR. NADLI:** Mahsi, Mr. Speaker. Earlier this month elders from across the territory gathered in this Chamber for the second ever Elders Parliament. The Deh Cho riding was well represented by Mrs. Georgina Fabian from the K'atloodeeche First Nation Reserve. I especially would like to thank Mrs. Fabian for her participation, as well as all the elders who came from all over the Northwest Territories to make the Parliament a success.

The topics discussed by the elders included the proposed changes to the public housing rent scales, the need for an elders ombudsman, and care and respect for elders.

The elders worked hard throughout the week to prepare themselves for the public debate on May 10<sup>th</sup>. During the public debate they passed motions calling for the Government of the Northwest Territories to:

- delay making any changes to the public housing rent scales for seniors until such time as full consultation has taken place with elders, communities and the Northwest Territories Seniors' Society;
- make public a full cost-benefit analysis of the proposed changes to the rent scales;
- work with elders, communities and the Northwest Territories Seniors' Society on a comprehensive framework to ensure consistency across seniors' programs;
- introduce legislation within one year to establish a fully independent elders ombudsman to investigate complaints and to promote fair, reasonable, appropriate and equitable administrative practices and services for elders; and
- work with elders' organizations and communities to identify and remove barriers in GNWT regulations, programs and institutions that prevent or hinder elders from maintaining connections to their families and communities.

The elder parliamentarians put a great deal of thought and discussion into their recommendations and I hope that the Premier and the Ministers listened carefully and take those recommendations seriously.

Also, I would also like to point out that the Elders Parliament called on all Northerners to become engaged in elders' issues, and to work within their families and communities to identify local resources and solutions to ensure that the elders have the means to age with dignity and respect. I would encourage everyone in the Northwest Territories to hear this message and to think about what they

might be able to do in their own homes and communities to help our elders.

Once again, I thank Mrs. Fabian and all the other elder parliamentarians for their thoughtfulness and hard work. I look forward to the next Elders Parliament in two years' time. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Nadli. The honourable Member for Mackenzie Delta, Mr. Blake.

MEMBER'S STATEMENT ON  
ADDITIONAL FUNDING FOR GRADE 1 AND 2  
CLASS AT MOOSE KERR SCHOOL IN AKLAVIK

**MR. BLAKE:** Thank you, Mr. Speaker. Today I want to share the reality of the Grade 1 and 2 class in Moose Kerr School in Aklavik. It is a combined class of 18 students. It has a teacher and one assistant. That is based on the funding formula that the Department of Education uses with their regional authorities. The funding is not based on what the school and its students actually need.

The Grade 1 and 2 class have students who are struggling to master kindergarten expectations along with those who are almost at Grade 2 level. Some have severe special needs. One student is a runner, who will not participate in classroom learning and needs constant watching. It is a safety issue as well as a learning issue when a classroom assistant is busy with another student.

This fall four non-verbal students will be entering this classroom from kindergarten. They will join other students who need one-on-one support. Two students are working with speech pathologists. Altogether, three-quarters of the class need one-on-one attention.

Past experience at the Aklavik school shows that students who cannot read at grade level by the end of Grade 2 continue to struggle in later years. These students need help now. Grade 1 and 2 students need to be separated for math. This move has been a success at Moose Kerr School, although one teacher and one assistant cannot do all that.

The local education authority is asking for another teacher. It has been refused by the Beaufort-Delta Education Authority. As always, there is no money to fund what is an extra position according to the department's formula. I cannot accept that answer, Mr. Speaker. That answer means that we value the formula more than the students. That answer means that we will condemn children to a life with only...

**MR. SPEAKER:** Mr. Blake, your time for Members' statements is completed.

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

---Unanimous consent granted

**MR. BLAKE:** Thank you, colleagues. Thank you, Mr. Speaker. I cannot accept that answer, Mr. Speaker. That answer means that we will value the formula more than the students. That answer means that we will condemn children to a life with only a fraction of learning.

We can make a difference. The Minister can make a difference in these children's lives. I'll be asking him to do that later today. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Blake. The Member for Yellowknife Centre, Mr. Hawkins.

MEMBER'S STATEMENT ON  
NEED FOR MANDATORY  
FIRST AID TRAINING IN SCHOOLS

**MR. HAWKINS:** Thank you, Mr. Speaker. It's a pleasure to rise today to talk about a very important subject that I'm very passionate about as well as the realignment of Highway No. 4, but I've always been passionate about first aid and the training that we can ensure others can have.

I've got a long history of being a First Aid instructor many years ago in a previous life that I did long before politics, and I can tell you many people have often told me that they wouldn't know what they would do if they hadn't had first aid training. You know, I hear things like it's easy to distinguish the difference between hypothermia and heat stroke certainly by the circumstances in some of the things that you see by the way that they react, but the average person may have trouble identifying what's the difference between a stroke and a heart attack. So people have often told me that they find it challenging or if not insurmountable to want to help but not know what to do. So it almost paralyzes people.

I think what we have here before us today is an opportunity that if the Department of Education mandated in our schools, in our junior highs, that all our kids learned first aid. It's been well known and well documented and it is a fact that even bad first aid is better than no first aid. I mean, I put the question out there that what would people do if we were alone on the land, or out waterskiing at Fred Henne, or even just at home by themselves with somebody else who had an incident and they were the only ones there to ask. In panic, what would they do?

We could be a new jurisdiction, one probably leading not just this country but probably even the world on this subject by saying we take this so seriously and our education system demands this, that we get our youth finally trained in first aid and we would continue that.

A lot of people today would tell you that the reason that they don't take First Aid is quite simple. It comes down to time and money. So let's take those

excuses away, let's empower our youth and let's ensure that we can provide good training that could help people. We may be saving the lives of our loved ones, our friends, and by that we would be good stewards of our future.

As I said, no first aid is almost a shame. We could be changing that dynamic today by mandating our schools starting this school year, which would start in September obviously, by a change of this paradigm. We can be leaders, and as I've often said, it's a lot more enjoyable driving the bus than being under it. So let's get ahead of this problem and show the world that we mean business in training our youth. Thank you very much.

**MR. SPEAKER:** Thank you, Mr. Hawkins. Item 5, reports of standing and special committees. Item 6, returns to oral questions. Item 7, recognition of visitors in the gallery, Mr. Bouchard.

### Recognition of Visitors in the Gallery

**MR. BOUCHARD:** Thank you, Mr. Speaker. I'd like to recognize my constituency assistant, Myrtle Graham, and also wish her an early happy birthday as it's in a couple of days.

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

**MR. YAKELEYA:** Thank you, Mr. Speaker. I'd like to recognize my sister-in-law Cecile Deneyoua here. I'd also like to recognize my lovely sons, one of my sons, my youngest son, Chase. He's also here. Of course I'd like to recognize my lovely wife. I love you, honey.

**MR. SPEAKER:** Thank you, Mr. Yakeleya. Ms. Bisaro.

**MS. BISARO:** Thank you, Mr. Speaker. I'd like to take this opportunity to recognize a couple of constituents in the gallery, Ms. Jenni Bruce, who is the chair of NWT Tourism, Mr. Josh Campbell – oh, he's slipped away on me – he is the public relations officer for UNW, and one of our municipal councillors in attendance, Ms. Lydia Bardak. Welcome all.

**MR. SPEAKER:** Thank you, Ms. Bisaro. Mr. Moses.

**MR. MOSES:** Thank you, Mr. Speaker. At this time I would like to recognize Brian Desjardins, who is a long-time friend and who did great work in tourism up in Inuvik and he's doing it now across the Northwest Territories and he does a really great job. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Moses. Mr. Bromley.

**MR. BROMLEY:** Thank you, Mr. Speaker. I'd like to recognize some constituents: Kyla Kakfwi-Scott, if she's still up there, and is that her sister up there? Yup.

---Laughter

I'd also like to recognize Christine Windman of Weledeh and, of course, Lydia Bardak, city councillor. I don't know if Mr. Whitford is still up there. Is he? Mr. Tony Whitford – everybody knows Tony – and any other members of the Weledeh riding that I might not be able to see here, given my eyes are getting old, Mr. Speaker. Thank you.

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

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. It's a great pleasure I get to welcome to the Assembly here today Mr. Brian Desjardins, the executive director of NWT Tourism. Also, Ms. Jenni Bruce, the chair, and also with them is Mr. Ron Ostrom and Carlos Gonzalez. Welcome. As well, I'd like to welcome Mr. Tony Whitford, no stranger to this House and the former Member for Kam Lake. Welcome, Tony. And Ms. Lydia Bardak, city councillor. Thank you.

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

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. After 17 years I'm glad you remembered who I am.

I'd like to take this opportunity to recognize a good old Metis boy from Fort Smith who's made very well, and my companion for dinner just about weekly, and a man who has a long, sterling reputation in serving the people of the Northwest Territories, my friend and colleague, Mr. Tony Whitford.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. I'd like to welcome my daughter here today, Kirstin, who flew in from home. Welcome.

My executive assistant Shirley and her daughter Nina Larson. Welcome, Nina.

Then to Mr. Yakeleya's family, welcome to the House. Then Mr. Tony Whitford again. I always tell Tony that you're the only guy that probably did every job in the Legislative Assembly right across the board. Keep up the good work, Tony. It's always good to see you.

I'd like to welcome all visitors here in the public gallery today. Thank you for taking an interest in our proceedings.

Item 8, acknowledgements, Mr. Nadli.

### Acknowledgements

ACKNOWLEDGEMENT 2-17(3):  
COMMUNITY OF ENTERPRISE  
WINS ENERGY ACTION AWARD

**MR. NADLI:** Thank you, Mr. Speaker. Today I'd like to recognize the community of Enterprise for being distinguished with the Energy Action Award

from the Arctic Energy Alliance. The Hamlet of Enterprise receives its water by trucked delivery from Hay River. To save money and energy, the community decided to reduce its water use. Community members and businesses exchanged their top-load washers for energy-efficient ones, Energy Star front-loading washers, replaced toilets with low-flow toilets, replaced shower heads and taps with low-flow models. Qualifying members received Energy Efficiency and Incentive Program rebates from the Arctic Energy Alliance for their efforts. Not only was water use reduced, there were fewer water truck deliveries to Enterprise, thus reducing greenhouse gas emissions. I'd like to congratulate the community of Enterprise. Mahsi.

**MR. SPEAKER:** Thank you, Mr. Nadli. Item 9, oral questions. Mr. Bouchard.

### Oral Questions

#### QUESTION 13-17(3):

##### IMPLEMENTATION OF MIDWIFERY REVIEW

**MR. BOUCHARD:** Thank you, Mr. Speaker. As I indicated in my Member's speech, my questions will be for the Minister of Health today. After a review of the Midwifery Program is completed, when will the department deliver the commitment of the Midwifery Program?

**MR. SPEAKER:** Thank you, Mr. Bouchard. The honourable Minister of Health and Social Services, Mr. Beaulieu.

**HON. TOM BEAULIEU:** Thank you, Mr. Speaker. There is no question from the department that midwifery would be an important part of the health system. The plan is to look at the Midwifery Program in the fiscal years of 2013-2014 to see where we could possibly put some midwives in position. We also have to do this in conjunction with a review of the physician services.

**MR. BOUCHARD:** I'm concerned with some of the terminology. An additional review we will see. I'm just wondering when the department will see those regional positions go out to the communities and start to deliver those babies and put the names on the birth certificates that rightly should be there.

**HON. TOM BEAULIEU:** Submission will be in the business plan for 2013-2014 for the Midwifery Program.

**MR. BOUCHARD:** Can the Minister answer me the question of the financial investment that the department is looking at committing to this Midwifery Program?

**HON. TOM BEAULIEU:** That's going to be up to this House on the amount of money that will be committed to it. We will be reviewing midwifery services in communities where a lot of births originate and which don't actually occur in those

communities. As an example, Hay River is one of the communities where there are many births originating but very few, if any, births at all that actually occur in Hay River. We're looking at that type of a system to determine which midwifery program will come before the other.

**MR. SPEAKER:** Thank you, Mr. Beaulieu. Final supplementary, Mr. Bouchard.

**MR. BOUCHARD:** Thank you, Mr. Speaker. Of course, my priority would be Hay River, but I am interested to see if the department is committed to putting those positions out into the regions prior to... There's also an indication there would be some in Yellowknife, but would the department commit to putting those positions out in the regions first?

**HON. TOM BEAULIEU:** Although the births that are originating and most of the births are happening in Yellowknife, Inuvik, Fort Smith, Alberta and a few in other provinces, we are looking at the communities where the mother is from, the originating mother is from. The ones with the highest numbers in those but the births don't actually occur there where they have to be transported to another community. Hay River is probably number one on the list for the mother originates from, the birth is originating from but actually do not have the actual birth in that community. Then we have other communities after that.

**MR. SPEAKER:** Thank you, Mr. Beaulieu. The honourable Member for Hay River South, Mrs. Groenewegen.

#### QUESTION 14-17(3):

##### CONSULTATION PROCESS REGARDING PROPOSED RENT SCALE FOR SENIORS

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. My questions today are for the Minister responsible for the NWT Housing Corporation, the Honourable Robert C. McLeod. Since 1996 a policy came into place in this government where seniors living in public housing over the age of 60 would pay zero rent. I believe the initial intent of this was to target seniors in small, remote communities where people in the housing units had not ever been involved in the wage economy, had come more from a traditional economy, but in the government's wisdom decided to apply it to every community and every senior living in public housing regardless of means or income. Now we are being forced to revisit that very, very generous program.

I would like to ask the Minister, as a result of the consultation with some of the seniors by MLAs, the complaint has come forward that seniors were not adequately consulted on this change. I would like to ask the Minister what efforts were undertaken by the Housing Corporation to ensure that seniors

were consulted before the implementation of this new policy.

**MR. SPEAKER:** Thank you, Mrs. Groenewegen. The honourable Minister responsible for the NWT Housing Corporation, Mr. Robert McLeod.

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. We feel that we've had considerable consultation across the Northwest Territories on the whole shelter policy review. We had an opportunity to meet with NWT Seniors' Society and received their input. We believe that this is an issue that has been consulted quite extensively across the Northwest Territories.

**MRS. GROENEWEGEN:** Some representatives and leaders of seniors' organizations are now asking to postpone the implementation of this policy in order to conduct further consultation. I would like to ask the Minister if he thinks that further consultation would result in a different decision by his corporation that he oversees.

**HON. ROBERT MCLEOD:** As I said, we feel like we've consulted adequately and if we were to delay it as per the wishes of some Members across the NWT, I don't think too much would change. Therefore, I don't see much need to delay the implementation and take this out again.

**MRS. GROENEWEGEN:** In terms of the feedback that did come back from the seniors, can the Minister please tell us if there was a categorical disapproval, or did this new policy review meet with categorical disagreement from the seniors, or was there also some widespread support for this?

**HON. ROBERT MCLEOD:** As with most changes that are made within the government where you start charging people money, there is going to be some concern and that concern was obviously raised and we hear it continue to be raised. What I was quite pleased about was the amount of support that it had from seniors across the Northwest Territories and I always use the particular example of a gentleman, a senior living in public housing, saying I only make \$1,500 a month but I'm willing to pay my share.

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

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. Certainly that has also been my experience, that the message is mixed and I have in fact heard comments from some seniors saying that if I'm a tenant of the Housing Corporation, at least if I'm paying my \$90 a month rent I feel like I can phone them up when my tap is dripping or I can ask for the kinds of services that any tenant would ask the landlord for. Certainly the feedback that we have received is very mixed as well.

I'd like to ask the Minister if it's this government's intention to then proceed with the implementation of

the rent charged for seniors beginning on the planned date.

**HON. ROBERT MCLEOD:** It is our intent to implement all the changes as per the shelter policy review on July 1<sup>st</sup> of this year and that includes seniors' rent.

**MR. SPEAKER:** Thank you, Mr. McLeod. The honourable Member for Deh Cho, Mr. Nadli.

QUESTION 15-17(3):  
HOUSING FOR SENIORS

**MR. NADLI:** Thank you, Mr. Speaker. Earlier today in my Member's statement I spoke about the recent Elders Parliament and the recommendation made by the elders to delay the implementation of the proposed changes to the public housing rent scale that will affect all seniors throughout the Northwest Territories. I kind of wondered about that. One of the things that some elders have raised with me is they've been living in the same house for many decades and I kind of wondered how this perhaps could affect them.

My question to the Minister responsible for the NWT Housing Corporation is that the Minister recently released a new strategic plan for Housing. Is there anything in that strategic plan that is specifically directed to the housing needs of elders?

**MR. SPEAKER:** Thank you, Mr. Nadli. The honourable Minister responsible for the NWT Housing Corporation, Mr. Robert McLeod.

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. We feel that at the Housing Corporation we look after our seniors quite well. We have a number of programs that are designed especially for seniors; seniors Home Maintenance Repair Program. We feel that we look after their needs pretty good. We have a lot of seniors we recognize are living independently and they're receiving no assistance from anyone and they still have the same bills to pay. So we try and do what we can as a corporation to look after the seniors' needs.

There are a couple of new initiatives that we plan on rolling out within the shelter policy review. We had an opportunity to discuss those with committee and we're receiving some feedback and then we'll make those programs that we're planning to offer public.

**MR. NADLI:** Thank you, Mr. Speaker. My question is just to perhaps explore options. As I indicated, elders have been living in homes for many years. They've raised their families and have paid rent for many years and they face an increase. I wonder if the Minister could tell me if there are options out there for elders to take over ownership of the houses where in some cases they have been paying rent for decades.

**HON. ROBERT MCLEOD:** We recognize that we have a lot of seniors that have been in these units for, as the Member has said, decades and almost since some of the units were built in the '70s. There's always an opportunity there to discuss with the seniors the option of purchasing the unit. We look at the value as it pertains to the community that they're in and we work out something with them.

But we also have to recognize that it's quite a jump to go from paying, well, zero in some cases, now \$70 to \$80 depending on where you live, to having to maintain the unit on your own.

It costs us an average of \$16,000 a year to maintain a unit, and that includes a seniors unit. It can go as high as \$24,000 in some cases. We have to be sure that we do our homework with them and not set them up for potential failure, as much as we would like them to be homeowners. We've also taken the initiative in some cases where seniors have been living in the houses for years, they've moved out, so they're kind of over-housed with a three-bedroom house and just the senior, but we recognize the sentimental value that the unit has to the senior so we do keep them in there for as long as we can.

**MR. NADLI:** I like what the Minister is saying in terms of an opportunity that perhaps could be explored with the elders. Would the Minister of the Housing Corporation be willing to look at transferring ownership of those units? We've done this, I think perhaps this government has done, surplus and aged homes that are perhaps beyond maintenance but at the same time are respectable units that elders have occupied, to see if the Housing Corporation would look at transferring ownership of those units at no cost to the elders.

**HON. ROBERT MCLEOD:** We're always willing to look at that option; however, as I said before, we have to ensure that we don't set the seniors up for failure. To go from zero right now to having to maintain the unit yourself, there's quite an extensive cost to that. We want to make sure we work with the seniors to be comfortable that they are able to take over home ownership of the house. There's always that option there and we're more than willing to explore that with the seniors that have been living in their units for a long period of time.

**MR. SPEAKER:** Thank you, Mr. McLeod. The honourable Member for Nahendeh, Mr. Menicoche.

QUESTION 16-17(3):  
TOURISM INVESTMENT IN THE NWT

**MR. MENICOCHÉ:** Thank you very much, Mr. Speaker. I just wanted to follow up on my statement on tourism whereas there are potential reductions. I'd like to ask the Minister of ITI, being that tourism

is one of the NWT's highest goals and objectives, I'm surprised that we will be facing some reductions. I'm just wondering why we are heading in this direction when we should be supporting and enhancing the tourism sector.

**MR. SPEAKER:** Thank you, Mr. Menicoche. The honourable Minister responsible for Industry, Tourism and Investment, Mr. David Ramsay.

**HON. DAVID RAMSAY:** Thank you very much, Mr. Speaker. I thank the Member for the question. Certainly we heard the Finance Minister with his budget address earlier today, we're trying to maintain what we have as a government. We're spending \$10.4 million on tourism and we do have the Tourism 2015 plan where we've got \$1 million earmarked annually specific to some marketing initiatives and also Aboriginal tourism initiatives across the territory. We do need to look for ways as we go forward and our revenues do grow, look for opportunities to get some more money into marketing and product development here in the Northwest Territories. I see us advancing this. I see Tourism 2015 as a way we can do that.

Certainly if we look at our neighbours in the Yukon, their marketing budget is much more than ours but at some point in time there will be a highway down the Mackenzie Valley and our transportation infrastructure will be to a degree where we will see increased tourism traffic here in the Northwest Territories and our budgets will increase accordingly. Thank you.

**MR. MENICOCHÉ:** If the Minister is talking about increased volumes, then it certainly has been increased in the last few years and yet we're faced with some reductions in our tourism budget. I just don't see it and my constituents don't see it. Every little dollar helps our NWT economy, Mr. Speaker.

Once again, I'd like to ask the Minister what prompted him to reduce our budgets. It's been increasing in the nine years that I've been MLA and now this is the first time I've seen our tourism budget reduced, Mr. Speaker.

**HON. DAVID RAMSAY:** I wasn't aware that we were reducing the budgets in tourism. Over the past five years we've also come up with \$5.6 million in the Tourism Product Diversification funding. Again, this year, in this budget there is \$10.4 million earmarked for tourism.

Again, maybe the Member could just clarify where he believes the reductions are coming, because I haven't seen any reductions and I don't believe we're reducing in any area in regard to tourism. Thank you.

**MR. MENICOCHÉ:** Before I began this discussion, I had a discussion with our staff, and I'll try to stay away from the budget numbers there, but certainly I will be raising it more specifically in Committee of the Whole. The overarching thing is the concern

that there is a reduction of about \$300,000 there, Mr. Speaker. However, there is also some passive restraint going on with the NWT tourism. There's \$400,000 being held back and that's creating concern for the people that depend on this, on government funding and the support.

Once again, I'd like to ask the Minister how is it that our government continues to repress our tourism budget when they're there saying that they support tourism. Thank you.

**HON. DAVID RAMSAY:** We will get to the detail that the Member is talking about, but certainly the message from this government is that we support tourism. Again, it's \$10.4 million, and as we go forward I think it's very important that we find more money to go into marketing initiatives.

We've had a great deal of success working with our neighbours, Nunavut and the Yukon, on a pan-territorial approach. I see that continuing as we go forward. We need to find other ways to market the Northwest Territories. I believe as revenues increase and opportunities present themselves, we should take advantage of those opportunities.

Certainly, we support tourism. As the Member mentioned in his opening statement today, tourism has the potential to provide some real economic activity in every one of our 33 communities in the Northwest Territories and that's something that's not lost on the government.

**MR. SPEAKER:** Thank you, Mr. Ramsay. The honourable Member for Inuvik Boot Lake, Mr. Moses.

QUESTION 17-17(3):  
RECOMMENDATIONS CONTAINED IN  
YOUTH CONFERENCE REPORT

**MR. MOSES:** Thank you, Mr. Speaker. I'm just following up in regard to my Member's statement. With the Forging the Future Youth Conference reporting, 42 youth from across the Northwest Territories got together last summer and they came up with a bunch of recommendations and talked about all the issues that we talk about in this House. It was an initiative from the former Premier and the former Minister of the Department of Aboriginal Affairs and Intergovernmental Relations. My question today is for our newly elected Premier and Minister of DAIR. Is he familiar with the report and is he familiar with the recommendations that are in this report, and is he familiar with those recommendations? Thank you.

**MR. SPEAKER:** Thank you, Mr. Moses. The honourable Premier, Mr. McLeod.

**HON. BOB MCLEOD:** Thank you, Mr. Speaker. I'm very familiar with the report that the Member is referring to, although it was undertaken in the previous Assembly, in the 16<sup>th</sup> Assembly. But with your new approach, we are definitely following up

on the recommendations that were put forward in the 16<sup>th</sup> Assembly. Thank you.

**MR. MOSES:** There are two specific recommendations. One is for an end goal of getting a treatment centre that's culturally sensitive with multicultural staff, trained professionals, unique treatment plans for youth, adults and elders, as well as a recovery support program, something that we are lacking in this territory. As well, they made a recommendation to place a qualified school counsellor and mentor in every school to help them achieve their goal of graduating high school. With the Minister of DAIR familiar with those recommendations, when can we see those recommendations be put into action that will help our youth succeed and also our adults and our seniors as well?

**HON. BOB MCLEOD:** As in any good government, we put our own stamp and our own brand on those two recommendations, and those were identified as priorities by this 17<sup>th</sup> Assembly, although perhaps under a different name or a different recommendation.

With regard to the treatment centres recommendation, we are actively working on that and our Minister of Health and Social Services will be tabling a Mental Health and Addictions Strategy very soon.

With regard to a counsellor for every school, we have recognized that, as well, as an area that we need to look at, and through our Aboriginal Student Initiative we are looking at what we can do for every school in the Northwest Territories.

**MR. MOSES:** As recognized, this was an initiative put on by the former Minister and Premier. I just wanted to ask the Premier if he's willing to continue working on such a document and such a very strong initiative with our youth leaders in this government to continue on such a great project. That it's not a one year thing and that we continue to work with our youth and listen to our youth in how we can work to better a future for everyone.

**HON. BOB MCLEOD:** We are always looking to become more effective and efficient, and we do have youth as a priority, and we will continue to find ways to interact with the youth and to make sure that their voices are heard.

**MR. SPEAKER:** Thank you, Mr. Premier. Your final, short supplementary, Mr. Moses.

**MR. MOSES:** Thank you, Mr. Speaker. Youth is always a priority; however, it did not get on the document for our caucus priorities, which I made a Member's statement early on in the government about committing to the youth that we're still going to work in their best interests. It's nice to hear those comments from the Premier. What I didn't hear was the commitment that he'll continue working with the document to bring youth together and possibly

working with other departments, interdepartmental governments. Can I get a strong commitment from the Premier on this? Thank you.

**HON. BOB MCLEOD:** Although perhaps it didn't make it on the priority list, this is part of the ongoing work that this government does that we work with youth. Normally, we would like to have our own brand, so we would continue to work with youth and perhaps not under the auspices of what was done in the 16<sup>th</sup> Assembly, but I would expect that we would want to work with something, perhaps a better, more improved version, I would like to think, so we would commit to continue to working with the youth.

**MR. SPEAKER:** Thank you, Mr. Premier. The honourable Member for Frame Lake, Ms. Bisaro.

QUESTION 18-17(3):  
STAND-ALONE AURORA COLLEGE  
YELLOWKNIFE CAMPUS

**MS. BISARO:** Thank you, Mr. Speaker. My questions today are addressed to the Minister of Education, Culture and Employment and I'd like to follow up on my statement. Aurora College students, those attending classes here in Yellowknife, unfortunately some of them are in extremely crowded conditions. Some of them are in classrooms which have great heat variations, sometimes too cold, sometimes too hot. It's not an optimal experience for them. I believe strongly, and I think many of the college staff and students also believe, that Yellowknife deserves a stand-alone campus similar to those in Inuvik and Fort Smith. I'd like to know from the Minister whether or not the Department of Education, Culture and Employment has a capital plan that includes planning for and construction of a stand-alone campus for Yellowknife. Thank you.

**MR. SPEAKER:** Thank you, Ms. Bisaro. The honourable Minister of Education, Culture and Employment, Mr. Lafferty.

**HON. JACKSON LAFFERTY:** Mahsi, Mr. Speaker. I do agree that there needs to be a stand-alone campus along with other jurisdictions similar to them. However, we have to find the funds within the Government of the Northwest Territories to make that a reality.

There have been several meetings that happened over the years. Just recently there has been a meeting between the GNWT, college and city, just preliminary discussions that we have been having. We want to focus on what our options are that we can work with.

At the current stage, the lease agreement is up for the Northern United Place. We are in the process of renewing that from two years up to five years so we can plan for potentially a new building if that is the

case. Those are the areas that we are continuously working towards. Mahsi.

**MS. BISARO:** Thanks to the Minister. I am really pleased to hear that there is actually something happening other than just talk. There has been a lot of talk in the last couple of years about maybe this happening, maybe that happening, but there has been nothing concrete.

I'm glad to hear the Minister say that he is meeting with the college board, but I guess I would like to know, when he says that they are looking at all options, does that include options such as P3 projects. Does that include options such as a corporate sponsor who might perhaps assist in the building of a college? Is the Minister seriously considering every possible option? Thank you.

**HON. JACKSON LAFFERTY:** Yes, those are the areas we are exploring and working closer with the Department of Public Works and Services as well. These are the areas that we have continuously in discussion with potential partners that may be out there.

There has been an issue that has been brought to our attention, is more emphasis on trades programming. There will be several partners potentially involved in this. Those are the discussions that we have recently had and will continue to have. We will keep Members up to speed on what is happening with that progress. Mahsi.

**MS. BISARO:** Mr. Speaker, I would like to know from the Minister my usual question in terms of when we might expect to see some progress on this particular project. From the Minister, can we expect to see a timeline for this project, some definite movement in a forward direction, not talk? Thank you.

**HON. JACKSON LAFFERTY:** Again, we have initiated a discussion just last week. There are players involved now. The corporate sectors, the city, the college, the GNWT is a partner in this and exploring options, as we indicated. Those are the areas of interest to us. We want to explore those options so we can share with our standing committee. We need to move forward on this. At this point we are renewing the lease agreement, so that is first things first and getting out and integrating with the potential partners. Mahsi.

**MR. SPEAKER:** Thank you, Mr. Lafferty. Final, short supplementary, Ms. Bisaro.

**MS. BISARO:** Thank you, Mr. Speaker. Thanks to the Minister. I do agree we have to move forward on this, but I heard no timeline except that we are going to renew a lease. Again, lots of talk and little action. If we are renewing this lease for three years, can I expect to see a timeline for construction within the next six or eight months? Thank you.

**HON. JACKSON LAFFERTY:** First of all we have to go through a process to find the funds. Those are the areas that we are discussing at this point. When that happens, then we will notify the Member. Thank you, Mr. Speaker.

**MR. SPEAKER:** The honourable Member for Mackenzie Delta, Mr. Blake.

QUESTION 19-17(3):  
FUNDING POLICY FOR  
SPECIAL NEEDS STUDENTS

**MR. BLAKE:** Thank you, Mr. Speaker. This is a follow-up to my Member's statement. I have questions for the Minister of Education. How does the number of students with special needs figure into the way the department funds teaching positions in their schools? Thank you.

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

**HON. JACKSON LAFFERTY:** Mahsi, Mr. Speaker. This is the area that we need to work closely with the Beaufort-Delta Department of Education, and also local education authority. We provide funding through them based on enrollment. There are PTR and also inclusive schooling. That is their contribution through BDDAC and then on through the communities. When it comes to teachers, it is really up to the school board to hire those teachers, hire those professionals, so we will continue to work with them. If there is a need in the specific most current school, then that will be addressed next time I meet with the board chairs. Mahsi.

**MR. BLAKE:** The department's Aboriginal Student Achievement Initiative is helping raise local awareness interests and support for the schools and students. This is certainly true in Aklavik. What will the Minister do to answer the need for another teacher for the early grade levels? Thank you.

**HON. JACKSON LAFFERTY:** Aboriginal Student Achievement Initiative is in the works during the implementation stages. We work closely with BDDAC on this particular subject. When it comes to hiring additional teachers, this could be a discussion that we could have with the school board identifying a specialized teacher through the ASA if that needs to be the case. It has to be at the board level. I will be discussing that with them as well. Mahsi.

**MR. BLAKE:** Will the Minister go to Aklavik and see the situation at Moose Kerr School for himself?

**HON. JACKSON LAFFERTY:** Mr. Speaker, by all means, if there is an indication, we are willing to accept and go to communities. I think that is part of the job that we have here. I am looking forward to visiting those communities. Mahsi.

**MR. SPEAKER:** Thank you, Mr. Lafferty. The honourable Member for Sahtu, Mr. Yakeleya.

QUESTION 20-17(3):  
RESOURCE DEVELOPMENT IN THE SAHTU

**MR. YAKELEYA:** Thank you, Mr. Speaker. In my Member's statement I talked about the infrastructure needs and some of the things that are happening in the Northwest Territories. I also made comments to the Mackenzie Gas Pipeline initiative and Mr. Ramsay, the Minister of ITI, talked about the Mackenzie Gas Project. In light of what we have heard and read, that we are downsizing and there is not much of an uptake now from the federal government or the oil companies to look at the Mackenzie Gas Project and not knowing whenever that will come to light, within Mr. Ramsay's department is he looking at other big picture initiatives that are happening in the Northwest Territories that maybe we need to have some high-level discussions with the communities in the North?

Would Mr. Ramsay acknowledge what is happening in Norman Wells? Could he see that this can take precedence over some of the initiatives, as well, that have been happening in the North in regard to the Mackenzie Gas Project and possibly looking at a pipeline coming from the south to the north from Zamba to Norman Wells in regard to what is happening out there in Alaska last year?

**MR. SPEAKER:** Thank you, Mr. Yakeleya. The honourable Minister of Industry, Tourism and Investment, Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. The government is still very optimistic that the Mackenzie Gas Project will be constructed at some point in time. I have recently met with proponents of the gas project who share that optimism. At some point in time that gas project will see the light of day.

We continue to be optimistic that that will happen, but we also have to be cognizant of other opportunities that are presenting themselves in the territory. Of course, the resource play that is currently underway in the Sahtu is very important and very exciting and has the potential to turn the central Mackenzie, the Sahtu region into a real beehive of activity. We are looking forward to working with the Member.

As we move forward and as the resources are developed there and opportunities present themselves, we will be taking a look at how we can help the Sahtu region advance the interests there for the good of the entire territory. We are excited at the opportunities there. Thank you.

**MR. YAKELEYA:** As the Minister mentioned, the Sahtu could be a real busy place like a beehive. I hope he's not referring to us as honey buckets here

and being dealt with in the last four years in Colville Lake. I want to ask the Minister if they're looking at high-level discussions in the Sahtu because of the shift of the playing and just the way things have turned out. Is the Minister willing to look at maybe opening up some discussions on a Highway Strategy in our region for oil companies, communities that we can possibly have a new discussion paper on looking at some new initiatives that could happen because of what's going on there? Thank you.

**HON. DAVID RAMSAY:** I've discussed this issue with both of my deputy ministers at ITI and at Transportation, and at the earliest opportunity I would like a chance to sit down with the Sahtu Explorers Group – that's the group of companies that are doing work in the Sahtu – to explore opportunities to work together to advance transportation infrastructure, both winter road access and perhaps even all-season access into the Sahtu from Wrigley. Those discussions I look forward to having with the Sahtu Explorers Group as we move forward. Thank you.

**MR. YAKELEYA:** Can the Minister tell me when possibly his officials, his department or the Cabinet could look at some new direction for the Northwest Territories in light of what's happening in the Sahtu? It's going to be busy, busy, busy. So maybe the beehive businesses, that's probably an inaccurate statement, but can he tell me when will he be able to share some documents with us saying yes this is how we are going to move in this area once he's met with the Explorers Group and he has some indication that this is going to be a place that needs to be paid attention and that the Sahtu could look forward to his presentation to us?

**HON. DAVID RAMSAY:** We're still in the early days. There was a great deal of activity there last winter. There's some activity there this summer and for the foreseeable future there will be a great deal of activity taking place in the Sahtu. There were two wells drilled there last year and there will be a number more proposed to be drilled this coming winter.

As the resource is better known and we get a better indication from industry and the residents in the Sahtu on what is there, I think then we really need to take stock of programs and services that we have on the ground in the Sahtu, and if there's a need to ramp up government activity to deal with the progress that's being made there on developing the resource, then that's something that we're going to need to see happen sooner rather than later. But certainly all indications, from what I've heard from industry and people who have been out in the field, this is a sizeable resource play and it's very exciting and the potential exists for billions of barrels of oil to be located across the river from Norman Wells. Thank you.

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

**MR. YAKELEYA:** Thank you, Mr. Speaker. Mr. Ramsay talked about some of the sizeable, significant things that could happen in the Sahtu. I want to ask the Minister if he can let his Finance Minister know, and Cabinet know, that next time they do a budget and report that, you know, we could have some indication as to some of the things that could be happening there.

Right now we're talking a lot of Mackenzie Gas Project, but we don't know when that's going to be built. Whenever I guess is sometime way in the future, but something's happening in the Sahtu right now that should have had some attention in the budget. So could I ask the Minister in the next budget report that he could look at some of these issues that could be seeing some development happening within this government with the Sahtu people and going forward on some initiatives that we're going to be needing to help us over there?

**HON. DAVID RAMSAY:** As we move toward all the activity that will take place in the Sahtu next winter, we will be working toward the business planning process this fall and certainly not just the two departments that I'm responsible for, but other departments. As things progress there and there is a need for more resources in programming or services or personnel, those are discussions that are going to need to take place and those will come through the business planning process in discussion with the Sahtu Secretariat and folks that are in the Sahtu. Those discussions will certainly play themselves out over the coming months. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. The Member for Weledeh, Mr. Bromley.

#### QUESTION 21-17(3): STABILIZATION FUND

**MR. BROMLEY:** Thank you, Mr. Speaker. I'd like to follow up on the Finance Minister's budget address earlier today, if I could, just with some general level questions. I know we'll be getting into details here and I want to specifically target in on the revenue section. I have to say I wasn't impressed with the revenue section. Obviously, it was 10 lines long and so not a lot of detail there.

I am pleased to see that our revenues are up \$132 million, but there was mention of a Stabilization Fund and I was wondering if there's any early thinking yet about how such a fund would work. I have no background in that area and I'm interested if the Minister has thought yet about how that might work or whether that's still work to be done. Thank you.

**MR. SPEAKER:** Thank you, Mr. Bromley. The Minister of Finance, Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. That's still work to be done. We've structured and set up a Heritage Fund. We're waiting for resources to put into that. A lot of work is going to be done between now in the fiscal years one and two here, as I've indicated, as we look at managing our resources and building up our cash reserves and where we can anticipate things in two years or so down the road where we get additional revenue from devolution, then we'll be in a position to be able to decide in the interim what we want to do and how we want to structure it and then be in a position to actually have resources to contemplate where we put those. Thank you.

**MR. BROMLEY:** Thanks for the comments. That's a very long-term prospect, obviously, the Heritage Fund, and I see absolutely no commitment in this budget for putting money in that, despite the fact that it's there, and as the Minister said, the valuation of diamond export last year was a near record. Gold prices are at the highest they've ever been by a great deal, hundreds of percent. So I'm wondering, rather than wait, given our revenues in addition to that, our revenues are up \$132 million this year, would the Minister commit to starting to capture some of that value right now, recognizing the lack of lasting legacy benefits that we're getting from non-renewable resource benefit right now and for the past several decades. Will he get some money in that fund this year? Mahsi.

**HON. MICHAEL MILTENBERGER:** If we were to contemplate putting money into the Heritage Fund, it would be money that we'd have to borrow at this point. We have, as I indicated and tried to lay out in the budget address, our short-term and long-term borrowing costs, how much we have, the need to put aside and replenish our cash reserves so we can commit to infrastructure in year three and four and we're very aware of the Heritage Fund sitting there. We do have plans to do a number of things in year three and four, as I've indicated as well.

The Heritage Fund is on that list. In the meantime we have to have two years of fiscal discipline to get us in the position to make those type of investments. Thank you.

**MR. BROMLEY:** I do disagree with the Minister on that. If we waited until we don't have debt to put money in the Heritage Fund, it's never going to happen. This government has made decisions on tens, I would even say hundreds of millions of dollars in this budget, so that's not an acceptable response. But I'd like to ask, is the Minister looking at any other sources of revenue or potential sources of revenue that we might be able to develop and at least start getting that in place late this year or next year. Thank you.

**HON. MICHAEL MILTENBERGER:** As I indicated in the budget address, there are no new taxes in this particular budget. We do have some projects

that I think are going to be a real boon economically as well as for building the North, like the fibre optic line. We do know with the conclusion of devolution and the resource revenue money that will flow, the A base funding that will flow, that we will have some additional revenue there as well. If our projections stay on target and there's not any kind of negative downturn in this fragile global economy that we're still in, then we anticipate there's going to be some continued modest growth to our revenues there. As I pointed out, every dollar we have is subscribed to and then some. We've put money into a number of projects to offset a number of unexpected events and we've all agreed or the majority of us have agreed we need to have a replenishment of our cash reserves. I appreciate the Member's concern. He and I agree about the Heritage Fund. It's going to be a question of working on the timing.

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

**MR. BROMLEY:** Thank you, Mr. Speaker. As far as the fragile global economy goes, as the Minister has said, the record export of the valuation of diamonds last year, this is after the 2008 downturn, the financial, the fiscal reasons for that have not changed at all, as we know from JP Morgan and so on. It's not a matter of fragility. It's a matter of governments not taking their responsibility seriously. So my last question is: Again, given these resources, will the resource developments that we're getting and evaluations, will the Minister commit to doing a complete resource rent review for the Northwest Territories both under the conditions of devolution and without the conditions of devolution this year?

**HON. MICHAEL MILTENBERGER:** The issue of whether there's a fragile global economy or not we could debate. We could debate the use of the term "fragility." Clearly, when you have written Ireland, Greece, Spain, Portugal, Hungary, Poland, most of the former Eastern European block countries, France, either in recession or teetering on the edge of recession and the United States just struggling to get back out of recession, when we have our own provincial jurisdictions all in severe deficit reduction mode, I would say that things could be defined to be tenuous. The Member has made reference to what sounds like a fairly significant undertaking that he would like done, and if I was going to do that, I would need significant more clarity so that we could have a discussion about it before we look at putting a lot of resources to work to do that.

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

**MR. BROMLEY:** Thank you, Mr. Speaker. A review of resource rents is something that's undertaken by many jurisdictions on a regular basis. There are lots of examples out there. My point is that we are not capturing an appropriate

value from the non-renewable resources that we're exporting from the NWT. We are talking about devolution and we are not acting as a responsible government already. With devolution, are we going to do that? I'd say the best way to start taking this more seriously is to develop a thorough review of how do we capture value from our resource development, what are the rates elsewhere – look at Norway, look at Alberta, look at Alaska, and so on, decide our philosophical approach and get some things in place to do that.

**HON. MICHAEL MILTENBERGER:** I will look at Hansard. I agree with the Member that as we look to take over land, water, resource development, we want to be fully up to speed and up to date on all the rents, I think is how the Member referred to them. There are also other areas across the land, for example, where we want to look at are we putting the proper value on things like water. As we go forward as a territory looking at all these issue post-devolution, we will be looking at that and we will be having that discussion with Members, and I'm sure with Northerners as a whole.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. The honourable Member for Range Lake, Mr. Dolynny.

QUESTION 22-17(3):  
CANADA HEALTH TRANSFER  
FUNDING FORMULA

**MR. DOLYNNY:** Thank you, Mr. Speaker. My questions today will be for the Minister of Finance as a follow-up to my Member's statement. Back in December 2011 our Minister of Finance along with his colleagues were dealt with the federal announcement, I guess, drastic announcement of the changes in the Health Canada transfers that were going to be occurring over the next five years. This has been a subject of great debate amongst provinces and territories, so much so that even the Premiers themselves are leveraging in in terms of their confusion as to what exactly the outlook is going to happen over the next couple of years. Now our Minister of Finance has addressed the House here and has addressed some of the Members in terms of the short order the territory's going to be in an okay position. I guess we're a bit concerned here, because of the nature, because of the concerns we're seeing on a national level. My first question to the Minister is: Can the Minister reassure us on the short order that the federal transfers that we see before us are going to suit the needs of Northwest Territories residents for health?

**MR. SPEAKER:** Thank you, Mr. Dolynny. The honourable Minister responsible for Finance, Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. I'm not sure if it's short order or short-term, but really in the short term we're guaranteed the 6 percent increase and then subsequent to that

it will be tied to the nominal GDP to a minimum of 3 percent. We will have to govern ourselves accordingly. It depends. I laid out some demographics, for example, about the doubling of our population over 60 by 2015 or so. We're going to have to manage ourselves accordingly.

I would also point out that under the arrangements that have been proposed there were two jurisdictions that were positively impacted. One of them, in a fairly significant way, was Alberta to the tune of nearly a billion dollars. The other one, of course, was the Northwest Territories to a much more modest degree but to the amount of about \$6 million. We're paying very close attention to this.

As well, the Member referenced the Premiers. The Premiers and the Council of the Federation have put the Finance Ministers from the provinces and territories to work to look at the impact going forward of all the announcements that were made last December in Victoria. My final comment would be that at that meeting it was very clear that the federal government was announcing its intention. It was not asking for feedback. It was not asking for debate about what we thought about what was being proposed. It was almost by a type of fiat where it was very clear they have a majority government and a plan that they have decided to implement. That's what this one is.

**MR. DOLYNNY:** I appreciate the Minister's thorough response to that. Again reassuring the House that on the short term or short order, so to speak, that we are okay and probably one of the better recipients of the so-called short-term order.

As I said in my Member's statement here, changes in the health care transfers are going to shift dramatically in 2014-2015 on a per capita cash basis. Can the Minister indicate to me how that's going to change the funding formula for that year moving forward?

**HON. MICHAEL MILTENBERGER:** The Member made reference in his statement to what sounded like what is referred to a base-plus approach to blended funding where you have a fixed amount, everybody receives a fixed amount and after that the calculations move to a per capita basis. That is an approach that is in use at every opportunity by every ministry of the government, and the territorial government as a whole supports that kind of approach. It has been put to use in some cases.

In regard to the health transfer, there's a floor of no less than 3 percent. No province or territory is supposed to be disadvantaged using the 2013-2014 as a base year. As I indicated, as well, by removing the tax transfer condition we in fact are one of two jurisdictions that have in fact benefited.

**MR. DOLYNNY:** Again, I do thank the Minister for clarifying that. Changes that are going to occur in funding are definitely going to affect this territory. It

would be prudent to know what exactly the mechanics are behind that in terms of the financial mechanics that we're going to be looking at. So much so that my next question has to deal with as we move forward in terms of the future. A lot of these processes are a five-year outlook and they say after 2017-2018 that the changes could be even further drastically affected. Does the Minister or the department have a strategy in place? As he indicated in his budget, we're looking at an aging population, obviously more expenses on our budget line. Does this department have some thoughts moving forward with that type of budgeting?

**HON. MICHAEL MILTENBERGER:** As I indicated just in the previous response, the Premiers and the Council of the Federation have put the Finance Ministers from the provinces and territories to work under the chairmanship of Premier Selinger from Manitoba, who has many, many years – he's one of the longest serving Finance Ministers in Canada – to work, to review those issues raised by the Members and others, as well, so as a collective we can come up with the best understanding possible and agree hopefully on a way forward and be able to have a sound basis to engage the federal government in any discussion that may be required.

**MR. DOLYNNY:** Again, I do appreciate the Minister being forthright with the House here in terms of a very serious topic, one in which I know wasn't part of the budget address but one in which I think should affect everyone here in this room in terms of large funding dollars.

My last question for the Minister is one in which I brought in my Member's statement. There seems to be a push or a movement to look at a two-tiered system with respect to funding and being pushed by the provinces. I want to know if the Minister is indeed on board with that certain thinking. Which is meaning are we including an Aboriginal component? Are we including a proportionate of aging population base? Are we including the geographic hurdles we have in this territory in serving the needs of health care? Is the Minister in agreement in potentially using some of those elements as we negotiate our fair share of health transfer dollars?

**HON. MICHAEL MILTENBERGER:** We've been negotiating these agreements now for literally decades. There's a very complex criteria in some cases with the formula funding agreement. As well, there's a lot of specific criteria used. The health transfer numbers were laid out pretty clearly and bluntly by the federal Finance Minister. As I indicated, we have a working group through the Council of the Federation at work. That work that they're doing is supposed to be ready for June when the Premiers meet at their next meeting. When that work is completed, we will have an idea collectively of what the landscape looks like or

could look like. When we have that information, we'll be very interested in sharing it and discussing it with all Members of this Legislature.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Final supplementary, Mr. Dolyunny. The honourable Member for Yellowknife Centre, Mr. Hawkins.

QUESTION 23-17(3):  
DEH CHO BRIDGE PROJECT LENDERS

**MR. HAWKINS:** Thank you, Mr. Speaker. It's no secret that the Deh Cho Bridge Project has had its difficulties. It's critical that we continue to reflect back on some of the experiences that have happened and learn from every opportunity how we can fix the mistakes and certainly not repeat them in the future. My questions today are specifically in relation to the GNWT's relationship with the project lender who, for some reason, cut off access to the construction account sometime in February or March 2010. My questions are directed to the Minister of Finance.

Has the GNWT conducted any investigation or review into the reasons why the Deh Cho Bridge Project lenders took the unusual steps of cutting off access to the construction account in early 2010, and how might we have prevented ourselves from getting into this situation? If we have not done this, why haven't we done this?

**MR. SPEAKER:** Thank you, Mr. Hawkins. The honourable Minister responsible for Finance, Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. I think our first priority as a government and Legislature is in fact to put all our efforts into making sure that the bridge gets concluded, that it gets opened and operating and generating the revenue that has been budgeted for and will provide that service to Northerners as well as help lighten our fiscal burden.

The questions the Member has raised have been discussed. Has there been a formal debriefing? Has there been a formal forensic review and post-mortem? No, there hasn't at this point. In due course when the project is, in fact, concluded and up and running, there will be that opportunity to look as we go forward on learning from this process. Thank you.

**MR. HAWKINS:** I have to say I'm kind of disappointed by that last answer by the Finance Minister, because, quite frankly, the lenders cutting off funding to the territorial government through the Deh Cho Bridge have nothing to do with the ongoing process. That process has been done. That bridge has been burnt. It's over. So now is our chance to look at the situation.

There must have been significant correspondence from the lender. I'm asking the Finance Minister would he be willing to provide the correspondence

between the Department of Finance and the lenders to Members of this side of the House as well as committee members so we can look at some of the reasons why they chose to cut off the financial accounts to the GNWT in early 2010.

**HON. MICHAEL MILTENBERGER:** What I will commit to is when the project is completed, we will do a review, a post-mortem to make sure that we learn the lessons necessary on what worked well, what didn't work as well, how we structured ourselves, and the very many other issues that may flow out of that. I know the Member has indicated a very specific interest, but by just providing single pieces of correspondence or a sheaf of correspondence on a very, very complex process without a broad context and having all the pieces together would be counterproductive, in my mind, and we're not in the position to do that until the project is done and we do that post-mortem. Thank you.

**MR. HAWKINS:** I've heard several indications that there was an attempt to undermine the GNWT's position by calling and harassing the lenders about the GNWT being incompetent and unable to manage this type of loan. I've heard this from various sources that expressed this quite adamantly. I would think the Finance Minister would be quite concerned and shocked by that suggestion.

The fact is we can't have the reputation of the GNWT put at risk. I ask the Minister, once again, if this type of concern is out there, what would stop him from wanting to get to the bottom of why the lenders pulled the carpet out from the GNWT, put such financial risk on our government directly and caused us to have increases, major increases to the Deh Cho Bridge project, and now sitting here and waiting and saying, well, when it's done. We should be doing this now.

**HON. MICHAEL MILTENBERGER:** In fact, I was, if my memory serves me correctly, the Minister of Finance at the time as we dealt with the very many bumps in the road that were there with the Deh Cho Bridge. We've managed our way through that, I think, in a very constructive way. The project is nearing completion.

The Member has indicated that he has had indications and he has had some sources tell him things. I don't know who those people are. I can tell him and can tell you in this House and the people of the Northwest Territories, we have a project that is nearing completion, that once it is built everyone will stand up and say that's a very good project.

This is long overdue and we would never want to go back to ferries and ice roads. We will do the post-mortem. We will share that and we will do that in due course in the fullness of time.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Your final, short supplementary, Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Speaker. The fullness of time is always the worst response from this Minister, because it could be a lifetime. It is not an answer, Mr. Speaker. Quite frankly, this Minister should be concerned that this project financing, that portfolio, that file got pulled out and embarrassed on his shoulders while this happened. And he should have fought like heck to make sure it didn't, Mr. Speaker.

The fact is, this should be investigated. I'm not calling for a royal commission on this particular issue, I'm talking about will he start a process getting this kicked off, because this could take several years, and to wait for the fullness of the project to come to fruition could be years away. If they want to defend doing nothing, they're accepting and supporting nothing. The question really comes back to let's get to action. Why defend doing nothing when we could be doing something?

**HON. MICHAEL MILTENBERGER:** A point of fact, the Member has no idea how I feel and he has no idea how hard I fought or not fought on this issue.

I think the proof is in the pudding. We have a project that is nearing completion. There have been challenges, without a doubt, and they've been reported and debated and discussed in this House and in the press.

Our first priority and our first full attention is to get the project done and completed, and open to traffic and generating revenue. After that, we have committed to doing a full post-mortem and we will make sure that that information is shared. It has nothing to do with our not caring or not being concerned.

We've been on this, like I said, I was the Finance Minister in the last government, and this issue has consumed a lot of time, as everyone well knows. Our first job is to complete that project and then we will honour the commitment for the post-mortem.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Item 10, written questions. Mr. Moses.

### Written Questions

#### WRITTEN QUESTION 1-17(3): SHELTER POLICY REVIEW – PROPOSED SENIORS RENT SCALE

**MR. MOSES:** Thank you, Mr. Speaker. My questions are for the Minister responsible for the NWT Housing Corporation.

1. Would the Minister please provide a list of the communities that were consulted in the shelter policy review?

2. Would the Minister please indicate which community groups were consulted during the review?
3. Would the Minister please confirm the number of NWT seniors who were consulted during the review?
4. Would the Minister please provide an outline of the consultation process for the shelter policy review?

Thank you.

**MR. SPEAKER:** Thank you, Mr. Moses. Item 11, returns to written questions. Item 12, replies to opening address. Item 13, replies to budget address. Item 14, petitions. Item 15, reports of committees on the review of bills. Item 16, tabling of documents. Mr. Miltenberger.

### Tabling of Documents

TABLED DOCUMENT 3-17(3):  
NORTHWEST TERRITORIES  
MAIN ESTIMATES 2012-2013

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. I wish to table the following document, entitled "Northwest Territories Main Estimates 2012-2013."

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Item 17, notices of motion. Item 18, notices of motion for first reading of bills. Item 19, motions. Item 20, first reading of bills. Item 21, second reading of bills. Item 22, consideration in Committee of the Whole of bills and other matters, with Mrs. Groenewegen in the chair.

### Consideration in Committee of the Whole of Bills and Other Matters

**CHAIRPERSON (Mrs. Groenewegen):** I'd like to call Committee of the Whole to order. The only item we have before Committee of the Whole today is Tabled Document 3-17(3), NWT Main Estimates 2012-2013. I would like to ask what is the wish of the committee. Mr. Menicoche.

**MR. MENICOCHÉ:** Thank you very much, Madam Chair. Your committee would like to do some opening comments.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you. We will proceed with that after a brief recess. Thank you.

---SHORT RECESS

**CHAIRPERSON (Mrs. Groenewegen):** I'll call committee back to order. We have agreed to consider Tabled Document 3-17(3), NWT Main Estimates 2012-2013. We have also agreed to begin with general comments. Although the Minister will not be bringing witnesses in at this moment,

when they do arrive, does committee agree that the Minister could have witnesses and that the Sergeant-at-Arms could escort them into the Chamber when they arrive? Agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you. At that time we'll ask the Minister to introduce his witnesses for the record. But in the interest of time, we will get underway. There will be 10 minutes allowed per time that Members speak and you can always go back if you want to. Just in terms of format, as well, does committee agree that we will make our general comments and allow the Minister to respond to general comments just once at the end of your general comments? Agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Okay, thank you. General comments. Okay, seeing no general comments...

---Laughter

Mr. Menicoche.

**MR. MENICOCHÉ:** Thank you very much, Madam Chair. I offer some general comments on the main estimates before the House for this week and this budget session. I think I've made the point the other day about missing two words, which are "Highway No. 7" and "expenditures" for it, new money for this coming fiscal year.

It saddens me that there are zero dollars allocated for capital expenditures for this year. I know there are some capital carry-overs from last year's projects, and earlier in the year I made strenuous efforts to get the Minister to commit to expend those funds. Before the rainy season, late August/September, hopefully he will follow through on those commitments and get those projects completed that are outstanding from last year with regard to Highway No. 7 and around the Fort Simpson area. I still continue to try to get Highway No. 7 as a priority of our government. Like I mentioned, there is no mention anywhere in the Commissioner's opening address or the Finance Minister's budget remarks as well.

As we move along I know that they had mentioned that I think in August/September we will be doing our budget consultations and it will be addressed. However, I still feel that there is a need to expend some money this summer. In fact, the constituents are looking forward to any improvements to highway infrastructure in that area.

I know the government is saying that we are under fiscal restraint and passive restraint, et cetera. However, we have a little bit of a surplus and as well when it comes to finding additional money, we have no problem creating a supp for it. That's something I would like to see if there is a special project or some way they can continue the work

around Fort Liard and Highway No. 7 and that they do find some money to undertake those investments, and I will continue to stress that.

As well, earlier today in my Member's statement I alluded to the fact that the tourism budget, the Minister indicated that it was \$10.4 million. However, there is a reduction. The budget last year was \$10.7 million, so there's a \$300,000 reduction to the tourism budget. It impacts the way that people do business and the tourism sector, just that little bit of money. I traveled quite extensively with Mr. Ted Grant, who is a strong advocate of tourism and the tourism industry in the North. He's almost single-handedly sold the beauty of the Nahanni National Park to the world. In fact, it's in a lot of our national marketing programs. You see pictures of Little Doctor Lake, the Ram Plateau and a lot of advertising campaigns. As for our own NWT marketing campaign, I know we have the NWT Tourism Strategy document, but every little reduction impacts how we provide those services. I would certainly like to see something special done this year and we don't have to be faced with those reductions.

As well as with my travels with Rendezvous Canada and meeting with the NWT Tourism chair and executive director, one of the points that I have been really clarifying in my Member's statements and questions to the Minister was that the department is holding back \$400,000, for unknown reasons. That gives me the question: Is the government using fiscal restraint to hold back the \$400,000 and say that to save some money? I would like to see them release it. Previous years they've been operating on the \$1.6 million and doing quite an effective job, but a \$400,000 holdback I guess on this issue really impacts their operations. So in total, if you take that perspective from their perspective, they're actually facing in this coming year a \$700,000 shortage, and that's huge, especially for tourism.

In the past nine years we've striven and we've worked really hard to double that budget. When I first became an MLA in 2003, it was almost \$900,000 and now we're well over \$2 million. But to cut it back like this and especially when all other jurisdictions are maintaining what they spend to market their different provinces or their territories, like the Yukon and Nunavut. Nunavut saw fit to do it. Even though they're facing severe budget restrictions, it still saw fit to increase their tourism budget, Madam Chair. We're actually doing a reduction in tourism and I still don't know how that happens. Particularly our Minister was the strongest advocate of tourism for eight years and now he becomes Minister and he cuts the tourism budget he supposedly so strongly advocated for. It's kind of puzzling that that's the way that it happened. In fact, the budget address was kind of private, we're not cutting programs and services, yet when it

comes to tourism there's a \$300,000 reduction over last year and it certainly does impact programs and services, and how we spend it will impact that.

I've always made the case that I've always linked Highway No. 7 and tourism as well. The more that we improve Highway No. 7, the more tourists and tourism products we can sell in the Nahendeh riding. Well, in fact, once we talk about the Deh Cho Trail concept, that goes right around the Providence junction and over to Hay River and Enterprise and exposing all of that to potential tourism and tourism marketing. It does wonders for our micro industry of Aboriginal crafts and sales.

So those are the two concerns that I have that really stick out in the budget, or don't stick out in the budget as it were in the case of Highway No. 7. Mahsi cho.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Menicoche. Minister Miltenberger, before you make your response, would you please introduce your witness for the record. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. I have with me Mike Aumond, deputy minister of Finance. Madam Chair, I'll just quickly respond.

There will be more detailed discussion as we get into the individual departments. I've looked at the ITI budget operations expenditures on page 12-7, and I see \$10.398 remaining for this year in the main estimates and last year the main estimates were \$10.054. So I'm not sure where the Member got the \$10.7 million, but hopefully that can be clarified in debate or in discussion with the Minister when we do the departmental review.

As well as the specific issues of the money possibly or the concern by the Member that he's under the impression or under the understanding that there's money being held back to the tune of \$400,000, Highway No. 7 we've committed for the red flag list once we get back into the position to add extra dollars to the capital plan. We know that we are and we've agreed that we're going to be looking at \$75 million a year for the next two years, and then we're going to look at bumping that up significantly as a result of the work we're going to do between now and then to replenish our cash reserves and we are still committed to that process.

Once again, when there's very specific discussion through the Department of Transportation, the Minister will be in a position to talk about what may be possible in the interim as per the Member's recent comments. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Minister Miltenberger. Next I have Mr. Dolynny.

**MR. DOLYNNY:** Thank you, Madam Chair. Thanks for allowing us to have some opening comments

here on this budget address. I guess first and foremost one of the questions I'll have for the Minister is he's obviously breaking tradition by not buying a new pair of shoes today and have him answer that question as to why not. Obviously, I know there's a custom involved with this.

I'm going to be kind of going not in any type of order per se in terms of priority, but obviously just kind of making some overall comments as things unfold here.

One of the things I know the budget seemed to have lacked or is lacking is in the prevention and promotion, especially in the health care area the budget does not mention in terms of a large increase. This is a concern, obviously, for Members of the Social Programs committee. We are definitely going to be talking more about it as we do the line entries for that.

Again, in the same breath, addictions is obviously one of the focal points of major concern for many Members on this side of the House, and solutions with the addictions programs throughout the Northwest Territories, whether it's bricks and mortar, facilities or program development, requires obviously a lot of funding, and I didn't see a lot in this budget and maybe I can get some comments to come back as well.

Given the fact we've got some pretty large-scale capital projects, one being completed and one potentially in the hopper, the Deh Cho Bridge, I was very surprised that not very much mention, if at all mentioned here as we complete the final stages of this large-scale project in terms of any potential future costs to this House, and whether or not we can earmark a potential opening of this infrastructure in this fiscal year. I'm hoping to get some... I guess Members here probably could hear a little bit more about that because it was not addressed.

The second part of that question in terms of capital budgets, obviously, is there was mention of the Inuvik-Tuk highway and again there's still some grave concern of the affordability of this project given the current relationship. We know that we've got the federal partners on our side and that is a good, sure sign of a success, but given the complexity of this bridge, given the fact that we're still unaware of the true cost of this bridge, or sorry, this road to Inuvik-Tuk, I'm still gravely concerned of the affordability of this, especially with our new-minted borrowing limit, which could put a lot of extra pressure over the years and so much so that as a concern if we are going to be tying into that money a lot of this is probably over a period of three to five years and it just so happens that will probably be at the downward cycle of some of our diamond industry sectors. So, again, we're going to be having a large scale of payments just at the same time as our diamond sector is – unless something

changes dramatically – going to be on the downturn.

With that, my next question, again it was mentioned in the budget, obviously recognizing grave concerns in our energy costs for especially the town of Inuvik and Norman Wells. I'll let the Members themselves divvy up a little bit more for their respective areas, but my concern is that in this budget we're talking about throwing some monies to help face the imminent depletion of some of the natural gas problems that are facing these two communities and yet we know that there is other monies that are being, I guess, divvied up in various other fashions and not really part of this budget, but indirectly part of this budget. As a concerned MLA, I'm concerned about the fragmentation and the polarization of splitting these monies up into smaller projects when really is there the opportunity to look at a business case for this government to look at getting into the gas business themselves as a separate entity to our Power Corp. If we're going to be putting money towards these fragmented programs, let's look at the bigger picture and see if we can actually make gas part of our priority and part of our opportunity to actually have an export item that we control. Novel in nature, but I can tell you that if you're throwing and segmenting millions of dollars here, here and here, here's an opportunity for a business case for this government to show lead example and being prudent in a business sense.

Keeping in mind the aspects of the Auditor General, the Auditor General has made various recommendations to this House over a large number of different areas. A lot of them are with respect to reporting measures. These are dashboard indicators of the performance of this government and I can assure you that the Auditor General has mentioned that many times and not just in the most recent reports but a lot of the reports over the last couple of years. Again, as a Member, I'm still shocked to see that reporting measures aren't being emphasized enough from this government in terms of proving to the taxpayers and to the Members here that we're being very prudent with our spending. So, as a Member, I would like to see more of these reporting measures being part of the overall government initiatives.

Devolution and with the same token of decentralization. Again, these are very high level but obviously very important matters before the House, before Members themselves. Jobs are by far one of the most important indicators of a healthy economy. I can assure you that I support my Members from rural and remote communities that the decentralization of jobs due to devolution as we come closer to the term is going to be one in which we are going to be very importantly looking at and I do support them. Yet I notice in the opening

address here that we do not see a lot about the decentralization and the devolution jobs that are being created. I'd like to have some reassurances that we are looking at our small communities to make sure as we are developing these new jobs that there is a firm commitment from this government that all new jobs involving devolution will be decentralized appropriately in the right nested units so that small communities will benefit from these newly created jobs.

Last but not least, obviously brought up in Members' statements today here but one that I think deserves some merit. Again, the Minister indicated that we didn't want to put borrowed money into this, which I'm referring to as our Heritage Fund, but I can assure you that the Members on this side of the House strongly feel that if we do not start something soon with this Heritage Fund, then really this thing is going to get just shelved with nothing more than dust being accumulated. Yes, we know that potential devolution dollars can be put in this at a point of time through the revenue resource sharing agreements that hopefully come on line soon, but that said, putting at least an attempt thereof is something which I think this government should show positive signs for the people of the Northwest Territories that they are indeed looking at our future.

I'll leave it at that. I'm sure my colleagues will have further comments as well.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you very much, Mr. Dolynny. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. I'll just go through the list as I made notes. The issue of the tradition of no shoes or not having new shoes and breaking with tradition, in fact I thank Mr. Bouchard, the Member for Hay River North. He sent me over a couple of printouts that he obviously got off the Internet that shows in fact over the last 40 or 50 years the majority of the federal Finance Ministers didn't in fact get new shoes. In fact, nobody is quite sure where this tradition started, it seems. In regard to the tradition here, I know it is a tradition but it was my sense that we are asking people and governments and communities for two years of fiscal discipline and we have to focus on the things that we have to do not that would be nice to do. While it would be nice to have a new pair of shoes, I'll save that for years three and four when we will be in fact able to put the fruits of our labour over the next two years to good use and it will be part of a symbolic recognition that we are now in a position where buying some new shoes fits in with the extra money that we want to put to use in infrastructure.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Miltenberger. Oh, just one second, Mr.

Miltenberger. Our sound technician thought you were finished. So back to Mr. Miltenberger, please.

**HON. MICHAEL MILTENBERGER:** Sorry, Madam Chair, for the confusion. In regard to the prevention and promotion, as I indicated in the budget address, we're going to be responding to the letters from the Social Programs committee and all the committees in terms of their requests and recommendations and we're going to bring forward what we think will hopefully be an acceptable response.

The Deh Cho Bridge opening, it is important. The vast majority of the funds have been expended. We anticipate that this piece of infrastructure will be open before winter and that's what we're working towards.

The Inuvik-Tuk highway, as I have as well mentioned, we have made a number of commitments in this Assembly to Members that were as a result of questions raised and confirmation that the work's being done. Once we get the detail we will report back to Committee and to the Legislature to have a discussion about what do the estimates prove up, what does the environmental and geotechnical work tell us, but most importantly the concern and focus on the projected cost of the road right now. We have a very low level, soft estimate and that number, there's a whole range of numbers that are out there. We're going to firm that up, and as the Minister of Transportation indicated, we will report back.

The borrowing limit, we have to be very judicious in how we use that. When you look at the amount of combined short-term and long-term borrowing, the number's in the neighbourhood of \$656 million. That leaves us roughly \$150 million out of the \$800 million. It's not, as I've indicated, quite as generous as it seems and it doesn't give us as much latitude as we would have liked if we would have been able to not have a limit. However, it's what we have to work with, so we're going to be very judicious in how we use that. We just have to recognize that \$150 million when you look at all the projects, the \$3 billion that we're accumulating in infrastructure deficit, it's a relatively modest amount of money to try to add to the mix. So we have to use it wisely.

The energy costs in Inuvik and Norman Wells, we're committed to sorting out those issues. As I tried to indicate today as well, the issue in Inuvik is pressing because their gas wells could go dry at any time. We're taking steps to make sure we're prepared for that imminent eventuality. In Norman Wells we're doing some work there. NTPC, however, has an ongoing period of grace from Esso so it's not the same kind of pressure, so we're putting our focus and resources into dealing with the most imminent demand, which is in Inuvik.

The Member also talked about concern about splitting up money and maybe the GNWT should get into the gas business. After we have devolution there may be an ability or there will be an ability to have that broader discussion as we have all the economic levers at our disposal that we don't currently have. In the meantime we're in a situation that we have to focus on getting to devolution and beyond and that's our intent.

The Member's comment about reporting measures is well taken. We are at work as a government to ensure first that every department has a strategic plan going forward with measurable outcomes and action implementation plans from which will flow into the business plans. We've also heard the concerns raised at the committee table about the need in the business plans for more measurables and more specifics. We have heard that concern.

In regard to devolution and decentralization, the Premier committed in this House today that the government is committed to decentralization and, in fact, we are looking as we speak as all the Ministers have been instructed to look within their current operations to see what may be a candidate for decentralization with devolution and even in spite of devolution. There is that commitment.

The Heritage Fund, it's the issue of using, if we're going to put money into it, we're going to be putting borrowed money in and we're committed as a government and I think as a Legislature, which is why we passed the bill, to make this a functioning and usable fund. The question is going to be one of timing over the next two to three years. Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Miltenberger. With that we'll be going over to Mr. Bouchard.

**MR. BOUCHARD:** Thank you, Mr. Chairman. My opening comments on the budget this year, as I indicated in the House before, my concern with the escalation of our operating expenses, over the last 10 years we've seen our budget double in the 10-12 years since division. Our population hasn't grown anywhere near that. I know we have lots of demands, especially from this side of the House, on things we need to do, but we need to curb some of that spending as well.

When we were discussing the issue of our borrowing limit, one of the indicators I had indicated was the budget at that time was \$1.2 billion and we need to find \$500 million, or \$50 million and that would represent only about 5 percent of the budget. I would still urge that we look to find cutting wherever possible and try to reduce that cost.

It seems like when we look at the numbers, the numbers are escalating and continue to grow every year. Most of the departments that we've looked at through the business plan are all growing. If they're not growing it's basically because the program's

being cut. That's one of the areas of concern that I have. Some of the things I think we need to do is do some of the projects, but do them a little smarter, do them a little differently.

One of the other areas during the business plan and through this budget that I'm going to question is some of the positions and whether those positions need to be decentralized, moved to the regions wherever possible. I do believe that decentralization has to begin, and we talked about devolution being one of the ways to decentralize the government, but I think it needs to be a moving cart that we throw devolution on to. That if we don't have some of that happening before devolution, at the time we're going to find more difficulties for some of these communities to take on positions, whether they have capacity or office space or residential space. We have to start doing some of the groundwork for those positions of devolution to go out to the regions.

I think one of the areas that one of my colleagues from Hay River mentioned in some of the meetings was we talked about the review office, and one of the only rare recommendations was to add another office space to Yellowknife. I'd like to see that office or that review office become more of an office to look at decentralization, where in government, where in the different departments we can decentralize positions, areas of different departments. Have blocks of people, two, three, five, 10, depending on the size and capacity of the community, to move some of those positions out there. I do believe that decentralization will improve the Northwest Territories completely. As those regions strengthen, Yellowknife will strengthen. I know that we need to encourage some of the bureaucracy to do some of that. As we see those reasons get stronger and employment get increased, we won't see the demands on Yellowknife that we are currently experiencing from the migration from the small communities to the large communities, and some of that is mainly because that's where the jobs are right there in Yellowknife. It's a self-fulfilling prophecy; if that's where the jobs are, that's where people are going to move to because most people want to have a job, want an income, want to provide for their families. I think it's an area we need to review.

One of the positions that we've asked and talked about is a permafrost position in ITI. They've indicated to us that it's cheaper to do it in Yellowknife as opposed to farther north, but some of those positions I think there's a bigger activity in permafrost and some of the studies can be done in a northern region.

Some of those are going to be questioned whether those positions need to be there or whether that additional expense is worth it. If there are additional expenses, is there actually more of an additional

benefit to the region, as well, if we have one or two additional positions farther north? Do they have a bigger impact than adding one or two or five or six more positions into Yellowknife? It barely will even be noticed in the economy, but in the smaller communities and in the regions those positions are noticed greatly.

That's my opening comments for the business plan, or the budget here. Thank you very much.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Bouchard. We'll go to Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. I appreciate the Member's comments. The issue of the escalation of operating expenses of government, I mean, that is a stark reality. As I laid out in the budget address, we are committed to restraining and constraining the growth of government and ensuring that our revenues exceed our expenditures so that, in fact, we can do the replenishment of our cash reserves and look for efficiencies within government. We are committed to, as I've already indicated, decentralization. The Premier has made that commitment in the House today. The Member is indicating that we should get on it right now, and in fact, that work is underway as we speak.

One of my functions, one of my roles, myself and Mr. Aumond, is I'm the chair and he's the lead deputy for refocusing government. So we will take the Member's suggestion about the program review office and then that office being tasked with looking at decentralization, and we will put that on the table for the refocusing government to see how we could meaningfully engage them in areas such as this. Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Miltenberger. We'll go to the Member for Frame Lake, Ms. Bisaro.

**MS. BISARO:** Thank you, Mr. Chair. My comments are in no particular order and they don't necessarily merit a response, but they will also reflect many of the concerns of other Members who've already spoken and who will speak after me.

I want to start by talking about the amount of money that we are going to be using, \$15.6 million, according to the Minister, to offset the NWT Power Corporation's rate increase that's upcoming. I'm all for reducing my power bills. Lord knows I don't want to pay more for my power than anybody else does. I think that our cost of living, whether it be here in Yellowknife or elsewhere, is already high enough. But my concern is that we are providing a subsidy to our residents and not, at the same time, looking at how we can reduce the reliance that we have on fossil fuels.

The Minister further stated in the budget address that we need to reduce reliance on environmentally unfriendly and costly diesel-generated power. And,

absolutely, I agree with that statement, but I don't see much evidence of it in the budget. We have reduced the amount of money that we're spending on energy projects considerably. We in the last Assembly had \$60 million over four years that we put into energy projects. We don't have that in this budget and I think it's a step backwards. There's some money in here but there's certainly not enough. I don't see the emphasis in this budget that should be there to get us off fossil fuels. The only way that we're going to reduce our cost of living adequately is to get us off fossil fuels.

I am somewhat concerned that there is no money in this budget earmarked for implementation of the Midwifery Program. I realize that it's a fairly big change and there's a fairly large amount of money. There are verbal statements that it's an important program, but I don't see that we have money in this budget that's going to allow us to implement or even to start with the beginnings of an implementation of the Midwifery Program from the report which came out in the last little while.

I'm more than a little concerned about the livelihood of our sport hunter outfitters, particularly one or two in Yellowknife who have managed to survive thanks to the contributions through the Sport Hunter Outfitter Marketing Program, but the budget indicates that that's reduced this year, and that's not helpful. My question – I guess this is a definite question to the Minister – is: When are we going to allow our sport hunt outfitters to have access to caribou tags? There have been some changes in the number of caribou and in the counts and so on and we're allowing certain organizations to have access to tags, but we're not allowing our outfitters to have access to tags, and I fear that we are going to lose some of our businesses. They're not going to be able to survive for much longer without those tags.

I have concerns, as many of my colleagues do, about the Inuvik-Tuk highway. It's a huge project and it's not necessarily in this budget, but again, it is going to impact our budgets as we go forward, and certainly, it's going to take man hours in terms of staff and so on. It's a project that is not fully formed yet and yet we're spending all kinds of money on it.

I am somewhat concerned, we have a reduction, I believe, in MACA for a minimal amount of money, but some money for municipal emergency response. Without that money I think our municipalities are going to be struggling, particularly the ones that are on the highway system and that have to respond to emergencies out on the highway. Communities are now doing that at their own expense and there needs to be some opportunity for communities to be able to provide that service, because it's a necessary service, and

we expect them to do it but we don't provide any funding to them to do it.

Along with that, we've had a recent indication that in terms of flooding, for instance, there's money through the federal government for emergencies with flooding, but that, in my mind, in terms of MACA, we could provide for an emergency response fund which could be used either for accidents out on the highway or for such things as dealing with mitigation of flooding.

Like my colleagues, I feel that we should be putting money into the Heritage Fund, and I am dismayed to see that there is no indication in this budget. The Minister stated earlier that we will not be putting any money into the Heritage Fund in this fiscal year. I note that this budget identifies a \$74 million surplus, and I know that is intended for capital expenditures, but it would, in my mind, be a simple matter to take \$500,000, \$250,000 out of that \$74 million surplus and put it into the Heritage Fund. It's a small amount of money. I don't quite understand why we'd have to borrow to put money in there when we're ending up with a surplus. I think that it would put an action to the words from the Minister that he feels this Heritage Fund is important. We have to start, and I think we're better off to start now than to wait for devolution. That could be 10 years down the road. I hope not, but it's feasible that it could be.

I note that we're expanding the single-window services centres, and I'm really pleased to see that. My understanding is that the service centres we have now are working extremely well and I'm glad that we're expanding that program. I think that's going to be a really good move and I think all of our communities are going to benefit from that.

I note that in the budget we have identification of \$137,000 for an RCMP family violence coordinator, and that seems to be in response to the Family Violence Action Plan recommendations. But there were 19 recommendations for part three of that Family Violence Action Plan, and this \$137,000 does not go anywhere to meeting those 19 recommendations. I'm very concerned that we will not be advancing our work on family violence to any great degree. Having an RCMP officer is great, but we need to be doing more than that.

I, too, am concerned about the amount of money that we're putting into prevention in the Department of Health and Social Services particularly with regard to mental health and addictions. We, again, pay lip service to the fact that we have this problem. We recognize this problem all across the territory, but where are we putting the money where our mouth is. I really feel that this is an area that we must put a greater emphasis on, and to put a greater emphasis on, in my mind, we have to put more money into it.

With Education, Culture and Employment, I am somewhat dismayed that we don't have a greater

focus on early childhood development. It's happening but it's happening very slowly. I appreciate that it's happening. It is going to be a good thing, but I think, again, we should be putting a bit more money into that area of ECE than what we are.

I, too, am dismayed that there's no new revenue source in the budget. I feel really strongly that we should not be waiting. I don't necessarily believe we should be taxing residents, but I do believe there's an opportunity for us to get back some of the royalty resources which are flowing rapidly out of here and never coming back. I think some sort of a corporate tax of some sort is definitely doable, and I'm sorry to see that we haven't got it in this fiscal year.

Lastly, just to follow up on the comment that Mr. Dolyunny made about evaluation and so on, it's been my belief for quite some time – and I have to shake my head every time I hear about this within this government – but I don't believe you should implement any new program or service unless it comes with an evaluation framework or an evaluation plan. I have seen too often in my brief time here that we put a program in place and about a year or two later somebody asks whether or not it's working and nobody knows because there's no evaluation framework or there's no evaluation plan attached to that program or service. So that's kind of a general comment, but it's extremely important that in order for us to know what we're doing is successful, we have to evaluate it. If we haven't got any way to evaluate it, we're just doing stuff and throwing money at it. We don't have any money to throw around, in my mind.

That's the end of my remarks. Thank you, Mr. Chair.

**CHAIRMAN (Mr. Dolyunny):** Thank you, Ms. Bisaro. We'll go to Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. I would agree with the Member. We definitely don't have enough money to throw around, but let me go through the lists.

You made a comment about the subsidy, but we need to do more to reduce reliance. Within the fiscal ability that we have available to us, we are doing a significant amount of work. It varies. Like biomass, retrofits, upgrades. We're looking at a very positive geothermal opportunity. We've put in the biggest solar array in this part of the country in Simpson. We are looking at our hydro opportunities, both to the north around Deline as well as the North and South Slave. We are funding and keeping programs going as an incentive to people to make those transitions to more energy-efficient types of appliances and such. We are putting money to work that we have available, recognizing that we could spend more if we had it. Yes, we could.

No money for midwifery. The Minister has indicated that the report has come out, but we've laid out the budget here where we're talking about maintaining and protecting the programs and services we have and the ability to try to constrain the growth of governments to address some of the broader issues of being fiscally responsible and to deal with some of the things, for example, mentioned by the Member for Hay River North about the concurrent spending. So we're trying to do that to address our issues.

Would midwifery be nice? Yes, it would be, but we have the capacity to birth children or babies in the North. It could be improved upon, but it's one of the ones that are an issue of choice. It's a choice that we have to make, one of the hard choices we make in this government, but the Minister of Health will be speaking on that going forward.

The sport hunter outfitters, when can they hunt? We are doing a significant amount of work and we have been over winter, spring, summer and fall. They were going to pull all that information together. Indications are that the Bathurst is looking positive. How positive? We're not sure. The Ahiak herd we think will give us some room to move. As well, we have the Bluenose-East numbers that are being looked at and there are possibilities there as well. When those numbers come in, we will look at it collectively with all the folks that we need to that should be engaged in this, as well as this Assembly, to see what the sacrifice and the sacrifice of Northerners have done in terms of helping the numbers improve.

The Tuk-Inuvik highway, I'll note the Member's concerns and we responded to yourself, Mr. Chair, and I'll just be reiterating that to the Member.

Family violence, the 19 recommendations that the one position is nice but it's not enough. Once again it's a question of choices. When the Minister of Justice is before this House, we'll be able to have a detailed discussion about the other 18 and where they fit and what timelines might be.

The same with the issue of early childhood development. It could move faster. You want to put more money into it. Those are, once again, all laudable programs, but with the plan we have laid out, some of those program initiatives are not there.

The need for new revenue, the Member and I would have to agree to disagree. It's our opinion, as I indicated in the House, that we're not planning to come forward with new taxes. Our corporate tax now has us in the middle of the tax with other jurisdictions in terms of tax rates. There is a national push to try to bring our tax rates down to 10 percent. In some cases, if you want to go lower, there's a point where you're racing to the bottom. We've held fast over the last couple of years. We haven't touched it. So there's no plan on our part to come forward with any kind of corporate tax

increase. We are definitely looking into other revenue streams, but at this point, given all the other cost pressures like general rate application and such and forced growth on all our constituencies and communities, a type of new tax could be onerous.

The issue of evaluation framework, we agree that we have to do a better job at measuring what we do and look at outcomes and be able to justify more specifically, not just with a compelling narrative, but with facts, figures and numbers on the work that we do and the money that we spend. Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Minister Miltenberger. With that, we'll be going to the Member for Weledeh, Mr. Bromley.

**MR. BROMLEY:** Thank you, Mr. Chair. I'd say, to start off with, I'd like the Minister to remember his words about it's a question of choices as he hears the repeated mention of common issues from this side of the House, and in that respect I have to say I'm very disappointed not to see any response in this budget from a massive amount of input that Members have had massive amount of work that both the Cabinet and the Regular Members had done in reviewing the draft budget and so on.

At the same time I do recognize that in post-election it's a very different time frame, so I'm anticipating that the government will show some response in reaction to the substandard issues that we've put forward and commented on that you're hearing about again repeatedly today.

The Minister mentioned that this is the best managed jurisdiction in Canada fiscally, and I say the evidence supports him in terms of the proportion of debt we have relative to our budget.

The Minister also recognizes the fragility of the global economy. I do actually agree with him on that, although I say it's strictly a result of government policies that that is happening and that governments have the power to change that.

Meanwhile, given that fragility, this government is striving to hitch its star and that of our municipalities to an ever greater degree to the global economy. I think that's very wrong-headed and deserves some real examination.

One reason we're the best managed could be, of course, because the federal government has imposed legal debt limits and made us be that way. But I do appreciate that this government and this Minister have committed to decreasing our debts and putting in place or attempting to put in place a policy in that direction. So I will be monitoring that and I appreciate that stance.

The House has heard me speak a little bit today on the revenue issue. I would say that we have attempted to raise corporate rates in the past and dropped back again. We are in the middle of the

pack, but I'd say in terms of resource rents we have indeed won the race to the bottom and we have a lousy record of capturing resource rents. I am very surprised that the Minister doesn't seem to even know about the resource rents and the sorts of reviews that we have talked about for years. So I am hoping that he gets boned up on that and brings a proposal forward.

I think a real opportunity has been missed in this budget again, year after year, but again in this budget, to introduce a carbon tax or some form of carbon pricing that could have been administered in a revenue neutral way and thereby achieving the Minister's goal of protecting the people, but at the same time advancing the goals of this government's supposed commitment to environmental sustainability. That is indeed part of our vision and our goals and we have a limit, but maybe we need some discussion about what environmental sustainability is, because I see us in this budget backing away from it rather than advancing forward. We can talk about that more in detail, but I think that is a key issue and today's whirlwind. Even the largest corporations in the world are recognizing we need a truly environmentally sustainable approach in order to be even a sustainable business and have a sustainable economy.

I want to mention that on page 4 where the Minister notes this government makes no cuts to the \$1.4 billion, I see this rather than being something to be proud of, I see a government unable to do the critical and ongoing assessment and redirection work that is needed to increase the effectiveness and efficiency of our programs and meeting our responsibilities. I'm not saying it's Cabinet alone, but I think this side of the House might be complicit in that to some degree, but we need a government that's able to recognize where we're going in the wrong direction or not being effective, and redirect dollars to priorities or better ways to achieve our goals.

The education, I'm shocked, is completely missing in action in this budget. There have been considerable discussions recently about where we're going with education. So I'm particularly, again, shocked when early childhood development is well recognized around the world, globally as well as nationally, and you can look at Alberta's extremely progressive work on that. What we don't achieve now there's very little hope of regaining it without a lot of high costs and personnel and efforts. So I think if we don't get started on that, we're really missing the road.

Other issues that I agree with that have been mentioned, mental health and addictions. We need full implementation of family violence, phase 3 and so on. The land use sustainability framework that's mentioned has been mentioned annually for the

past four years by the Minister. Nothing has been achieved to date except a word has been added to the title and rather than land use framework it's now land use sustainability framework. I suppose that's enough said on that. It's been years and years and my expectations are lower than ever on that one.

Similarly, my understanding or my recollection of the Macroeconomic Policy is it was established in 2007 and, again, we're just talking about implementation this year. My expectations are low, but I thought that was a good policy.

The mineral development, yes, we need it, but where is the strategy? Again, completely missing from meeting their energy requirements. Again something we've talked about and talked about and talked about. Especially meeting their energy requirements with renewable energy and where is the talk about a renewable energy portfolio called for in the Greenhouse Gas Strategy that would support the industry moving in that direction. Again, I understand that without any authority we will be spending two-thirds of \$1 billion on a Mineral Strategy in anticipation that we might get some authority there. But so much on the energy front. We've talked about it for years. So I guess we're going to talk about it for years more, but that is disappointing.

I want to briefly point out, if I can, on the energy side and I think our cutbacks in energy commitments and so on are huge and deserve a discussion on their own, but the phrase going forward we are looking at regulatory improvements that will avoid the need for such drastic price increases by providing for an annual indexing mechanism refers to electricity rates. Now we're simply going to increase them every year. So we're telling the public as if this is a good thing, we're going to avoid problems, we're just going to increase your electricity rates every year from now on, so don't worry about it. We're subsidizing electricity rates by over \$30 million in the next three years in addition to the already \$30 million we're putting into it. We need to actually put in place programs and return to a level of expenditures that we had in the 16<sup>th</sup> Assembly that will actually reduce costs of living and meet the needs of our people and businesses. Mahsi.

**CHAIRMAN (Mr. Dolyunny):** Thank you, Mr. Bromley. Over to Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. In regard to the response to listening to the MLA feedback, we have been listening very carefully. This document has gone through extensive consultation work with committee. We went through interim appropriation to allow for that cycle to take place. In addition, we got feedback when we finished the review of business plans from committees, which we are going to respond to through the supplementary appropriation process

and we'll have that debate. I would point out the asks in that letter; the combined asks, of my recollection, were in the neighbourhood of \$4.3 or so million. So I think we should take some pride in the fact that we have \$1.4 billion worth of a budget here that has been through our consensus system. So we have been listening; we've been working together to get to where we are and we're going to continue to work together over the next month to get us to the third reading so that we can have this money freed up and put into use.

The issue – and I've heard the Member's concern over the years – about tying our economy to the global economy, that it's a bad idea and in this world where everything is tied together. I just noticed in the fruit trays and such, we're eating things like kiwi fruit and mangos, which we didn't do 20 or 30 years ago. Just as a simple example, but we're truly in a global village here. How we would disconnect our economy from the rest of the world when we get \$4 billion in GDP and most of that comes from the diamond mines, most of which the project is sold down south is something that we'd have to take a serious look at, but I appreciate the Member's concerns.

One of the things that's driving us in terms of our budget and our managing the money is we have a Fiscal Responsibility Policy that requires us to free up money to pay for capital. It says when we don't meet the conditions in the Fiscal Responsibility Policy, we have two years to get back into compliance in terms of meeting the criteria, and over the last year or so we haven't hit our targets. We've been running a deficit and now we're obligated to that policy, among other things, and other than the fact it makes good sense to get back into compliance, which we intend to do.

The resource rents, once again, the Member is indicating that he's surprised at my lack of knowledge. I will get boned up on the subject, but I can tell you that until devolution comes along, we don't have the levers of authority that we need in this area of resource rents and other things, like dealing with all the issues related to water.

The idea of a revenue-neutral carbon tax and backing away from sustainability, we'll continue to have that discussion. I'm of a mind that if you have a community... Let me use an example. If you have a remote community, a thermal community that has no other choice and you put on a carbon tax and you want to encourage them to do other good things, other alternatives where there are none, what benefit does that do to us when we already have the highest energy rates in the country? I believe there's a way to get to the same goal from a different path. At this point things like investing heavily in solar and biomass, geothermal, looking at getting our hydro capacity realized, that will do the same thing in terms of our greenhouse gas

emissions, getting our reliance off of fossil fuels. So I think once again we want the same thing, but we have to look at all the ways to get there.

The issue of no cuts – and we shouldn't really take a lot of pride in that fact and we should actually be looking for efficiencies – there are two different things here. The intent when I made that comment about no cuts, on a comparative basis when you look at the federal government, when you look at Ontario, when you look at New Brunswick, pick a province that is going through massive deficit reduction, layoffs, program cuts, increases to taxes, and if you look at some of the countries in Europe that are bankrupt, where they've cut pensions, laid off tens of thousands of people, my reference was the fact that we should take some comfort that we've managed ourselves well enough to avoid that level of deficit reduction.

The education is not missing. We clearly, as I indicated, have a budget of \$1.5 billion. I think I indicated in my statement it's \$818 million, I believe, is going to help Education, Housing, Justice, and corrections as part of Justice. Education's budget is going to be \$300 million-plus this year, so I think we have a very continued, strong commitment to education and it's there and it's visible in this document when you go through the education budget.

I take the Member's comments and support for the mental health and addictions program and expanding that.

The Land Use Sustainability Framework, I agree with the Member. He and I have been waiting for some years. It was a priority of the last Assembly that never got done. I would point out two things. We do have an existing Sustainability Policy. That is in effect in what we are doing and what we have done in this process is just do more than added another word. We're trying to integrate that Sustainability Policy into the land use so that it's an integrated piece and we hope to have a document on the table – and I will qualify that with a "finally" – by next month to be able to have a discussion on it. I do appreciate the Member's frustration and ask his continued forbearance even though I do accept the, not derision but the pointed comments he makes about our not getting it done yet again.

The Macroeconomic Policy, yes, has been, it was developed and in place and I think it's an acknowledgement on our part that we are going to make it play a more central role as a lens through which we will review our business plans and economic initiatives going forward, so that in fact it's not just a policy sitting on the shelf but a functional working policy that will assist us.

The Mineral Strategy, I appreciate once again the Member's concerns about the issues related to energy. There is work being done on energy that we're going to come forward with. We've made

some references in the budget address and the Commissioner's address speech from the throne about the work that's coming forward on energy, hydro, solar, dealing with the Inuvik issue, the continued commitment to the alternative energy, and we will be following through on that.

The Member made a comment about why would we even be doing the work on minerals because we don't have the authority. I would just point out to the Member that we made that very conscious decision five years ago now on the Water Strategy, that we didn't have legal authority at the time, but we knew very well we were headed down the road to take over that authority. That process took four years to develop and now we're fully engaged in transboundary negotiations. If we hadn't taken those four years or preparatory work, we would be entering devolution without our thinking clear on water. We're taking the same approach, though the time frame is shorter, on the Mineral Strategy. We know we're going to be taking over that responsibility soon and we can't get ready any sooner. That's what we intend to do.

The regulatory reform that we referred to we used as an example avoiding rate cliffs. That we want to come up with a way where we have much more modest ongoing increases so that the shock is not there, but regulatory reform talks about much more than that and it implies much more than that if you read that due diligence report.

One of the other things, for example, is a general rate application costs almost \$3 million every time we do one. That money goes into the rate base. We all pay for that. It's not seen to be a very efficient process and we want to improve on that. We want to look at how the PUB is structured. We want to be able to make decisions on economic projects like Avalon, like Tamerlane, where we need to make decisions as a government to be able to deal with big business opportunities, things like wholesaling power. Regulatory reform has a much broader basis than just that one narrow issue, and I apologize if that's the way it appears. Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Minister Miltenberger. Committee members, noting the clock, I will take the opportunity at this time to report progress.

### Report of Committee of the Whole

**MR. SPEAKER:** Could I have the report of Committee of the Whole, please? Mr. Dolynny.

**MR. DOLYNNY:** Thank you, Mr. Speaker. Your committee has been considering Tabled Document 3-17(3), Northwest Territories Main Estimates 2012-2013, and would like to report progress, and that the report of Committee of the Whole be concurred with.

**MR. SPEAKER:** Thank you, Mr. Dolynny. Can I have a seconder? Minister Beaulieu. The motion is in order. To the motion.

---Carried

Item 24, third reading of bills. Order! Madam Clerk, orders of the day.

### Orders of the Day

**PRINCIPAL CLERK OF COMMITTEES (Ms. Knowlan):** Orders of the day for Friday, May 25, 2012, at 10:00 a.m.:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Acknowledgements
7. Oral Questions
8. Written Questions
9. Returns to Written Questions
10. Replies to Opening Address
11. Replies to Budget Address
12. Petitions
13. Reports of Standing and Special Committees
14. Reports of Committees on the Review of Bills
15. Tabling of Documents
16. Notices of Motion
17. Notices of Motion for First Reading of Bills
18. Motions
19. First Reading of Bills
20. Second Reading of Bills
21. Consideration in Committee of the Whole of Bills and Other Matters
  - Tabled Document 3-17(3), Northwest Territories Main Estimates 2012-2013
22. Report of Committee of the Whole
23. Third Reading of Bills
24. Orders of the Day

**MR. SPEAKER:** Thank you, Madam Clerk. Accordingly, this House stands adjourned until Friday, May 25, 2012, at 10:00 a.m.

---ADJOURNMENT

The House adjourned at 6:04 p.m.