



**NORTHWEST TERRITORIES
LEGISLATIVE ASSEMBLY**

5th Session

Day 18

17th Assembly

HANSARD

Tuesday, February 25, 2014

Pages 3905 – 3976

The Honourable Jackie Jacobson, Speaker

Legislative Assembly of the Northwest Territories

Members of the Legislative Assembly

Speaker

Hon. Jackie Jacobson

(Nunakput)

Hon. Glen Abernethy

(Great Slave)

Minister of Health and Social Services

Minister responsible for

Persons with Disabilities

Minister responsible for Seniors

Hon. Tom Beaulieu

(Tu Nedhe)

Minister of Human Resources

Minister of Transportation

Minister of Public Works and Services

Ms. Wendy Bisaro

(Frame Lake)

Mr. Frederick Blake

(Mackenzie Delta)

Mr. Robert Bouchard

(Hay River North)

Mr. Bob Bromley

(Weledeh)

Mr. Daryl Dolynny

(Range Lake)

Mrs. Jane Groenewegen

(Hay River South)

Mr. Robert Hawkins

(Yellowknife Centre)

Hon. Jackson Lafferty

(Monfwi)

Deputy Premier

Minister of Education, Culture and

Employment

Minister responsible for the Workers'

Safety and Compensation

Commission

Hon. Bob McLeod

(Yellowknife South)

Premier

Minister of Executive

Minister of Aboriginal Affairs and

Intergovernmental Relations

Minister responsible for Women

Hon. Robert C. McLeod

(Inuvik Twin Lakes)

Minister of Municipal and

Community Affairs

Minister responsible for the

NWT Housing Corporation

Minister responsible for Youth

Mr. Kevin Menicoche

(Nahendeh)

Hon. J. Michael Miltenberger

(Thebacha)

Government House Leader

Minister of Finance

Minister of Environment and Natural

Resources

Minister responsible for the

NWT Power Corporation

Mr. Alfred Moses

(Inuvik Boot Lake)

Mr. Michael Nadli

(Deh Cho)

Hon. David Ramsay

(Kam Lake)

Minister of Justice

Minister of Industry, Tourism

and Investment

Minister responsible for the

Public Utilities Board

Mr. Norman Yakeleya

(Sahtu)

Officers

Clerk of the Legislative Assembly

Ms. Colette Langlois

Deputy Clerk

Mr. Doug Schauerte

Principal Clerk, Committees and Public Affairs

Mr. Michael Ball

Principal Clerk, Corporate and Interparliamentary Affairs

Ms. Gail Bennett

Law Clerks

Ms. Sheila MacPherson

Ms. Malinda Kellett

Mr. Glen Rutland

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>

TABLE OF CONTENTS

PRAYER	3905
MINISTERS' STATEMENTS	3905
37-17(5) – Improvements in the Delivery of Child and Family Services (Abernethy)	3905
38-17(5) – New Memorandum of Agreement with RCMP for Asset Management (Beaulieu).....	3906
39-17(5) – South Mackenzie Correctional Centre Enhanced Program Services (Ramsay)	3907
40-17(5) – Employee Recognition in Official Languages (Beaulieu).....	3907
MEMBERS' STATEMENTS	3908
Asbestos Concerns at Moose Kerr School (Blake)	3908
Policing and Nursing Services in Small Communities (Groenewegen).....	3908
Family Supports for Traditional “On-the-Land” Pursuits (Yakeleya).....	3909
Placement of Automated External Defibrillators (Bisaro)	3909
2014 Paul Stipdonk Memorial Soccer Tournament (Menicoche).....	3910
Summer Student Employment in Small Communities (Nadli).....	3910
Giant Mine Stabilization Plan (Bromley).....	3911
Dredging of the Hay River (Bouchard).....	3911
Safe Disclosure of Information by GNWT Employees (Moses).....	3912
Northern Mining Socio-economic Agreements (Hawkins).....	3912
Investment in Southern Mental Health and Addictions Treatment (Dolynny)	3913
Tribute to RCMP Bravery Award Recipient Celine (Nataway) Marlowe (Beaulieu).....	3913
RECOGNITION OF VISITORS IN THE GALLERY	3914, 3917
ACKNOWLEDGEMENTS	3914
ORAL QUESTIONS	3914, 3917
WRITTEN QUESTIONS	3926
RETURNS TO WRITTEN QUESTIONS	3926
REPORTS OF STANDING AND SPECIAL COMMITTEES	3926
TABLING OF DOCUMENTS	3938
NOTICES OF MOTION	3938
Motion 12-17(5) – Extended Adjournment of the House to March 3, 2014 (Yakeleya)	3938

NOTICES OF MOTION FOR FIRST READING OF BILLS	3939
Bill 13 – Devolution Measures Act	3939
Bill 14 – Waters Act.....	3939
SECOND READING OF BILLS	3939
Bill 11 – Petroleum Resources Act.....	3939
CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS	3939
REPORT OF COMMITTEE OF THE WHOLE	3974
ORDERS OF THE DAY	3974

YELLOWKNIFE, NORTHWEST TERRITORIES**Tuesday, February 25, 2014****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 1:29 p.m.

Prayer

---Prayer

SPEAKER (Hon. Jackie Jacobson): Good afternoon, colleagues. Item 2, Ministers' statements. The honourable Minister of Health and Social Services, Mr. Abernethy.

Ministers' Statements**MINISTER'S STATEMENT 37-17(5):
IMPROVEMENTS IN THE DELIVERY OF
CHILD AND FAMILY SERVICES**

HON. GLEN ABERNETHY: Mr. Speaker, today I would like to speak on the topic of child and family services. The 16th Legislative Assembly's Standing Committee on Social Programs undertook a comprehensive review of the Child and Family Services Act, highlighting the importance of this area and the need for fundamental change in how we do business.

While there will always be room for improvement in child and family services, I am pleased to be able to report to this Assembly some significant progress arising from the standing committee recommendations. But first I want to pay tribute to the social workers who provide child and family services. Theirs is undoubtedly one of the most demanding jobs in the public service. As the dean of the University of Calgary's Faculty of Social Work said recently, "There are lots of reasons why children need protection, such as physical and sexual abuse, emotional maltreatment, addictions issues, poverty and homelessness. The social worker has to make sense out of all these pieces, and that's incredibly complicated, sensitive and difficult to do."

The sad fact is that there are children out there who are in need of protection. We all have a shared responsibility to ensure that this happens, government, communities and families. But it is the dedicated women and men who deliver on that responsibility who make extraordinarily difficult decisions on a daily basis, and they desperately need and deserve the support of the communities in which they live and work.

Mr. Speaker, our efforts to protect children from harm begin with promotion and prevention. In its report on the review of the Child and Family Services Act, the 16th Legislative Assembly's Standing Committee on Social Programs flagged some key recommendations, which formed the foundation for all subsequent recommendations. In addition to highlighting the importance of prevention and promotion, these focused on setting up child and family services committees, making sure that alcohol and drug addictions treatment is readily available, and developing a comprehensive Anti-Poverty Strategy.

One of the cornerstones of prevention and promotion is the Healthy Family Program, which by the end of this fiscal year will have expanded to all regions and will be available in 15 of our communities. The Healthy Family Program is designed to support parents and children from birth to age five and promotes nurturing parent-child relationships. The program is a key component of the renewed Early Childhood Development Framework and is a foundational program for child and family services. The 2014-2015 Main Estimates include \$700,000 to stabilize and enhance this program.

But that's not the only way we reach out to children and their families. Social workers can offer children and families in need a variety of preventative supports such as counseling, in-home services, respite care, parenting programs, assistance in addressing financial situations, access to alcohol and drug treatment, and so on. Parents and families can and do access these services on an entirely voluntary basis.

Mr. Speaker, I am pleased that the annual report, tabled last week, demonstrates an increase in the percentage of children who are now receiving these services in their home communities.

A number of the recommendations made by the 16th Assembly Standing Committee on Social Programs dealt with the policies and procedures guiding child protection interventions. I am pleased to report that the Child and Family Services Standards and Procedures Manual is undergoing a major revision. The new manual, which will be completed next year, will reflect contemporary best practices, and will incorporate the recommendations of the previous standing

committee. The 2014-2015 Capital Estimates include funding for a new Child and Family Information System, which will greatly enhance our ability to do file audits and track individual cases.

Parents also need help understanding how the system operates, and toward that end the Department of Health and Social Services has produced a series of plain-language pamphlets explaining how to access services, what their rights are, what happens in court and what plans of care are all about.

The recommendations of the previous standing committee have also been taken into account in revisions to the department's training program for child protection workers. Training programs for the supervisors and managers of child protection workers have been enhanced and continue to be expanded. Training in child protection work has even been extended to the administrative level; for the first time ever, some chief executive officers and senior administrators from regional health and social services authorities received training on the Child and Family Services Act in December of last year. These training initiatives will continue on an ongoing basis.

Mr. Speaker, the chair of the Assembly's Standing Committee on Social Programs, Mr. Moses, has commented that addictions and poverty are not only issues in and of themselves but they are often the root causes of child protection concerns. For that reason, I believe that this government's support for the Minister's Forum on Addictions and Community Wellness will, over time, lead to further improvements, not just for those struggling with addictions but more broadly in the lives of children, parents, families and communities. The same can be said for this government's initiative to reduce poverty. It too will help prevent children from becoming in need of protection.

In closing, Mr. Speaker, some real progress has been made in child and family services, but we still have a long way to go. Later this session I will be speaking to the matter of next steps after the auditor's report has been tabled in this Assembly. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Abernethy. The honourable Minister of Public Works and Services, Mr. Beaulieu.

MINISTER'S STATEMENT 38-17(5):
NEW MEMORANDUM OF AGREEMENT
WITH RCMP FOR ASSET MANAGEMENT

HON. TOM BEAULIEU: Mr. Speaker, our government is in the final stages of entering into a memorandum of agreement with our federal counterparts that will see Northerners servicing RCMP assets in the Northwest Territories.

In the past, the federal government's southern contractor arranged services for the operations, maintenance and minor renovation of RCMP houses, detachments and other assets. There are 112 RCMP facilities in 24 communities. With the contract due for renewal, we saw the opportunity for a more economical alternative.

Over the last eight months, the departments of Justice and Public Works and Services have worked collaboratively with our federal counterparts to determine the best way to deliver these important services.

The Department of Public Works and Services has an established, decentralized northern workforce with years of experience in the operations and maintenance of government infrastructure. We have strong working relationships with local resources who support the delivery of these services in our 33 communities. Our northern workforce is in the best position to maintain northern RCMP facilities.

The benefits of having these services provided by those most familiar with our communities, and often challenging northern conditions, cannot be underestimated. We expect to see improved responsiveness and maintenance to the RCMP through the expanded use of local and northern resources in our remote communities. Drawing from GNWT resources and contractors located in our communities and regional centres will improve the maintenance program's efficiency.

There will be improved contracting and employment opportunities for local and northern businesses as our maintenance and minor project needs expand.

We expect to see improved energy management with opportunities to invest in initiatives such as biomass and other renewable energy and conservation options.

Adding 112 RCMP assets to the portfolio of buildings and facilities PWS already operates and maintains is an opportunity to create jobs in our small communities, a priority for our government. Five new positions are being created through the agreement to help meet these new responsibilities, including jobs in Tuktoyaktuk, Fort McPherson, Norman Wells, Hay River and Yellowknife.

Mr. Speaker, this shared initiative with the Department of Justice will better support the delivery of RCMP programs and services in our communities while responsibly managing our expenditure growth. We will enhance contracting opportunities for small businesses and create employment in our regions and smaller communities where they are needed the most.

We look forward to seeing this initiative in action starting in April, and will continue to seek opportunities to collaborate with other public agencies to improve the quality and efficiency of

government programs in our communities. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Beaulieu. The honourable Minister of Justice, Mr. Ramsay.

MINISTER'S STATEMENT 39-17(5):
SOUTH MACKENZIE CORRECTIONAL CENTRE
ENHANCED PROGRAM SERVICES

HON. DAVID RAMSAY: Mr. Speaker, in the Northwest Territories, addiction to drugs or alcohol is the number one issue facing many northern inmates. The Department of Justice is taking steps to enhance addictions programs through the corrections service.

Recently this Assembly supported the South Slave Mackenzie Correctional Centre through the hiring of three new staff to develop and deliver an intensive addictions program for inmates. Inmates wishing to participate are accepted into the program based on several factors, including their readiness for change. The first intake for this new program was on October 24, 2013. I am pleased to report that, to date, 17 people have now completed this program.

Mr. Speaker, not only do we recognize the need for addictions treatment, we also understand the importance that culture and traditions have in the healing process. This new program has a strong cultural component. Inmates participate in on-the-land activities, learn traditional skills, and take part in smudges and feeding the fire ceremonies. They receive one-on-one addictions counseling and work with corrections staff to develop goals, build communication skills, and improve their ability to resolve conflict. A small ceremony is held for those inmates who complete the program to acknowledge this achievement.

Over 28 days, corrections staff work with these inmates to build a therapeutic environment focused on substance abuse treatment. Mr. Speaker, as with all programs, it's important to make sure the method we are taking is effective. That is why we are using a comprehensive approach when it comes to our evaluations.

In addition to initial acceptance evaluations, facilitators complete final reports for each inmate, outlining their progress and potential for reintegration into the community. As well, all inmates provide program evaluations in order to garner valuable feedback on their experience. Counsellors use this and other information for program improvement.

The approach of the new drug and alcohol treatment program at the South Mackenzie Correctional Centre is consistent with the philosophy and goals of the Mental Health and Addictions Action Plan, and reflects our commitment to the Assembly's vision of strong individuals, families and communities. The program

makes the important link between traditional and western therapeutic and wellness approaches. As well, it provides mental health and addictions services that are relevant to the needs of the inmates participating in the program.

Mr. Speaker, the Department of Justice will be offering this program three times a year, allowing inmates the flexibility to identify when they are ready to make a significant change in their life. I am hopeful that this addictions program provides the assistance these inmates need to make a new start for themselves and their families and, ultimately, makes our communities safer. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Ramsay. The honourable Minister of Human Resources, Mr. Beaulieu.

MINISTER'S STATEMENT 40-17(5):
EMPLOYEE RECOGNITION
IN OFFICIAL LANGUAGES

HON. TOM BEAULIEU: Mr. Speaker, culture and language support our identity and help strengthen the common goals of NWT communities. I am pleased to announce that, through the work of the Department of Human Resources, the Government of the Northwest Territories is now able to offer certificates of recognition to our employees in each of the 11 official languages of the Northwest Territories. Certificates of recognition are presented to employees who have shown dedication and commitment to the public service and include both long service and retirement.

These employees have reached significant milestones in their careers and it is important for the GNWT, as the employer, to recognize these worthy achievements. Being able to celebrate these achievements through their language and culture offers employees an opportunity to connect with their heritage and be proud of what they have accomplished.

Mr. Speaker, I would like to thank the translators at the Francophone Affairs Secretariat and the Aboriginal language translators contracted for this work. The Aboriginal language translators are well known throughout the NWT for their translation expertise. Many of the translators worked closely with elders to ensure consistency in the finished material. Having the opportunity to work with these translators and seeing the passion for their culture and the pride taken in appropriate use of their language has been a very positive experience for the department staff.

Preserving, promoting and celebrating our official languages in our daily work helps keep our unique culture and heritage alive for future generations. The dedication to official languages is a direct

tribute to the hardworking and diverse cultures and peoples we have here in the NWT.

Mr. Speaker, whether an employee has a language connection through family history, or they are celebrating a culture they have grown close to through their time in the North, use of the official languages in our work environment like certificates of recognition allows employees to be connected and proud of the diverse values and cultures of the NWT. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Beaulieu. Item 3, Members' statements. The honourable Member for Mackenzie Delta, Mr. Blake.

Members' Statements

MEMBER'S STATEMENT ON ASBESTOS CONCERNS AT MOOSE KERR SCHOOL

MR. BLAKE: Thank you, Mr. Speaker. Last week I spoke about the timeline for replacing Moose Kerr School in Aklavik. Today I'm continuing this theme.

Moose Kerr was constructed in 1969, exactly the same time Samuel Hearne High School was built in Inuvik. Samuel Hearne was demolished and replaced a couple of years ago. My constituents would like to know why Moose Kerr School is still standing. At 45 years old, it's overdue for replacement.

The Minister of Education stated in the House last week that Moose Kerr School is slated for replacement or major renovations in 2019. That's five years from now.

I'm concerned about potential safety hazards at the school, specifically whether asbestos poses a risk to children's health. Asbestos was routinely used in building products until the 1970s and 1980s, so a building like Moose Kerr School, constructed in 1969, very likely contains asbestos. Indeed, Samuel Hearne was built at precisely at the same time and in the same region of the Northwest Territories and it contained asbestos. It can be supplied by inference that Moose Kerr School contains asbestos as well.

There is scientific consensus about the harmful effects of asbestos. Whenever a material containing asbestos gets disturbed, the tiny microscopic fibres are released into the air. When they are breathed in, they can become trapped in the lungs and stay there for many years. Over time, the fibres can cause serious health problems such as lung disease and cancer.

Over a decade ago, the Department of Public Works released an Asbestos Management Plan. Surveys and site investigations were performed to determine which Public Works' buildings contained asbestos. The intent, then and now, is to manage

asbestos-containing materials, or ACMs as they are called. Until such time as removal becomes practical or necessary, a detailed inventory of ACMs was prepared for each building and is apparently maintained through periodic inspection reports.

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

---Unanimous consent granted

MR. BLAKE: Information is also kept about the condition of the asbestos and the need for repairs, abatement or maintenance.

Thank you, Mr. Speaker. I will have questions for the Minister of Public Works later today.

MR. SPEAKER: Thank you, Mr. Blake. Member for Hay River South, Mrs. Groenewegen.

MEMBER'S STATEMENT ON POLICING AND NURSING SERVICES IN SMALL COMMUNITIES

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Today I'd like to speak about something which does not directly affect my constituency, but I have listened to the questions and the statements of Members from small communities for far too long, and today I'm going to jump in on the issue of nurses and RCMP in small communities.

Hay River has the good fortune of a well-staffed RCMP detachment and a well-staffed health authority, so we don't face the challenges of small communities, but I understand the concerns that exist when you do not have these services in the community.

When we look at other jurisdictions in Canada like Ontario and Quebec, they have provincial police forces. The RCMP is not under contract to everyone. I don't know why we cannot get creative here in the Northwest Territories, why we cannot pick respected people out of communities and train them, maybe through some kind of a partnership agreement with the RCMP, send them to Depot, deputize them as special constables or community constables and have them there. Yes, when the RCMP do go to visit in the community, they could work with them.

But I know that in British Columbia, for example, there is a First Nations police training institute, so obviously there are First Nations, as well, that have reserves and so on that have some form of policing there that is not part of the RCMP.

I just think we need to get more creative. When we say we can't have a nurse in the community because there's no RCMP presence there, we have school teachers in the communities and there's no RCMP presence there. I mean, what's the difference? Furthermore, if you want to take it a step further, we can't have a nurse in the

community because there's no RCMP but we have everybody else who lives in the community without an RCMP presence. I mean, what is that? Some kind of a double standard that we have here?

I think that this government could get a lot more serious about having some kind of a policing presence, whether it is a police force or something that our government creates. We have Canadian Rangers from almost all of the communities. That's an organization that's well trained, well equipped. That's volunteers, in that instance, but there's another organization that possesses some of the skills already that RCMP needs when it comes to search and rescue and the ability to be on the land.

So, I'm sorry, I no longer buy this theory. I understand that because of RCMP rules we may not be able to have detachments in every community, but we can have a police presence of some kind and we need to get way more creative about figuring that out.

MR. SPEAKER: Thank you, Mrs. Groenewegen. The Member for Sahtu, Mr. Yakeleya.

MEMBER'S STATEMENT ON FAMILY SUPPORTS FOR TRADITIONAL "ON-THE-LAND" PURSUITS

MR. YAKELEYA: Thank you, Mr. Speaker. I'd certainly love to join Mrs. Groenewegen's support for nurses and RCMP in small communities; however, I'm going to talk about the importance of life on the land for our people in our communities, people who fish on the Great Slave Lake, people who hunt up in the Bear Lake area and on the Mackenzie River, people who hunt up in the Beaufort-Delta, people who live on the land. Yesterday I heard from Mr. Ramsay that there's a lot of support from our community members who make a life on the land either fishing, hunting or trapping and one of the things that I wanted to speak about, that's a way of life for people.

Now, the way of life today costs a lot of money for us to go out on the land and to provide for our people. As a matter of fact, in my community profile of the people consume on-the-land food, up to 75, 76, 80, 90 percent in Colville Lake, take food from the land. Our families are important for our hunters and trappers, and looking at the different programs we have, I don't really see anything for trappers or hunters where they want to take their families to continue this way of life, to teach them the value of life, to teach them the values of the land and the animals and to learn out there. There's not really a program set in place so the families can say yes, we want to take our family out, but rather they have to leave them back in the community because it costs so much to go out there and make their life out there.

At one time it wasn't an issue because that was our way of life. Today life has changed over to somewhat of an economy-based life. Now the furs are taken for money so that they can continue on with this, so we're at the real crux of our lifestyle in the communities. We continue on with the way of life, or we shift over now to an industrial wage economy like where that knowledge is becoming our way of life.

So I will ask the Minister, at the appropriate time, if there are any types of programs for families and Members to take their families on the land to continue practicing life on the land. Thank you.

MR. SPEAKER: Thank you, Mr. Yakeleya. The Member for Frame Lake, Ms. Bisaro.

MEMBER'S STATEMENT ON PLACEMENT OF AUTOMATED EXTERNAL DEFIBRILLATORS

MS. BISARO: Thank you, Mr. Speaker. We're almost at the end of it, but February is Heart Month and, unfortunately, every 26 minutes a Canadian suffers a sudden cardiac arrest. It happens without warning, to anyone, anywhere, killing more Canadians each year than car accidents, diabetes and breast and prostate cancer combined. Without help, sudden cardiac arrest victims have just minutes to live. Each minute that passes decreases their chance of survival by nearly 10 percent. It's scary that the majority of people killed by sudden cardiac arrest have no history of heart disease.

Eighty-five percent of all cardiac arrests occur in homes or public spaces, public spaces like hockey rinks, community centres and Legislatures. The single most important factor in survival from sudden cardiac arrest may be early defibrillation therapy.

According to the Heart and Stroke Foundation, the early use of a defibrillator along with CPR, before the arrival of emergency services, can increase the chance of survival by up to 75 percent. An automated external defibrillator, AED, is an electronic device used to restart a person's heart. It's safe, easy to use, it's small enough that it can be installed at locations in any community and it can be operated effectively by the lay public. If we have defibrillators installed in public spaces with people trained and confident to use them, thousands of Canadian lives can be saved every year.

Research states that in order to be effective, AEDs should be within 100 metres of the scene of a cardiac arrest so a bystander is able to retrieve it and return within three minutes, but currently there are no national guidelines on AEDs, nor is there a central registry of devices. Regulations and policies vary greatly across the country. Perhaps the best situation is in Manitoba where legislation regarding AEDs was recently enacted. As of January 2014, all

public places in Manitoba that are listed in the regulations of the act will be required, by law, to have an AED on site, places such as community centres, golf courses, schools, airports, city hall, the law courts and the Legislative Assembly.

The NWT would be well advised to follow Manitoba's lead. Legislation would enable increased community capacity to respond to sudden cardiac arrest.

I seek unanimous consent to conclude my statement.

---Unanimous consent granted

MS. BISARO: NWT legislation would provide clear protection from liability, would designate the public places where AEDs must be made available, and ensure that AEDs are registered and properly maintained so they're ready for use when they're needed. By setting in place protocols for distributing and maintaining these lifesaving tools, we can protect NWT residents from loss of life. We could be on the leading edge of health care for our residents.

I will have questions for the Minister at the appropriate time.

MR. SPEAKER: Thank you, Ms. Bisaro. The Member for Nahendeh, Mr. Menicoche.

MEMBER'S STATEMENT ON
2014 PAUL STIPDONK
MEMORIAL SOCCER TOURNAMENT

MR. MENICOCHÉ: Thank you very much, Mr. Speaker. It gives me great pleasure to rise today to commend coaches, sponsors and organizers for hosting the Paul Stipdonk Memorial Soccer Tournament in Fort Simpson last weekend. Paul Stipdonk was a long-time Northerner and teacher in Fort Simpson. Paul loved working with the youth in the sport of soccer. He spent many hours of his personal time coaching, fundraising, refereeing, organizing and developing new tournaments and travelling to events.

With Paul's passing away this past August, the Mackenzie Recreation Association asked the family if they could rename the youth soccer tournament in his name. The family was very much honoured and felt a lot of pride to have this tournament named after him. This is the fourth tournament that has been renamed to recognize outstanding individuals in the Mackenzie region. The other three tournaments are the Connie Loutit Memorial Soccer Tournament, the Scott McAdam Badminton Tournament, and the Lawrie Hobart Memorial Volleyball Tournament in Fort Smith.

This is Fort Simpson's third year hosting the indoor soccer tournament for under six, under eight, under 10 and under 12 teams. The idea was developed by Michael Botermans, Paul Stipdonk and Shane

Thompson, great contributors to the sports in our North.

This year the tournament saw teams from Fort Providence, Fort Liard, Fort Simpson, and the coolest thing was that for the first time there were teams from Wrigley and Trout Lake. The tournament is a bit different than the other ones hosted in the region. The teams are co-ed. The concept is for the youth to have fun, enjoy this sport, develop their soccer skills and make new friends over the weekend. There are no losers, no banners and no medals. This year everyone received soccer balls with Paul's name on it and shin guards for all the athletes that did not have them. Fun and safety is a priority of the tournament. The categories all played round robin formats. There was around 135 youth ranging from the age of three and a half years old to 12 years old, 40 first-timers and four with disabilities.

A number of teams brought coaches and assistant coaches for the weekend. There were 35 volunteers, 350 hours of volunteer time and eight youth coaches and chaperones. The sponsors of the tournament, and I would like to thank them: Mackenzie Recreation Association, Village of Fort Simpson, Bompas Elementary School, Thomas Simpson School and students, PR Contracting, MACA, the Regional Youth Sport Events Program.

MR. SPEAKER: Thank you, Mr. Menicoche. The Member for Deh Cho, Mr. Nadli.

MEMBER'S STATEMENT ON
SUMMER STUDENT EMPLOYMENT
IN SMALL COMMUNITIES

MR. NADLI: Mr. Speaker, it won't be long before students across the NWT begin their annual search for summer employment. Many students in our small communities are disadvantaged by the fact that there are not enough summer job opportunities in their home communities. Some of these students have been studying away from home and look forward to returning to their families for the summer months. They also want the chance for the important on-the-job training that will help them reach their employment goals and pay for their schooling. It will not be possible for many of them to find meaningful job opportunities in their home communities unless the government makes it a priority to put summer jobs in small communities, not just in regional centres.

In 2012 the GNWT hired 308 summer students, an increase of 9 percent from 2011. Almost 55 percent of our students in 2012 were northern Aboriginal students. Last year the government only managed to hire 280 students, the lowest number in three years and the lowest percentage, just over 50 percent of Aboriginal students in the same time frame.

I want to strongly urge managers in all GNWT departments, boards and agencies to make 2014 a record year for the number of northern and First Nations students employed in meaningful summer jobs, especially in smaller communities.

I understand that each department, board and agency makes its own decisions about summer student hiring based on their needs and budgets. Summer students need guidance and mentorship. This can make more work for busy public servants when you push summer student hiring to the back burner when there are more pressing program priorities.

Have the Ministers spoken with their senior managers and instructed them to make this a priority? I'm asking each Cabinet Minister in this Assembly to take a moment to show leadership and encourage your departments, boards and agencies to hire a record number of summer students this year. Set target numbers, make it a part of managers' performance appraisals, make it a prerequisite for bonuses paid to senior staff, do more detailed reporting. Next year in the Public Service Annual Report I hope to see statistics that show our target for summer student hiring and how we did in meeting these targets, and the total percentage of NWT students seeking employment who were successful in getting jobs.

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

---Unanimous consent granted

MR. NADLI: Summer students are our future public servants. They bring fresh energy and fresh ideas, they can take on tasks that are important but haven't been done because of workload challenges. When we give our students jobs in the communities, we keep them in the North and we help them to put down strong roots to ensure our communities continue to thrive and grow in years to come. Mahsi, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Nadli. Member for Weledeh, Mr. Bromley.

MEMBER'S STATEMENT ON GIANT MINE STABILIZATION PLAN

MR. BROMLEY: Thank you, Mr. Speaker. Just before Christmas the governments of Canada and the NWT accepted the recommendations of the Mackenzie Valley Environmental Impact Review Board regarding the plan to deal with the arsenic at Giant Mine in Weledeh. Today I rise to recognize their decision and point out that this is an example of the current regulatory system functioning in the way it should, functioning in a way that produces the best result for people.

The Government of Canada and GNWT finally have a plan for Giant Mine that makes sense. Previously, they claimed that the frozen block method was the

final solution that paradoxically would keep the arsenic contained for an infinite period of time as long as they maintained the system. To the public, especially groups like the Yellowknives Dene and Alternatives North, this was unacceptable. Thankfully, the City of Yellowknife was listening and used the legislation to trigger a full environmental review. The review board subsequently held hearings and heard the public's concern.

Recognizing that the proposed plan was only a short-term partial solution, the board refocused Giant Mine on an interim solution with stipulation with continuing research towards a complete solution within 100 years. In addition, the project will be subject to independent public oversight, similar to that for diamond mines.

With appropriate support, our environmental review process clearly can work. When federal and territorial proponents insisted they had a fine plan, the public review process forced them to think things through more carefully. Subsequent amendments sealed a much improved plan and a much more sensible mindset. With full understanding, we now also know we must never put ourselves in this situation again.

As we institute devolution, the travesty of the Giant Mine legacy is a front and centre reminder of what happens when we naively let resource extraction proceed without careful oversight to clean things up along the way. An important reminder as in just weeks we will assume clean-up responsibility for all operating mines in the NWT.

I would like to thank all who were involved in getting the Giant Mine Stabilization Plan in the Weledeh riding back on track. Mahsi.

MR. SPEAKER: Thank you, Mr. Bromley. Member for Hay River North, Mr. Bouchard.

MEMBER'S STATEMENT ON DREDGING OF THE HAY RIVER

MR. BOUCHARD: Thank you, Mr. Speaker. As the days get longer and the spring comes closer, the community of Hay River needs to prepare again for break-up. As usual, I need to stand in front of this House and dredge up a similar statement that I've made about dredging the Hay River, the requirements that are needed in the community of Hay River for dredging.

This dredging is required for industry, it's needed for the commercial fishery, it's needed for recreational use and also needed for the public safety. As breakup goes on, if we dredge the Hay River there will be more capacity for that water and ice to flow through the community, making the community safer.

I've been here for three years and I've had to make this statement and make this request to the

Department of Transportation that we need to figure out a solution to the dredging issue in Hay River.

We now have a new Minister of Transportation and I'm looking forward to some questions with him and hopefully get some more results for the dredging of the Hay River. Thank you.

MR. SPEAKER: Thank you, Mr. Bouchard. The Member for Inuvik Boot Lake, Mr. Moses.

MEMBER'S STATEMENT ON
SAFE DISCLOSURE OF INFORMATION
BY GNWT EMPLOYEES

MR. MOSES: Thank you, Mr. Speaker. On February 21, 2013, then Minister of Human Resources made a statement in this House that the Government of the Northwest Territories signed a memorandum of understanding agreement with the Union of Northern Workers. The agreement outlined procedures for employees to safely disclose allegations of wrongdoings within the government, known as the Safe Disclosure of Information, and the MOU was to take effect April 1, 2013.

Some of these highlights included providing employees with access to an independent mechanism for them to confidentially report situations where the employee in good faith believes that there has been a misuse of public funds, an illegal act, gross mismanagement or a substantial and specific danger to health and safety or to the environment. Also, it talks about providing employees, who in good faith make such a report, protection from reprisal by the employer ensuring that the interim provisions are not preventing an employee from accessing or fulfilling any obligations under any existing legislation, policy, process or collective agreement provisions, which provide a mechanism to address the employee concerns. There are other provisions to this agreement that have taken place and they just went through the first year of this agreement.

Our GNWT employees are our most valuable resource and the majority of them do work on the front lines. They've seen firsthand the operations of government departments and also the work that goes on within these departments. We want to encourage them to let us know what's happening, both good and otherwise, who in good faith believe a wrongdoing has occurred and can bring those allegations forward freely in a confidential and safe manner.

The agreement also states that employees should never, ever fear reprisal from their employer by doing this and I support them in doing so. That's why we went ahead and supported this agreement when we were discussing it in the 17th Assembly.

Finally, the Minister stated in his statement that there will be a safe disclosure coordinator as well

as a safe disclosure panel and that they would report annually. I look forward to reading this report, but in the meantime I will have questions later today for the Minister of Human Resources to get an update on how this project has gone this past year since its inception on April 1, 2013. Thank you.

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

MEMBER'S STATEMENT ON
NORTHERN MINING
SOCIO-ECONOMIC AGREEMENTS

MR. HAWKINS: Mr. Speaker, I've stood up in this House a few times to express my concerns about the mines not meeting their socio-economic targets, especially in the area of jobs. But rather than wasting today's time and certainly the public's time, I'm hearing Minister Ramsay defend why they continue to have failures in certain areas. Let's build upon what we know and let's turn it into a success.

Everybody in the Assembly here knows that mines perform a regular performance reporting and they write out and explain where they have met their key targets and components on the socio-economic agreements and those are between the government and the mines. These reports are publicly available, if you can find them somewhere buried in a website or whatnot, and they do even track trends and certain other items. But let's use this opportunity not just to talk about trends, let's build it into a measure that's meaningful that people can start to understand it. Let's use these annual reports to publicize clearly, meaningfully in a format that all Northerners, the everyday person can see and understand. We can do business not only better, but we can finally show them we are doing business, which would be an interesting shock.

This government measures, from time to time, culture, community, family, individual well-being, traditional and non-traditional economy. We even look at things such as net effects on government and sustainability. We can do it, so let's start doing it now.

These are all very important things, but how do we know the mines are living up to their commitment, the ones that they contractually are bound to do that we sort of negotiated, but of course, we have no enforcement tool. Where I'm going with this is maybe it's time that we start publicizing through a regular occurrence once a year, I say if we put in the newspaper in a simple format with some charts, some graphs and explain mine number A, agreement on employment, they're meeting these targets, and we can demonstrate that to Northerners.

Quite often a Northerner will come to me and say, you know, the other day my family and I came from

Edmonton. We got on that plane and we didn't know anybody on that plane. Are they all mine workers? Are they hiring any Northerners at all? I think that's a fair question, because a lot of Northerners think that none of those jobs are going to Northerners who actually live here.

What can we do? It's time that the government starts publicizing mine commitments in the newspaper once a year, show people through graphs, statistics and black and white facts. Are they meeting them or are they not? Some are doing a great job and some are not.

MR. SPEAKER: Thank you, Mr. Hawkins. The Member for Range Lake, Mr. Dolyunny.

MEMBER'S STATEMENT ON
INVESTMENT IN SOUTHERN MENTAL HEALTH
AND ADDICTIONS TREATMENT

MR. DOLYUNNY: Thank you, Mr. Speaker. In the wake of accepting the meagre budget for the Mental Health and Addictions Plan, reluctantly, I must add, I have decided to give this topic a bit of sunshine today.

We have heard, been reaffirmed and even guaranteed by the Minister of Health and Social Services that our residents today are in better care in their most desperate time of need. We are told that in 24 hours or less if you come forward with addiction issues you'll be whisked away to one of four out-of-territory fabulous resorts where you'll be given state-of-the-art care, and this is all being done at huge savings compared to what we were offering at Nats'ejee K'eh.

Many of us from the Social Programs committee have visited the Poundmaker's Lodge in St. Albert, and I agree, there appears to be a successful addiction treatment centre there. But, in reality, are there savings, or should it be about savings? Are we spending the right amount of budget dollars as we did before in addictions or are we spending more? Clearly, addictions, especially alcohol addiction being the number one social issue in the North, is it getting the right investment? I mean, surely this government must be spending enough money to remedy this huge social epidemic.

Well, we know that from past budgets Nats'ejee K'eh received a little over \$2 million a year in funding, so we must be at least spending this or more to treat addictions. No? I mean, we waited over two years for mental health and addictions plans from this government, so we must be serious about investing some money to take a bite out of addictions, right?

Let's take a look at the budget of this long-awaited Mental Health and Addictions Plan, shall we? On-the-land treatment program, \$900,000. Check. Children and Youth Resiliency Program, \$500,000. Check. Four lofty contracts for out-of-territory

provincial treatment program, \$1 million. Check. Cha-ching! It comes up to \$2.4 million. Ironically, slightly more than we were given annually for Nats'ejee K'eh.

Where is the bit and the bite? Where is the real investment with addictions? Sadly, these numbers speak for themselves. When this government spends more in building one kilometre of new highway than dealing with the number one issue plaguing our generation, this is more than shameful. It's embarrassing.

MR. SPEAKER: Thank you, Mr. Dolyunny. The Member for Tu Nedhe, Mr. Beaulieu.

MEMBER'S STATEMENT ON
TRIBUTE TO RCMP BRAVERY AWARD
RECIPIENT CELINE (NATAWAY) MARLOWE

HON. TOM BEAULIEU: Mahsi cho, Mr. Speaker. In August 2012 I went to Fort Reliance and met a retired RCMP officer named Garth Hansen who was looking for a lady that had saved four kids from a burning fire way back when he was a member in Reliance and Lutselk'e about 50 years ago.

Today I would like to pay tribute to this one amazing hero that he was looking for. I speak of Celine (Nataway) Marlowe, the wife of George Marlowe, the mother and grandmother of many in Lutselk'e and other communities in the Northwest Territories.

On New Year's Eve 1960-61, Celine, before she turned nine years old, saved the lives of four young children from a house fire in Snowdrift/Lutselk'e. This act speaks of the kind of person Celine is today. Celine acted bravely and is a true hero. Today there are people walking around Lutselk'e because of this act of bravery.

Celine received the highest honour awarded for bravery in the Northwest Territories issued by the RCMP. Celine was the second person in the Northwest Territories to receive this award since 1993. The other person is now on the Nunavut side.

On January 14, 2014, the retired RCMP officer that nominated Celine, Garth Hansen, who was at the RCMP station in Lutselk'e/Snowdrift or Reliance at the time of the house fire, actually was stationed in Reliance and then was in Lutselk'e during Christmastime. Along with some high ranking officials from the Northwest Territories, including the chief superintendent and two of the other high ranking officers, gave this award to Celine Marlowe. Presented by the RCMP, Royal Canadian Mounted Police, to Celine (Nataway) Marlowe for her dedication and bravery in rescuing Peter Abel, Dorothy Abel, Gilbert Abel and Raymond Abel from a disastrous house fire which destroyed Joe Fatt's home on New Year's Eve in 1960-61 in Snowdrift, now called Lutselk'e, on the north arm of the Northwest Territories. Her immediate response

encouraged a nine-year-old, actually before she turned nine, to save the lives of her friends and brought great credit to her community. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Beaulieu. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery, Mr. Blake.

Recognition of Visitors in the Gallery

MR. BLAKE: Thank you, Mr. Speaker. I'd like to recognize Itai Katz who is one of my constituents from Tsiigehtchic. I'd like to welcome him to the gallery. Thank you.

MR. SPEAKER: Thank you, Mr. Blake. Mr. Bromley.

MR. BROMLEY: Thank you, Mr. Speaker. I'd like to recognize Chief Edward Sangris of the Yellowknives First Nation, Detah. I know he's got a very busy schedule, so it's great to see him in the House today.

I had the opportunity to meet Itai Katz from Tsiigehtchic just before session here. That was the first time I'd met him. I welcome him to the House. Of course, he's the spouse of the famous Alistine Andre. I'd like to recognize her. Mahsi.

MR. SPEAKER: Thank you, Mr. Bromley. Item 6, acknowledgements, Mr. Bouchard.

Acknowledgements

ACKNOWLEDGEMENT 3-17(5): 90TH BIRTHDAY OF JIM THOMAS

MR. BOUCHARD: Thank you, Mr. Speaker. Jim Thomas was born at 2 Island, 32 miles below Fort Simpson, on February 25, 1924. He has lived all his life in the North, from Fort Chipewyan to Fort Providence to attend the residential school. In the 1940s he worked underground at Ptarmigan Mines until he was transferred to Con Mine. Later, in the 1950s, he also found work on the drilling rigs when oil companies were exploring for oil and gas. In the late 1950s, he was working on building the road to Kakisa.

In the 1960s Jim called Hay River his home. He worked in many different capacities, as a firefighter, a captain on an NTCL tug boat, to a corrections officer and a fisherman on Great Slave Lake, but the land would always have his heart, and that is where his true talent shone.

Jim's sense of humour for everything in life always brings a smile to people who know him.

In the 1990s Jim became very involved in the Dehcho Process. After the West Point First Nation got recognition of band status, he sat on council as an elder at the local level and as an elder advisor to the Dehcho leadership table. With all his wisdom,

he shared what he learned as a child to the leaders then of the treaties and what they stood for.

I am happy to recognize Mr. Jimmy Thomas on his 90th birthday. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. Bouchard. Item 7, oral questions. The honourable Member for Mackenzie Delta, Mr. Blake.

Oral Questions

QUESTION 173-17(5): ASBESTOS CONCERNS AT MOOSE KERR SCHOOL

MR. BLAKE: Thank you, Mr. Speaker. Last week the Minister of Education, Culture and Employment replied to one of my questions by stating: "If there is an asbestos issue, then we would be proactive and work with the Department of Public Works and Services and put in mitigating measures to deal with that. At this point, it hasn't been brought to my attention if it is an issue."

I'd like to know, since my exchange with the Minister of Education last week, if the Minister of Public Works or any of his departmental officials supplied information to the Minister of Education about asbestos in the Moose Kerr School. Thank you.

MR. SPEAKER: Thank you, Mr. Bouchard. The honourable Minister of Public Works, Mr. Beaulieu.

HON. TOM BEAULIEU: Thank you, Mr. Speaker. I think the information has been exchanged between officials of Public Works and the Department of Education. The assessment of Moose Kerr School did not identify any asbestos-containing materials. Thank you.

MR. BLAKE: I will continue my questions to the Minister of Public Works. Last week the Minister of Education mentioned that a major renovation was made to the Moose Kerr School in 1999. A number of upgrades were subsequently made to the school between 2008 and 2012.

I would like to know if any asbestos issues were encountered in any of these upgrades. Did these upgrades include abatement or mediation of asbestos-containing materials? Thank you, Mr. Speaker.

HON. TOM BEAULIEU: Several years ago some officials were inspecting the school and they had identified materials in the crawl space of the school that they figured could possibly be asbestos. The department took a closer look with experts and determined it was not asbestos in that basement or in the crawl space of that school. That was the only place it could have possibly been identified. Thank you.

MR. BLAKE: As I mentioned last week, as well, most of our buildings, their life expectancy is 35 years, yet Moose Kerr School is 45 years old. When will this school be replaced? Thank you, Mr. Speaker.

HON. TOM BEAULIEU: In the 20-year assessment as we assess all our assets and determine which one would be moved to a five-year capital plan, Moose Kerr School in Aklavik has been identified for a major renovation or a complete replacement in 2019 and we'll make that decision as we get closer to that date. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Beaulieu. Final, short supplementary, Mr. Blake.

MR. BLAKE: Thank you, Mr. Speaker. Were there any other contaminants found within the school premises? Thank you, Mr. Speaker.

HON. TOM BEAULIEU: I have information that we were looking for asbestos-containing materials. There was none of that. If there are any hazardous materials or asbestos identified as we look in other areas of the school, then we will go through the regular process of identifying that to the Workers' Safety and Compensation Commission. Thank you.

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

QUESTION 174-17(5):
POLICING PRESENCE IN
SMALL COMMUNITIES

MRS. GROENEWEGEN: Thank you, Mr. Speaker. In follow-up to my Member's statement today about community policing and police presence in all of our communities, I would like to direct my questions to the Minister of Justice. Communities in southern Canada have their own police force. Tell me again, if I didn't already know, why the Northwest Territories, if not RCMP, cannot have some kind of policing presence in our communities currently that do not have a police presence.

When we have no police presence, it falls to other people to fill in that gap. It falls to band managers and people who are respected in the community and it puts a great deal of stress on other people and it is not an ideal circumstance. I would like to ask that as my first question. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mrs. Groenewegen. The honourable Minister of Justice, Mr. Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Speaker. We continue to work with communities on providing a service to the communities. There was the Aboriginal Constable Program. We didn't get enough applicants. The program was supposed to run at Depot in Regina in 2013. There weren't enough applicants. That program has been

reworked. There is an intake that's supposed to happen early, I believe, in 2015. We are hoping to have a couple of applicants from the Northwest Territories enter that program.

We have to also look at opportunities with each community. We try to make a policing model for each community in the Northwest Territories and make things work by working with community leaders. We've had some success in Tsiigehtchic, we're going to try to get members to stay in the community overnight. I mentioned yesterday, in response to some other questions during the mains review of Justice, that there are other communities here in the Northwest Territories where that may be a possibility. We will continue to look at creative ways to try to get more police presence into every community in the Northwest Territories. Thank you.

MRS. GROENEWEGEN: The Minister mentioned an Aboriginal Constable Program for which there was not much interest and that these individuals or candidates would have been able to train at Depot.

My question to the Minister is: Would these Aboriginal constables or these graduates from the Aboriginal Constable Program, would they have been able to offer policing services in communities, stand-alone, without the presence of an RCMP officer? Thank you.

HON. DAVID RAMSAY: We currently have four of those positions in the Northwest Territories in four different communities across the NWT, but no, they're there to observe and monitor and act as a liaison with the RCMP and report activity to the RCMP and monitor the situation as it happens. Thank you.

MRS. GROENEWEGEN: So, I gather from that answer that these constables work in conjunction with existing RCMP detachments. So they do not go to the issue of what I'm talking about here today, and that is communities, the number of communities in the Northwest Territories who currently do not have any police presence. So I'll ask the Minister, has the department, has our government ever considered some form of auxiliary police department in the Northwest Territories that could be stand-alone outside of the RCMP in these small communities? Thank you.

HON. DAVID RAMSAY: Thank you. On April 1st of 2012 we signed a new 20-year agreement with the RCMP for services here in the Northwest Territories. We also are working closely with our counterparts in Nunavut and the Yukon on First Nations Policing. It's a federal program. We're hoping to have some success by working in a pan-territorial approach to try to get some funding for First Nations policing. We're hoping for the best with that as well.

MR. SPEAKER: Thank you, Mr. Ramsay. Final, short supplementary, Mrs. Groenewegen.

MRS. GROENEWEGEN: Thank you, Mr. Speaker. In no way am I suggesting that the contract we have signed with the RCMP is not a good thing for the Northwest Territories. I believe that they provide a wonderful service and that should continue, but because of the regulations that came about, partially due to some of the unfortunate incidents that took place, one of them in Hay River and another one in Nunavut, the rules around having single-member detachments changed greatly. So we are bound by the rules that regulate the RCMP.

I'm not suggesting that the RCMP be replaced in any way. I'm talking about how we can get some form of police presence into the small communities where we currently do not have an RCMP detachment. If that means working with the other territories to come up with another level of policing, then we need to do that. I'd like to ask the Minister for more detail on what that model would look like. Thank you.

HON. DAVID RAMSAY: Thank you. I agree with the Member. I think it is time to be creative. It's time to try to find a way to get a police presence in communities across the Northwest Territories. I'd be more than happy to get some additional information for Members on the First Nations policing work that the department is underway with the Yukon government and also with Nunavut. There have been discussions in the past by the former Minister of Justice and discussions will continue into the future. We'll get that information.

Again, it's very important that we look at creative ways and means, whether it's through the Aboriginal Constable Program or First Nations Policing, or opportunities in some of our other communities to overnight RCMP officers in those communities. We have to do everything we can to ensure that there's a police presence in communities that we can provide a presence in. Thank you.

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

QUESTION 175-17(5):
COMMUNITY CARIBOU HUNT
FOR YELLOWKNIVES DENE

MR. BROMLEY: Thank you, Mr. Speaker. I'd like to address my questions to the Minister of Environment today. The Yellowknives Dene First Nation has had an understanding that ENR had offered support for a community caribou hunt. Yet, despite numerous requests, there has been no response up to this time. It's getting close to the end of the season here.

Will the Minister honour the commitment made to support the community hunt for the Yellowknives Dene and Detah?

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. There have been ongoing discussions. That offer has been on the table. Within the banned zone for the Bathurst, we've allocated 150 tags and there is a continued offer to assist the community with the hunt outside the banned area. Thank you.

MR. BROMLEY: Thank you. Everything sounds copacetic, but that's not the message I'm getting. I'm wondering if the Minister would get on the phone as soon as we're done here.

The Yellowknives Dene First Nation has been cooperating with the Department of Environment and Natural Resources on recording the number of caribou they have harvested. Since 2010 the basis of this partnership has been an interim harvest agreement initially for two years and then extended for a year. Has the department signed an extension to this agreement for this year and, if not, why not? Mahsi.

HON. MICHAEL MILTENBERGER: Officials from ENR and my office upstairs are tracking the discussion here and they will be following up, as the Member has suggested. There have been a considerable number of meetings between the officials in ENR and the Yellowknives and they have been unable to come to a satisfactory agreement.

In the meantime, ENR has set up the processes to hand out tags and authorizations so that, in fact, the Yellowknives can take advantage of the opportunity to harvest 150 animals in the banned hunting area. As well, we've talked about a broader arrangement. We've just had a big Bathurst Management Herd Advisory Board meeting here in Yellowknife last week. So the intent is to come up with a way to do this, just keeping in mind that this is fundamentally still a conservation of wildlife protection issue and we are very interested in trying to resolve that with the Yellowknives. Thank you.

MR. BROMLEY: I am very sad that the Minister has not come to an agreement and, in fact, would move independently, given that this is a government-to-government relationship we're speaking of.

The Yellowknives Dene First Nation recognizes that Bathurst caribou need extra careful management and has cooperated with the department in this respect for several years. The leadership of the Yellowknives has not agreed to a tag system this year, yet the department is unilaterally issuing 2014 tags with the chief's signature on them.

Why is the department disrespecting the leadership of the Yellowknives Dene First Nation in such a blatant manner? Mahsi.

HON. MICHAEL MILTENBERGER: Thank you. I'm aware of the assertion of ENR handing out tags with the chief's signature. I have not received that confirmation from ENR. The whole intent was, of course, to respond to the very many requests we've had from the Yellowknife members to be able to go out and hunt in the restricted area and we've done that, keeping everybody fully apprised of that interim step. Our preferred approach of course is, as the Member stated, we'd like to have an arrangement with the Yellowknives, same as we have with the Wek'eezhii, and hopefully have them fully involved in the development of a Bathurst Caribou Management Plan. Thank you.

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

MR. BROMLEY: Thank you. All I can say is, huh? The Minister just said that in fact he was issuing tags and now he says he's going to check with his people to see if they're issuing tags. The Yellowknives Dene have offered a reasonable alternative to the tag system. They've offered to hunt up to 150 caribou and report back when that limit has been reached.

Why has the Minister rendered Bathurst caribou even more vulnerable by not accepting this entirely reasonable alternative to the tag system, or at least work with this Aboriginal government to come to a mutually agreed upon plan of action as this government always professes to do?

HON. MICHAEL MILTENBERGER: Let me be clear. We have and are handing out and have handed out, I understand, 150 tags, authorizations to Yellowknives to hunt. What I was talking about was the assertion by the Member that we were doing it somehow with the chief's signature on the authorization. That particular fact I haven't had confirmed from ENR.

We want to work out an arrangement with the Yellowknives that involves ENR, that involves monitoring, that involves a coordinated, cooperative effort to oversee this process as opposed to just having carte blanche and we'll check back with you and trust us we'll take care of it.. We want to have something like we have with the Wek'eezhii Board and which we have in other regions, as well, which is a much more coordinated, integrated, cooperative approach.

MR. SPEAKER: Thank you, Mr. Miltenberger. Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Speaker. I seek unanimous consent to go back on orders of the day; item 5, I believe it is.

---Unanimous consent granted

Recognition of Visitors in the Gallery (Reversion)

MR. YAKELEYA: It might get me into trouble not to recognize my beautiful wife up there in the gallery along with my father and my mother-in-law. I know they're not my constituents, but they are family from Fort Providence, Albert and Caroline Bonnetrouge, and my sister-in-law, Jackie Hope. Welcome to the gallery.

MR. SPEAKER: Thank you, Mr. Yakeleya. Mr. Nadli.

MR. NADLI: Mr. Speaker, it's a great honour to recognize Mr. Albert and Caroline Bonnetrouge, who are respected elders from Fort Providence. They are here to witness the proceedings of the Assembly. Also, two former constituents of mine, Jackie and Shyo.

MR. SPEAKER: Thank you, Mr. Nadli. Item 7, oral questions. The Member for Sahtu, Mr. Yakeleya.

Oral Questions (Reversion)

QUESTION 176-17(5): FAMILY SUPPORTS FOR TRADITIONAL "ON-THE-LAND" PURSUITS

MR. YAKELEYA: Thank you, Mr. Speaker. My question is to the Minister of ITI. I talked about the special relationship with our people on the land and helping each other get out to the land. I made statements in 2012, on November 2nd, about trappers and life on the land. I want to ask the Minister, given that knows what we contribute, has there been any type of discussion in terms of helping families get on the land with all the programs that we have offered through the government.

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

HON. DAVID RAMSAY: Thank you, Mr. Speaker. Recently there was a traditional economy workshop held in Deline with the SRRB and, as well, CanNor helped us fund that. I would be happy to provide the Member with a copy of our presentation from that.

But getting to the programs that we do have and the assistance that we do have, of course, we have the Take a Kid Trapping and Take a Kid Harvesting, which are done through the schools in the Northwest Territories. We also have the Community Harvester Assistance Program, which is almost \$1.1 million on an annual basis. We also have a number of other programs that we provide assistance to harvesters. The Community Harvester Assistance Program is another one. Through these programs at the local, level people

and families could approach the local authorities there to get some of that funding to get out on the land.

MR. YAKELEYA: We certainly have supported the trappers, people who make their life on the land. It's the point of view that we look at trapping or harvesting and being a fisherman, to being a trapper, to be a hunter. Some look at it as a business. We sometimes look at it as a way of life.

I want to ask the Minister of ITI, could he look across the different departments and say can we come up with a unique program, because we're known for our uniqueness in the Northwest Territories through education, health, whatever, and say we can do this program, treatment, healthy living or education or whatever, but come up with a program that says this is a family program that promotes family togetherness out on the land. Can he do that?

HON. DAVID RAMSAY: Traditional activities out on the land are considered to be productive choices under the Income Assistance program. Certainly that's something that I can continue to have discussions with my Cabinet colleagues on how we can go about getting some funding to allow people to get out and pursue the traditional economy out on the land.

MR. YAKELEYA: I look forward to seeing if anything can come forward from working with his colleagues, like productive choices through the Department of Education, Culture and Employment, so that people in the small communities can go to either the Department of RWED or to Education, Culture and Employment and say we want to take our family on the land, this is what it's going to cost us to bring our families out, so that we have support from the government.

Would the Minister come forward within the life of this government, so maybe by next year we can have a program that would be offered to all people in the Northwest Territories?

HON. DAVID RAMSAY: Yes, we could take a look at that, and I can let the Member know that we will take that into consideration and get him some type of response.

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

MR. YAKELEYA: Thank you, Mr. Speaker. If we come with this unique program that Mr. Ramsay is committing to look at and bring forward, it's life on the land. The economy, that's the business side, but I think it would be supporting the life on the land that supports our vision and goals of the 17th Assembly. I'll ask the Minister, coming forward and getting some information back from our communities and seeing that we can pilot some type of unique program for the coming fall time. I'm

not too sure if that's too short of a time, but I will look forward to some type of a movement on this.

HON. DAVID RAMSAY: Yes, we will try to do that in as short order as we can. In the meantime though, we do have opportunities for community members to take part in community hunts and community harvests under the Community Harvester Assistance Program, so if families wanted to get together and coordinate a trip out on the land to pursue traditional activities, there is currently programs and money available for them to do that.

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

QUESTION 177-17(5):
SAFE DISCLOSURE OF INFORMATION
BY GNWT EMPLOYEES

MR. MOSES: Thank you, Mr. Speaker. As follow-up to my Member's statement earlier today, I'd like to ask the Minister of Human Resources, since the MOU with the Union of Northern Workers on the Safe Disclosure of Information Agreement that we signed into April 1, 2013, I'd just like to ask if there has been any uptake into that program. If so, how many, I guess, allegations or complaints did the GNWT receive?

MR. SPEAKER: Thank you, Mr. Moses. The Minister of Human Resources, Mr. Beaulieu.

HON. TOM BEAULIEU: Mahsi cho, Mr. Speaker. As of today, since the memorandum of understanding has been signed between the UNW and the GNWT, there have been no disclosures.

MR. MOSES: As I mentioned, in the statement that was out on February 21st for the then-Minister of Human Resources, it mentions that a safe disclosure coordinator was going to be put into position as well as a Safe Disclosure Panel.

Would the Minister have the costs of the staffing for this position for this past fiscal year that this government has approved? We aren't getting any results on this safe disclosure of information pilot project, I guess you can say right now, or this agreement.

HON. TOM BEAULIEU: I do not have the costs for the creation of the Safe Disclosure Panel. Also, if they do have a safe disclosure coordinator working with the panel or putting the panel together at the time an employee discloses some wrongdoing, harassment or other things that are found underneath this disclosure agreement, I don't have the costs of those at this time with me. Thank you.

MR. MOSES: Mr. Speaker, the Minister mentioned that we had no uptakes in this program that we've had in place since April 1, 2013. That makes me wonder: why zero? We hear complaints. As MLAs

we hear a lot of these complaints in bringing these concerns forward.

Has the department done an effective awareness campaign? How is this information been going out to employees to let them understand that this GNWT is supporting them for coming forward to bring any types of allegations in which they feel there are some wrongdoings? Has the department done an effective campaign to our employees throughout the GNWT system? Thank you, Mr. Speaker.

HON. TOM BEAULIEU: Mr. Speaker, every UNW employee in the GNWT was informed of the new provisions by letter in March 2013, a letter that was jointly signed by the Union of Northern Workers president and the deputy minister of Human Resources. A copy of the Safe Disclosure Provisions and Guidelines were posted on both the UNW and Human Resources websites, also articles outlining Safe Disclosure Agreement and the process were published on June 7th and September 20th in the editions of the GNWT employee newsletter, posters were developed and shared at GNWT worksites in December of 2013, and senior managers across the GNWT have been briefed on the safe disclosure process and are able to assist employees once an employee makes a determination that they would like to disclose wrongdoing. Thank you.

MR. SPEAKER: Thank you, Mr. Beaulieu. Final, short supplementary, Mr. Moses.

MR. MOSES: Thank you, Mr. Speaker. Knowing full well that we're going to take this agreement on April 1, 2013, not everybody always goes to our websites to review some of this information, and hearing that we had posters out explaining this program in December 2013, nine months after this agreement was supposed to take place, I'd like to ask the Minister – it says that the Safe Disclosure Panel and coordinator will report annually – when can we expect to see a report tabled in this House of some of the best practices and probably some of the challenges or some things that we might not have taken into consideration when putting this agreement into place effectively, so that we might have gotten some statistics with this report? Thank you, Mr. Speaker.

HON. TOM BEAULIEU: Mr. Speaker, if HR is going to be tabling a report on the memorandum of understanding on safe disclosure, I don't know what date that is going to be done. However, we are moving to legislation. We expect to have a legislative proposal in front of the House in the sitting of October 2014, and that will give the Assembly about a year to work on completing that legislation. Thank you.

MR. SPEAKER: Thank you, Mr. Beaulieu. Member for Nahendeh, Mr. Menicoche.

QUESTION 178-17(5):
NURSING SERVICES
IN SMALL COMMUNITIES

MR. MENICOCHÉ: Thank you very much, Mr. Speaker. I just wanted to follow up on community health nursing. That was a great issue that Mrs. Groenewegen raised and it's something I've been following for many, many years, the question of nursing in small communities. In her statement she asked basically what is the rationale, and I think the rationale is because there are no RCMP officers there. I don't know if that's a real policy.

I'd like to ask the Minister of Health what is the real policy about getting nurses into our communities, and if he has it, can he quote from it, can he show us? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Menicoche. Minister of Health, Mr. Abernethy.

HON. GLEN ABERNETHY: Thank you, Mr. Speaker. There are a number of factors that we utilize when deciding whether to employ nurses throughout the Northwest Territories. The Integrated Service Delivery Model sets out standards for community health staff across the Northwest Territories. But as I indicated, when asked questions previously, it is under review and we are looking for ways to enhance the services in our small communities. RCMP is but one factor. It is not the deciding factor by any stretch of the imagination. Thank you, Mr. Speaker.

MR. MENICOCHÉ: Once again, we ought to be maximizing community health nursing and develop that capacity.

Just a quick look at Nunavut, every community, with the exception of Grise Fiord, has a nurse, and the nurses form the backbone of those communities and the backbone of the health care delivery system in Nunavut, so that's exactly where we're getting. I've listed many, many times where the community of Wrigley needed a nurse, where nurses really could have increased assistance to that community. Just for instance, in December 2005, two nine and 10-year-old girls broke their legs and they weren't treated for four days. In September of 2009, almost just over 60 percent of the community had flu-like systems during the H1N1 scare and there was nobody there to attend to them for about 10 days, so just a couple of instances.

I would like to know what our strategy is moving forward. Thank you, Mr. Speaker.

HON. GLEN ABERNETHY: Just by way of comparison, it's my understanding that every community in Nunavut actually has an RCMP detachment, which we don't.

There are a number of things going on here, and I do hear what the Member is saying and I have

indicated that we are going to review the ISDM to ensure that we are providing the right and appropriate supports in all of our communities. Right now the current ISDM services in communities doesn't provide nurses permanent full time in communities with less than 250, but there are services that are clearly delivered in these small communities through nurse visits, physician visits. We have community health workers. We have community support workers. But I do hear the Members. I hear them clearly that we need to do more.

I will say again that we are reviewing the ISDM to see what kind of supports could be provided to the communities so that they get the health care that they are seeking. Thank you, Mr. Speaker.

MR. MENICOCHÉ: I know that's a struggle to get all the communities community health nurses. But in the instance of Wrigley, it's about the return of nursing services. We had them there in the early '90s, and the community consistently asks me, why aren't we getting our nurse back, what's the issue there. Well, in fact, I made great strides in getting two dedicated RCMP for the community of Wrigley and establishment of a patrol cabin, as it were, so why aren't we doing the same or even more to deliver health in our small communities such as Wrigley? Thank you.

HON. GLEN ABERNETHY: As I have indicated, there are a number of challenges, and as I have indicated, we are going to be looking at the ISDM. I will certainly be having discussions with the Members that are affected or who are responsible for the small communities. But there's no such thing as a one-nurse station. In order to provide adequate coverage for on-call, for overtime and all those types of things as well as to make sure that there's balance between the different professionals, we would need two. So, there are a lot of other factors that we have to consider, but we are going to review the ISDM with respect to coverage in small communities and we will work with Members. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Abernethy. Final, short supplementary, Mr. Menicoche.

MR. MENICOCHÉ: Thank you very much, Mr. Speaker. I certainly look forward to the department's plan and I would like to continue to push for it. In 2010 I thought I had resolution over getting nursing delivered in Wrigley, and I believe it was Tsiigehtchic through the same Integrated Service Delivery Model he's talking about, so I would like to continue pressing that forward.

Once again, can he show me the policy, the regulation, something in writing where it says we cannot have less than two nurses in a small community? Thank you.

HON. GLEN ABERNETHY: I look forward to working with the Member as we move forward trying to solve this issue. Right now, as I indicated, the current ISDM doesn't provide nursing services on a permanent full-time basis in communities of under 250 people.

MR. SPEAKER: Thank you, Mr. Abernethy. Member for Range Lake, Mr. Dolynny.

QUESTION 179-17(5):
BEACH SAFETY AUDIT OF
FRED HENNE TERRITORIAL PARK

MR. DOLYNNY: Thank you, Mr. Speaker. With the cold weather today, it's really hard to start talking about summer and our beaches, especially about safety. Recently, the coroner tabled a report on the findings of a young boy's accidental drowning on June 27, 2013, at Fred Henne Territorial Park. Within the coroner's report, there are strong recommendations and comments about the assistance of the Royal Life Saving Society of Canada, methods that this government should be following to make our beaches safer.

Sadly, it is also mentioned that all levels of protection must be a priority and implemented before lifeguards are to be considered. My questions today are for the Minister responsible for our parks, to seek some clarity.

Within the coroner's report, it indicates: "Life Saving Society rates the level of protection at supervised beaches from level two to eight. In the aquatic safety audit, Fred Henne beach was rated level two, meaning there is signage to communicate safety messages to beach users. Increasing the beach level to seven would involve additional training for staff and the presence of additional rescue equipment; level eight beaches, lifeguard supervision." Can the Minister indicate to us what level is our beach for this summer? Thank you.

MR. SPEAKER: Thank you, Mr. Dolynny. Minister of ITI, Mr. Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Speaker. Our goal is to implement the recommendations from the Life Saving Society of Alberta that would get the beach at Fred Henne and the beach in Hay River up to a level seven. We are waiting again for the review of lifeguard services, the provisional lifeguard services at Fred Henne beach that is being undertaken by the Life Saving Society as well. We should have that report back within the next few weeks, I would say. Thank you.

MR. DOLYNNY: I do want to commend the Minister and his office for dedicating a lot of time and resources to making our beaches safer, especially in the wake of that tragedy last summer. Minister Ramsay even went on to say in this House in an oral exchange with myself on October 24, 2013, "If it's going to make Fred Henne beach safer, there

will be lifeguards at the beach next summer.” Is the Minister still committed to this statement? Thank you, Mr. Speaker.

HON. DAVID RAMSAY: We need to have that dialogue with the community. We had a meeting, and I thank the Member for attending that meeting that we had at the ski club a few weeks back. We want to have some more dialogue with the community. We have had input from a number of community members on our website. The answer is still yes, if having lifeguards at Fred Henne beach is going to make that beach safer, we'll try our best to have lifeguards there. Thank you, Mr. Speaker.

MR. DOLYNNY: Again, I appreciate the Minister's ongoing commitment and steadfast resolve in being true to his word.

Minister Ramsay also went on to say on October 24, 2013, “It's not an issue about funding and it shouldn't be an issue of funding.” With the main estimates and ITI before the House later today, is there a budget for lifeguards for this year's budget? Thank you.

HON. DAVID RAMSAY: We want to make sure we get it right. That's first and foremost. We want to ensure we get all the information to make an informed decision. To the Member's question about whether there is funding in this year's budget, no, there isn't. Our early estimates indicate that to have that service at Fred Henne Park, it would run in the neighbourhood of \$120,000 to \$150,000. Thank you.

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

MR. DOLYNNY: Thank you, Mr. Speaker. I appreciate the Minister bringing that number to the floor of the House. Can the Minister commit that if, indeed, we are going to move forward with lifeguards, that that number just quoted today in the House will come back as a supplementary appropriation? Thank you.

HON. DAVID RAMSAY: The issue of lifeguards at Fred Henne beach has never been an issue about money. I think service is going to be required there and the department will find the money. We'll go through a supplementary appropriation if we have to. It is about having the service there, but there are a lot of other moving parts to the issue such as where do you find the trained lifeguards, where do you train them, how do you get them ready for this summer. There will be a number of challenges other than having that service at Fred Henne Park. It's something, like I said earlier, that if they are going to make that beach safer, we'll do our best to ensure that they're there.

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

QUESTION 180-17(5):
SUMMER STUDENT EMPLOYMENT
IN SMALL COMMUNITIES

MR. NADLI: Thank you, Mr. Speaker. This government or this Cabinet has made it very clear that it's on a mission of hiring 2,000 people. Here in the NWT, homegrown in our communities are students who are being encouraged to go back to school, study all they can and come back and hopefully we can give them a job.

There is always the challenge, of course, ensuring that we strike a balance between large cities like Yellowknife, regional centres and communities as well.

My question is to the Minister of Human Resources. Why are GNWT summer jobs not readily available for students in communities? Mahsi.

MR. SPEAKER: Thank you, Mr. Nadli. The honourable Minister of Human Resources, Mr. Beaulieu.

HON. TOM BEAULIEU: Thank you, Mr. Speaker. The Summer Student Employment Program is not restricted to regional centres and Yellowknife. In fact, student summer employment is supposed to be employment for students right across the territory. We are doing some campaign work right now. We're sending out some e-mail messages and putting some of those employment opportunities on our HR website and a poster advising in Yellowknife, some regional centres and service centres, community band offices and also with the GNWT, government service officers will be going on at this time. Thank you.

MR. NADLI: Last year there was an effort to recruit at least 280 returning summer students and provide them jobs. Can the Minister indicate to this House how many of those jobs were in communities? Mahsi.

HON. TOM BEAULIEU: I don't have the breakdown between the small communities, the regional centres and Yellowknife. What I do have is, of the 271 students who were hired, we were applying the Affirmative Action Policy and 51.7 percent were indigenous Aboriginal students and 43.0 students were indigenous non-Aboriginal students and priority 1. Only 4.4 percent of the students hired by the GNWT last year were from outside of the NWT. Thank you.

MR. NADLI: I would like to thank the Minister for giving that response in terms of where the jobs are going for students. I hope at some point he will be able to substantiate further some various precise statistics on job concentration for summer students.

Human Resources, of course, is the lead department in terms of dealing with employees of the government. At the same time, it has a lot to do regarding human resource planning, especially with

students as they come back home. It's expected that we do our part in trying to get them career advice and career planning.

Is the department taking the lead to ensure that each department has concrete plans to have summer student employment available for students who return in the summertime in the communities? Mahsi.

HON. TOM BEAULIEU: The Department of Human Resources has started work with other departments in December of 2013 in preparation for the summer, April to August 2014, preparing to take on summer students. So if there is some work that is being done right now, I can provide the status to committee. I can also provide the number of students last year, the distribution of the summer students in Yellowknife, the regional centres and the ones who have gone into small communities. I will report that back to communities as well. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Beaulieu. Final, short supplementary, Mr. Nadli.

MR. NADLI: Thank you, Mr. Speaker. This government is clearly on a campaign of hiring 2,000 extra people so they can live and work up here in the NWT. The Minister has indicated, as part of the effort to recruit summer students, there's a campaign that his department is entertaining.

Could the Minister further explain what other substantive and concrete steps he's willing to take to ensure that we have a target of ensuring that we hire students as much as we can? Would the Minister perhaps even consider meeting the policy directive of ensuring that all government agencies hire some of the students to ensure that returning students are employed? Mahsi.

HON. TOM BEAULIEU: Thank you. I'm more than prepared and willing to discuss this with the deputy minister of Human Resources to get some sort of a concrete plan on the student hires from all of the deputies. For this student hire, the monies to hire our students is paid out of the vacancy rate of the various departments and it would depend largely on whether or not the departments have some room to be able to hire. In addition to that, the Department of Human Resources is providing a Progressive Experience Program, which is \$330 a week to the departments to hire students and we have about 80 places. That's over and above and within the overall student hires, but it will enhance the student hires in HR. Human Resources also has a program that's run by the Department of Social Services, the Relevant Experience Program where they have 24 placements and they pay \$525 for each student that comes to work within the health and social services system. Thank you.

MR. SPEAKER: Thank you, Mr. Beaulieu. The Member for Hay River North, Mr. Bouchard.

QUESTION 181-17(5):
DREDGING OF THE HAY RIVER

MR. BOUCHARD: Thank you, Mr. Speaker. As I indicated, I have questions about dredging in the Hay River area. I'm going to switch gears and maybe ask the Minister of MACA about the disaster mitigation and if there's any funding available for dredging of the Hay River area.

MR. SPEAKER: Thank you, Mr. Bouchard. The Minister of Municipal and Community Affairs, Mr. Robert C. McLeod.

HON. ROBERT MCLEOD: Thank you, Mr. Speaker. In the Economic Action Plan that was announced in 2014, there is a National Disaster Mitigation Program, and in our discussions with them we brought up the issue of the flooding in Hay River and how dredging could help assist that community. We believe that if we can get an application into this fund, this would be an eligible category. They haven't worked out the allocations for the money yet and the details and we're just working on that now, but we will work closely with the Member and the community of Hay River to see how we can access this money. Thank you.

MR. BOUCHARD: Thank you. I appreciate the Minister giving me that information and I look forward to working with the Minister as well.

Can the Minister give me a little more details on the information? What is this program – it's a federal program, I'm assuming – and what is that federal program designed for?

HON. ROBERT MCLEOD: Thank you. I'm also the Minister responsible for emergency measures, and a couple of the FPTs that I've gone to we were informed that the old JEP funding it was called, Joint Emergency Preparedness, was being replaced by the Disaster Mitigation Program, and this is to assist communities and jurisdictions to try and fix up their infrastructure so they can actually try and avert some of these disasters of flooding in Hay River, for example, is a good one.

So it's a new program, it's a federal program and I believe that they've announced there's a \$200 million price tag attached to this. However, this is going to be divided amongst all the jurisdictions. We haven't decided on the formula yet. So as soon as we have more details on how we can get our hands on some of that money, because we do have a lot of flooding in the Northwest Territories, we will share it with the Member, members of committee and the communities that are affected by this. Thank you.

MR. BOUCHARD: Thank you. I look forward to working with the Minister and the Town of Hay River to alleviate this problem. Thank you.

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

QUESTION 182-17(5):
PLACEMENT OF AUTOMATIC
ELECTRIC DEFIBRILLATORS

MS. BISARO: Thank you, Mr. Speaker. I would like to address my questions to the Minister of Health and Social Services and I'd like to follow up on my statement. AEDs have a fairly low profile in the NWT. Certainly when my office was doing some research, it was pretty obvious. Some organizations have taken actions and others have not. For instance, we do not have an AED here at the Legislative Assembly.

So I'd like to ask the Minister, first off, whether not the Department of Health and Social Services or the GNWT, if he knows that, has any policy regarding the placement of AEDs within the territory, within our buildings and our public places. Thank you.

MR. SPEAKER: Thank you, Ms. Bisaro. Minister of Health, Mr. Abernethy.

HON. GLEN ABERNETHY: Thank you, Mr. Speaker. I don't believe that we actually have a policy requiring private industry or businesses or public places to have AEDs, but I do know that Yellowknife currently has defibrillators in the arena, swimming pool and other sport facilities. I also know that the airport here in Yellowknife has a defibrillator and, just for information, every health centre has a defibrillator and every health cabin in the Northwest Territories has an AED.

There is a federal program in place to help pay for defibrillators in arenas that any community with an arena can access. Thank you.

MS. BISARO: Thanks to the Minister for that and I can advise the Minister that there are defibrillators in every NorthMart or in every Northern Store within the territory, which is good to know. So some buildings have them and some buildings don't. We obviously don't have a policy within the GNWT and I would suggest that's someplace that we need to go.

I would like to ask the Minister whether or not we have, apart from what he's listed, a registry that encompasses all the defibrillators that exist within the NWT, all the places where they are. Thank you.

HON. GLEN ABERNETHY: No. We can tell which GNWT facilities have them, but I couldn't tell you what private facilities have them. Thank you.

MS. BISARO: Thanks to the Minister and I didn't think we had one, so I'm glad that that's confirmed.

The Minister mentioned a program that exists, I believe it's the federal government that provides money to communities so that they can get AEDs

and put them into their public places and their public buildings.

I'd like to know from the Minister if he's aware of any program within the GNWT that would provide money to organizations, to communities, to basically organizations and communities if they wish to buy an AED and install it in their space. Thank you.

HON. GLEN ABERNETHY: I'm not aware of any program that we have that would allow private companies, businesses, to purchase or support their purchase of defibrillators or AEDs to put in their public places, but I will say earlier in her statement the Member mentioned Manitoba passing an act in 2013. Under the Manitoba act, owners of the designated premises under the act were required to install AEDs in all the premises. So, purchase and maintenance was the responsibility of the business or the organization that had the public space, not the responsibility of the Manitoba government. Thank you.

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

MS. BISARO: Thank you, Mr. Speaker. Thanks to the Minister for advising me of that. I'm not suggesting that the government needs to be totally responsible, but legislation, if we put it in place, certainly would provide the need for people to buy and install AEDs. This is a difficult situation. Obviously, GNWT does not have any kind of a policy, we don't have any department, from the sounds of things, that is responsible for this particular issue.

I'd like to ask the Minister whether or not he would be willing to commit to discussing this issue with Cabinet, whether or not he could then, after discussion, advise which Minister has been assigned this responsibility and who will take on the responsibility of AEDs and providing for them in legislation, if possible, or policy, if possible, and advise Members and the public. Thank you.

HON. GLEN ABERNETHY: Thank you. There is an extensive legislative list in front of the government right now, but if it is the wish of committee that this be undertaken, that we follow Manitoba's lead with respect to AEDs, I'd be happy to listen to committee and take that forth to Cabinet. Thank you.

MR. SPEAKER: Thank you, Mr. Abernethy. Just to let the Member know that the Clerk's office is ordering one right now, so we'll have it in the building.

---Applause

I think we now need two of them: one on the Members' side, the Ministers' side and my office. We'd need three.

---Laughter

Anyway, a good question, Ms. Bisaro.

The Member for Hay River South, Mrs. Groenewegen.

QUESTION 183-17(5):
POLICING PRESENCE
IN SMALL COMMUNITIES

MRS. GROENEWEGEN: Thank you, Mr. Speaker. I realized after I sat down, all happy after my exchange of questions with the Minister of Justice, that I still really didn't know the answer to my question, so let me ask it more directly. Is there any impediment to the Northwest Territories creating another level of police force, police officer in the Northwest Territories, to work in cooperation but outside of the rules imposed by the national RCMP but work in cooperation with the RCMP? Is there any impediment to us doing that as a territory?

MR. SPEAKER: Thank you, Mrs. Groenewegen. The Minister of Justice, Mr. Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Speaker. I don't believe there is. However, it would certainly cost a great deal of money to look at providing that level of service across the Northwest Territories.

MRS. GROENEWEGEN: I'm not suggesting it should be available, that level of policing should be available across the Northwest Territories. I'm suggesting it should be in the communities where there is no police presence at this time and where the RCMP cannot operate with a single member detachment and all those other rules that go along with the RCMP. I'm not suggesting all communities; I'm suggesting only those communities that do not have a police presence now.

Could we create a made-in-the-North-for-the-North group of officers to serve in those communities?

HON. DAVID RAMSAY: Again, I would say yes, there's a chance that that could happen. Again, we have to be creative. We have to be looking at any way and means to increase the safety of our communities across the Northwest Territories, and the Member brings up a good suggestion. We are doing everything we can by working with the RCMP to ensure that our communities are safe. We've got policing plans in place today. We've got opportunities, as I mentioned, in communities like Tsiigehtchic, and perhaps Gameti and Wrigley, on getting officers to overnight in those communities. We're looking at safe houses. We're looking at other opportunities to continue to work with community leaders on providing safe communities here in the Northwest Territories. I thank the Member for her suggestion.

MRS. GROENEWEGEN: I do appreciate the fact that RCMP are willing to go into the communities on visits and stay overnight in those communities, but I am talking about resident police officers in the community that are there, that know the community,

that may even be from the community, that are Northerners.

Could the Minister tell me if there has ever been a discussion with the RCMP on such an idea, and what kind of efficiencies we could realize by trying to create such a group of police officers, perhaps with the cooperation of the RCMP? There is no sense in reinventing everything. Maybe they would be willing to cooperate with us on their training services and there would obviously have to be some very strong communication between these two levels of policing services. I'd like to ask the Minister, has that ever been canvassed with the RCMP?

HON. DAVID RAMSAY: At almost every opportunity the issue of community policing, First Nations policing, Aboriginal Constable Program is raised with the RCMP. That is something that our government is very much interested in seeing advanced.

As I mentioned to the Member in my first set of responses to her, there was no uptake in the last Aboriginal Constable Program that was set to go to Depot in the fall of 2013. I believe we had one individual from the Northwest Territories that was set to take the training. We have two spots reserved for us when that program does get off the ground in 2015. The individual that had applied is still interested, I understand, so we will have two there.

We also, again, have to continue to pursue the First Nations policing with the Yukon and Nunavut and see where we can get with the federal government on funding under that initiative. I think that the idea that the Member has certainly has some merit, and if we can get some funding through that program, that is something that we could take a look at.

MR. SPEAKER: Thank you, Mr. Ramsay. Final, short supplementary. Mrs. Groenewegen.

MRS. GROENEWEGEN: Thank you, Mr. Speaker. I would just like to follow up on the assertion from the Minister again, that there was very little interest or uptake in the Aboriginal Constable Program, which was an opportunity.

I'd like to ask who led the effort to recruit and generate interest in these positions. Was it our government or was it the RCMP?

HON. DAVID RAMSAY: I've been the Minister of Justice for four months. That's something that goes before my starting in this position as Minister of Justice. That's something that I certainly can find out for the Member and I will get that information to her.

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

QUESTION 184-17(5):
NORTHERN MINING
SOCIO-ECONOMIC AGREEMENTS

MR. HAWKINS: Thank you, Mr. Speaker. There is a clear expectation, and I certainly will say a right and correct expectation of the public that the Government of the Northwest Territories is monitoring, managing and certainly enforcing the socio-economic agreements. But frankly, the everyday person doesn't know where to find these things, and thank goodness we have the research to help us track these down.

By way of example, I'll say De Beers, in a 2012 report – by the way, it was a 40-page report – said that they were almost meeting their targets of 300 NWT residents working for them. They were at 275. That's pretty close, but the public doesn't know this.

My question for the Minister is: What does his department do to highlight these types of commitments, how are they being fulfilled, how are they being monitored, and certainly how are they being enforced from the Department of ITI but also the government's perspective? As I said at the beginning, there is a high expectation they're monitored, managed, and certainly enforced by this government, because there's a perception it isn't.

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

HON. DAVID RAMSAY: Thank you, Mr. Speaker. We take every opportunity to sit down with industry and just recently we had the opportunity. I know, through the budget address, we're looking at increasing the population by 2,000 residents here in the Northwest Territories over the next five years. We're not going to do that if we don't have buy-in from the mining companies here in the Northwest Territories that are big employers here. We need to continue that dialogue, and we will continue that dialogue on trying to find a way and a means to attract people to live in the Northwest Territories and be residents here.

I also must say that on the procurement side of things, the mines here in the Northwest Territories, since Ekati opened in the late 1990s, have almost 70 percent northern procurement totalling close to \$10 billion of northern procurement here. On the employment side, it is a challenging environment across Canada for skilled labour, and we do know that just recently with the sale of Ekati Mine to Dominion Diamond Mining, Dominion has moved their head office from Toronto to Yellowknife. We're very excited for that opportunity. They are moving positions from Toronto to Yellowknife. In talking to the mining companies, they're very much interested in seeing more people living here in the Northwest Territories.

MR. HAWKINS: By the way, that mine promotion statement was brought to you by the Minister of ITI that everything's fine.

The question for the public here is – now on to the next issue – building capacity. One agreement had highlighted 38 percent of material, equipment and purchasing through the construction phase would be done locally in the Northwest Territories. Furthermore, when they went on to operations, the goods and services at 32 percent would be purchased in the Northwest Territories.

The question to the Minister of ITI is: How does the public know that they're living up to their agreement in a clear and comprehensive manner? In other words, how is ITI communicating to this public, because there's opportunities, as I said in my Member's statement today, to publicize these things annually in a newspaper that the public can see, because quite frankly, they don't believe this is happening.

HON. DAVID RAMSAY: There are reports that are done annually. If the Member wants to know where one report is or if he's looking for a various report from any one of the socio-economic agreements we have with the existing diamond mines, I'd be happy to help him find that.

MR. HAWKINS: The Minister seems to be missing the opportunity. Here is the chance for us to publicize things like our business building capacity section as highlighted in the socio-economic agreements, our cultural and community well-being results. Why doesn't the Minister seize the opportunity and start publicizing these annually in a newspaper to show the everyday citizen who wants to know are Northerners being employed, are they meeting up to these agreements, and what is the government if they're not. Will he consider that and do that?

HON. DAVID RAMSAY: Mr. Speaker, that's something that we could discuss with the companies that we have socio-economic agreements with. Again, I know there's interest from the mining companies to get in front of the members' committee to discuss the situation that he talks about with the performance of the SEAs. Again, that offer is out there. We would like to have the opportunity to get in front of the committee to talk about the issues that are in front of us on employment and opportunities to get people to live here in the Northwest Territories.

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

MR. HAWKINS: Thank you, Mr. Speaker. In 2012 Diavik provided over \$300,000 to Northerners in various ways under the culture and community well-being. That's something to be very proud of. But we shouldn't have to worry about checking with the feelings of the mining industry when these reports

are given back to the government for the people of the Northwest Territories to ensure the socio-economic agreements are being lived up to. I don't care how the mines feel; I want the government to show that they're with the people, not protecting the mines.

Would the Minister agree today to publicize these things in a clear and comprehensive manner to ensure that the public knows that they are looking out for their interest and not catering to the mine's interest? Thank you.

HON. DAVID RAMSAY: Mr. Speaker, as I mentioned to the Member, that is something that we will consider. Thank you.

MR. SPEAKER: Thank you, Mr. Ramsay. Item 8, written questions. Mr. Dolynny.

Written Questions

WRITTEN QUESTION 14-17(5): MENTAL HEALTH AND ADDICTIONS ACTION PLAN

MR. DOLYNNY: Thank you, Mr. Speaker. My questions are for the Minister of Health and Social Services.

1. What is the complete breakdown of how the \$900,000 budget for the on-the-land mobile treatment program will be spent in the 2014-2015 Main Estimates?
2. With reference to the Poundmaker's, Aventa, Fresh Start and Edgewood treatment programs offered to our residents with addictions:
 - a. What are the number of program days offered and the daily rates for each?
 - b. What is the average monthly cost to the GNWT for each?
 - c. What are the number of NWT clients who have started these programs for each, the number of NWT clients who have completed these programs for each, and the relapse rate of NWT clients who have completed these programs for each?
3. What is the complete investment breakdown in support of the Mental Health and Addictions Action Plan in 2014-2015 including, but not limited to, all job positions, contract dollars, travel, communication costs, community network costs, community-based withdrawal management (detoxification), and NGO funding?

MR. SPEAKER: Thank you, Mr. Dolynny. Item 9, returns to written questions. Ms. Langlois.

Returns to Written Questions

RETURN TO WRITTEN QUESTION 5-17(5): DETAIL OF CONTRACTS AWARDED IN FISCAL YEAR 2012-2013

CLERK OF THE HOUSE (Ms. Langlois): Mr. Speaker, I am in receipt of a return to written question asked by Mr. Dolynny on February 5, 2014, to the Honourable J. Michael Miltenberger, Minister of Finance, regarding detail of contracts awarded in fiscal year 2012-2013.

A document providing the requested information will be tabled later today at the appropriate time. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Langlois. Item 10, replies to opening address. Item 11, petitions. Item 12, reports of standing and special committees. Mr. Nadli.

Reports of Standing and Special Committees

COMMITTEE REPORT 2-17(5): REPORT ON THE REVIEW OF THE 2012-2013 PUBLIC ACCOUNTS

MR. NADLI: Thank you, Mr. Speaker. The Standing Committee on Government Operations is pleased to provide its report on the review of the 2012-2013 Public Accounts and commends it to the House.

The public accounts are the Government of the Northwest Territories' financial statements for a given fiscal year and, as such, represent one of the key accountability mechanisms of the government. The Standing Committee on Government Operations has a mandate to review and report on the public accounts. A review of the 2012-2013 Public Accounts of the Northwest Territories took place on January 23 and 24, 2014, with the assistance of staff from the office of the Auditor General of Canada and staff from the office of the comptroller general in the GNWT's Department of Finance. The committee wishes to publicly thank these individuals for their contributions, which helped the committee to undertake another successful review.

The Standing Committee on Government Operations is pleased to present this report on its review. The committee intends to continue the practice of undertaking an annual review of the public accounts, so that GNWT spending issues are publicly examined and all relevant information is placed before the public.

Timeliness of the Public Accounts

This is the standing committee's second report on a review of the public accounts in the 17th Assembly, and only the second such report in approximately

10 years. Previous reviews have been hindered by the government's inability to complete the public accounts in a timely manner.

In their last report on the public accounts, members of the committee indicated their preference to receive the interim public accounts, which are the non-consolidated financial statements for the GNWT, by August 31st of each year, to allow the information contained in the public accounts to inform the committee's review of business plans for the coming fiscal year. Last year the 2011-2012 Interim Public Accounts were tabled on October 18, 2012.

This year the 2012-2013 Interim Public Accounts were tabled on October 23, 2013. However, the documents were provided on an embargoed basis to the committee on September 12, 2013, less than two weeks after the August 31st deadline and in time for review of the main estimates. The committee wishes to thank the Minister of Finance and the comptroller general for the early receipt of this information and reiterate its continued preference to receive the interim public accounts by August 31st in future years.

This year the 2012-2013 Public Accounts were signed off on October 30, 2013, and tabled on November 6, 2013, well in advance of the statutory deadline of February 20, 2014. This represents a one-month improvement in the sign-off date and an improvement of almost three and one-half months in the tabling date of the public accounts over last year. Members wish to acknowledge this achievement and to commend the comptroller general and his staff for their continued dedication to completion of the public accounts at the earliest possible date each year.

Having said this, however, the committee notes that there are particular agencies included within the government reporting entity that, for different reasons, were unable to meet the submission deadline for their audited public accounts.

The committee acknowledges receipt from the Minister of Finance, on January 23, 2014, of a list of these agencies that did not meet the deadline for completion of their public accounts. A copy of this list is attached to this report as Appendix B.

The committee believes that the timeliness of reporting as required by law is an important part of government accountability. Members thank the Minister of Finance for providing this list to the committee. However, the committee stresses the importance of appending the list to the public accounts, as part of the standard reporting process, so that it becomes part of the public record and offers further encouragement to public agencies to complete their financial statements on time.

Independent Auditor's Report: A Clean Opinion

In reviewing the public accounts, the standing committee examined the Independent Auditor's Report provided by the Auditor General of Canada.

Members were pleased to see that the Auditor General's opinion on the public accounts was clean. In other words, it contained no qualifications. The Auditor General's opinion was that the consolidated statements "present fairly, in all material respects, the financial position of the GNWT as at 31 March 2013, and the results of its operations, changes in its net debt, and its cash flows for the year, in accordance with Canadian public sector accounting standards."

While this is a positive thing, it is important to bear in mind the purpose of an audit of the public accounts. The public accounts do not tell the reader about management spending decisions and they are not audited to critically assess why money was spent in a certain way.

The Auditor General, as required by the Northwest Territories Act, reported that Canadian public sector accounting standards were applied on a basis consistent with the previous fiscal year, except for a change in methods used to account for tax revenues and government transfers. These changes to accounting procedures were introduced this fiscal year as required by the Canadian Public Sector Accounting Board. The Auditor General also gave the opinion that proper books of account have been kept by the GNWT and that the consolidated financial statements are in agreement with those books.

It is worth noting, as well, that the NWT Housing Corporation received a clean opinion from the Auditor General of Canada for 2012-2013, as compared with the previous year.

Owing to the level of detail contained within the GNWT's financial statements, the committee has opted not to attempt to summarize its review of this information within this executive summary. Interested parties are encouraged to read this report in full for the committee's detailed review of the financial statements.

Recommendations

With respect to the review of the 2012-13 Public Accounts of the Northwest Territories, the committee makes the following recommendations:

1. The Standing Committee on Government Operations again recommends that the Minister of Finance provide the committee with the interim public accounts by August 31st, in time for committee review of the government's business plans.
2. The Standing Committee on Government Operations again recommends that, as part of the standard reporting process, the comptroller

general include a list of agencies in the consolidated public accounts that did not meet the deadline for completion of their audits.

3. The Standing Committee on Government Operations again recommends that the Department of Finance continue to work with the Auditor General of Canada and GNWT departments, boards and agencies toward the completion of both the interim and final public accounts at the earliest possible date each year.
4. The Standing Committee on Government Operations recommends that the NWT Housing Corporation submit its annual report within 90 days of the fiscal year end. If this does not prove to be possible, the NWT HC should seek appropriate approval for an extension to their deadline and provide the House with reasons for the delay.
5. The Standing Committee on Government Operations recommends that the Department of Finance undertake the necessary audits and investigations required to ensure that revenues from self-reporting taxes are fully maximized and that the department report back to the committee with respect to its findings by August 31, 2014.
6. The Standing Committee on Government Operations recommends that, in future, the public accounts include a detailed explanation of how the government has performed for that fiscal year vis-à-vis the Fiscal Responsibility Policy.
7. The Standing Committee on Government Operations recommends that the Government of the Northwest Territories review its accounts receivable from Nunavut. The purpose of this review should be to develop targets and measures to improve collections, and to identify and write off those debts that are deemed to be uncollectible.
8. The Standing Committee on Government Operations again recommends that the Government of the Northwest Territories monitor its loans receivable and develop targets and measures to improve collections, with a view to reducing the allowance for doubtful accounts to less than 30 percent.
9. The Standing Committee on Government Operations recommends that the Government of the Northwest Territories continue to provide updated timetables or schedules for the environmental assessment of all known potentially contaminated sites for which the GNWT is responsible, to be included annually in the public accounts.
10. The Standing Committee on Government Operations recommends that the Government

of the Northwest Territories provide a response to this report within 120 days.

The committee looks forward to receiving the government's response to this review.

MOTION THAT COMMITTEE REPORT 2-17(5)
BE DEEMED AS READ AND
PRINTED IN HANSARD,
CARRIED

Mr. Speaker, I move, seconded by the honourable Member for Frame Lake, that the Report on the Review of the 2012-13 Public Accounts of the Standing Committee on Governance and Economic Development be deemed as read and printed in Hansard in its entirety. Thank you.

MR. SPEAKER: Thank you, Mr. Nadli. The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question has been called. The motion is carried.

---Carried

Committee Report 2-17(5) is deemed read and will be printed in Hansard in its entirety.

Introduction

The Standing Committee on Government Operations (the "committee") is pleased to report on its review of the 2012-13 Public Accounts of the Northwest Territories. An internal review took place on January 23rd, and the public review took place on January 24, 2013. The committee would like to thank Assistant Auditor General Terry DeJong and Guy LeGras, principal, both of the office of the Auditor General of Canada, for assisting in the review. Members would also like to thank Northwest Territories Comptroller General Warren St. Germaine and Assistant Comptroller General Louise Lavoie for their appearance before the committee.

This is the standing committee's second report on a review of the public accounts in the 17th Assembly, and only the second such report in approximately 10 years.

Timeliness of the Public Accounts

The office of the comptroller general, a branch of the Government of the Northwest Territories' (GNWT) Department of Finance, is responsible for overseeing the preparation of the public accounts. The Auditor General of Canada audits the accounts and financial transactions of the GNWT on an annual basis. The office of the Auditor General also annually audits some of the larger agencies consolidated in the public accounts: the NWT Housing Corporation; the NWT Hydro Corporation, including its subsidiary, the NWT Power Corporation; the NWT Business Development and Investment Corporation (BDIC); and Aurora

College. Components of these entities must also be audited, although not by the Auditor General of Canada, including health and social services authorities, education councils and local housing organizations.

The Financial Administration Act s. 74 states that, unless the Legislative Assembly otherwise fixes a date, the public accounts for the fiscal year must be laid before the Legislative Assembly on or before December 31st following the end of the fiscal year or, if the Legislative Assembly is not then in session, not later than 15 days after the commencement of the next session of the Legislative Assembly. Because the Legislative Assembly rarely sits in December, in practical terms this means that the law requires that the public accounts be tabled no later than the first session of the new year. The statutory deadline for the 2012-2013 public accounts is February 20, 2014.

Last year the committee undertook a review of the practices of previous governments and Legislative Assembly committees with regard to the public accounts, going back to 1987. Members found that external factors, most commonly changes in national public sector accounting standards, have made timely submission and review of the public accounts a challenge. While recognizing this, the Standing Committee on Government Operations takes very seriously its mandate to scrutinize government accountability through an annual review of the public accounts. For this reason, timeliness in the submission of the public accounts remains an important concern for the committee.

The committee views the public accounts of the previous fiscal year as an important mechanism contributing to a comprehensive review of the main estimates for the coming fiscal year. The committee acknowledges the desire of earlier Public Accounts committees to receive the consolidated public accounts of the government reporting entity by August 31st of each fiscal year in order to prepare for a fall review of the main estimates. However, the committee recognizes that it is not practically feasible to expect to receive the audited public accounts by this deadline.

All organizations within the government reporting entity have a March 31st fiscal year-end, except for Aurora College, divisional education councils and district education authorities, which have a June 30th fiscal year-end. As noted in last year's report, accounting standards and classifications differ for some of these bodies. It is not unusual, moreover, for some organizations to complete their audits past these deadlines. Given that August 31st is the deadline by which some of the agencies included in the government reporting entity are required by law to complete the audits of their accounts, it is a matter of course that these agencies will only be submitting their audited financial statements to the

comptroller general after the August 31st deadline set by earlier committees for receipt of these same accounts from the comptroller general.

To address this, members of the committee indicated their preference to receive the interim public accounts, which are the non-consolidated financial statements for the GNWT, by August 31st of each year. Last year the 2011-2012 Interim Public Accounts were tabled on October 18, 2012.

This year, the 2012-2013 Interim Public Accounts were tabled on October 23, 2013. However, the documents were provided on an embargoed basis to the committee on September 12, 2013, less than two weeks after the August 31st deadline and in time for review of the Main Estimates. The committee wishes to thank the Minister of Finance and the comptroller general for the early receipt of this information and reiterate its continued preference to receive the interim public accounts by August 31st in future years.

Recommendation 1

The Standing Committee on Government Operations again recommends that the Minister of Finance provide the committee with the interim public accounts by August 31st in time for committee review of the government's business plans.

Last year the committee was pleased to see a notable improvement in the completion dates for the final public accounts and commended the office of the comptroller general for the effort made to get audits completed earlier than in previous years.

This year the 2012-2013 Public Accounts were signed off on October 30, 2013, and tabled on November 6, 2013, well in advance of the statutory deadline of February 20, 2014. This represents a one-month improvement in the sign-off date and an improvement of almost three and one-half months in the tabling date of the public accounts over last year. Members wish to acknowledge this achievement and to commend the comptroller general and his staff for their continued dedication to completion of the public accounts at the earliest possible date each year.

Having said this, however, the committee notes that there are particular agencies included within the government reporting entity that, for different reasons, were unable to meet the submission deadline for their audited public accounts.

The committee acknowledges receipt from the Minister of Finance, on January 23, 2014, of a list of those agencies which did not meet the deadline for completion of their public accounts. A copy of this list is attached to this report as Appendix B.

Of the 25 public agencies required to submit their financial statements, three – Aurora College, BDIC, and the NWT Hydro Corporation – requested and

received extensions to their deadlines and were successful in meeting those extended deadlines.

The committee takes note of the fact that, of the 25 agencies listed, a total of eight neither met their individual deadlines nor requested an extension. Of those eight, two agencies - the Detah District Education Authority and the Hay River Health and Social Services Authority - were more than one month late submitting their financial statements, and two - the NWT Opportunities Fund and the NWT Housing Corporation - were more than three months late.

The Northwest Territories Housing Corporation did not submit its 2012-2013 annual report to the Minister before the statutory deadline under Section 100 of the Financial Administration Act, which allows submission not later than 90 days after the end of the fiscal year, with an extension not exceeding 60 additional days as approved by the Minister of Finance.

The corporation signed off on its financial statements on October 23, 2013, and tabled its 2012-2013 annual report on November 7, 2013. Despite its lateness, this is still a notable improvement over the previous year, wherein the corporation signed off its financial statements on November 9, 2012, and tabled its 2011-2012 annual report on March 14, 2013.

The committee encourages the NWT Housing Corporation to continue to improve the timeliness of its reporting, with the goal of meeting its statutory obligations. Should this prove impossible, the NWT Housing Corporation should seek appropriate approval for an extension to their deadline and provide the House with reasons for the delay.

The committee believes that the timeliness of reporting as required by law is an important part of government accountability. Members thank the Minister of Finance for providing to the committee a list indicating the dates for the completion of financial statements by public agencies. However, the committee stresses the importance of appending that list to the public accounts, as part of the standard reporting process, so that it becomes part of the public record and offers further encouragement to public agencies to complete their financial statements on time.

Recommendation 2

The Standing Committee on Government Operations again recommends that, as part of the standard reporting process, the comptroller general include a list of agencies in the consolidated public accounts that did not meet the deadline for completion of their audits.

Recommendation 3

The Standing Committee on Government Operations again recommends that the

Department of Finance continue to work with the Auditor General of Canada and GNWT departments, boards and agencies toward the completion of both the interim and final public accounts at the earliest possible date each year.

Recommendation 4

The Standing Committee on Government Operations recommends that the NWT Housing Corporation submit its annual report within 90 days of the fiscal year end. If this does not prove to be possible, the NWT HC should seek appropriate approval for an extension to their deadline and provide the House with reasons for the delay.

Review of the GNWT Public Accounts for 2012-2013

Contents of the Public Accounts

As Comptroller General Warren St. Germaine stated in his opening comments on January 24th, the public accounts represent one of the key accountability mechanisms of the Government of the Northwest Territories. The public accounts are published in four parts: the Consolidated Financial Statements and Government Indicators (Section I), the Non-consolidated Financial Statements (Section II), the Supplementary Financial Statements - Other Entities (Section III), and the Supplementary Financial Statements - Boards (Section IV).

The volume under review in this report, titled "Section One: Consolidated Financial Statements and Government Indicators," presents the financial position for the government as a single entity, as at March 31, 2013, and results of operations for the year ended March 31, 2013. The consolidated financial statements are prepared in accordance with the federal Northwest Territories Act and the Financial Administration Act of the Northwest Territories. They serve as a means by which the government demonstrates how it has managed the resources, obligations and financial affairs for which it is responsible.

The consolidated financial statements present summary information for all GNWT departments, revolving funds, public agencies, territorial corporations and other related entities, which are considered part of the "government reporting entity" established under the financial accounting standards of the Public Sector Accounting Board of Canada.

The "government reporting entity" includes: all GNWT departments; the NWT Business Development and Investment Corporation (BDIC); the NWT Housing Corporation; the eight education authorities and councils; Aurora College; the eight health and social services authorities; the NWT Opportunities Fund; the NWT Heritage Fund; the NWT Human Rights Commission; the NWT Status

of Women Council; the NWT Sport and Recreation Council; and the Northwest Territories Hydro Corporation and its subsidiary, the NWT Power Corporation. It does not include the operations of the Workers' Safety and Compensation Commission.

The document also provides a wealth of information in notes and schedules. All of this information is audited by the Auditor General of Canada, and the auditor's report is included in the document. Section one of the public accounts also includes an unaudited narrative of key indicators of the financial health of the GNWT. It is important to recognize that, in this committee report, any reference to "notes" should be understood to refer to the annotated notes to the public accounts that are contained within the public accounts.

A second volume of the public accounts, titled "Section Two: Non-Consolidated Financial Statements," presents the financial position and operating results, on an individual basis, of GNWT departments, the Legislative Assembly and revolving funds only. It does not include the boards and agencies consolidated in Section One, and the information is unaudited. These financial statements are prepared on a non-consolidated basis to show the operating results of the government separate from the entities included in the consolidated financial statements. More detailed results of operations are disclosed in the supplementary schedules of these financial statements. These schedules disclose further details regarding the nature of revenues and expenses by department.

Section Two is prepared earlier than Section One, and is tabled earlier as the interim public accounts. The committee referred to but did not review this volume in full.

The third and fourth sections of the public accounts contain the supplementary financial statements for revolving, special purpose and other funds, and entities such as Aurora College, BDIC, the NWT Housing and Hydro Corporations, education councils, and health and social services authorities. These volumes also contain audits, where applicable, by independent auditors.

Independent Auditor's Report: A Clean Opinion

The standing committee examined, first, the Independent Auditor's Report provided by the Auditor General of Canada.

Members were pleased to see that the Auditor General's opinion on the public accounts was 'clean,' that is it contained no qualifications. The Auditor General's opinion was that the consolidated statements present fairly, in all material respects, the financial position of the GNWT as at March 31, 2013, and the results of its operations, changes in its net debt, and its cash flows for the year, in

accordance with Canadian public sector accounting standards.

While this is a positive thing, the committee wishes to point out to all readers of this report that it is important to bear in mind the purpose of an audit of the public accounts. The public accounts do not tell the reader about management spending decisions and they are not audited to critically assess why money was spent in a certain way. Reviewing the public accounts is an exercise in looking backward to ascertain if money was spent as it should have been spent, in accordance with the law and Legislative Assembly budget appropriations.

The Auditor General, as required by the Northwest Territories Act, reported that Canadian public sector accounting standards were applied on a basis consistent with the previous fiscal year, except for a change in the methods for accounting for tax revenues and government transfers that was new for this fiscal year as required by the Canadian Public Sector Accounting Board. The Auditor General also opined that proper books of account have been kept by the GNWT and that the consolidated financial statements are in agreement with those books.

It is worth noting, as well, that the NWT Housing Corporation received a clean opinion from the Auditor General of Canada for 2012-2013, as compared with the previous year. In that audit, an inventory costing issue affected the comparability of information year over year, causing the Auditor General to issue a qualified opinion. The committee is pleased to see that this costing issue has been resolved and is encouraged by the trend towards more timely completion of its financial statements being exhibited by the NWT Housing Corporation.

Consolidated Statement of Financial Position

The consolidated statement of financial position is the government's "balance sheet" as at March 31, 2013. The key figures describing the financial position of the GNWT are financial assets, liabilities, net debt position, non-financial assets, and the accumulated surplus.

Financial Assets

In 2012-2013 the GNWT's total financial assets increased 1.28 percent to \$430.088 million from \$424.671 million in 2011-2012.

The committee noted a modest 3.96 percent increase in cash and cash equivalents to \$70.461 million from \$67.775 million in the previous year. However, as indicated in Note 4, the GNWT decreased its short-term investment portfolio over the year from \$23.416 million to \$7.369, but has increased its cash holdings to \$63.092 million from \$44.359 million.

Portfolio investments increased 32.5 percent, to \$72.515 million from \$54.725 million. As indicated

in Note 5, of this \$72.515 million, \$72.437 million was held in marketable securities with a market value of \$75.576 million. The remaining \$78,000 was held in miscellaneous investments. As noted in last year's report, the committee considers holding less cash and investing a greater proportion of the total in safe short-term instruments to be consistent with prudent financial management on the part of the GNWT.

Monies owing from the Government of Canada decreased 23.7 percent, to \$21.996 million from \$28.850 million. According to Note 14, receivables from the Government of Canada include miscellaneous receivables and receivables for projects done on behalf of Canada.

Accounts receivable decreased 17 percent, to \$62.183 million from \$75.075 million. According to Note 7, the biggest change was in general accounts receivable which dropped by \$7.883 million.

Investment (shareholder's equity) in the NWT Hydro Corporation increased 6.2 percent to \$110.577 million from \$104.067 million. As indicated in Note 10, the NWT Hydro Corporation's approved capital plan increased to \$28.384 million from \$22.860 million in 2011-2012. The consolidated balance sheet for the NWT Hydro Corporation shows that in 2012-2013 their net income doubled to \$6.490 million from \$3.231 million in 2011-2012. This is a significant increase from the year before, where the Power Corporation reported a 16 percent increase in net income from 2010-2011 to 2011-12.

Liabilities

Liabilities are the government's debts and financial obligations. The committee noted that the GNWT's total liabilities decreased 12.98 percent, to \$768 million in 2012-2013 from \$882.543 million in 2011-2012.

Short-term loans decreased 22.2 percent, to \$104.962 million from \$134.941 million. The comptroller general noted that while this is an improvement, it highlights the need for the GNWT to undertake short-term borrowing in order to meet its cash flow requirements.

Deferred revenue decreased 43.6 percent, to \$43.323 million from \$76.726. Per Note 13, the decrease in deferred revenue is largely attributable to a decrease under the Building Canada Plan from \$59 million to \$32 million and a new total of \$6.6 million in deferred revenue from Finance Canada.

The amount owing to the Government of Canada decreased by 11.4 percent, to \$116.917 million from \$131.917 million. Per Note 14, payables to Canada include excess income tax advanced, advances for projects on behalf of Canada and miscellaneous payables. The repayment schedule for excess income tax advanced is also shown in this note.

Long-term debt declined by \$3 million, from \$198.123 million to \$195.030 million. The committee learned that the most significant component of this is the debt associated with the Deh Cho Bridge.

Net Debt

Net debt represents the difference between the government's financial assets and its liabilities. The GNWT started the fiscal year with a net debt of \$457.872 million, carried over from 2011-2012. Over the course of the 2012-2013 fiscal year, the government's net debt decreased by \$119.960 million, or 17.5 percent, to end the fiscal year at \$337.912 million. The committee reviewed, in greater detail, the items affecting net debt when considering the Consolidated Statement of Change in Net Debt below.

Non-financial Assets

The committee observed that the value of non-financial assets has increased to \$2,038.884 million (\$2.038 billion) from \$1,609.508 million (\$1.609 billion), an increase of 26.68 percent, consistent with the government's stated objective of investing in infrastructure. Non-financial assets are made up of assets such as inventories and prepaid expenses, but the largest component by far is tangible capital assets which are used to provide services to the public. Tangible capital assets include such items as land, buildings, equipment, computers, leasehold improvements, roads, bridges, airstrips, water and sewer works, ferries, and medical and mobile equipment. Schedule A provides a summary of tangible capital assets.

Accumulated Surplus or Deficit

The government's accumulated surplus or deficit represents the net assets of the government, and is calculated as the sum of the net debt of the government plus its non-financial assets. In 2012-2013 the GNWT's accumulated surplus increased to \$1,700.972 million (\$1.7 billion) from \$1,151.636 million (\$1.152 billion) in 2011-2012. This is an increase of \$549.336 million or 47.7 percent. Given that from 2009-2012 the GNWT's accumulated surplus dropped on average 0.2 percent per year, the committee was struck by the magnitude of the increase in the accumulated surplus over the course of one fiscal year. This was considered in greater detail when reviewing the Consolidated Statement of Operations and Accumulated Surplus below.

Consolidated Statement of Change in Net Debt

In the Consolidated Statement of Change in Net Debt, those items affecting the net debt position of the government are detailed. Net debt was \$337.912 million at March 31, 2013. This amount is \$113.981 million less than budgeted for the year, and represents a decrease of \$119.960 million over the 2012 actual of \$457.872 million.

There was a significant acquisition of tangible capital assets in 2012-2013, in the amount of \$149.745 million, down somewhat from \$185.162 million spent in the previous year. However, the factor most contributing to the decrease in the GNWT's net debt is the increase in the annual surplus reported for 2012-2013.

Consolidated Statement of Operations and Accumulated Surplus

The Statement of Operations and Accumulated Surplus in the public accounts is the GNWT's "income statement." It indicates the surplus or deficit from operations for the year by reporting the income (revenues) the government has realized, the cost of services provided (expenses), and the difference between the two (annual surplus). The accumulated surplus is the ongoing tally of the operating surpluses and deficits over the years.

The GNWT's total revenues are made up by the grant from Canada provided under the Territorial Formula Financing Agreement, other transfer payments, taxation and general revenues, and the recoveries of prior year expenses. Total revenues for 2012-2013 increased to \$1,792.435 million (\$1.792 billion) from \$1,536.251 million (\$1.536 billion) in the previous fiscal year. This is \$123 million, or 7.37 percent higher than the forecast amount of \$1,669.399 million (\$1.669 billion) and amounts to an increase of \$256.184 million, or 16.68 percent over the total revenues at the end of 2011-2012.

Under taxation and general revenues, the largest increases were in transfer payments (up 35.4 percent), corporate and personal income taxes (up 125 percent), sales (up 22.8 percent), and recoveries of prior year expenses (up 240 percent).

Recoveries of prior year expenses totalled \$27.688 million for 2012-2013. The committee learned that, of this amount, \$17 million can be attributed to a recovery resulting from an agreement made between the GNWT and Canada. Under this agreement, the GNWT assumed a \$17 million responsibility to relocate the Giant Mine access road, in exchange for a reduction by the same amount in the GNWT's financial obligations respecting the clean-up of contaminated sites. This is discussed further on in the report under "environmental liabilities."

Expenses for 2012-2013 increased to \$1,623.938 million (\$1.624 billion) from \$1,533.100 million (\$1.533 billion) in the previous year, an increase of 5.9 percent. While revenues exceeded the budget by 7.37 percent, expenses were \$17.535 million, or 10.92 percent, higher than anticipated.

The Consolidated Statement of Operations and Accumulated Surplus breaks out departmental spending by grouping departments into spending categories or "envelopes." The committee noted

that expenses increased in all envelopes, except the Legislative Assembly and statutory offices, with the biggest increases being in infrastructure (6.6 percent increase), health, social services and housing (5.1 percent increase), justice (8.1 percent increase) and general government (23.5 percent increase), which is comprised of Aboriginal Affairs and Intergovernmental Relations, Executive, Finance, and Human Resources. Legislative Assembly expenses decreased by 4.3 percent. Note 23 provides a breakdown indicating which government departments and agencies are included in each envelope.

Note 23 itemizes expenses by type of expense (referred to as "object"). Grants and contributions accounted for \$201.274 million, or 12.4 percent of government spending. Operations and maintenance spending totalled \$630.323 million, or 38.8 percent of government spending. Compensation and benefits made up the largest government spending object, totalling \$695.830 million, or 42.85 percent of total government spending. Valuation allowances and the amortization of tangible capital assets made up the remaining expenditures.

Because revenues for 2012-2013 exceeded expenses, the GNWT reports an annual operating surplus of \$168.497 million, up from \$3.151 million the previous year, an increase of 52.47 percent.

When this annual operating surplus is adjusted to include net income from investment in the NWT Hydro Corporation, the GNWT reports an annual surplus of \$174.987 million for 2012-2013. This is more than double the \$69.227 million annual surplus anticipated for the year, and 27 times higher than the annual surplus of \$6.382 reported in 2011-2012.

As previously indicated, the accumulated surplus for 2012-2013 increased to \$1,700.972 million (\$1.7 billion) from \$1,151.636 million (\$1.15 billion) in the previous fiscal year, which is \$480 million higher than forecast. However, as indicated in Note 3, \$374.349 million of this increase is due to changes in accounting policy, resulting in a restated annual surplus at the beginning of 2012-2013 of \$1,525.985 million (\$1.526 billion).

The change in accounting policy that precipitated this \$374 million increase in the accumulated surplus is a change in the way the government is required to report transfers from the federal government of capital and donated assets. These transfers used to be recorded as deferred capital contributions and recognized as revenue over time, consistent with the annual amortization of the related capital asset. With the change in the accounting policy, the full value of transfers and contributions must now be recognized as revenue up front, in the year in which the tangible capital asset is purchased or construction completed,

rather than being smoothed out over time. The resulting adjustment of \$374 million has been made to the opening balance of the accumulated surplus of the current period to reflect the cumulative effect of the change on prior periods. This gives the appearance of a \$374 million windfall to the government, but it is a windfall on paper only, not a cash transaction.

The committee expressed concern that aspects of the public accounts, such as this, leave the reader with the misleading impression that the government is in a healthy financial situation when, in fact, the GNWT's fiscal position is fragile and somewhat tenuous.

In order to more accurately understand the government's fiscal position, it is important to look at the consolidated statement of cash flow, which is discussed in further detail below, and also at the non-consolidated public accounts, which provide information on the fiscal situation of the government itself, absent its boards, authorities and government business enterprises (corporations).

For example, the figure for cash and cash equivalents reported on the statement of cash flow illustrates this point. The Consolidated Statement of Cash Flow shows the government reporting entity with a cash surplus of \$70.461 million as at March 31, 2013. However, by comparison, the cash holdings of the GNWT departments as at the same date, reported in the Non-Consolidated Statement of Cash Flow, show a deficit of \$16.655 million. When you add to this deficit the short-term borrowings of \$104.962 million shown in Note 8 to the non-consolidated financial statements and the long-term debt of \$195.030 million shown in Note 16 to the consolidated financial statements, and other debt obligations of the GNWT, it reveals that the GNWT had a total debt of \$541.493 million in 2012-2013, leaving a borrowing capacity of \$258.507 million before the government reaches its authorized borrowing limit of \$800 million (debt wall).

There are two ways that government can pay for the services it provides to the public: raising revenue and cutting costs. The committee would like to see the government focus greater attention on the revenue side of this equation. The GNWT is dependent on the federal government for the large majority of its revenues, which are determined by the Formula Financing Agreement and come in the form of the grant from Canada. That leaves own-source revenues as the only means by which the GNWT can increase its revenues. While there is no desire to raise taxes to increase own-source revenues, the committee feels that the GNWT could be doing more to maximize its existing revenues by ensuring that bad debts are kept to a minimum and that taxes already in place are being fully collected.

Self-reporting taxes such as personal income tax, liquor, fuel and tobacco taxes are of particular interest to the committee because these taxes are submitted to the government on an honour system. In such a system, the chances are increased that revenues which should be coming to the government do not get collected, either due to mistakes or misunderstanding on behalf of the individual required to submit tax payments, or due to tax fraud.

For example, tobacco taxes decreased to \$15.587 million in 2012-2013 from \$17.108 million in 2011-2012, a decrease of 8.9 percent. However, statistics do not suggest that there was not a corresponding drop in the incidence of smoking in the Northwest Territories from one year to the next. It can therefore be inferred that there is a reason for the decrease in revenues which is not related a drop in smoking rates. The comptroller general advised the committee that the Finance department is aware of this issue and is conducting an audit to determine if there is a problem.

The committee encourages the government to explore avenues for scrutinizing these revenues to ensure that all of the taxes that should be collected are being submitted to the government.

Recommendation 5

The Standing Committee on Government Operations recommends that the Department of Finance undertake the necessary audits and investigations to ensure that revenues from self-reporting taxes are fully maximized and that the department report back to the committee with respect to its findings by August 31, 2014.

A final point to be raised by the committee respecting this section of the public accounts relates to the GNWT's Fiscal Responsibility Policy. This policy is intended to govern fiscal management and borrowing. To finance infrastructure investment in accordance with the policy, the government must fund a minimum of 50 percent of infrastructure expenditures from cash generated from operating surpluses and 50 percent maximum through short- or long-term debt. This policy also indicates that if debt servicing payments exceed 5 percent of total revenues, the government is required to generate additional operating surpluses in the following two years so that by the third year the debt servicing payments are brought back down below the 5 percent threshold.

When this policy was implemented, the chair of the Financial Management Board indicated that the government will be held accountable to this policy by reporting on the debt management results of the government through the public accounts. With a view to increased public accountability, the committee would like to see future public accounts include a detailed explanation, perhaps in the unaudited "government indicators" section,

indicating how the government has performed for that fiscal year vis-à-vis the Fiscal Responsibility Policy. This reporting should include total infrastructure investment, how it has been funded and whether the government has succeeded in keeping its debt affordable as defined in the policy, along with any other salient highlights the government deems noteworthy.

Recommendation 6

The Standing Committee on Government Operations recommends that, in future, the public accounts include a detailed explanation of how the government has performed for that fiscal year vis-à-vis the Fiscal Responsibility Policy.

Consolidated Statement of Cash Flow

The Consolidated Statement of Cash Flow reports the change in cash and cash equivalents in the year and how the government financed its activities and met its cash requirements. The Consolidated Statement of Cash Flow itemizes the cash used by the government during the fiscal year for operating, investing and capital transactions, and financing activities. The GNWT uses the indirect method for reporting this information. This method begins with the operating surplus/deficit and adds or deducts non-cash items.

The GNWT started the 2012-2013 fiscal year with cash and cash equivalents totalling \$67.775 million, as compared with \$117.533 million in 2011-2012. Over the fiscal year, the GNWT had total cash provided by and used in operating transactions in the amount of \$199.391 million, as compared with \$58.980 million in the previous year. The \$199.391 million includes the \$174.987 annual surplus reported on the Consolidated Statement of Operations and Accumulated Surplus.

Cash provided for and used in investing transactions reduced the GNWT's cash flow by \$18.752 million, as compared with the previous year, which saw investing transactions increase the government's cash flow by \$53.755 million.

There was \$141.729 million spent on capital transactions, as compared with \$168.883 the previous year.

Cash used for financing activities cost \$36.224 million in 2012-2013, whereas it paid the GNWT \$6.390 million in 2011-2012.

The GNWT saw net increase in cash and cash equivalents in 2012-2013, as compared with a net decrease of \$49.758 million in the previous year.

When this net increase/decrease is added to the government's figures for cash and cash equivalents at the start of each fiscal year, you get totals of \$70.461 million and \$67.775 million for 2012-2013 and 2011-2012 respectively. These are the figures

reported on the first line of the Consolidated Statement of Financial Position.

Key Notes to the Financial Statements for 2012-2013

Note 7: Accounts Receivable

Again this year, the standing committee noted with concern the substantial amount of money owing in accounts receivable from the Government of Nunavut. While this figure has decreased from close to \$10 million in 2011-2012 to \$7.788 million this year, the committee reiterates its concern that maintaining such a large interest-free receivable has cost implications for the GNWT, in that the government may have to borrow and pay interest on additional funds for its own needs, in addition to the loss of potential interest revenue. The committee was encouraged last year to hear that the government was reviewing its interest rate policy for other jurisdictions, with a view to perhaps charging Nunavut interest on individual items. The committee is far less encouraged this year to hear the comptroller general acknowledge that this account receivable is costing the GNWT money, but that it is not a common practice to charge interest to other jurisdictions.

Recommendation 7

The Standing Committee on Government Operations recommends that the Government of the Northwest Territories review its accounts receivable from Nunavut. The purpose of this review should be to develop targets and measures to improve collections, and to identify and write off those debts that are deemed to be uncollectable.

Note 9: Loans Receivable

This note provides information on the GNWT's loans receivable, which include: NWT Business Development and Investment Corporation loans to businesses that are receivable over a maximum of 25 years in the amount of \$43.940 million, before an allowance for doubtful accounts of \$6.429 million; an Arslanian Cutting Works promissory note receivable in the amount of \$5.635 million with an allowance for doubtful accounts of \$4.135 million (the note indicates that the debtor has initiated legal proceedings for receivership); Student Loan Fund loans in the amount of \$37.712 with an allowance for doubtful accounts and loan remissions in the amount of \$18.070 million; and NWT Housing Corporation mortgages and loans to individuals in the amount of \$15.509 million, with an allowance for doubtful accounts of \$13.912 million.

The allowance for doubtful accounts is an estimate of the amount of accounts receivable upon which the GNWT does not expect to collect. For 2012-2013 the GNWT allowance for doubtful accounts is \$42.546 million, or 41.4 percent of the total loans receivable. In 2011-2012 the allowance for doubtful

accounts was \$39.158 million, or 38.45 percent of the total loans receivable. In the year prior, the allowance for doubtful accounts was approximately 30 percent of the loans receivable. The committee is concerned about the trend it is seeing towards an incremental increase in doubtful accounts over time. As with last year, the committee would like to see better overall performance in GNWT collections, fewer accounts designated as uncollectible, and a lower allowance for doubtful accounts as a percentage of the loans receivable.

Outstanding Northwest Territories Housing Corporation mortgages were also a concern for the committee again this year. Last year the notes to the NWT Housing Corporation's financial statements indicated total mortgages receivable in excess of \$35 million. However, from this figure was subtracted an allowance for mortgage subsidies of \$20 million and an additional \$13 million for impaired mortgages, leaving net mortgages receivable in the amount of only \$2.5 million.

This year the notes to the NWT Housing Corporation's financial statements do not report a figure for the total mortgages receivable. However, the figure for mortgages receivable, net of mortgage subsidies, is roughly equivalent to last year at \$15.5 million, and the allowance for impaired mortgages is \$13.9 million as compared with \$12.8 million for last year, indicating the likelihood that the total mortgages receivable is still in the order of magnitude of \$40 million. For the fiscal year in question, the allowance for impaired mortgages has increased by roughly \$1 million, and the net mortgages receivable has decreased by approximately \$1 million, to a total of \$1.597 million.

For this reason, committee members wish to reiterate their belief that the NWT Housing Corporation can do better than this in collecting on its mortgage receivables. The committee continues to look forward to seeing an improvement in the NWT Housing Corporation's mortgage collections within the life of this Assembly.

With respect to student loans, the committee acknowledged that a proportion of student loans are forgivable provided the student remains in the NWT to work after graduation; however, the committee still wondered what proportion of student loans are written off. The committee was advised by the comptroller general that certain student loan funds accounts have been sent to collection agencies, but that the government does not have a target number for what proportion of student loans can expect to be collected.

Recommendation 8

The Standing Committee on Government Operations again recommends that the Government of the Northwest Territories monitor its loans receivable and develop targets

and measures to improve collections, with a view to reducing the allowance for doubtful accounts to less than 30 percent.

Note 16: Long-Term Debt

This note provides details of the GNWT's long-term borrowing. The GNWT's long-term debt includes loans from the Canada Mortgage and Housing Corporation, Yellowknife Catholic School debentures, and real return senior bonds redeemable at the option of the issuer. These borrowings totalled \$195.030 million for 2012-2013, a nominal decrease from \$198.123 million in 2011-2012.

The note also shows how the government's authorized borrowing limit is being used. In 2012-2013 the GNWT used \$541.493 million of its \$800 million borrowing limit, leaving an available borrowing capacity of \$258.508 million. In comparison with 2011-2012, the GNWT has reduced its long-term debt and increased its borrowing room by \$30.290 million.

Note 22: Environmental Liabilities

The GNWT recognizes that there are costs associated with the remediation of environmentally-contaminated sites for which the government is responsible. As of March 31, 2013, the GNWT has identified 122 sites as potentially requiring environmental remediation. Where an estimate can be determined for remediation costs, a liability is recorded in accordance with public sector accounting standards in the year in which the remediation costs become known.

Of the 122 sites, 23 are active or decommissioned landfill sites that are outside incorporated communities and, therefore, are the responsibility of the GNWT. A liability of \$895,000 has been recorded for these sites.

Giant Mine, another of the 122 sites, has been formally designated as contaminated under the NWT Environmental Protection Act. In 2005 the GNWT recorded a liability for its share of the above-ground remediation. The balance of the government's share of the Giant Mine remediation liability as at March 31, 2013, was approximately \$3.162 million, as compared with \$20.207 million in 2011-2012. The reason for this change was a \$17 million transfer to the Highway No. 4 realignment project to bypass Giant Mine. Members had questions for the Auditor General about the nature of this transfer. Members learned that this transfer was not a cash transfer but, in essence, the exchange of one liability for another. In effect, the GNWT assumed the liability costs associated with building the bypass road – a component of the above-ground remediation – in exchange for an equivalent reduction in its obligation to do other remedial work. The Auditor General advised the committee that while this type of a transfer is

uncommon, it was recorded correctly in the government's books.

The remaining 98 identified sites include 14 airports or airport-related sites, 18 sewage lagoons, 14 fuel tanks and eight highways. Most of these have been investigated but are awaiting full assessment. GNWT remediation costs for the sites that are known to be contaminated are estimated at \$22.288 million. On-going efforts to assess the remaining sites may result in additional environmental liabilities.

The committee acknowledges the receipt of information on the status of sites with known or potential contamination for which the GNWT is responsible which was provided as part of the GNWT's Response to Committee Report 4-17(4): Report on the Review of the 2011-2012 Public Accounts, and asks that the committee continue to be provided with updated information at regular intervals.

Recommendation 9

The Standing Committee on Government Operations recommends that the Government of the Northwest Territories continue to provide updated timetables or schedules for the environmental assessment of all known potentially contaminated sites for which the GNWT is responsible, to be included annually in the public accounts.

The committee questioned the Auditor General about the accuracy of the estimated remediation costs for environmentally-contaminated sites. The committee was advised that the cost estimates are determined by third party experts. The Auditor General does not audit these estimates with a view to their accuracy, but rather to determine if the estimates have been appropriately recorded in the government's financial statements.

Note 26: Over-expenditure

As indicated in Note 1, the GNWT operates under the authority of the federal Northwest Territories Act. The government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by law. Government spending is authorized by way of annual budget approval and the approval of any supplementary appropriations. Spending in amounts which exceed appropriations are considered over-expenditures.

During 2012-2013 the Department of Health and Social Services exceeded its appropriation by \$3.794 million. This over-expenditure contravenes the NWT Financial Administration Act, subsection 32, which states: "No person shall incur an expenditure that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded."

Members noted with concern what they perceive to be a tendency for departments to overspend and then come forward with requests for supplementary appropriations. The committee questioned the comptroller general as to whether departments could be looking more closely at reallocating funding within, to re-profile existing surpluses rather than seeking the appropriation of additional funds. The comptroller general advised the committee that prudent fiscal managers should be looking at these opportunities, but that it is often the case that departments do not know where some of their shortages and surpluses exist until they prepare their financial statements at year-end. The committee encourages the government to continue striving to reduce the incidence of over-expenditures.

Government Indicators

This unaudited section of the Public Accounts provides background information on factors such as the Northwest Territories Gross Domestic Product, debt management, and trends in net financial resources and annual surplus. It concludes with an assessment of the GNWT's fiscal health in terms of accepted accounting criteria of sustainability, flexibility and vulnerability.

Sustainability is defined as the degree to which a government can maintain existing programs and meet existing creditor requirements without increasing the debt burden on the economy. The GNWT had a net debt of \$338 million at the end of 2012-2013 as compared with \$458 million at the end of the prior year. The GNWT points out that this improvement in their financial position is encouraging but that, as has been highlighted by the committee, this improvement is in part attributable to accounting changes resulting in the recognition of revenues previously deferred and that this is a one-time event not likely to be repeated.

The net debt represents 18.8 percent or approximately 10 weeks of revenue. Excluding the debt of the NWT Hydro Corporation, the GNWT's long-term debt was \$195 million, or 10.8 percent of the revenues for the year and less than 6 percent of the GDP.

However, the government notes again this year that it has limited flexibility to raise new revenues. The GNWT's own-source revenue increased from 27.1 percent of total revenue in 2011-2012 to 30.7 percent in 2013. Personal and corporate income tax revenues were also up this year, but these rates are set by Canada and are subject to a high degree of volatility. The GNWT also highlights its federally imposed borrowing limit of \$800 million as a constraint on flexibility. This figure represents 49.3 percent of the 2012-2013 expenses or 26 weeks of operations. The limit on the government's borrowing capacity precludes the use of debt to

increase financial resources. However, it is noted that an increase in debt would only provide a short-term improvement in flexibility.

The GNWT notes that it has little room to increase own-source taxes and still remain competitive with other provinces and territories. On the positive side, the government notes that as of April 1, 2014, when devolution takes effect, the GNWT will have access to resource revenues that, prior to that date, were collected by Canada. The GNWT anticipates that access to these additional resources will increase the government's flexibility to increase its own resources.

Vulnerability is a measure of how dependent a government is on sources of funding that are within its own control or influence. The government's reliance on a grant from Canada, limited ability to raise own-source revenues and the volatility related to corporate and personal income taxes are all quoted as factors contributing to the GNWT's fiscal vulnerability.

The formula used for the annual grant from Canada will remain in effect until March 31, 2014. The Federal-Provincial Fiscal Arrangements Act was amended through a federal budget bill with the effect of extending the authority of the Government of Canada to make territorial formula financing payments until March 31, 2019.

Conclusion

The Standing Committee on Government Operations has a mandate to review the public accounts of the Government of the Northwest Territories. Members were pleased with the assistance provided by the office of the Auditor General and the frank and thoughtful responses of the NWT comptroller general in this review. The standing committee intends to continue the practice of undertaking a public review of the public accounts, so that GNWT spending issues are publicly examined and all relevant information is placed before the public.

Recommendation 10

The Standing Committee on Government Operations recommends that the Government of the Northwest Territories provide a response to this report within 120 days.

MR. SPEAKER: Mr. Nadli.

MOTION TO RECEIVE COMMITTEE REPORT
2-17(5) AND MOVE INTO
COMMITTEE OF THE WHOLE,
CARRIED

MR. NADLI: Mr. Speaker, I move, seconded by the honourable Member for Frame Lake, that Committee Report 2-17(5) be received by the Assembly and moved into Committee of the Whole for further consideration.

MR. SPEAKER: Thank you, Mr. Nadli. The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question has been called. Motion is carried.

---Carried

Committee Report 2-17(5) has been received by the Assembly and moved into Committee of the Whole for further consideration.

Item 13, reports of committees on the review of bills. Item 4, tabling of documents. The honourable Minister of Finance, Mr. Miltenberger.

Tabling of Documents

TABLED DOCUMENT 50-17(5):
GOVERNMENT OF THE NORTHWEST
TERRITORIES DETAILS OF
CONTRACTS OVER \$5,000, 2012-2013

HON. MICHAEL MILTENBERGER: Mr. Speaker, further to my Return to Written Question 5-17(5), I wish to table the following document, titled "Government of the Northwest Territories Details on Contracts Over \$5,000, 2012-2013." Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. Item 15, notices of motion. Mr. Yakeleya.

Notices of Motion

MOTION 12-17(5):
EXTENDED ADJOURNMENT OF THE HOUSE
TO MARCH 3, 2014

MR. YAKELEYA: Mr. Speaker, I give notice that on Thursday, February 27, 2014, I will move the following motion: I move, seconded by the honourable Member for Thebacha, that, notwithstanding Rule 4, when this House adjourns on February 27, 2014, it shall be adjourned until Monday, March 3, 2014; and further, that any time prior to March 3, 2014, if the Speaker is satisfied, after consultation with the Executive Council and Members of the Legislative Assembly, that the public interest requires that the House should meet at an earlier time during the adjournment, the Speaker may give notice and thereupon the House shall meet at the time stated in such notice and shall transact its business as it has been duly adjourned to that time. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Yakeleya. Item 16, notices of motion for first reading of bills. The honourable Premier, Mr. McLeod.

Notices of Motion for First Reading of Bills

BILL 13:
DEVOLUTION MEASURES ACT

BILL 14:
WATERS ACT

HON. BOB MCLEOD: Mr. Speaker, I give notice that on Thursday, February 27, 2014, I will move that Bill 13, Devolution Measures Act, be read for the first time.

Mr. Speaker, I give notice that on Thursday, February 27, 2014, I will move that Bill 14, Waters Act, be read for the first time. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. McLeod. Item 17, motions. Item 18, first reading of bills. Item 19, second reading of bills. The honourable Premier, Mr. McLeod.

Second Reading of Bills

BILL 11:
PETROLEUM RESOURCES ACT

HON. BOB MCLEOD: Mr. Speaker, I move, seconded by the honourable Member for Yellowknife Kam Lake, that Bill 11, Petroleum Resources Act, be read for the second time.

Mr. Speaker, this bill substantially mirrors the Canadian Petroleum Resources Act and coordinates with the requirements of the Northwest Territories Land and Resources Devolution Agreement. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. McLeod. The motion is in order. To the principle of the bill.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question has been called. Bill 11, Petroleum Resources Act, has had second reading.

---Carried

Mr. Premier.

HON. BOB MCLEOD: Mr. Speaker, I seek unanimous consent to waive Rule 69(2) and have Bill 11, Petroleum Resources Act, moved into Committee of the Whole. Thank you, Mr. Speaker.

---Unanimous consent granted

MR. SPEAKER: Thank you, Mr. McLeod. Item 20, 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. We have three items on the agenda today. What is the wish of committee today? Ms. Bisaro.

MS. BISARO: Thank you, Madam Chair. Committee wishes to continue with Tabled Document 22-17(5), with the Department of Industry, Tourism and Investment and, time permitting and the Members willing, the Department of Finance. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Ms. Bisaro. Does committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): We will resume after a short break.

---SHORT RECESS

CHAIRPERSON (Mrs. Groenewegen): We'll carry on with the Department of Industry, Tourism and Investment. I'd like to ask Minister Ramsay if he would like to bring witnesses into the Chamber.

HON. DAVID RAMSAY: Yes, Madam Chair. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Minister Ramsay. Is committee agreed?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed, thank you. I'll ask the Sergeant-at-Arms to please escort the witnesses to the table.

Minister Ramsay, for the record could you please introduce your witnesses.

HON. DAVID RAMSAY: Thank you, Madam Chair. To my left I've got Mr. Peter Vician, deputy minister of Industry, Tourism and Investment. To my right, Ms. Nancy Magrum, director, shared services, finance and administration. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Minister Ramsay. Industry, Tourism and Investment, general comments.

SOME HON. MEMBERS: Detail.

CHAIRPERSON (Mrs. Groenewegen): Detail. Okay, we will defer page 12-7 and move on to page 12-8, information item, infrastructure, investment summary. Any questions?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed, Thank you. Page 12-9, information item, revenue summary, \$124.394 million. Ms. Bisaro.

MS. BISARO: Thank you, Madam Chair. My first question on this page has to do with the capital transfers. We've got a huge increase from

\$265,000 to \$2.7 million. So what accounts for this grand increase in capital transfers?

CHAIRPERSON (Mrs. Groenewegen): Thank you, Ms. Bisaro. Minister Ramsay.

HON. DAVID RAMSAY: Thank you, Madam Chair. That's a gifted asset from AANDC. It's the C.S. Lord Building with the geosciences. That's what that accounts for. Thank you.

MS. BISARO: Thanks to the Minister for that. My other question has to do with, I have two other questions here, but my first of the other questions has to do with the regulatory revenues and the minerals oil and gas royalties.

The \$120 million, as I understand it, is the estimated amount of resources revenues that we're going to be getting in the '14-15 budget year, but that's the total amount, that's not the net amount. So I'd like to know why we are recording the total amount in this budget. I don't believe there's a corresponding expense of the 50 percent of this net fiscal benefit that we're going to be losing to the federal government, so why do we record this whole amount as revenue when there's no offsetting negative amount? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Ms. Bisaro. Mr. Vician.

MR. VICIAN: Thank you, Madam Chair. Good afternoon, Madam Chair and committee. The \$120 million that's forecasted as revenue is the revenue responsible for collection by the Department of ITI from anticipated neural and petroleum resource activities in the Northwest Territories. The responsibility then, under that fiscal benefit arrangement with the Devolution Agreement, is dealt with through the Department of Finance as part of the reconciliation of the amounts that are kept and those that are adjustments to the gross expenditure base of the GNWT. Thank you.

MS. BISARO: Thanks to the deputy minister. So, if I understood correctly, the corresponding expense is found in the Department of Finance. Is that correct? Thank you.

MR. VICIAN: Thank you. The adjustment is reflected in the Department of Finance's accounting, yes.

MS. BISARO: Thanks for the clarification. My other question has to do with the investment income interest earned on the NWT Opportunities Fund and it reflects in '13-14 budget year a revised estimate of \$7-plus million. My recollection is that that was the value of the fund. So is this, in fact, interest, \$7 million in interest or is that simply how we've recorded it? Is the NWT Opportunities Fund now finished, is it empty, is it done and closed? A status update on the fund would be helpful and why have we recorded \$7 million in interest? Thank you.

MR. VICIAN: To the questions, the reflection in the main estimates for 2013-14, which are revised, reflect the interest that was earned by the fund. That interest was received as a result of earnings from a loan that had been dispersed to a company through the NWT Opportunities Fund. That was booked before '13-14. Those funds have been subsequently funded to the Consolidated Revenue Fund and that Opportunities Fund is in the final stages of winding down legally and officially, so it's anticipated it will be wrapped up before the end of the fiscal year.

MS. BISARO: My last question then. The fund is going to be wrapped up by the end of this fiscal year, so that would be '13-14, that's why there's no anticipated activity or revenue in '14-15. Is that correct?

MR. VICIAN: That is correct.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Page 12-9, information item, revenue summary. Mr. Bromley.

MR. BROMLEY: Thank you, Madam Chair. Ms. Bisaro asked most of the questions that I had as well there, but perhaps I could just ask, do we know what the adjustments are to the \$120 million to resource revenue royalties and so on that we are responsible for collecting, that this department is collecting? Do we know what the adjustments will be?

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

HON. DAVID RAMSAY: Thank you, Madam Chair. The \$120 million represents a five-year average, and I'm not sure, maybe the Member could just clarify what adjustments he maybe is talking about.

MR. BROMLEY: Thank you for that information and I appreciate this is a five-year average. With Ms. Bisaro's questioning, the deputy minister mentioned that adjustments would be made in the Department of Finance and reported in there. I'm wondering if we'd know what the amount of those adjustments will total.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bromley. Mr. Vician.

MR. VICIAN: Thank you, Madam Chair. The allocation of the \$120 million is on the basis of the net fiscal benefit arrangement under the Devolution Agreement, which reflects the sharing of the royalties collected by the GNWT at a ratio of 50 percent, up to 5 percent of the gross expenditure base. That adjustment would be reflected in the Department of Finance's accounting at this point. Further to that is the allocation of the 25 percent collected from the GNWT portion that would then be remitted to the Aboriginal organizations of the Northwest Territories.

MR. BROMLEY: Thanks for that information. With my rudimentary math, that leaves 25 percent still remaining. Is that in this department somewhere?

MR. VICIAN: All funds collected under the revenue summary are remitted to the Consolidated Revenue Fund. No funds are retained by the department. Those would be appropriated the vote 1 and vote 2 allocations from this House.

MR. BROMLEY: My understanding is that those dollars could be anywhere in this budget, in the expenditures in this budget. Is that correct?

MR. VICIAN: All revenues collected by this department and other departments are remitted to the Consolidated Revenue Fund and then this House would appropriate those funds available in addition to any other grants and funding received from other parties accordingly through the main estimates process.

MR. BROMLEY: That seems pretty clear. Much clearer than the process I've experienced to date. I believe not only myself but many Members have requested input on where the other 25 percent goes, and we never really had that opportunity other than this general, you know, the dollars disappear into the budget sort of thing. I'm clear on that. Thank you.

The petroleum fees, \$10,000 seems quite modest, and I know we don't have much petroleum production, obviously. About a third of the egg levy. What are those for? I know we're busy fracking and doing all kinds of stuff out there. Is that what the federal government collects in petroleum fees from the NWT?

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

HON. DAVID RAMSAY: Thank you, Madam Chair. The department will collect revenues from the administration of our petroleum interests in the NWT and these include non-refundable rentals on the Pointed Mountain oil and gas leases held by Lone Pine Resources, issuance fees and fees for services under the Frontier Lands Registration Regulations, for instance, there's a \$250 fee for the issuance of an exploration licence, and rentals due to the Crown for exploration licences as well.

MR. BROMLEY: Are those all within this \$10,000 of revenue?

HON. DAVID RAMSAY: Yes.

MR. BROMLEY: I know what I've been paying for hunting licences and I know they increased in recent years and I'm sure the revenue is a lot more than that. This is nothing short of shameful. Does the Minister plan on upping these fees?

HON. DAVID RAMSAY: We're mirroring the regulations that are in place and it remains to be seen what will happen once that happens and into

the future. I guess that's a decision for another day past April 1st.

MR. BROMLEY: I know we're collecting \$10,000 in fees from the petroleum industry here, an amazingly small amount. At the same time, I suppose we're now proposing to subsidize this same industry, the richest corporations in the world, with millions of taxpayer dollars from GNWT funds. That's just an observation.

HON. DAVID RAMSAY: Thanks to the Member.

CHAIRPERSON (Mrs. Groenewegen): Okay. It was a comment. Anything further on page 12-9, information item, revenue summary? Mr. Dolynny.

MR. DOLYNNY: Thank you, Madam Chair. I know it might be premature, but we know the diamond manufacturing sector is, hopefully, on its way to production here in this fiscal year. Is there a reason or rationale that we would not have included at least some degree of money in main estimates?

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

HON. DAVID RAMSAY: Thank you, Madam Chair. We don't have any forecasted revenues from the manufacturing sector as of yet. That remains to be seen.

MR. DOLYNNY: I would assume these are referring to trademark type dollars and enhancing the brand. If and when that money does come in as a revenue item for ITI, is the intent still that this money be used 100 percent to reinforce that trademark?

HON. DAVID RAMSAY: Absolutely, that would be our goal to do that and our anticipation is, hopefully, that some of those dollars would roll in this year.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Minister Ramsay. Information item, revenue summary, page 12-9. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Page 12-10, information item, active position summary. Any questions?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Page 12-11, active positions, Business Development Investment Corporation, information item. Any questions?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Page 12-13, activity summary, corporate management, operations expenditure summary, \$8.451 million. Mr. Bromley.

MR. BROMLEY: Thank you, Madam Chair. I just wanted to ask: I don't see in the organizational chart, which is at the beginning of the document here, where the regulator is. I understand the

Minister is taking on the regulator role from the NEB and I didn't see a recognition of that office in the personnel summary either. I don't know whether it's in corporate management, and I'd be happy to ask my questions on that wherever it's appropriate, but I thought I would bring it up at my first general opportunity here. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bromley. Mr. Vician.

MR. VICIAN: Thank you, Madam Chair. To the point the Member raised on the table on page 12-3, the organizational chart does reflect a reference to a regulator; however, the department and the GNWT are in the process today of making changes to the proposed arrangement, which would subsequently involve some changes to the proposed organizational design for the department. We would anticipate, through the Minister and through this House, coming forward with some changes to that matter in the coming session. Thank you.

MR. BROMLEY: Given that we've got 34 days left before this office would take over this responsibility, is there an interim plan? Thank you.

MR. VICIAN: Yes, there is a full plan with regard to the ongoing and seamless transition of administration of oil and gas regulation in the Northwest Territories. We currently are in the final stages of an agreement with the National Energy Board and with the Alberta Energy Regulator, and those processes will be in place well in advance of the transition date and, in fact, would incorporate the National Energy Board's ongoing responsibility during that transition period to ensure safety and environmental matters are fully overseen by an appropriate regulator. Thank you, Madam Chair.

MR. BROMLEY: I asked because sitting on the Standing Committee on Economic Development and Infrastructure, and I think it's okay to speak about what we don't know in those committees, I have not seen any briefing whatsoever on what's going on with this 34 days before its implementation, and there's been a huge about-face from the last time we were given a briefing. I have serious concerns about costs here.

The people aren't here. The structure is not here. Is the budget here in this document?

MR. VICIAN: Madam Chair, within the proposed funding for 2014-15 there is a provision for a \$2 million allocation for regulatory responsibility and that's included in the minerals and oil and gas portion of the main estimate proposal for that year, and that would incorporate the cost of the proposed contracts that I had previously mentioned. Thank you, Madam Chair.

MR. BROMLEY: Thanks for that information. I'm willing to hold further until we get to that page. I would like to comment, however, that this process

is going on without Members being fully informed and having any opportunity for input in this major piece of work. So much for the government's claim to be consulting with anybody. Mahsi.

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

HON. DAVID RAMSAY: Thank you, Madam Chair. I look forward to the Member's questions at a later date. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Page 12-13, activity summary, corporate management, operations expenditure summary, \$8.451 million. Mr. Yakeleya.

MR. YAKELEYA: Madam Chair, my question is on the contracting services from 2012-13. We were at a low number and it increases quite substantially to 2014-15. Can the Minister just briefly explain why the spike in the contracting services?

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Yakeleya. Ms. Magrum.

MS. MAGRUM: Thank you, Madam Chair. I can respond to the breakdown for the \$753,000 in '14-15 Main Estimates. There are increases as a result of devolution. There's an additional \$200,000 in policy, legislation and communications sections related to increased activity responsibilities with devolution. Directorate has approximately \$300,000 in contract services; PLC, policy, legislation and communications, has approximately \$400,000; finance and administration, a small amount, \$5,000; corporate services, \$5,000; North Slave, \$9,000; \$13,000 in the South Slave region; \$11,000 in Inuvik corporate management; \$24,000 in Sahtu; and \$30,000 in Deh Cho, so the increase from '13-14 to '14-15 is largely the increase in the policy, legislation and communications. Thank you.

MR. YAKELEYA: Thank you for the information. I wanted to ask with regard to the National Energy Board, I thought maybe that might be something that the Minister might have considered having some on-the-ground people in the Sahtu, in light of the oil and gas early exploration activities that are going on with the hydraulic fracking and other activities that would...(inaudible)...to having the National Energy Board closer in the Sahtu region, just to make things okay and give people some confidence and comfort that we are taking our issues seriously and that we have on-the-ground people with the National Energy Board there as activity is happening for a short period of time. Thank you.

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

HON. DAVID RAMSAY: Thank you, Madam Chair. That's ongoing with the National Energy Board and we are making that effort. Thank you.

MR. YAKELEYA: I appreciate the Minister's response, Madam Chair. So, making the effort, would that then look at the possibility of having some period of time when the National Energy Board would actually be in the Sahtu, working out of there for a period of time, rather than coming from a different region or coming from Alberta or Calgary, coming up to the Sahtu? We need some man hours in the Sahtu for some comforting level of the ongoing operations with the oil companies.

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

MR. VICIAN: Thank you, Madam Chair. The proposal with the National Energy Board specifically speaks to their oversight of works in the Sahtu region particular to oil and gas exploration as it's seen. We have conveyed to the National Energy Board our intent to see a permanent presence as it relates to activity levels. Those discussions are ongoing, will be part of the contract discussion, but at this point cannot commit to a position, but those discussions are underway. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Vician. Anything further, Mr. Yakeleya?

MR. YAKELEYA: Thank you, Madam Chair. This is my last question. Mr. Vician talked about a permanent position. I'm not too sure if that's in the Sahtu or Yellowknife or Inuvik or in ongoing discussions with the National Energy Board. Need we remind the Minister that we are taking over this responsibility? We are in the driver's seat. We're contracting the National Energy Board. I think it works that we sign the cheque, so they should be able to go to work wherever we tell them to go to work. If they can't do it, then we certainly can find other regulators or we can train our own people to do that work in the Sahtu. Thank you.

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

HON. DAVID RAMSAY: Thank you, Madam Chair. I will make the commitment. We need to get in front of committee to have a discussion about next steps, where we're going and what is going on, and I look forward to the discussion, ensuring much more information in the days ahead with committee members on the regulation of oil and gas in the Northwest Territories post-devolution. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Minister Ramsay. Activity summary, corporate management, operations expenditure summary, \$8.451 million. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. Page 12-15, information item, corporate management, active positions. Any questions?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed, thank you. Page 12-17, activity summary, minerals and petroleum resources, operations expenditure summary, \$19.349 million. Mr. Dolynny.

MR. DOLYNNY: Thank you, Madam Chair. We were on page 12-17, right, Madam Chair? Thank you very much.

I just want to follow up on the question I asked earlier about the reinvestment of the Polar Bear Brand of diamonds. I did get an indication here that every dollar will be going back into investment. Once the diamond manufacturing plants will be operational, can the deputy minister indicate what sort of investment, once this money is flowing in, will be done to promote this brand? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Dolynny. Mr. Vician.

MR. VICIAN: Thank you, Madam Chair. Historically, the department has worked closely with manufacturers in the Northwest Territories to promote the premiums brand of the cut and polished diamonds mined in the Northwest Territories. That would be the fundamental objective. We have achieved a premium value for the Polar Bear trademark. Part of that would be carried forward. Again, the process, in terms of what we'd do next, we'd be working closely with the manufacturers to determine what is the premium approach to marketing that brand. The Premier and the Minister have participated in efforts in the Asia market to promote our brand. We continue to see the brand taken up in the North American market as well as the European market. We would continue to do that, but with advice from the manufacturers on how to achieve that best possible return. The objective is to put a premium value on the mined, cut and polished diamonds of the Northwest Territories. Thank you, Madam Chair.

MR. DOLYNNY: So if I can get this correctly, we are going to be working with the stakeholders to create the premium brand or at least promote the premium brand. Do we have any framework, foundation, guidelines, that the government is using currently for once the money starts flowing in, or is this something that we might see in the latter part of this fiscal year? Thank you.

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

HON. DAVID RAMSAY: Thank you, Madam Chair. Any of those marketing efforts and dollars spent would have to be done in close conjunction with the manufacturer to ensure we are maximizing the exposure, the brand and getting that brand the premium it deserves as mined, cut and polished Northwest Territories diamonds. This also includes the Polar Bear, as well, Madam Chair.

MR. DOLYNNY: Do we have any preliminary numbers, given what we know thus far when

production will commence, as to what type of money we would be looking potentially for the fiscal year? Thank you.

HON. DAVID RAMSAY: Historically we've seen a range anywhere between \$100,000 and \$300,000. Once the factories are up and running, we could anticipate a number somewhere in that range, Madam Chair. Thank you.

MR. DOLYNNY: I'm going to change gears here under grants and contributions. Under grants and contributions, I know there is a mining tax credit that is administered. Who administers that tax credit? Thank you.

HON. DAVID RAMSAY: We do not administer a mining tax credit in the department. Thank you.

MR. DOLYNNY: I would assume that would be under the Department of Finance. Could I get clarity?

HON. DAVID RAMSAY: I would have to defer that question to the Department of Finance.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Minister Ramsay. Minister Miltenberger.

HON. MICHAEL MILTENBERGER: Madam Chair, I was working on my BlackBerry. Could you repeat the question?

CHAIRPERSON (Mrs. Groenewegen): Thank you, Minister Miltenberger. Mr. Dolyunny.

MR. DOLYNNY: Thank you, Madam Chair. The question was who administers the mining tax credit? Thank you.

HON. MICHAEL MILTENBERGER: Without my officials here, I assume if it's not ITI, it would be us.

MR. DOLYNNY: Okay, so I'll ask that question on another day then. What role does the geoscience office contribute within the grants and contributions? Do they perform any type of role in any type of incentive programs? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Dolyunny. Mr. Vician.

MR. VICIAN: Thank you, Madam Chair. The Northwest Territories geoscience office is our centre of excellence for science in geoscience activity in the Northwest Territories. They also provide outreach services. They have a specific role in terms of the ongoing budget that we see before us with regard to supporting prospecting. Through the geoscience office and through our regional office, they provide incentives to our Prospector Grubstake Program, which provides grubstake support for initial prospecting activity. That would be the ongoing program even post-devolution. Thank you, Madam Chair.

MR. DOLYNNY: So I can assume that under grants and contributions, there is a Mining Incentive Program. It states in this area, \$400,000. I would

assume, from what we are hearing today, that the NWT geoscience office controls this grant money. Is that correct?

MR. VICIAN: As part of the Mineral Development Strategy, the Northwest Territories has proposed a Mining Incentive Program which is before this House in this budget in the amount of \$400,000 reflected on page 12-18. The Mining Incentive Program has not started. It is subject to appropriation by this House, but the intent is to provide contributions to prospectors, junior explorers in the Northwest Territories, to incent active exploration of our Northwest Territories mineral resources. This would be administered by the Northwest Territories geoscience office. Thank you, Madam Chair.

MR. DOLYNNY: So this money is given to the NWT geoscience office for redistribution. Does the department have any performance measures, evaluation or audit tools in connection with this money?

MR. VICIAN: As per the Mineral Development Strategy proposal, we are planning to incorporate a process similar to what's used in the Yukon Territory. It's been a very successful program over the last three years, particularly incenting exploration in many of their areas. The intent is that that incentive program would be measured by actual activity seeking new prospecting activity in the field. Through the Minister, the department has indicated we would be bringing forward the actual policy and program criteria in the coming months. Thank you, Madam Chair.

MR. DOLYNNY: I will just conclude here. Maybe if the Minister or deputy minister can help this Member find out that question – who administers that mining tax – at some point in time, that would be appreciated. Thank you.

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

HON. DAVID RAMSAY: We will get that question answered for the Member. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Minister Ramsay. Activity summary, minerals and petroleum resources, operations expenditure summary, \$19.349 million. Mr. Bouchard.

MR. BOUCHARD: Thank you, Madam Chair. I have a question about the Mackenzie Valley petroleum planning office. My questions are about the expansion into the Beaufort-Delta area and the positions that are expanded there. Why are we expanding in the Beaufort-Delta and not expanding the office in the Hay River area?

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

HON. DAVID RAMSAY: Thank you, Madam Chair. We wanted to put the petroleum division in Inuvik.

There are nine positions associated with that office being put into the community of Inuvik. We had to also look at the petroleum planning office, Mackenzie Valley petroleum planning office in Hay River and ensure that those six positions stayed in Hay River. The main thing was ensuring those positions stayed in Hay River. It also gave us an opportunity to put nine positions into Inuvik. Of course, we're very optimistic about the future of the offshore and the development in the Beaufort-Delta. Thank you.

MR. BOUCHARD: Yes, I guess the question that I have is why we put nine positions into there when we actually see more of the activity in the Sahtu and why the division wasn't come into the Sahtu, some to expand the South Slave and only a few into the Beaufort-Delta where the potentials may be there but we actually haven't seen very much activity. I think some of the decentralization and devolution concepts have been synergies in keeping groups of people together. It doesn't make sense to create an office in the Beaufort-Delta.

HON. DAVID RAMSAY: Thank you. Again, it was important to keep the six positions in Hay River. There's a lot of activity happening in the Sahtu and our anticipation is there will be a tremendous amount more activity happening in the Sahtu this coming summer and again next winter and into the foreseeable future. We've put positions into the Sahtu. As a government, as we move forward, we've made a commitment to look at decentralization and putting the nine positions for our petroleum office in Inuvik made sense to the government and what our objectives are. Thank you.

MR. BOUCHARD: Thank you. My question is about the evaluation making sense where you have an office that already has six people in it, and I appreciate the Minister keeping those positions in the Hay River area, but like I said, the government has indicated that they're trying to keep synergies together and they're basically creating a bigger office, even bigger than they currently have into a new area where we currently don't have a lot of activity, and we have a lot of activity in the Sahtu and we have an office in the Hay River area. So I guess my concept is that the thing would have been to expand the Hay River office and expand into the Sahtu where the activity is currently.

HON. DAVID RAMSAY: Thank you. As a government and as we move forward with decisions regarding where the positions would be, there's a tremendous amount of pressure on the government, on the department on where those positions would end up being. Again, it's important that we protect what we have. These are new positions that we've taken on in the transfer of responsibilities from the federal government. It was a chance for us to put nine new positions into a

community like Inuvik and at the same time protect the six positions that we had in Hay River. We are very much watching the activity level in the Sahtu, we have put positions in the Sahtu and we will continue to gauge the activity level in the Sahtu and adjust things accordingly. Thank you.

MR. BOUCHARD: I guess I'm having difficulty with the Minister's answers to these questions. It makes sense to expand offices that you currently have, it makes sense to be in the areas where the offices are and I know, from the rest of the departments and the other expenses to devolution, that the Beaufort-Delta experienced a lot of positions. So I guess I'm having a tough time swallowing what the Minister is giving us for an answer and what the government's given us for an answer on the decentralization and equalization, it's in a different region. So I'm wondering if the department has done an evaluation of what the costs are to have people in the Beaufort-Delta as opposed to other regions, and I'm assuming some of these nine people are going to have to travel down to the Sahtu versus coming up from the South Slave.

HON. DAVID RAMSAY: Thank you. If we did that type of evaluation, we wouldn't have any government positions outside of a few centres in the southern part of the territory. So we can't just go off of this straight-up cost. I mean, it's a cost to government, it's a cost to accomplish what we need to accomplish.

Again, this was a transfer of responsibilities. We believe wholeheartedly that the activity in the Beaufort-Delta is going to be there. That's the location of the three anchor fields for the Mackenzie Gas Project, it's a home base for the offshore and the potential in the offshore. There's \$2 billion in work commitments in the offshore. We're not responsible for the offshore yet, but hopefully, at some point in time, this government will be responsible for the offshore, and it's important that we have a presence in the Beaufort-Delta and by putting that office in the Beaufort-Delta we certainly have a presence in the Beaufort-Delta. Thank you.

MR. BOUCHARD: Thank you. I appreciate the Minister's comments and I appreciate the Beaufort-Delta, I have lots of friends in the area, it will probably make it less now that I'm bringing this up. But the potential of the Beaufort-Delta, and the Minister said it himself, we don't have the responsibility for offshore right now. So I don't even know how we justify putting those nine positions into the Beaufort-Delta when we know that the activity currently, right now, is in the Norman Wells and in the Sahtu area. We have specialists in the Hay River office that are working on some of that as well. So those are the two offices where I think those nine positions should have been put into. I don't understand the justification.

HON. DAVID RAMSAY: I appreciate the Member's concern and I understand where he's coming from. But again, from an operational perspective, it was important for our government to have a presence in the Mackenzie Delta, in the Beaufort-Delta, and putting these nine positions in the community of Inuvik made sense for us for the future.

Again, we are going to be negotiating a deal on the offshore. We have \$2 billion in work commitments out there. We have a tremendous amount of potential, a resource that could rival the Gulf of Mexico in terms of oil and gas opportunities. Also, as I mentioned earlier, it's home to the three anchor fields for the Mackenzie Gas Project, as well, and there's tremendous opportunity in the Mackenzie Delta for further gas and oil exploration. Thank you.

MR. BOUCHARD: I guess my difficulty with the whole process is that we could move some of those positions once we have that potential, not a potential anymore, but actual activity in the area. There is actual activity happening in the Sahtu right now and the Minister and the department decided that there are no positions going into the Sahtu currently, which I think is a grave mistake and I don't understand how, operationally, it says it makes sense to be there as opposed to having positions in the Sahtu and expand your current operations in Hay River.

HON. DAVID RAMSAY: Thank you. I suppose it could have been somewhat worse for the Member. This is a headquarters function; the office could have been located in Yellowknife. We decided to move it outside of Yellowknife and Inuvik was the location that we decided to put the office. So it is outside of Yellowknife, it is in Inuvik, and again, it's a transfer of responsibilities. This office will be responsible for the new statutory authorities that this government has under devolution and we're looking forward to that office being successful, and again, in its backyard, in the Beaufort-Delta, there are tremendous opportunities. Thank you.

MR. BOUCHARD: Thank you. I don't really appreciate the tone in the fact that I should be appreciative of the positions that I have. The remark is that, well, if I don't like it, well, the positions could be somewhere else and in Yellowknife. I think there's a bit of an undertone there and I don't appreciate that context. The concept is where the activity is happening is where the positions should be. I don't think the department has justified why those positions are happening in the Beaufort-Delta, especially nine positions. We're over doubling the amount of positions we currently have. I guess population doesn't make much sense to me. So, thank you.

HON. DAVID RAMSAY: Thank you. I meant nothing by my comments. I was just trying to make a point that these are headquarters positions that we have decided to move outside of the capital to

Inuvik. That's a decision the department made and the government has made and one that we stand by. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Minister Ramsay. Next I have Mr. Bromley.

MR. BROMLEY: Thank you, Madam Chair. I'm not quite sure where to start here. Just on the petroleum resources office, I'm perplexed why we have two divisions here. You end up having a lot more costs because you've got to have directors and all this sort of stuff. These are obviously petroleum offices and I don't have a problem with them being in two locations, but I just think there are some efficiencies that could be had there.

Maybe while I'm at it, I see petroleum resources also oversees the management of the Environmental Studies Research Fund. This is the fox in the henhouse, obviously. ENR should clearly be in charge of those. Maybe I could get the reasoning for that.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bromley. Mr. Vician.

MR. VICIAN: Thank you, Madam Chair. The Environmental Studies Research Fund is established pursuant to legislation that is part of the devolution transition as part of our integrated management approach. What will happen in the administration of this portion of the fund, it will come under the Minister's authority; however, in our relationship with the Department of Environment and Natural Resources, ENR will continue to administer the actual fund process overall, but it's within the statute of the Minister, so it will continue essentially the way it is today in our relationship with the federal government but ENR will take the lead in terms of that administration.

MR. BROMLEY: Thanks for that clarification. I understand that the Minister of ITI is the new regulator for oil and gas in the NWT, and I understand now that we are contracting out to NEB and the industry-led regulator from Alberta, which has the atrocious environmental record that we all hear about every day on the radio, and the coal dam breach and slurry going down the Athabasca River heading for the NWT, and what did we hear the other day, six million litres a day coming out of one reservoir perched on the edge of the Athabasca River, and all this, you know, people with cancer. This is the regulator that were contracting with, all of which has been done without one iota of input from committee.

I have a lot of questions. Who will have what authority? What responsibility? What will the role of the Members be in decision-making? How will you be reassuring the public that they will have input and how will you be providing them the opportunity for input and a transparent process? Basically this unit is not even in here, but we find out that the

dollars are. We're buying a pig in a poke. This should not be in this budget. Talk about seamless and prepared. I don't think so. How can you have half of it in here and half of it not with no input from Members? I'll start with that.

MR. VICIAN: The proposed budget reflects a \$2 million cost to the regulator of oil and gas in the Northwest Territories. As the Member correctly points out, the responsibility for that regulator will be assigned to the Minister of Industry, Tourism and Investment, and that regulator then will oversee oil and gas operations pursuant to the proposed statute that is part of the transfer effective April 1st, the Oil and Gas Operations Act in the Northwest Territories. The Minister will have the ability then to draw from resources accordingly, and the primary objective is to have a seamless transition effective April 1st, and in doing so, we are in the final stage of an agreement with the National Energy Board to ensure that seamless transition with an ongoing contract with the National Energy Board to conduct this work. That was as proposed in the devolution discussions.

Now we are also in the process of negotiating with the Alberta Energy Regulator, a regulator that's been in existence for decades, that is overseeing oil and gas regulation in Alberta through a number of incarnations and different structures, but essentially overseeing oil and gas development in Alberta and has a great deal of expertise that is drawn on by many organizations, including the National Energy Board, if I may say, to provide oversight for safety and environmental security of oil and gas operations. Those discussions and negotiations are going very well. We feel very confident that we'll have all of the expertise and the resources necessary for a seamless and very safe and environmentally sustainable operation of oil and gas in the Territories.

MR. BROMLEY: That's essentially baloney. We know, we read the papers, we listen to the radio, we watch the news on television, we watch the oil bubbling up because of this regulator's failures in northern Alberta more and more and more daily without a resolution. We are not talking about a responsible... Around for years? This agency has undergone three name changes, I think, in the last three years. It's an industry-led regulator. That is not what the people of the Northwest Territories are looking for, thank you very much. Let's go on record here. Let's use evidence-based decision-making for a change.

I had a number of questions. What will be the responsibility of each of these contractors' contractees? How will the public input in our decision-making, which we know is finally behind closed doors? How is the public's input going to be included and assured? How are Members going to be participating in decision-making?

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bromley. Mr. Bromley, I know you feel strongly and passionately about this. I think that you could tell the deputy minister that you don't agree with him or you don't have confidence in what he is stating, but I don't think it's appropriate to say that what he is saying is baloney, because that is tantamount, in my mind, to being somehow not true. It just seems a little unparliamentary, so I'll just caution the Member on that and go to Mr. Ramsay, please.

HON. DAVID RAMSAY: Thank you, Madam Chair. I'll go to Deputy Minister Vician for some detail on Mr. Bromley's questions, but I just wanted to assure Mr. Bromley and Members that at the soonest opportunity we'll get to committee. We'll have that discussion at committee so committee can ask the questions that they want to ask once this rolls out. It's not our objective to be hiding anything. We want to get in front of committee as soon as possible.

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

MR. VICIAN: Thank you, Madam Chair. To the points raised by the Member, first of all, the responsibility of the contractors will be dictated by the Minister. The Minister is the regulator and the contractors will be providing technical expertise and services as determined by the Minister and his officials.

In terms of public input, it's our intention to obviously use the National Energy Board as the transition vehicle, but by all means, it's also our intent to ensure a transparent and open process of regulatory oversight and we intend to utilize similar vehicles. As the public is well aware, the National Energy Board uses, with consideration of applications for oil and gas exploration, authorizations and public notices, policy guidelines, filing requirements and so on. We anticipate Members' participation, obviously subject to the appropriate passage of the upcoming legislation, the Oil and Gas Operations Act, in particular, that dictates the regulatory requirements that emerge as a result of devolution. But that will be provided through the legislative process, of course, and through the Minister and committees. There is a great deal to discuss, obviously, and as the Minister has indicated, we look forward to that discussion.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Vician. Mr. Bromley.

MR. BROMLEY: Thank you, Madam Chair. I accept your caution, and I offer any apologies that are needed. I know Mr. Vician is a man of integrity and proven record, and I feel like I can speak very frankly with him, and he is here speaking on behalf of the Minister, but if I stepped on any toes there, I apologize. I will try and come up with another word other than baloney.

Obviously, lots of things to discuss here. Another issue that I wanted to speak about was the geoscience office. Now, I know we're proposing – I don't think it's obvious here, the way the budget is laid out, of course – another \$650,000 on to this office. Now, I was down in the Great Hall here, a few metres behind the Minister not too long ago when they were announcing a big program, a \$2 million-plus program joint between federal and territorial government. This office is a subsidy to the mineral industry. It's a subsidy that is not uncommon across the country, but we are intending to approach things as if our 42,000 people can act like, you know, three million or whatever in Alberta, or whatever it is. I think we have to be pretty cautious here.

I'd like to ask the Minister how the heck we can afford this, after a recent lavish bump-up for this office and what exactly is that \$650,000 for. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bromley. Mr. Vician.

MR. VICIAN: Thank you, Madam Chair. The Northwest Territories geoscience to date has operated as a partnership between the territorial government and the federal government to provide the best in terms of science associated with the geology, mineral petroleum and other type resources of the North. It's also an educational centre in terms of providing outreach to communities, to schools, to the industry overall, and to the public with regard to the science of the overall geology and geoscience attributes of this North.

The funding that's reflected in the current proposed budget reflects a consolidation, so the federal portion of the geoscience office is being transferred as part of the Devolution Agreement. It will come to the territorial government. There has been no adjustment beyond that. That is the funds that are being transferred. It establishes all the personnel under the territorial responsibility and the funding continues with regard to their geoscience activities.

The overall benefit that's enjoyed by the North is really just the best understanding of how our North is framed from a geological and geoscience perspective. It is a centre of excellence, is well respected, and as the Member has indicated, geological services exist across this country in providing that service.

There's no doubt that the industry gains a great deal of benefit from the information, but all of that information is made public. There is no restricted information. It goes to all of those that have an interest in that information.

We continue to work with other federal agencies like CanNor to supplement, where possible, further funding, so it is an ongoing effort and we continue

to believe that it's an important part of our overall scientific basis for the North. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Vician. Activity summary, minerals and petroleum resources, operations expenditure summary, \$19.349 million. Mr. Yakeleya.

MR. YAKELEYA: Madam Chair, just for the record here, the Minister stated that we are starting to move some petroleum positions around the Northwest Territories. Based on participation and the business case and looking at future projects, I want to state for the record that I've been asking for some time to put some of the petroleum positions into the Sahtu because that's where the action is happening right now.

It's almost like saying, well, let's put the forest management headquarters in the Sahtu because things are happening in other areas. The Sahtu people are starting to wonder, in addition to the positions that are being moved to deal with the impact of the oil and gas activity in this and this isn't a small-time type of activity, indications could show that we could have quite an impact in Canada and in the Northwest Territories with what's happening there now.

Up in the Beaufort Sea, we don't know what's happening there yet. That's just on the horizon. We could potentially know, but we don't know. Nothing has happened up there and activity is happening in the Sahtu right now as we speak. There's potential of some things moving to another level that we don't even think about right now, yet we don't have the support in our region for this type of impact and that's quite puzzling. I'm not too sure how the government comes up with their evaluation as to putting in the office.

I know we can certainly use these positions in our region. The Sahtu could be a major economic energy-driver in the North and in Canada. It seems like we're dancing around the fire. It's all happening in the Sahtu, but we're dancing around. In case this happens, we have something here, but it's like they're scared to come into our region and offer something. We're kind of scratching our heads on this side.

I want to go on the record saying that. It's a long-standing issue for me. Certainly decisions have been made, but the matter of the fact is things are happening in the Sahtu as we speak today. That's a given. This is not what could potentially happen next year or the year after. We don't know. Things right now are happening in the Sahtu. Things are wrapping up.

The exploration activity is showing that there are some good things that could possibly happen, but we're waiting on the outside and we're having support on the outside. I am somewhat puzzled, as

Mr. Bouchard is also, as to positions not meeting our needs. I hope we can do something.

It costs quite a bit to live further north in the Sahtu. We know that; it's a given. What compels the government department to say yes, we're going to move this? There must be some strong, compelling argument that has been discussed and say, well, the activity is there, but we're going to move over here and this is why we're justified. That's what's happening.

I could be wrong. Maybe in a couple years the Beaufort-Delta will really take off with what they have there. I hope that happens. But as a matter of fact, Jack, things are happening right now in the Sahtu and there are a lot of activities happening, but we're not planning for that.

I appreciate the positions going into the Sahtu by this government to respond to activity that's happening early in exploration. Don't get me wrong there. That's what I want to say for the record.

We have some positions already at the office in Hay River. That decision was made in the last government, but now we're coming to this government here and I respect that. I don't agree with it, but I respect it and that's okay. But now we have an opportunity through this process here and we seem to fly over the region for something that we don't know yet.

Minister, I guess I know the puzzle. I have to put it on the record that I certainly would want to see at least maybe three out of the nine coming to the Sahtu. We have to show. Right now you're telling me, even though there's all this activity in the Sahtu, you're not important and we're not going to give you our support, we're waiting for something else to happen, we don't know. That's what it's telling me and my people in my region. We will ramp it up in the Beaufort Sea. Possibly there are some good indications. Things are happening in my region. There is over \$100 million spent in my region this year. That is an estimate. That is not the exact figure until I find out after the winter road closes and operations are ramped down. That's happening right now. I'm just hoping that we see some support from this government to say yes, but I haven't seen anything to date. I just want to say that I agree with Mr. Bouchard and some of the logic. We are not in the discussions when these opportunities come up. We were told, but we are not involved in the discussions. It is a different story from when you are being told this is what we are going to look at.

For the record, I don't really need a comment from the Minister. If he wants to comment, then I would like him to comment on support they are going to have in the Inuvik area for these positions moving in there. I don't know how many dollars that is going to cost us, but we certainly, for me, are dancing around the fire. The fire is in the Sahtu, but we are

dancing around it, not really strongly supporting it, not like the physicians that I heard from last year, which I appreciate, but not something like this, having a regional office or even branching out from the Hay River office to support us. I guess I'm going to do another year and come back and see what type of response the government is going to give us for our region. That's all I have to say.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Yakeleya, for your comments. The Minister has 37 seconds to respond. Thank you.

HON. DAVID RAMSAY: Thank you, Madam Chair. I thank the Member for his comments and his concern. I do want to tell him and he knows I support the Sahtu, what is happening in the Sahtu, as does the government. We have made a commitment as a government to look at decentralization. This isn't a regional office that we're putting in Inuvik. There are nine new positions; it's a headquarters function and they're going to Inuvik.

We are moving forward with decentralization plans. There will be more coming, and I hope Members can understand and appreciate and have some patience with us as we continue to move forward and get into I believe it is phase three of our decentralization plan and just have some faith that some further positions will be moved to the regions around the territory. It's something I have gone on record as saying I support. The department has supported it in the past. The government supports it. We are going to put our best effort into doing that. Again, I hope we have some understanding from the Members that this is just one step along the path that we are going to have to take. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Minister Ramsay. Sometimes I just call the page so we don't forget where we are. It doesn't mean I don't have other people on the list. Page 12-17, activity summary, mineral and petroleum resources, operations expenditure summary, \$19.349 million. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. I understand that potentially some Members may be having concerns with the grants and contributions and certainly the overall program with this particular page, so what I ask is rather than being sort of bent up in the sense of doing something we are not quite sure what we want to do at this particular time, is it possible that the Minister could commit to a discussion and certainly a briefing regarding things like the grants and contributions on this division. Maybe we could have an overall look at it before the end of this budget cycle and the commitment that we will have a chance for a fulsome discussion and highlight areas of concern and, at the same time, have an equal opportunity to have a chance to exercise and echo those concerns without it sort of

steamrolling without us too far. Would the Minister be agreeable to that? Thank you.

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

HON. DAVID RAMSAY: Yes, Madam Chair, absolutely. I made that commitment earlier to Member Bromley and that is something that we certainly look forward to, getting in a room with committee and Regular Members and addressing every one of the concerns that they have as we move forward. Thank you.

MR. HAWKINS: Madam Chair, that sounds good. I'm not asking for veto when I describe it this way, but committee feels very strongly, and I stress committee and not necessarily anything broader than that, but there would be a possibility to maybe open or exercise those concerns and maybe build upon those concerns, if necessary.

One of the challenges we have is, once we approve the budget, it is from a Regular Member perspective, it's see you later at that point. Sometimes I think some things do take a fair bit of work to get to know, like, expect and work through. Again, I'm not stressing veto power. I'm suggesting a chance to work through some of these things. If there is concern, we work them out. Does the Minister see that possibility coming forward in this type of discussion, especially in this mineral and petroleum resources section that he's already promised a briefing on? Thank you.

HON. DAVID RAMSAY: Yes, Madam Chair. We can do that and the sooner the better. Effective April 1st, the Government of the Northwest Territories will be the regulator of the oil and gas industry here in the Northwest Territories. We should get that briefing up and running for committee and Members. Thank you.

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

MR. BROMLEY: Thank you, Madam Chair. I had one more question. The budget for this division is going up about \$13 million. I would like to know what proportion of that is being covered by the devolution implementation dollars. Thank you.

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

HON. DAVID RAMSAY: Madam Chair, of that amount of \$19.3 million, approximately \$11.6 million will be covered off from devolution funding. Thank you.

COMMITTEE MOTION 14-17(5):
DEFERRAL OF MINERALS AND
PETROLEUM RESOURCES ACTIVITY,
DEFEATED

MR. BROMLEY: Thanks to the Minister for that information. I appreciate Mr. Hawkins' comments. I

would like to follow up on that with a motion. If I may go ahead, I move that this committee defer consideration of minerals and petroleum resources activity on page 12-17 at this time. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bromley. We will have the motion circulated.

The motion has now been circulated. The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

CHAIRPERSON (Mrs. Groenewegen): Question has been called. The motion is defeated.

---Defeated

Activity summary, minerals and petroleum resources, operations expenditure summary, \$19.349 million.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. Activity summary, minerals and petroleum resources, grants and contributions, \$1.455 million. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Page 12-19, information item, minerals and petroleum resources, active positions. Any questions?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. Page 12-21, activity summary, energy, operations expenditure summary, \$2.988 million. Agreed? Mr. Bromley.

MR. BROMLEY: Thank you, Madam Chair. I see again a substantial increase here. Could I just get a little summary of what that's all about? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bromley. Ms. Magrum.

MS. MAGRUM: Thank you, Madam Chair. The energy division has increased by approximately \$2.5 million in energy initiatives. That's the reason for the increase. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Ms. Magrum. Mr. Bromley.

MR. BROMLEY: Thank you. I see an increase there of about \$1.5 million. How is this related to, or perhaps I could ask, I see this is through the Ministerial Energy Coordinating Climate Change Committee of Cabinet. Could I get some clarification on what greenhouse gas emissions – I assume that's what we're talking about here – are being achieved through this work and how it relates to the Greenhouse Gas Strategy? Thank you.

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

HON. DAVID RAMSAY: Thank you, Madam Chair, Mr. Chair. I'm going to go to Deputy Minister Vician for a response to that question.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Ramsay. Mr. Vician.

MR. VICIAN: Thank you, Mr. Chair, and thank you for the question. The Member is correct. The initiatives that are identified under the energy appropriation on this page reflect direction from the Minister's Energy Coordinating Committee but by no means are the full suite of all the MECC's guidance, those are distributed among a number of different departments. I'll speak to the particular projects that are reflected in this appropriation proposed, but let me say that all of these contribute overall to our climate change objectives and our reduction of greenhouse gas emissions for the territory.

Emphasis in the initiatives that are identified here and, as you may note, the compensation and benefits is essentially the same, but the grants and contributions have changed and the specific project energy initiatives that are identified as per the Minister's opening remarks in the House and committee earlier yesterday, one speaks to first of all a study, work with regard to dealing with natural gas conversion in the thermal zone. That is particularly focused on the overall initiative to look at LNG as a possible alternative to diesel fuel consumption in our communities, whether that's in a community like Inuvik, which is a major consumer of diesel fuel but has been converted to LNG, as well as other communities in the thermal zone. So we have \$150,000 proposed there.

There is a proposed investment of \$1.4 million to the Whati transmission initiative once we continue the work. With alternatives to the diesel generation in that particular community, we're looking toward providing hydro generation as the supply of electricity in that community.

We continue to support NT Energy with a \$50,000 contribution to water monitoring, all of that leading to the potential for hydroelectric generation across the territory wherever we have that type of supply.

The other major initiative, of course, is one that we're very pleased on identifying through the MECC Committee, which is another \$200,000 towards a Great Bear mini-hydro project, and the Member for the Sahtu is familiar with that initiative, but we continue to work hard to try to identify a hydroelectric source of electricity in that region.

So that's the example of the projects in that suite of contributions. We continue to support NT Energy, which is the unregulated component of NT Hydro, with a \$700,000 contribution for their core resources. But as I said at the beginning, many other projects reflected in other departments – Housing, Public Works, ENR and others – reflect

continued effort towards greenhouse gas reduction in our territory consistent with our strategy and the Greenhouse Gas Strategy. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Vician. Mr. Bromley.

MR. BROMLEY: Thank you, Mr. Chair. I guess this raises a few questions. I know in the long-term energy options for Inuvik, wind was actually identified as one of the best, possibly the best. What are our investments in that one? I believe it was the Storm Hills as a possibility and the Reindeer Hill as another possibility.

The Whati transmission line, I know the community is most interested in developing their own hydro locally, and perhaps that fits in with the long-term here, but we have had this amount allocated to this project study of the transmission line several times in the past and it's come to not. I haven't heard anything more reassuring lately. I'm just wondering: typically we don't spend the money, I don't know where it goes, but I'm just concerned that we keep doing this over and over again without learning any lessons there.

Then, finally, in relation to the NT Energy core funding of \$700,000, again, when will we see an evaluation there? In terms of cost of living here, people are not seeing it, they're not seeing the benefits. We've had no new hydro development for I don't know how long, other than replacement of the Blue Fish dam. So maybe I can get the deputy minister or the Minister to provide some details there. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Bromley. Minister Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. Under energy initiatives under the Department of ENR there is some funding for wind projects and wind monitoring. As well, on the issue of the Whati transmission line, I will go to Deputy Minister Vician for an update on the Whati transmission line. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Minister Ramsay. Deputy Minister Vician.

MR. VICIAN: Thank you, Mr. Chair. So as with Whati, the Member is correct; we have made investments in the Whati project over the years. Those investments exceed over \$1 million, but those are valid investments with regard to studies needed to determine the geotechnical conditions in the area. Also, route analysis and environmental conditions. Those studies continue to proceed. We are very hopeful, as we've indicated to committee previously, to receive a final report from the current work that began in 2013 looking at probably our best alternate route alignment and design for transmission line that would take into consideration future generation from the local supply, but in essence displacing current diesel, integrating it into

the grid as per long-term objectives of the Power System Plan, connecting as much of the grid as possible. So we continue to do that and we look forward, as I believe and as I know the Minister has committed to committee that we would provide that update when it's complete. It's very, very important information to share once it's done.

With regard to NT Energy, we continue to work with NT Energy on its deliverables as it goes with the overall Power System Plan work that they've been doing for this past year, a very important strategy for the North, and I'm sure, through the Minister, we could provide additional information on the works that the team that is doing that in NT Energy is providing. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Deputy Minister. Mr. Bromley.

MR. BROMLEY: Thank you for the details there, to the deputy minister and the Minister. I guess the people of Whati are incredibly patient people. They've been working at this for a long, long time and I just hope we can get something on the ground there. I know the expense that they've got and sitting on an amazing power source has got to be extremely frustrating.

My last question is the \$200,000 for the Great Bear project, I know we've tried a few different things there. Where are we at on that? Do we have a specific project in mind that we're supporting here? Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Bromley. Minister Ramsay.

HON. DAVID RAMSAY: Deputy Minister Vician.

CHAIRMAN (Mr. Bouchard): Thank you, Minister. Deputy Minister Vician.

MR. VICIAN: Thank you, Mr. Chair. It is our intention, working with NT Energy, to work with the community closely on alternative proposals. As the Member is aware, many proposals have existed over the years. At this point, there is current discussion with regard to more smaller hydrokinetic type of installations associated with the Bear. Of course, any type of installation in such a pristine river requires due study with regard to its environmental and other impacts and this is the work that's proposed. We have had good discussions with the community on this matter and anticipate, subject to appropriation of course, that we would get underway with this in the new year and look forward to the results that we could report back.

CHAIRMAN (Mr. Bouchard): Thank you, deputy minister. Next on my list I have Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chair. Certainly with the energy contributions, we certainly were pleased and people in Deline were pleased that the MECC Committee found it in their hearts to support

that continued project. They have been at it for 17 years and they were just waiting for further funding to finish off the studies so they can come back and say this is exactly what they'll need to start the construction. That's my understanding. The Minister can correct me if I'm wrong. To start the construction of the Bear River hydro initiative. This has been in their view for about 17 years. Incredibly patient, as with the people from Whati. That is something that they look forward to.

I want to ask the Minister, is that something that on a going-forward basis is your understanding, that once the Deline people have done what they have to do, then that will come to, now, where do we find the money. It's almost like the business case that where do we find the money to do the construction for the Bear River hydro.

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

HON. DAVID RAMSAY: Thank you, Mr. Chairman. This will allow work to continue there, and the Member is correct. I mean, it's going to take a sizeable piece of capital to put some hydro opportunity in the Bear River. Even if it is small scale, it still will come with a big price tag.

As far as what the \$200,000 will get the community and the project, maybe we could go to Deputy Minister Vician for a bit of further detail.

CHAIRMAN (Mr. Bouchard): Thank you, Minister. I'll go to Deputy Minister Vician.

MR. VICIAN: Thank you, Mr. Chair. Thanks for the question. The purpose of the ongoing work is to look again at other feasibilities and some alternative installations, hydrokinetic installations in the Bear River. By no means are we contemplating this to be the large scale kind of proposal that we've seen in previous iterations. The objective here is to identify the right kind of technology that can work with the Bear River in the region that can be integrated into the local grid in Deline.

We've had, again, some good discussions with the community on options for alternative technologies. I think many of the Members are familiar with many of the technologies that emerged in North America with regard to hydrokinetic installation. We've seen some success. We've seen some failure. This, again, continues to be feasibility work and trying to determine the parameters for an installation that could work in that area. We hope to be back to committee and to this House with, obviously, a solution that moves to a hydro solution versus the diesel generation that's necessary today.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Vician. Mr. Yakeleya.

MR. YAKELEYA: Thanks for the update. The Bear has a lot of power, hydro power, and moving forward, when you look at a business case for the

people in Deline to look at putting in a hydro plant, they could look at a long-term vision how do we get that revenue, how do we make it pay itself. There's Tulita, there's Norman Wells that could possibly be hooked up, or Good Hope. You know, thinking out there, we have oil and gas activity across the river that may be able to use some of that energy. I think it's no different than us putting money into a hydro grid down south of the lake here to other jurisdictions. I mean, let's look at our own backyard and see what the Bear River hydro could produce not only for the community but for other communities and possibly for the oil and gas industry. That's something for out-of-the-box thinking in terms of supporting the hydro initiative in the Great Bear River.

I want to leave that open for the Minister and say it's not just isolating one community and saying, well, it's a couple million doesn't make any sense or whatever, but let's go beyond that, just as we are thinking about going beyond the lake here. Going down and selling our power south of the lake here and you want to invest in several hundred million dollars. We have a good business case also in the Sahtu region using the Bear River hydro initiative. I want to just leave that with the Minister.

The other point I want to make on the energy is that now we're using more of the wood pellets in the Northwest Territories and we're promoting that through an energy initiative, which is a good thing. People like that and people are using that now. They're starting to warm up to the wood pellet concept. I want to ask: Is the department thinking about, along with the Department of Justice, is there any type of upcoming type of legislation to regulate wood pellets? Because it goes with the markets, the prices are high, the prices are low. Right now there are no regulations on wood pellets. You buy it as the market demands. We need to have some type of regulations on purchasing bags of wood pellets. Even some of our stores now are carrying them. Like, Northern Store is starting to carry wood pellets. We're going to start an industry here in the Northwest Territories, so we've got to keep ahead of this here and protect the consumers. We want to promote wood pellets and just have some regulations and have some good discussion.

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

HON. DAVID RAMSAY: Thank you, Mr. Chairman. I agree with the Member. First off, we need to look at opportunities to get communities off of diesel. In the instance of Deline, perhaps it is hydro. In other communities there may be other alternatives, as well, so we just have to keep looking at opportunities.

On the wood pellets, we haven't heard of any concerns that the Member has raised. I know plans are moving forward for the establishment of a wood

pellet plant located here in the Northwest Territories. If the Member has concerns over consumer protection, that would be through the Department of MACA. They have a division there that looks at protection of consumers. We haven't heard any of those types of concerns, and if the Member wants to raise those with us, we'd be happy to look into them for him.

CHAIRMAN (Mr. Bouchard): Thank you, Minister Ramsay. Next on my list I have Mr. Moses, followed by Mr. Bromley.

MR. MOSES: Thank you, Mr. Chair. First off, I just want to say I appreciate the ongoing support and efforts to try to adjust the gas situation that's going on in Inuvik, and although I wasn't there for the commissioning of the LNG there last month or how many weeks ago it was, I still try to keep updated on how things are working and how it's going. The Minister did mention that although we're still looking for the meeting to long-term options for addressing heating in Inuvik, that possibility of LNG, which has been identified as the most promising solution to the energy situation that we're dealing with in Inuvik.

Some of the things that I've been hearing is that the LNG is being consumed a lot faster than it was initially set out to be, and maybe if I can just get a commitment from the Minister to get us regular updates on the consumption of this LNG and just give us a little bit of a heads-up in terms of if we don't have that LNG available to use, then we'll have to switch back to natural gas and eat up our sources there, so maybe a commitment on how we can get updates on the LNG usage and consumption with the engines in Inuvik. Thank you, Mr. Chair.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Moses. Minister Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. I should give some thanks to Minister Miltenberger and the Northwest Territories Power Corporation and work that they've done in Inuvik, as well as Premier McLeod in chairing MECC, on getting Inuvik the option of LNG. I was there for the commissioning of that facility and I think it was certainly a step in the right direction, again in an effort to get communities away from diesel.

As far as the questions about whether the consumption of LNG has been more than what folks in Inuvik had anticipated, those questions would probably be best answered by the Minister of the Northwest Territories Power Corporation, Mr. Chairman.

MR. MOSES: I just wanted to get confirmation on the consumption and usage of the LNG and whether or not it's being used at a faster rate than initially proposed when the commissioning happened. I know there was an amount of days that

they said that once it was ready to be used, and hearing that it's actually being consumed a lot faster than what it was initially intended for. I know there are trial and error runs and we want to try to come up with the best solution, so I just want to know if it's the same thing that the Minister is hearing.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Moses. Minister Miltenberger.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Consumption is up. Whether it's because it's not as efficient as they thought it would be, I think the pressure is more on the cold weather and costs are up all over the place just because of the cold and the greater demand, but I can get that detailed information for the Member. Thank you.

MR. MOSES: As stated in the Minister's opening comments, this is the most promising solution for our energy situation. With those fairly strong remarks, I was wondering if there are any other invested infrastructure possibilities to increase the storage space for this LNG, seeing that the Minister and I'm assuming that the Energy Committee has decided that this is probably our best solution, that if there's investments looking in the future for a storage facility that can last for a longer period of days. Thank you, Mr. Chair.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Moses. Minister Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. Part of that \$150,000 earmarked for looking at LNG around the territory would include items like storage. It would also include looking at the possibility of getting LNG into other communities that have all-weather road access that are currently on diesel in the Northwest Territories, and that's something that we continue to look at. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Minister Ramsay. Next I have on my list Mr. Bromley. It's the second round, but go ahead, Mr. Bromley.

MR. BROMLEY: Thank you, Mr. Chair. I lied. I found, in the fine print, one more question.

The last few words on the page there, "the NWT electricity system analysis" is part of the energy budget here. At first blush, one might hope that we're talking about smart read technology or smart meters, time of day pricing, hybridizing with renewables, things that would actually reduce the cost of living. But I understand, in retrospect, that in fact what we're talking about is spending money on feasibility studies to connect the grids, especially with the southern grid so we can import dirty, coal-fired energy and perhaps find a naïve customer to buy our expensive electricity.

I would just note, most of these items on this page are electricity items, which accounts for about 4 percent of our energy budget. If we really want to

be efficient and address the cost of living, there are much better ways that we can do it than what is being proposed here.

Just for clarity, can I find out how much we have spent in contracts on feasibility studies for connecting grids in the current year's budget and what's being proposed here for spending on those same feasibility studies and what amount we have out in contracts currently? Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Bromley. Minister Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. Yes, we could collect that data and get it to the Member. Thank you.

MR. BROMLEY: That's all I had. Thank you, Mr. Chair.

CHAIRMAN (Mr. Bouchard): Alright. Committee, page 12-21, activity summary, energy, operations expenditure summary, \$2.988 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Bouchard): Agreed. Page 12-22, activity summary, energy, grants and contributions. Mr. Dolyunny.

MR. DOLYNNY: Thank you, Mr. Chair. Just a clarification question on the energy contributions under the \$1.6 million. I notice in the description it talks about an Energy Plan charrette. Are we planning to have a follow-up or is that a follow-up to what we had before? Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Dolyunny. Minister Ramsay.

HON. DAVID RAMSAY: Yes, that was in the actuals from '12-13, Mr. Chairman. Thanks.

MR. DOLYNNY: So, I guess the question is: There is no plan for an energy charrette in this upcoming year; it's just a descriptor making reference to a previous activity in another year. Is that correct?

HON. DAVID RAMSAY: That's correct, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you for that clarification. Anybody else? Page 12-22, activity summary, energy, grants and contributions. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Bouchard): Sorry, I forgot the total: \$2.5 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Bouchard): Page 12-23, information item, energy, active positions. Any questions?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Bouchard): Page 12-25, activity summary, tourism and parks, operations expenditure summary, \$13.783 million. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Bouchard): Page 12-26, activity summary, tourism and parks, grants and contributions, \$5.558 million. Mr. Dolynny.

MR. DOLYNNY: Thank you, Mr. Chair. If could maybe get a little bit more clarification with this \$100,000 for the convention bureau. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Dolynny. Minister Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. This comes to us from the Economic Opportunities Strategy. It's a new initiative that we have. What it is, is it's going to be a person that's going to be working at Northwest Territories Tourism and their sole purpose is going to be to attract conventions and business-type meetings to the Northwest Territories. Thank you, Mr. Chairman.

MR. DOLYNNY: Is this going to be a stand-alone organization? Where is it located and that kind of stuff? Thank you, Mr. Chair.

HON. DAVID RAMSAY: Mr. Chairman, that position is going to be fully integrated with NWT Tourism. Thank you.

MR. DOLYNNY: Is it being, I guess, funnelled or funded with numbers or monies from main estimates, or is there a taxation component? I know there was talk about a potential convention tax. Is this attributing in any way, shape or form of a potential future convention tax? Thank you.

HON. DAVID RAMSAY: Mr. Chairman, there has been no discussion about the possibility of a tax. They will fund this. It's a funded initiative. Again, it came as a result of the Economic Opportunities Strategy. Thank you.

MR. DOLYNNY: Is it ongoing or just one time here? Thank you.

HON. DAVID RAMSAY: It's appropriated for this year. There are plans to appropriate it for next year and then, going forward from there, we will have to see how successful that effort has been. Thank you.

MR. DOLYNNY: Thank you. Continuing on with my questions on this page regarding the sport hunt outfitter marketing support, the \$300,000, this is a repeat from last year. Given what I know about in the industry, we know that the sport hunting outfitters are literally on life support. This \$300,000, albeit it's nice to see that we are able to help them diversify, clearly I don't believe it will help them stay afloat much longer. What are the long-term plans that we can do for the sport hunting outfitters? Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Dolynny. Mr. Vician.

MR. VICIAN: Mr. Chair, the Sport Hunt Operator Marketing Fund that was established was targeting two particular areas of outfitting. One is the polar bear hunt that was impacted by restrictions by the U.S. import ban on polar bear and the other one, of course, was with regard to supporting our outfitters that relied on the tourism operations related to the barren ground caribou program. We continue and propose to continue to support, for the coming year, the operators in both those areas, Inuvik region and North Slave region, predominantly this is where they exist, and provide them with funding to continue to assist them in the care and maintenance of operations to the limits that we can. Some of the wind down efforts that they are doing and some of the transition work that some of them are pursuing make a degree of flexibility in the program funds that will continue. Candidly, all of these markets are in a downturn as a result of the restrictions that are currently in place. Therefore, they are subject to further review. Through the Minister, we will continue to do that review with our partner, Department of Environment and Natural Resources, and report to committee in the future. These funds are by no means being recommended for appropriation indeterminately. It is intended to be an appropriation for this coming year to help, again, those operators as best we can through this transition. Thank you, Mr. Chair.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Vician. Noting the time, I will rise to report progress. Sergeant-at Arms, please escort the witnesses out. Thank you, Mr. Ramsay. Thank you, witnesses.

MR. SPEAKER: Good evening, colleagues. Before I call for the report of the Committee of the Whole, I wish to note that I have been informed that your wish is to stay late today beyond the daily hour of adjournment. By the authority given to me as Speaker, by Motion 10-17(5), I hereby order you back into Committee of the Whole and authorize you to sit beyond the daily hour of adjournment to consider business before the House and to report as the committee deems appropriate. I would like to ask Mr. Bouchard to take the chair.

CHAIRMAN (Mr. Bouchard): I will call the committee to order. We will commence committee once we take a short break.

---SHORT RECESS

CHAIRMAN (Mr. Bouchard): Thank you, I'll call committee back to order. Mr. Ramsay, do you have witnesses to enter into the Chamber?

HON. DAVID RAMSAY: I do, Mr. Chairman, thank you.

CHAIRMAN (Mr. Bouchard): Thank you. Sergeant-at-Arms, escort the witnesses in. Thank you.

Minister Ramsay, I'll get you to introduce your witnesses one more time for the record, please.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. To my left is Peter Vician, the deputy minister of Industry, Tourism and Investment. To my right is Ms. Nancy Magrum, director of shared services, finance and administration. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Minister Ramsay. Continuing on 12-26, activity summary, tourism and parks, grants and contributions, \$5.558 million. I have Mr. Bromley followed by Ms. Bisaro.

MR. BROMLEY: Thank you, Mr. Chair. Really, I just wanted to say I'm happy to see the continuation and, in some cases, expansions in some of the support here, specifically that Tourism Diversification Program. I think we're having some successes in that area and I'd welcome any evaluation that the department has done on the support provided to date.

I think the sport hunt outfitter and marketing support, I'm assuming this is support to help keep some of the outfitters alive over time, a rough period in our history here and I appreciate the continuation of that.

Finally, the little bump-up there, recognition of the additional costs and success of the Northern Frontier Visitors Centre. I know that's a modest amount but, again, a great appreciation for that. So I just wanted to mention that. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Bromley. Minister Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. We appreciate the Member's comments. As far as evaluations go on the Tourism Diversification Program, we can try to get him some evaluation on the success of that funding and I appreciate his comments on the Sport Hunt Outfitter Marketing Support Program that we have. As well, the extra funds for the Northern Frontier Visitors Centre. I know they do a great job here in the capital, supporting the tourism industry. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Minister Ramsay. Next I have on my list Ms. Bisaro.

MS. BISARO: Thank you, Mr. Chair. I just have a question with regards to the two contributions at the top of this page, tourism industry contribution and Tourism 2015. They sound remarkably similar. I just wonder if I can get an explanation of the difference between the two. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Ms. Bisaro. Deputy Minister Vician.

MR. VICIAN: Thank you, Mr. Chair. The two contributions relate to contributions by the government to Northwest Territories Tourism for the purpose of marketing. The fund that's indicated at \$3.336 million is ongoing funding that pertains to ongoing operations and marketing by NWTT.

Tourism 2015 for \$400,000 reflects a five-year commitment the government made under Tourism 2015 that is to sunset in the 2015-16 fiscal year and is directed to specific initiatives over that period and looked at on an annual basis. Subject to ongoing support, this fund would be considered for ongoing support in future years, but it is considered a separate initiative. So, thank you.

MS. BISARO: Thanks to the deputy minister for that. I guess in my effort to make the budget as easy to understand as possible, I'm not sure why we would need two items here. I appreciate that this is a five-year limited time contribution, but I don't quite understand why we couldn't add it into the first one – it's still a contribution to NWT Tourism – and then just reduce the amount if it's not renewed after the five years, but I'll leave it at that. Thank you, just a comment.

CHAIRMAN (Mr. Bouchard): Thank you, Ms. Bisaro. I will go back to Mr. Bromley.

MR. BROMLEY: Thank you, Mr. Chairman. One thing I meant to get to was on the sport hunt outfitter marketing support. I, and I know other Members, have met with the outfitters in this area and they're basically edging on bankruptcy because of the loss of caribou. There was some hope that the herd would recover in time to rescue these businesses, and some of them have basically put their lifetime's worth of savings and investments into the business. It's now looking like this is not feasible within the timescale that would allow them to recover anything.

Would the Minister be willing to work with these few outfitters, or perhaps he already is, on basically a rescue cleanup operation to maybe work with the charter outfits or whatever to try and bring back whatever is recoverable and allow them to minimize their losses. There's no question that their losses will be significant regardless of what's done here, but the government, to some degree, led these businesses and encouraged them to make this charge. They made it and then we left them with a mismanaged resource that's led to their decline. Recognizing now that the time frame that we're dealing with is, being realistic, these are not recoverable. Can we help them sort of cap things over the next year and allow them to get on with their lives with as minimum loss as possible?

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Bromley. Minister Ramsay.

HON. DAVID RAMSAY: We have, through the Sport Hunt Outfitter Marketing support program, helped those outfitters that have needed some assistance along the way protect the assets that they have out there. We haven't had any discussion with the group about reclamation or bringing anything back that's recoverable. That discussion hasn't taken place.

MR. BROMLEY: I appreciate that, and that's exactly what we had our meetings with the outfitters about, and they were asking if we could ask this question, so I'm asking the Minister, would he be willing to have those discussions? The Minister raises a good point that the reclamation is part of this. There are some environmental liabilities out there and so on, and perhaps there's another department that's taking on significant work here, but I think we are talking about helping these businesses which, again, we encouraged, minimize their losses and minimize the impact on the environment and so on.

HON. DAVID RAMSAY: I understand ENR has had some contact and is working toward that. From our perspective at ITI, we will continue to work with Minister Miltenberger and his staff at ENR to move that along.

MR. BROMLEY: Thanks to the Minister for his response to that. Would he commit to keeping committee apprised on this?

HON. DAVID RAMSAY: Yes, and that would probably end up coming through ENR. I don't want to speak for ENR, but maybe we'll just say yes. The Minister is nodding his head yes, so yes.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Ramsay. Page 12-26, tourism and parks, grants and contributions, \$5.558 million. Mr. Yakeleya.

MR. YAKELEYA: Mr. Chair, a couple quick questions to the Minister. I'm certainly pleased to see the community tourism infrastructure in the budget of \$100,000, given the need for infrastructure in our communities to attract tourism into our communities. It's not quite the same as some of the larger centres. I want to ask the Minister, if this \$100,000, is this start-up funding and just ongoing funding, is it one time?

There are a lot of communities that are not on the highway system and to put more infrastructure in our small communities to attract a segment of the tourism group would considerably make it so dynamic that people want to come our region and our communities, and some of our communities do not have some of the facilities that are in some of the larger centres to make it more appreciated by the tourists to come into our communities. I appreciate this and this money is being spent in various organizations. Is this money here enough to start building infrastructure with all our communities? Because we all have a unique piece of attraction to our communities that we want to build up, and sometimes we just don't have the dollars that we want.

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

HON. DAVID RAMSAY: Thank you, Mr. Chairman. Through our work on the Economic Opportunities Strategy it was clearly identified that we always get

requests for smaller capital items in the smaller communities, and our belief is that tourism does have a great deal of potential in a number of our smaller communities. This money was identified through our work on the EOS. It's appropriated this year. We're planning on appropriating the same amount next year and then evaluating the success of the dollars that we put forward in this area. We're thinking that having this money available is going to fill that gap, because we do get a number of requests on an annual basis of this nature, so we'll see how this goes as we move along.

MR. YAKELEYA: I certainly look forward to a breakdown as to where these infrastructure dollars are going to, which communities, regions, and how they are being taken advantage of by attracting tourism into their communities or region.

The tourism skill development contribution for mentorship and skill development, in this area too is a concern of mine that is this money being targeted for certain operators saying in here that are knowing that they're doing well, or is this for new operators. Just basically maybe some briefing notes. You don't have to explain everything to me, but I just want to know how we're spending this money, and certainly anything to do with skill development is valuable and it's worthwhile.

You know that we are getting a lot of Asian visitors now to the Northwest Territories. I guess that's a question I always ask. What makes it so that they want to come to the Northwest Territories? We had some people who visited the Northwest Territories who said if it wasn't for this program then I would never come here, because it costs quite a bit. But they had the opportunity to come here and they love it up here. What makes it so that, you know, are we geared to the high end of the class of people who can afford to come here? It costs quite a bit to come to the Northwest Territories even to fly in the Northwest Territories let alone accommodations that we have to offer at the price that we pay here. There is a group or segment of people that love to come to the North here and that is shown by the results that we saw from the stats that we've been reviewing here. I guess that's not about the question as to the skill development and the skills that we now have in the North to attract these people.

HON. DAVID RAMSAY: One of the things that was also clearly identified through our work on EOS was the fact that we needed to put more of an effort into tourism training and initiatives regarding tourism training, specifically on the hospitality side. Most of us have travelled. I mean, you always remember the great service that you got wherever you're at. That's what we want to see more of our operators have, the availability of getting that type of training for their staff, and that's our effort on this, and again, it comes from the EOS.

Just following up on the Member's comments on what makes people choose to come to the Northwest Territories, I can speak from experience. I know the Premier and I and Member Hawkins in January we were in China, and I know the air quality, they're under a yellow alert in Beijing today. The air quality when we were there was abysmal, and fresh air and clean air is something that a lot of people seek out. Certainly here in the Northwest Territories we are blessed with some clean air, pristine environment, wide open spaces, and more and more, people are looking for that type of environment to vacation in and to explore, and that's what we have a lot of, Mr. Chairman. Thank you.

MR. YAKELEYA: I guess that's one of the appealing factors. We live in a clean, fresh North and we would like to keep it that way to attract the tourism.

In Asia, it would certainly be nice to take a trip over there some day; however, I will just have to wait.

Part of the tourism and promotion is to promote our lifestyle, that's something appealing, also, for our traditional arts and crafts – people are deadly artists and handcrafters in our small communities – that people want to see. Not made in China art, but made in the Sahtu, made in the Deh Cho, Beaufort-Delta, Tu Nedhe, whatever, made in Tlicho arts and crafts, the real stuff. I think that's what I am looking forward to see, what type of support for promotion of our arts and crafts, to showcase our people.

It's good to know that one of the attractions of the North is fresh, clean, pristine air and the beauty that we have to offer. I just want to close on that note of more of a comment to the Minister. I guess the question is promoting our northern arts and crafts, and you can see a little bit in the House by people wearing their traditional clothing. Thank you, Mr. Chairman.

HON. DAVID RAMSAY: Mr. Chairman, we have come a long way when it comes to Aboriginal tourism here in the Northwest Territories. We have a strategy that we put together. I was at the FPT meeting where, you know, there is a lot of interest on Aboriginal tourism by the other jurisdictions across this country. They are interested in what we're doing. In fact, we are leading the charge when it comes to Aboriginal tourism, putting together a strategy. We're trying to increase awareness and support for Aboriginal tourism among Aboriginal communities here in the Northwest Territories and Aboriginal governments.

We are improving skills for Aboriginal businesses involved in the tourism industry here. We are leveraging youth and elder involvement in tourism across the Northwest Territories. We are supporting Aboriginal culture and language through tourism, and marketing and promoting Aboriginal tourism around Canada and North America and, in fact, the

world. Arts and crafts certainly figure prominently into what folks could do when they come to the Northwest Territories to visit. We have some very beautiful and gorgeous arts and crafts made by some very talented artists and artisans around the Northwest Territories. We have a lot to be proud of and a lot to market. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Ramsay. Committee, page 12-26, activity summary, tourism and parks, grants and contributions, \$5.558 million. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Bouchard): Page 12-27, information item, tourism and parks, active positions. Any questions?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Bouchard): Agreed. Page 12-29, activity summary, economic diversification and business support, operations expenditure summary, \$22.970 million. Mr. Dolyunny.

MR. DOLYNNY: Thank you, Mr. Chairman. I just want some clarification here regarding the NWT BDIC, not so much about the expenditures of monies but the fact remains this entity was established in 2005 and under Section 41 of the NWT Business Development and Investment Corporations Act it says it should have a mandatory review every five years, so if it was in effect since 2005, we should have had at least one review and should be almost slated for a second review.

Can the Minister indicate where we are at with that mandatory component of Section 41 of the act? Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Dolyunny. Minister Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. As Minister, I have requested that report and hopefully BDIC and the department get that report as soon as possible.

MR. DOLYNNY: So, just so we're clear, we will have a report done in this fiscal year. Thank you.

HON. DAVID RAMSAY: Yes, Mr. Chairman.

CHAIRMAN (Mr. Bouchard): Thank you, Minister Ramsay. Page 12-29, activity summary, economic diversification and business support, operations expenditure summary, \$22.970 million. Mr. Bromley.

MR. BROMLEY: Thank you, Mr. Chairman. I think this is one of the most important divisions in the whole government. Our economy is important and to the extent that we are successful in this area of diversification, I think that we will be successful with our economic development. It will reflect our work in education and health and so on, but the work actually diversify our basis of economic realization is so important.

I want to recognize that additional contributions to the film industry here, which I recognize our ongoing support to fisheries and agriculture through the Growing Forward federal support that we are attracting here. I very much appreciate that.

Can I start with the Agriculture Policy, maybe? I know that this is a goal of the department, as reflected in their Economic Opportunities Strategy. What sort of time frame are we looking at here and is there an estimated budget for this? I would also like to specifically ask, would it include, for example, things that have come up through suggestions from the public like enabling regulations for small abattoirs for butchering of very small numbers of animals by local providers for local markets? That's the sort of thing BC has done now, under 25 animals sort of thing. Our small providers could not meet the costs required for a typical abattoir on a large commercial basis, but we do have programs that we are supporting out there, teaching people how to do this on small scale. Would the Agriculture Policy also include the food security element, which is sort of a subset of the agriculture umbrella? Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Bromley. Minister Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. This is another item that has fallen out of the work on EOS and we are very excited about the opportunity to put together an agricultural strategy for the Northwest Territories. It will be as far-reaching as possible. We have got \$150,000 earmarked in '14-15 to accomplish the work of the strategy. I know the Member is very interested in small-scale abattoirs, getting product into local markets. We believe this strategy, if it's done correctly, can cover off all of that ground as well as food security, domestic supply.

We've done a great deal, and I know the Member knows, through the Growing Forward Fund and other programs that the department has. We have the new Northern Foods Development Program that's in place. We're trying to get more locally produced food into the market, especially here at home. I think that's very important that we continue to put our best effort into doing that. Branding, too, on the fishing side is important with that Northern Food Support Program as well. This is a very positive step and it is something, as we move forward with the development of the strategy, certainly we would like to see, and expect, the involvement of Members in getting their input in the development of that strategy as well. We will be in front of committee. We will be asking the committee their thoughts and opinions on how that strategy is developed. Thank you.

MR. BROMLEY: I guess there's a couple of things that I am concerned about here that I hope will be accounted for in the work on the Agriculture Policy.

The first is, in fact, the lion's share of Growing Forward I money actually went to Take a Kid Harvesting and it had really almost nothing to do with agriculture.

That is stealing from the intent of this fund, in my mind. I would ask that the Minister examine that closely because I know it's amongst the people interested in developing their agricultural businesses and so on. This is a stretch. They regard this as a major stretch. In fact, somehow it is getting the lion's share of the dollars. That's not right. I would ask the Minister to have a close examination of that.

The other thing is the face of agriculture is changing and particularly for the North, you don't need huge amounts of land to conduct this work. In fact, the Minister knows about the commercial greenhouse businesses derived from the space program that is extremely small but extremely productive producing tons of food in a very short time per, I think, two square metres of floor space. This is proving to be true with our producers as well. I have constituents that are well under a sixth of an acre and the department, in its policy, has established that you have to have a one-acre business. They have modified that to one-sixth of an acre, but again it doesn't meet the needs that are out there.

Again, I would ask that the Minister examine those policies, take off the sorts of limitations, look at what's being produced, put it on a per square metre basis, perhaps, or something like that that is more realistic, so that people can actually access these dollars. Maybe I can just get the Minister to respond on those comments. Thank you.

HON. DAVID RAMSAY: I know the Member and I have had this discussion before. It's good to have it again. It certainly is something that we're interested in and something we're going to take into consideration in the development of the strategy and new policies as we go forward. It is important that we maximize any opportunity that we have to get people involved in the agricultural sector here in the territory. We will take that under consideration. Thank you, Mr. Chair.

MR. BROMLEY: I appreciate that. The Minister has listened and, as I said, adjusted the policy from one acre to one-sixth. It's still not capturing the providers we have in the NWT, in many cases. I know he is listening and I have confidence there.

My last concern is on this division, the department is responsible to take the GNWT lead on trade matters, specifically the Canada-European Comprehensive Economic and Trade Agreement. There are a lot of concerns amongst the public and I know amongst our municipalities about this. First of all, for everybody this will raise drug costs substantially, significantly in the Northwest Territories, not the Premier's definition of 50 percent perhaps but significant costs. Are we

fighting this, and how? What is the position of our communities and municipalities on this agreement? Are they being protected from this trade agreement, and how? Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Bromley. Deputy Minister Vician.

MR. VICIAN: Thank you, Mr. Chair. As the Member has indicated, the Canada-European Trade Agreement continues. The federal government is the lead on the agreement. It has asked for provinces and territories to participate as observers in the process, which is new in the process for international trade agreements, but the federal government retains the responsibility and the management of this negotiation with the European Union.

We have dealt with communities and kept communities abreast of these discussions. There are particular procurement thresholds that are included in the proposed agreement that would set off any access to European companies, for example, bidding on community projects. Typically those thresholds are quite large. Some of this has been disclosed. Much of this information still has not been disclosed. The agreement-in-principle has been signed with the European Union and details pertaining to the agreement are still confidential to the federal government and those parties that have been briefed. We have kept communities apprised of this. At this point in time, I can assure the Legislature and the committee that we have protected our Business Incentive Policy and regional economic measures objectives that we identified in the Northwest Territories for this purpose. Some of those do apply to community governments, procurement as well. Thank you, Mr. Chair.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Vician. Next on my list I have Mr. Yakeleya, followed by Mr. Moses.

MR. YAKELEYA: Thank you, Mr. Chair. The Minister talked somewhat about the locally produced foods in our communities. Is there any type of strategy or plans to look at these miniature abattoirs that we have in our communities? We have one in Fort Good Hope and Deline we are looking at which were made in Hay River. We want to look at how we produce these local traditional foods to bring them into our GNWT's institutions. The first two I think are the old folks' home and the Stanton Hospital.

Is there any type of discussion happening with his colleagues to look at something like these two miniature abattoirs, so that we can package the meats according to regulations we're under right now? That would make an option for these two institutions for starting off to say, yes, we can have a little business here using these two different community abattoirs to bring in some of the

traditional foods into the hospitals and to the old folks' homes? Thank you.

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

HON. DAVID RAMSAY: Thank you, Mr. Chair. We have had some success with the small scale abattoirs that we have in I believe it's two communities now. We would look at opportunities for additional units as we go forward. All of our programming, when you look at the food development programs that we have, we are trying to get more locally produced food into the local market. That would include institutions like North Slave Correctional Centre, the hospital and any elders homes across the territory. That is something that we continue to strive for and something that is a real goal of the department and the government. We're intent on seeing that through. Thank you.

MR. YAKELEYA: Mr. Chair, the optimal end result of this discussion would be the Minister look at this, and given this year's budget and again next year, we can come forward with these miniature abattoirs to say, yes, we have worked it out through the system and the regulations. For example, next year local traditional foods can be packaged, sent into these institutions to say now you have traditional foods. It will produce skill, economy and make use in the small communities. Maybe the Northern Store or Co-ops will be interested in having these foods on their shelves. My goal here is to see if this is possible as an innovative approach to putting a system in place where traditional foods can be put into the institutions. Thank you.

HON. DAVID RAMSAY: Mr. Chair, when you look at the Small Scale Food Program and other programs are administered at the regional level. If the Member has folks that are interested in the region, they could approach the ITI staff in the region to discuss the prospect of a small-scale abattoir being added to the community. Our ITI staff at the regional level are well equipped to answer the questions that folks may have.

Again, I will get back to one thing that I mentioned to MLA Bromley and that is the development of our Agriculture Policy and how it is we can fit in the things the Member is talking about, the small-scale abattoir producing locally produced fish and meat products and getting them into where we need to get them in, and that is the institutions and into people's homes across the territory. That's something, again, that we're very much interested in doing. Thank you.

MR. YAKELEYA: I appreciate the Minister's comments. I hope the Minister will have the people approach the regional office and once we approach it, that is good, we need to then dedicate some dollars to it if we're going to move forward, knowing that if we can take care of the Department of Health

and Social Services, the regulations and all this stuff, all of this has to be fleshed out to make sure it's okay to bring these foods into the institutions, the jails, the old folks' homes, we need to work on that. So we need to have some dollars to say yes, we support you, now let's work out some of these issues that potentially could be there. So other than that, then find the dollars to make it so. One day they could have caribou meat and fish served at the hospitals or the jails or the old folks' home. Rather than just bringing in a frozen leg and frozen fish, this could be done properly, because that's one of the roadblocks that we're running up against of not having traditional foods. It makes it very difficult. So I look forward to that.

HON. DAVID RAMSAY: The agricultural dollars that we do have, again, flow into the regions, and our goal is to work with local producers at the regional level. I know the Member has had a great deal of success in the Sahtu, especially in Norman Wells with the potatoes and chickens, and I understand there's a small-scale chicken operation in Deline and that's pretty exciting as well. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Minister Ramsay. Next I have on my list Mr. Moses.

MR. MOSES: Thank you, Mr. Chair. Just two areas I wanted to touch on here as my colleagues have already talked about a couple that I wanted to discuss. First off is the Community Harvester Program, and I see there's somewhat of a significant contribution in that area, but I'm just wondering if the department and the Minister have taken into account some things such as climate change, migratory paths of the animals and possibly because of climate change, or even if there's some development in a certain area that causes some of these harvesters to take a longer route, or if ice hasn't frozen yet, or other things that are a concern that might require the harvester to purchase more gas, or purchase more materials to go on longer hunts and longer trapping routes to get certain types of animals. If so, how is the department looking at compensating or adjusting these numbers to affect that change? Has he seen the increase in applications or an increase in terms of what the harvesters are needing for going out?

I know up in Inuvik we're getting more of the guys going on the land and trapping and hunting, mostly trapping, because the economy isn't the greatest right now. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Moses. Minister Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. We haven't seen an increase in the fund. It is fully subscribed. There are obviously, as the Member makes light of, a number of pressures that are currently on folks that want to get out on the land to hunt or to harvest and those pressures are real.

The price of gas, I know he talked about some of the issues with climate change, and I understand there are regions in the Northwest Territories where snow came a little bit late this year, so it was difficult for hunters to get out and that's something that we understand. We haven't, again, seen an increase to this budget, but it does provide funding for community hunts and community harvests and it's a very important part of the funding that we supply to communities across the territory. Thank you.

MR. MOSES: This is a possible going concern and other pressures. Would the Minister look into conducting some type of questionnaire or survey for anybody that does apply on the program, or is there a questionnaire or survey that the harvesters can fill out and follow up so that it would help us adjust the program as need be for some of these concerns that are brought forth? Thank you.

HON. DAVID RAMSAY: Thank you. Again, I just wanted to get back to the number of just over \$1 million, \$1.074 million. I think it was late in the life of the 16th Assembly that CHAP funding was actually doubled. So there was twice as much money put into this area late in the life of the 16th Assembly. But if there are additional pressures and costs continue to go up, this is something, as we move forward, we could certainly revisit. Thank you.

MR. MOSES: Just maybe a recommendation for some type of questionnaire or survey to follow up for any harvesters that are seeing any specific challenges or pressures that will give some direction to government.

The second area that I wanted to discuss is an area that I haven't seen an increase in over the years, but it's something that does bring some economic increases to our region and Inuvik, and that's with the Great Northern Arts Festival. With the forced growth, the cost of travel, increased cost of hotel rooms, materials for people that want to participate in some of the events or sell their materials, there's been a contribution that has been pretty regular of \$25,000. Have there ever been discussions of increasing those to offset some of the forced growth that we see in the region or anywhere? Thank you.

HON. DAVID RAMSAY: Thank you. In addition to the \$25,000 that we have earmarked for the Great Northern Arts Festival, our staff, on a regional basis obviously, help with in-kind support to the festival, and have for a number of years, and will continue to provide that assistance to the arts festival in Inuvik. Thank you.

MR. MOSES: The in-kind service is always in there. I mean, obviously the \$25,000 that's allocated, it can only cover so much. So if the in-kind services are the same services that are always provided, then that \$25,000 obviously isn't doing as much as it used to due to forced growth and other things. So I just want to make that comment and just bringing

it to light that although we're still doing the in-kind support, the money that's not in-kind is only going so far and it's not going as far as it used to go. Thank you.

HON. DAVID RAMSAY: Thank you. I do appreciate the Member's concerns and the organizers could access additional funding through our SEED Program in the region, and again, they'd need to approach regional staff in Inuvik to do that and to avail themselves of some SEED funding to help out with the arts festival. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Minister Ramsay. Next on my list I have Mr. Bromley.

MR. BROMLEY: Thank you, Mr. Chair. I just want to follow up quickly with a couple of questions about our CETA negotiations. I learned that we are trying to protect our communities, or at least stay in touch with them, and that there are procurement thresholds.

The numbers I've seen, and I'm not privy to all this information at all, but in fact would allow most of our infrastructure projects to be susceptible to getting through these agreements. I think partly because our infrastructure is so expensive, and this obviously is a concern. So I'd be wanting to know what the ministry is doing to protect our local providers again on this front.

I would like to know what the department's, as lead for the government, position is. Are they judging that the benefits to business will outweigh and be acceptable and outweigh the rising cost of living, which the agreement will bring through things like rising drug costs and loss of local contracting, or is their position confidential? Again, that raises the question of transparency. The Minister is right; it's unusual for provincial and territorial governments to be able to participate here. Again, if it's happening behind closed doors, that doesn't do a lot for us, but is there any information, any transparency, any clarity the Minister can provide on what our positions are in these areas?

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Bromley. Minister Ramsay.

HON. DAVID RAMSAY: What might work is if we could offer a briefing to the Regular Members, to the EDI committee on the CETA agreement, and any questions the Members may have, we'll be able to share whatever information we have, and I think that might be a better avenue to have a free-flowing discussion on the technical aspects of the agreement.

MR. BROMLEY: I never turn down a briefing, as the Minister knows, but my questions stand here because I think this is something that the public is bringing to my attention and would obviously appreciate the Minister's response to these questions.

HON. DAVID RAMSAY: There is a lot that's not supposed to be shared. It's something that we'd have to be cognizant of the fact that the federal government is negotiating the agreement with the European Union. There are some things we can share with Members, and we'd be more than happy to share what we can with Members and we'll take things from there.

MR. BROMLEY: Can the Minister at least tell us that he's telling the Prime Minister that the lack of transparency is an issue here?

HON. DAVID RAMSAY: We work through the Minister of International Trade, Minister Fast, on this file, and we do have our trade-offs here that are attached to this file. For some specific questions, if the Member has specific questions, again, we'd be happy to try to get a response for him.

MR. BROMLEY: No. That was very clear. Thank you.

CHAIRMAN (Mr. Bouchard): Alright, committee. Page 12-29, activity summary, economic diversification, and business support, operations expenditure summary, \$22.970 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Bouchard): Page 12-30, activity summary, economic diversification and business support, grants and contributions. Mr. Dolynny.

MR. DOLYNNY: Thank you, Mr. Chair. Just as more of a clarification, this is the one time of year where I sometimes get an update on some of these great programs. One of them here on this activity page, the Take a Kid Trapping, just a question is how many kids are involved in this program and if they could let me know of how many Aboriginal children versus non-Aboriginal kids.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Dolynny. Minister Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. I believe it's over 3,000 children that participate in the program around the Northwest Territories. I could get the number of schools. I think it's most schools across the territory. I know all the schools in the smaller communities participate in the program and it has been very, very successful in getting young people interested in trapping and out on the land pursuing that.

MR. DOLYNNY: It's a pretty impressive number there. I appreciate it. My second part of that question is more of a distribution question between Aboriginal and non-Aboriginal. Trapping in itself traditionally is considered an Aboriginal program, but we know quite well that there are non-Aboriginals who partake. I just want to get an idea of what is the uptake that we're seeing in the school systems in retrospect.

HON. DAVID RAMSAY: The uptake has been very good in all regions across the Northwest Territories.

For a breakdown of where the contributions have gone, we could get that for the Member, but in our estimation it's been spread out across the territory and it is accessible by any school in the Northwest Territories.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Ramsay. Committee, we are looking at page 12-30 through 12-33, activity summary, economic diversification and business support, \$13.958 million. Mr. Dolyunny.

MR. DOLYUNNY: Thank you, Mr. Chair. On page 12-32 we have the Film Industry Pilot Project. I know other Members have spoken to it. I want to go to your opening comments and your statement where you talk about \$100,000 for a film industry pilot project in response to increased interest in the NWT filming location. This project will measure the impacts of a rebate program to the film industry. Yet, in here it shows \$50,000. Is there another allocation of money besides this entry?

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Dolyunny. Minister Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. On our page 12-32 it is \$100,000, and it is meant to be \$100,000.

MR. DOLYUNNY: I'm actually going off an old book so they must have updated it since the estimates were given. With respect to that money, I know that speaking to the film industry directly, being a participant in a number of their Q&As and open houses and speaking to a lot of the film directors themselves, I got the impression that although they're appreciative of a potential rebate, that was not exactly what they felt would have the most and deepest impact on their bottom line. They were very clear and very adamant that they need what they refer to as cultural film advisors or cultural film experts. I know I talked about this with the Minister about a year ago, and if we would have acted then I would assume by this time of year we would have had graduates. If we would have worked with ECE to have these programs in place, we could have put possibly students into this area, graduate them and they could be working right now alongside these film experts.

My question is why isn't – and I know there are Members that were there from the Department of ITI listening in – why didn't we look at this endeavour rather than going directly to a rebate pilot?

HON. DAVID RAMSAY: Part of the explanation might be that we tried to put some support immediately into the industry here in the Northwest Territories, and that's why you look at this program being a rebate program and some support to the film industry. That could have been the thinking that was involved in that.

Certainly, we're moving forward, as well, with our film strategy. Hopefully, that is going to outline some other areas, as the Member indicated, that we could avail ourselves up to grow the industry here in the Northwest Territories. We've had a great deal of success and we believe the future is certainly bright when it comes to the film industry here in the Northwest Territories.

Again, this is something that was made available through the Economic Opportunities Strategy, something that we felt that we needed to move forward on and move forward on quickly. That's why it's here, but that isn't to say we've given up on anything else or trying something else in the future.

MR. DOLYUNNY: I tend to have to disagree a little bit here with the Minister. If we wanted to work more expeditiously, these type of questions, if you go back to Hansard, these have been asked over two years ago, and we're only seeing this now, almost year three into our term here. I agree, the website that was designed for potential film industry executives to use is a good tool, but three years later we're only now starting to think about investing into a rebate program.

I'm a bit disappointed only because the film industry is very nomadic and if you don't do things to react more intensively, you notice that other regions in Canada who have not reacted have now lost that industry. I'll use Saskatchewan, for example, as a classic example. We have a golden opportunity. We have a number of reality shows. We've just had another one recently announced here in the South Slave and in the Hay River area. Again, I'm asking, and I'm asking the Minister here to work with his counterparts, with ECE, if this is exactly what the industry is asking for, let's put some cultural film experts, programs into our Aurora College. Let's graduate some of these students. Let's get them to have jobs. Let's get them to represent the Northwest Territories. Let's get them in Vancouver. Let's get them in Los Angeles. Will the Minister commit beyond this \$100,000 to do this in this fiscal year?

HON. DAVID RAMSAY: We've got to make a commitment to ensure that they try to stay in the Northwest Territories, as well, and I think that's a goal that we should have. I will commit to continue to work with ECE on that. I think it's a good idea and it's something that I'd like to see move forward.

We have to look at the big picture. The big picture is we have had a great deal of success with film here in the Northwest Territories. I know the Member mentioned a new reality series; it is totally filmed and edited here in the Northwest Territories, the first reality show to have that all done here in the Northwest Territories. We are very excited about that, and on a per capita basis, the success of the film industry here would probably rank overall

the best in the country for what is happening here in the Northwest Territories.

Can we do better? Yes, we can. Are we putting together a film strategy? Yes, we are. We will continue to work with Minister Lafferty in ECE. We will continue to explore ways to attract new film investment and filming production here in the Northwest Territories. That's something I can make a commitment to and I certainly want to see this industry be successful here in the NWT.

A lot of this too, you know, the dollars, we need to find some additional dollars, as well, as we go forward. We need to put our best effort into this, and perhaps through the business planning process next year, if we have had success with this, it is an area that we could potentially be looking at for further investment. If the Member's idea pans out and we can work with ECE, that is another opportunity to make some very exciting things happen here in the NWT. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Ramsay. Next on my list I have Mr. Blake, followed by Ms. Bisaro.

MR. BLAKE: Thank you, Mr. Chair. Just a few questions on 12-30. Under the disaster compensation, I see you have only budgeted \$15,000. As you may recall, in this past year there was a number of people that were flooded out in both Fort McPherson and Aklavik that needed this funding. I believe out of 20-odd claims only one person was approved, so I would like a little information on that. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Blake. Deputy Minister Vician.

MR. VICIAN: Thank you, Mr. Chairman. Just in terms of disaster compensation, those funds are made available to hunters and trappers that fall under the Hunters' and Trappers' Association. Those are for residents in the NWT that hold a GHL, general hunting licence, and are land claim beneficiaries and are earning at least 25 percent of their gross income from renewable resource harvesting. The conditions of the policy are set out and if the person is active in this field, they are eligible. The department's regional offices administer that program on a regular basis and we would be happy to deal with any particular issues at the regional level if any harvesters have questions with regard to their eligibility. Thank you.

MR. BLAKE: Just on that note, you know, most of the people that live... I will just use Eight Miles for example, just south of Fort McPherson. Many of those people that live there are elders and a lot of them don't sell a lot of the products they make, for example dry fish, even though there is a huge demand. A lot of people take their families out there and I think that would be eligible. Thank you.

MR. VICIAN: The policy is set out fairly specifically; however, regional offices are able to review an application and the situation pertaining to an application. If there are, again, particular issues pertaining to a harvester, then we would be happy to have those discussions, particularly with those in the communities. So I would encourage any harvesters that have some questions in this area to deal with our regional staff. They would be more than happy to work with them on possible eligibility. Thank you, Mr. Chairman.

MR. BLAKE: Just on another note, under the Community Harvester Assistance Program, I will use the same community as an example, Fort McPherson. This program, by the time you break it down to each community, I believe they get about \$12,500. When you have 50 harvesters in the community, for example in Fort McPherson which has just under a thousand people, it's very difficult for the local RRC to divide that amount of money. At the end of the day, harvesters only receive maybe \$100 or \$200. That doesn't go a long way when you are buying gas; that is barely a 45-gallon drum. I think we do need to take a better look at that. We are promoting our harvesting of wild furs, which is doing very well right now. That's my question. Thank you.

CHAIRMAN (Mr. Dolyunny): Thank you, Mr. Blake. Minister Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. As I mentioned earlier, the CHAP funding was doubled late in the life of the 16th Assembly, I believe it was in 2010. We understand that there is a pressure on community hunters and harvesters to get out on the land. I have a breakdown of regional contributions under this. I don't have it by community, but in the Inuvik region it was \$266,000 and that would be divided, the Member is correct, by the communities that are there. I can get that further breakdown for the Member if he likes. Thank you.

MR. BLAKE: As you know, in the Beaufort-Delta region there are almost 15 communities there so it doesn't go a long way, but I think we need to relook at that. There are two different pots, actually, CHAP, as you mentioned and also, it is different under each land claim group, but it is the Gwich'in Harvester Assistance Program or the same under the Inuvialuit, but I think we do need to take a better look at that. There are more people wanting to go out and trap and hunt and make a partial living off of wild furs and hunting. It helps out a lot with the cost of living up in that area and I just wanted to raise that point. Thank you.

HON. DAVID RAMSAY: I certainly look forward to the discussion during the business planning process next fall. We also have the Genuine Mackenzie Valley Fur Program. Just late last year we increased the Fur Revolving Fund by \$600,000.

We have had a great deal of success in getting trappers top dollar for fur at market and we are seeing more people get out on the land that are trapping and pursuing that activity. It has been very successful for us, and again, I look forward to the questions in the fall in the business planning process. Thank you.

MR. BLAKE: Mr. Chairman, just along those lines, I have maybe more of a recommendation that maybe the Minister work with the Minister of ENR to try to work out some sort of an increase in price for beaver pelts. Many people in the Beaufort-Delta will know the population has really exploded up in that area and I'm sure it's the same in all areas, but there is just no demand for those pelts right now. Instead of letting the population double and double, I think we need to help manage that resource and try to put I don't know whether it's a bounty to help harvesters try to harvest those furs. Thank you.

HON. DAVID RAMSAY: Mr. Chairman, that is a good recommendation by the Member and it is certainly something that I can discuss with the Minister of ENR, Minister Miltenberger. We can have a discussion about that. Thank you.

CHAIRMAN (Mr. Dolynny): Thank you, Minister Ramsay. Committee, we are on 12-30 to 12-33. I have Ms. Bisaro.

MS. BISARO: Thank you, Mr. Chairman. I just couldn't let this section go by without asking about the Business Development Investment Corporation. I recognize that we have the Investment Corporation and they are to support economic objectives of the GNWT, to help the development of northern businesses and so on, but I read the description of activities under the department itself and it seems to me that we are duplicating investment services. We have investment services through the department and we have investment services through the BDIC.

I've talked to the Minister about this before, and I guess I would just like to know if the Minister has done any consideration of combining investment services so that they are all in one place so that we don't have people working in two different places basically doing the same thing.

I believe the Minister earlier spoke to a review of BDIC, and I guess my question is whether efficiency in BDIC and in the investment section of ITI is something that is being considered as part of the review of BDIC. Thank you.

CHAIRMAN (Mr. Dolynny): Thank you, Ms. Bisaro. Mr. Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. We had a review of the Business Development Investment Corporation. We've just got that report back. We're currently reviewing that report. It's our expectation that we'll have to respond to that report, at which time there are going to be some decisions,

obviously, that will need to be made, and we certainly look forward to sharing the report and its findings with Members and talking about next steps forward when it comes to the Business Development Investment Corporation and where we go from here. Thank you.

MS. BISARO: Thanks to the Minister for the explanation. My understanding was the review was looking at the programs of BDIC. My question goes to a bigger picture to the whole issue of duplication of services. Is that something that is/was part of the review? If not, is it something that the Minister will consider in addition to this current review? Thank you.

HON. DAVID RAMSAY: The program review was for programs and services delivered by BDIC. That also gets to efficiency and effectiveness of those programs. That certainly would draw us into having some question about, I know the Member calls it duplication, and if we could look into a different way of doing things, those things are going to be taken into consideration. We're not making decisions overnight. This is going to be something that we put a lot of thought and effort into. Thank you, Mr. Chairman.

MS. BISARO: I appreciate that this isn't being rushed into. I'm never one to rush into anything and do it post-haste. I just wonder if the review is looking at, and again I'll call it duplication of services, and the Minister may not agree and that's fine and dandy, but it's my understanding that somebody starting a business will need to or can go to ITI for certain things, can go to BDIC for certain things and it seems to me that if we are investing in businesses in the NWT, we would want to make it as easy as possible for somebody to go to one place and get everything that they need, advice from start to finish and the ability to get the money they need in one place and not have to go to one place for money and another place for advice. Is that something that has been part of the review of BDIC? Again, if not, will it be considered as the Minister is looking at making changes? Thank you.

HON. DAVID RAMSAY: Yes, getting back to the review on effectiveness and efficiency, the answer to the Member's question is yes. As we move this forward, I look forward to the input of Regular Members on where we go from here. Thank you.

MS. BISARO: I guess I'd just like to ask the Minister when he expects that review will be available to Members. I certainly look forward to reading it and being able to provide some input on where we go next. Thank you.

HON. DAVID RAMSAY: Before the end of the fiscal year, I could say with some certainty.

CHAIRMAN (Mr. Dolynny): Committee, we are on page 12-33, activity summary, economic

diversification and business support, grants and contributions, \$13.858 million. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Dolynny): Thank you. Committee, page 12-34, economic diversification and business support, active positions. Any questions?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Dolynny): Thank you. Page 12-35, information item, lease commitments - infrastructure. Any questions?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Dolynny): Seeing none, page 12-36, information item, Fur Marketing Service Revolving Fund. Any questions?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Dolynny): Thank you. Page 12-37 and 12-38 are combined, information item, work performed on behalf of others. Any questions?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Dolynny): If I could get you to return to page 12-7. Mr. Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. I think when we were going through page by page, the chairperson at the time didn't call 12-14. You may just want to call 12-14 again, for the record, just before we conclude.

CHAIRMAN (Mr. Dolynny): Thank you, Minister Ramsay. We'll just check with the Clerk's staff.

I just checked with the Clerk's staff and there's nothing reported, so we don't need to include it, but I appreciate the Minister's vigilance.

Page 12-7, Industry, Tourism and Investment, department summary, operations expenditure summary, \$67.541 million. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Dolynny): Does committee agree that consideration of the Department of Industry, Tourism and Investment is completed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Dolynny): Thank you, committee. I'd like to thank our witnesses here, Ms. Magrum, Mr. Vician and Mr. Ramsay. Mr. Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Chairman. I know it's not Ms. Magrum's last time at the table as ENR is coming up, but I just wanted to thank her. I know she's going to be retiring soon and leaving the Government of the Northwest Territories. I just wanted to thank her for all of her hard work that she does on behalf of ITI. I know Minister Miltenberger will get a chance to thank her as well. Thank you.

---Applause

CHAIRMAN (Mr. Dolynny): Thank you, Minister Ramsay, for those kind words. Ms. Magrum, enjoy your retirement.

AN HON. MEMBER: Agreed!

---Laughter

CHAIRMAN (Mr. Dolynny): We're in agreement mode here today, that's great. Sergeant-at-Arms, please escort the witnesses out of the Chamber. Thank you.

As per committee wishes, we will turn our attention now to the Minister of Finance for his opening comments. Minister of Finance.

HON. MICHAEL MILTENBERGER: I am pleased to present the 2014-15 Main Estimates for the Department of Finance. Overall, the department's estimates, propose an increase of \$33.4 million, or 19 percent over the restated 2013-2014 estimates. Highlights of the proposed estimates include:

- a total contribution of \$83.5 million to the Northwest Territories Housing Corporation to provide the corporation with its operating cash flow for the fiscal period, which is a 24 percent increase, or \$16 million, over the previous year. The increase includes \$6.75 million to expand the portfolio of market rental units and a \$5 million increase for capital projects;
- inclusion of an initial estimate of \$15 million for the transfer of 25 percent of the Government of the Northwest Territories' net fiscal benefit from resource revenues to Aboriginal parties;
- inclusion of \$1.7 million to fund nine positions associated with devolution implementation in order to process financial transactions, process employee service functions as well as supporting the GNWT's financial reporting and fiscal policy functions;
- creation of two new tax auditor positions in Hay River and Inuvik to support the decentralization initiative;
- base budget transfer of \$21 million from the Department of Human Resources as well as \$1.7 million from the Department of Executive to reflect the transfer of the functions of Human Resources, the program review office and the Bureau of Statistics;
- base budget transfers of \$3.8 million from departments to recognize full implementation of financial shared services across all regions.

The proposed Department of Finance 2014-2015 Main Estimates continue to support the priorities of the 17th Assembly and continue to advance initiatives that will support the sustainability of our territory for future generations. Specific activities in support of these priorities include:

- prudently managing the GNWT's financial resources, reaffirmed by Moody's Investor Service with a continued credit rating of Aa1;
- coordinating the GNWT decentralization initiative;
- strategic infrastructure investments such as the Mackenzie Valley fibre optic link;
- supporting the implementation of devolution;
- moving to an increased service-focused organization through implementation of the Service Innovation Strategy and functions of Finance operating under service partnership agreements such as financial shared services, employee benefits and payroll.

The department's estimates have been restated to include the transfer of specific functions that are better aligned with the core business of Finance.

- In order to enhance the GNWT business planning process, the program review office and the Bureau of Statistics will be transferred to Finance from the Department of Executive.
 - o Increased ability for the program review office to work closely with the Management Board Secretariat of Finance to develop and implement a systematic review of operations as well as the Bureau of Statistics in developing forecasting, and integrating those processes into the business planning process;
 - o Ability to integrate program review office recommendations directly into decisions materials when appropriate;
 - o Increased efficiencies as the program review office operates under the direction of Refocusing Government committees which are chaired by the deputy minister and Minister of Finance respectively.
- The Department of Human Resources will be transferring the employee services section which includes a regional presence, the Human Resources information systems, or PeopleSoft, as well as the helpdesk function. Advantages of the transfer are:
 - o allowing HR to focus on a leadership role in HR management;
 - o payroll and benefits operating in an environment focused on transaction processing and controls with a shared services mandate;
 - o information system support resources will be more integrated and effective.

That concludes my opening remarks. Thank you.

CHAIRMAN (Mr. Dolyunny): Thank you, Minister Miltenberger. Minister Miltenberger, do you have witnesses you'd like to bring into the House?

HON. MICHAEL MILTENBERGER: Yes, Mr. Chair.

CHAIRMAN (Mr. Dolyunny): Thank you, Minister Miltenberger. Does committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Dolyunny): Thank you, committee. Sergeant-at-Arms, will you please escort the witnesses into the House, please and thank you.

Minister Miltenberger, if you'd like to introduce your witnesses to the House, please.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. I have with me Mr. Mike Aumond, Mr. Sandy Kalgutkar and Mr. Jamie Koe from the Department of Finance.

CHAIRMAN (Mr. Dolyunny): Thank you, Minister Miltenberger. Mr. Koe, Mr. Kalgutkar, Mr. Aumond, welcome to the Chamber again. Committee, we would like to do general comments.

SOME HON. MEMBERS: Detail.

CHAIRMAN (Mr. Dolyunny): I'm getting detail. Seeing no general comments, we'll go into detail. Is that right, committee?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Dolyunny): Thank you, committee. Committee, we'll defer 5-7. We'll come back to it after we're finished the activity summaries. Committee, I have 5-8, information item, infrastructure investment summary. Any questions?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Dolyunny): Thank you, committee.

CHAIRMAN (Mr. Bouchard): Thank you, committee. Page 5-9, information item, revenue summary. Any questions? Mr. Bromley and then Ms. Bisaro.

MR. BROMLEY: Thank you, Mr. Chair. I'd just like to start off here with the first line, the grant from Canada, \$1.28 billion. What is the agreement going forward? I keep hearing how we're sweating and the Minister says our population is declining; we're losing our federal grant. It's up considerably, I think about \$90 million this year, despite our declining population.

So what's the situation and how long is the agreement in place for and what trends can we expect to the extent that we know what's happened? Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Bromley. Minister Miltenberger.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. The biggest increase, of course, is the \$67 million that we are getting added to our A

base from devolution negotiations. I'll ask the deputy if he wants to add more detail about the further particulars. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Minister Miltenberger. Deputy Minister.

MR. AUMOND: Thank you, Mr. Chair. The Territorial Formula Financing Grant increased by approximately \$88 million in '14-15, and of that, \$67 million was due to the adjustment to our base with devolution and \$39 million was due to the escalation of the grant of about 2.9 percent.

The issue, really, is the population growth. Our growth, relative to the growth in Canada, is a big factor in escalating our grant and right now our population is stagnant and we're not growing at a rate equal to the rate of the rest of the country. As a result, it has an adverse impact on our rate of growth. So, we are predicting, based upon what's happening with our population and some other factors, including provincial local spending, is that our grant, our base will grow roughly between 2 and 2.5 percent a year. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Ms. Bisaro. Oh, sorry, Mr. Bromley, it's been a long day. Sorry.

MR. BROMLEY: Thank you, Mr. Chair. So we're going to grow 2 to 3 percent in our base and our population is stable to declining. That seems like not too shabby a deal. In fact, it seems more positive to me and everybody should be sitting in such a pretty situation.

I just noticed the Canada Health Transfer, again a huge increase here, something like \$10 million from the main estimates last year. What's going on with that one? Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Bromley. Minister Miltenberger.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. The estimates are higher. There was a formula change from an equal per capita, total allocation cash and tax transfer to an equal per capita cash allocation, and to put that into simple English, I'll turn to the deputy. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you. Deputy Minister Aumond.

MR. AUMOND: Thank you, Mr. Chair. So, as Minister Miltenberger has stated, they recalculated how they are going to calculate the CHT transfers for provinces and territories and it went per capita transfer, tax transfer, which for ourselves and Alberta was beneficial. So we have what appears to be a one-time escalation of about \$10 million on the CHT and we don't expect that that's going to continue, starting next year. We know that CHT will grow after this year by roughly about 6 percent a year until, I believe, about '16-17 or '17-18. I can't remember which year that is, and then it will

increase. As per the announcement last year by the federal government, it will increase by a nominal GDP, or a floor of 3 percent.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Aumond. Mr. Bromley.

MR. BROMLEY: That's obviously positive in the short term and negative in the long term since we know that our health costs are growing at, well, this year 8 percent, and that's not atypical, but it certainly does serve to cushion the increase we see in our health budget this year.

Just looking at personal income tax, again I see a very significant increase there, and again, the Minister has been on about some serious differences there. Perhaps he's projecting that for the next fiscal year.

Again, can I get an explanation there? I see we've dropped in our corporate income tax here a bit as that is what we do from time to time, and especially given our policies where these mines, for example, can write off all of their costs right away so they never make a profit that we see, but maybe I can get a bit of an explanation there too.

MR. AUMOND: If we look at for the year '13-14, which, really, the taxation revenue that we're receiving this year is based on the 2012 tax year, we're looking at a personal income tax drop of about \$18 million over what we originally estimated last year, and in '14-15, based upon that, we're looking at a personal income tax drop of about a further \$38 million. Then it should start to level off after that and we will start to see some stabilization, hopefully, but that is what we're looking at this year, remainder of this year and for going into '14-15.

MR. BROMLEY: I wasn't jumping back and forth between rows enough to completely follow that, but I guess I did understand that the estimate for this year of \$105 million, roughly, was about \$38 million lower than expected, and I'm wondering how we could possibly make such a high projection there. Is that us who do that? Is that the GNWT that makes that projection?

MR. AUMOND: For PIT, personal income tax, we get an estimate from the federal government that's based on what they've seen in previous years based upon what they see happening with personal taxation across the country. Before that we were looking at an estimate much higher and then in December we got some federal estimates back that national taxable incomes were lowered in December based on the 2012 actual returns that were received to date. In addition to that – and we went back to 2005 to check on this, because it was the first time since we've been keeping detailed records that consistent – with that is the number of tax filers in the Northwest Territories has declined from 2011, causing the NWT share of total estimate to decrease, so our 2012 actual returns lower the

2012 estimate. That's the reason for the decline in the estimate, but the federal government collects personal and corporate income taxes on our behalf, much like they do for almost every other jurisdiction, with the exception of Quebec, and for corporate income tax for Alberta they collect the tax and they provide the estimates on that taxation revenue back to the jurisdictions

MR. BROMLEY: Thanks for that additional information. I recall in the 16th Assembly we had a similar sort of thing. Now, we may not have had the number of taxpayers go down, and it sounds like that's part of what's happening here. But we certainly did have that same sort of proportionate decrease. I believe it was in, actually, corporate income tax if I remember rightly. Are there further adjustments that will be made to these numbers? Is this just the update and we can expect more updates?

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Bromley. Minister Miltenberger.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. As we have indicated previously, the intent is to move away from relying on the federal projections and we're going to start using our own five-year rolling average which we think will give us a more consistent and realistic number, but I'll ask the deputy if he wants to add anything further.

CHAIRMAN (Mr. Bouchard): Thank you, Minister. Deputy Minister Aumond.

MR. AUMOND: Thank you. As the Minister said, for corporate income tax we're going to use a five-year rolling average. That's probably a little bit more realistic and a little bit more conservative and gives us some downside mitigation. For personal income tax, because there has been such a big adjustment, we're going to wait another year and see what happens with the number of filers, and we'll get a better understanding in May, when we actually get the more detailed data from Canada on what happened with the 2012 tax year, to try and figure out what's actually happening.

Certainly on the corporate side, we've always been subject to a lot of volatility from year to year. We're going to take a more, I think, prudent, conservative approach.

On the personal income taxes, this is the first time we've seen this and it could just as easily come back. We don't know, so we want to take a little bit more wait and see, and see if we can dig into the data and see if we can see what's happening there. But on the corporate side, we're changing the approach where we're just going to go with the five-year average, as the Minister said, instead of relying completely on the federal estimate.

CHAIRMAN (Mr. Bouchard): Thank you, deputy minister. Next on my list I have Ms. Bisaro, followed by Mr. Dolynny.

MS. BISARO: Thank you, Mr. Chair. I need to ask some questions about the revenues and taxation. I'm still struggling to understand these numbers. The Minister, in his budget address, indicated that we were down about \$30 million in terms of taxation, and I think he referenced both personal and corporate income tax when he said that. I just heard the deputy minister say that our personal income tax has gone down, and yet I look at these numbers in the book and I've got almost \$105 million in '14-15 for personal income tax and \$87 million in '13-14 for personal income tax, so I don't get where it has gone down. I'm really struggling to understand the explanations that we are being given.

I guess I would like to ask initially, I know that we received numbers from the federal government in December or January, whenever that was, and it was an indication of what our personal income tax was likely to be in terms of revenues for '14-15, so I guess I need to ask the Minister what that number was. What did the federal government tell us in December or January, whenever we got that number from them, what did they tell us we would expect in revenues for personal income tax in '14-15?

CHAIRMAN (Mr. Bouchard): Thank you, Ms. Bisaro. Deputy Minister Aumond.

MR. AUMOND: Thank you, Mr. Chair. Prior to getting the new estimates in late December on personal tax, so in '13-14 we would have been estimating to get about \$107 million in personal income tax, and in '13-14 we are now looking at \$87 million in personal income tax. If the Member looks at the main estimates revenue page back last year, we would have been estimating \$98 million at this time last year, and then as the year went on the federal government would have provided additional estimates throughout the year, and as late as the end of November we were looking at \$107 million in personal income tax, according to the information provided by the federal government. Then in January, when we got revised numbers based on actual returns to date, the federal government revised its estimate to \$87 million, which is what you see here. But we were looking, originally, in '13-14, at \$107 million. At the same time, we were looking at \$110 million in '14-15, based on those previous estimates and that is now down to \$105 million for '14-15. Thank you.

MS. BISARO: I'm trying to do some quick math in my head and I'm struggling again, I guess. So, if we are...and my quick math tells me that we're losing about \$20 million in personal income tax that we expect to get for '13-14. If that's the case, I don't understand why Finance is estimating \$104 million or \$105 million for '14-15. If we are so far down in '13-14 and we've got these numbers from the federal government on, basically, kind of actuals,

why are we not estimating revenues that are closer to this year's actuals? Why are we going up some \$15 million? Thank you.

MR. AUMOND: The Member asks a good question. As I stated earlier when Member Bromley had asked the question what method are we relying on for personal income tax, again, this is information that we are provided by the federal government, discounted by the actual terms we received in 2012. Again, we won't know until we see the datapacs in May about what kind of trends we're seeing here. But based on the information by the tax collector, which is Canada Revenue Agency, their estimates that are in '14-15, based on the 2013 tax year, our estimate should be \$105 million, which would be an increase over what we are projecting for '13-14, this year, at \$87 million.

Based on what they're telling us and what we're seeing, we'll take that as it is and then we will always look at revising as we get more information and we understand the data. But as I said, until May when we actually get those datapacs from the 2012 year, we won't have a good understanding about what's actually happening with the returns. Thank you.

MS. BISARO: I think it's getting slightly less murky. So, we're still working with an estimate of revenues for '14-15, so it could go down at any time, I guess, or in May we'll get a better idea and it could go down. If I understand rightly, the \$30 million that the Minister has referenced that we've lost is basically revenue in this current budget year. It sounds to me like the revenue we expected in the '13-14 year didn't come through. Am I right on that? Thank you.

MR. AUMOND: There's a large PIT in estimate revenue in '13-14, but I would just like to restate again that we are looking at a drop of about \$38 million in CIT revenue in '14-15 in addition to the \$5 million in less revenue than we were projecting prior to January in personal income tax. Thank you.

MS. BISARO: Yes, I got that, so thank you for that information.

The next question that I have with this loss of revenue, I have yet to understand, in all the discussions that we've had so far, what we're going to do to our budget, how we're going to mitigate this loss of revenue. We've got a budget before us but we are expecting less revenue, so we're already in the hole. What are we doing in this budget to mitigate for that loss of revenue? Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Ms. Bisaro. Mr. Miltenberger.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. In this budget before us, we have about \$6.8 million in passive restraint. We capped our forced growth at I think it is 2 percent and we are trying to limit the growth of government. Going into '15-16 we are going to be looking for a total of \$30

million in re-profiling to pay for the budget that is currently before us, with the addition of the Heritage Fund bump-up from 5 to 25 percent. Thank you.

MS. BISARO: Thanks to the Minister for the info. I understand the \$6.8 million in passive restraint. That is a number that I can deal with. Capping our forced growth at 2 percent, how much money does that net us? I'm trying to get us up to the \$30 million or whatever that we need to find to balance the budget. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Ms. Bisaro. Mr. Aumond.

MR. AUMOND: Thank you, Mr. Chairman. For '14-15, the Minister is correct; we have the passive restraint target. Really the efforts going towards trying to mitigate the impact of this revenue on an ongoing basis will be through the '15-16 budget planning cycle. As the Minister said, we will be looking to identify \$30 million in savings through a combination of limiting forced growth where we reasonably can and trying to re-profile some dollars within the existing budgets of the government.

In terms of trying to mitigate that revenue for '14-15, as far as we have gotten to date is the passive restraint. Thank you.

MS. BISARO: Thanks to the deputy minister. So, we are looking to save about \$7 million in passive restraint and we are going to "go in the hole" for the other, say, \$25 million, is that right? Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Ms. Bisaro. Minister Miltenberger.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. The passive restraint is the main reduction exercise, cost controlling exercise with the '15-16 looking to re-profile and save \$30 million, which is an election year budget, I might add. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Miltenberger. Next on my list I have Mr. Dolyunny.

MR. DOLYUNNY: Thank you, Mr. Chairman. My questions will be around the same theme as my colleagues, around the personal income tax and the corporate income tax.

I guess to set the stage here is to look at what the past has shown us, and if you look at the past tabled documents when it looks at the main estimates, the curiosity I have here is I find that there has been some revised-revised estimates, that I am looking at here with respect to the '13-14 revised estimates. But that's fine. We kind of got the explanation here from the deputy minister.

I just wanted to be clear; we have heard from the Minister here that we have had a shortfall of calculations or miscalculation of about \$30 million. What we heard today was more like \$38 million in terms of a shortfall in both personal and corporate income tax. So let's set the stage here so we can

get at least that number accurate. Can I get that number accurate, please?

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Dolynny. Minister Miltenberger.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. First, just to point out that if it is not already clear, these are very fluid numbers, the projections that are changing with CIT. Corporations can reach back years to file, decide when they are going to file, where they are going to file. Personal income tax, people file at different times and it takes months. So these numbers are fluid but, yes, \$38 million is the number.

MR. DOLYNNY: Now we're dealing with a number all of us can understand. So we've got a \$38 million problem. This \$38 million problem is being dealt with in this fiscal budget and the next fiscal budget, from what we hear. We've heard from both the deputy minister and the Minister that this is a fluid problem. We don't have a good understanding. We're at the mercy of the federal government. Things change, seven years forward, seven years backward, if anyone does CRA type of initiatives knows that.

We're dealing with a problem where we're really at the mercy of a lot of unknown variables. We've heard from the department here that we're going to be doing a rolling five-year average to try to mitigate and try to take a dart and a dart board to try figure out what our taxation is.

I want to shed a little light for the Department of Finance. They're not alone. They're not alone. The Auditor General of Canada has written a nice little report for the federal government on their own books on how they collect their own taxes, so we're not unique here. I wish we were, but we're not.

The federal government has also been given a little bit of a heads-up that they've got to clean up their backyard in terms of how to do predictability better with their federal forecasting. So I'm glad we're doing this exercise, Mr. Chair.

The question I still have remaining is we're still looking at being very aggressive in the 2014-15 Main Estimates given what we know today. What key indicator do we have now that would tell us that we are going to see the lifts that we're seeing, especially in personal income tax from I'm going to call them the revised-revised 2013-14 estimates? How do we know that?

HON. MICHAEL MILTENBERGER: It's currently by looking back and looking forward and hoping we're not going to move into a 2008 type of year that's going to catch everybody by surprise.

The other big issue is while we look at our revenues, which is an important issue, we have expenditure issues, as well, where we're spending almost every cent we make. We're working hard to

manage that. So one way to deal with it is, of course, to keep looking for more money. The other side is to try to control our expenditures and the growth of government and size of government and program creep and all these things. Between the two is where we're trying to seek that balance. Clearly, for 42,000 people, we have not only revenue concerns but we have expenditure challenges. Thank you.

MR. DOLYNNY: I'm not going to disagree with the Minister on some of those comments, but he brought up the 2008 subprime mortgage issue. I'm not sure how that fit into the response, but anyway.

I think Members on this side of the House have made things perfectly clear. We are very concerned going into this budget on this shortfall. I believe, personally, that this shortfall has caused a tethering, if you will, in the fiscal strategy of this government. It's unfortunate that we weren't able to calculate that properly and I think that has put a real kink in the cogwheel in terms of what our forecasting will be for the initiatives that this government has so boldly wanted to go forward with. I am very much in concern how we're dealing with this personal and corporate income tax, so much so that I believe that the five-year rolling average, in my humble opinion, is not going to work.

Historically, if you look at public accounts, if you look at main estimates for the last 10 years, this personal income tax and corporate income tax has been a yo-yo. It's been all over the map. It's been the highs and the lows. Unfortunately, when it's on the high, government gets really excited because they have a high year personal income tax and corporate income tax and we hit the ground running and we have all these great ideas to spend it, which is fine if you have the money. But when you build a financial forecast on a high and it turns into a low, as we have I believe this year, we're scrambling.

The tools have been before us for many years. I don't believe we've used all the tools at our disposal or in our tool box, Mr. Chair. I would like to move a motion.

CHAIRMAN (Mr. Bouchard): Go ahead, Mr. Dolynny.

MR. DOLYNNY: Thank you, Mr. Chair. I move that this committee strongly recommends the Department of Finance take the steps necessary to create a stabilization fund for taxation revenues to counter the uncertainty of tax revenue forecasting and subsequent impacts on fiscal planning. Thank you, Mr. Chair.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Dolynny. The motion is being distributed. The motion is in order. To the motion. Mr. Dolynny.

MR. DOLYNNY: Thank you, Mr. Chair. The rationale for this motion is quite simple. This is

simply a tool. This is a tool that will help government create a better and more promising forecasting predictability in the wake...

CHAIRMAN (Mr. Bouchard): Sorry, Mr. Dolynny. I need you to read the motion into the record.

COMMITTEE MOTION 15-17(5):
CREATION OF TAXATION REVENUES
STABILIZATION FUND,
DEFEATED

MR. DOLYNNY: Okay. Mr. Chair, I move that this committee strongly recommends that the Department of Finance take the steps necessary to create a stabilization fund for taxation revenues to counter the uncertainty of tax revenue forecasting and subsequent impacts on fiscal planning.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Dolynny. Motion is in order. To the motion. Sorry, Mr. Dolynny. Complete your comments.

MR. DOLYNNY: Thank you, Mr. Chair. I forgot where I left off. As I said earlier, this is simply a tool to help mitigate the uncertainty that this government and a lot of past governments have faced in dealing with, really, a lot of unknown variables. I do not hold the department in any way, shape or form liable because they don't know, and they're doing their best effort to predict what they have at their disposal. However, a five-year rolling average will do nothing more than create the same mess that we are in this fiscal year.

The motion speaks to a stabilization fund, which means that that threshold is picked that would make it the most effective possible for this government to function. On years of high, you put it in the bank, on years of low, you take it out of the bank, but for predictability and for the ability of this government collectively, as a consensus, that we do our forecasting, we are going forward with solid numbers. We are not guessing and a five-year rolling average just won't cut the mustard in my books.

This will offer the right tool. This is a public accounting standard of best practice that's used in a lot of jurisdictions all over the world, not just in Canada, and I know the Auditor General of Canada has approved such standards. So I will let my colleagues dial in if they want to comment on it as well. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Dolynny. I have Mr. Bromley.

MR. BROMLEY: Thank you, Mr. Chair. I want to start by expressing appreciation to my colleague Mr. Dolynny for bringing this motion forward.

Frankly, I've found the discussion so far refreshing. A lot of this information is being presented with the clarity that we haven't had before because of the interviewing, questioning skills of Members. So I'm

learning and I appreciate that. I will be supporting this motion because I think it's something we've talked about without doing. I know that the Department of Finance, the Minister has been interested in that from time to time and probably has done a little bit of work on it. So perhaps the Minister will take this. I would expect the Minister would take this as the opportunity to complete that research. I would appreciate an interim step in achieving this and that's a comparison of the two techniques, their five-year rolling average versus this approach of knocking the tops off the highs and adding them to the lows.

One thing is clear, it needs to be addressed, and again, I appreciate Mr. Dolynny trying to actually get it addressed. Many of us have tried before and were clearly unsuccessful, but maybe this will do it. I'll be supporting. Mahsi.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Bromley. Next I have Ms. Bisaro.

MS. BISARO: Thank you, Mr. Chair. I, too, want to thank Mr. Dolynny for bringing the motion forward. I am fully in support of this and as Mr. Bromley said, this is not a new idea, it has been discussed a number of times over the years and certainly before my time as well.

Annually, when we look at the budget, we stress over the highs and lows of our revenues and particularly around corporate income tax and then this year, as well, around personal income tax, so this idea would certainly allow us to have a much easier time when we discuss fiscal planning and fiscal strategy. It would certainly allow us to have a much easier time when we discuss fiscal planning and fiscal strategy. It would certainly allow us to better plan budgets and to know that we have a stabilization fund that we can pull money out of if we need to.

One of the things that I do want to mention is that if people are wondering where the money could come from, there are many, many countries in this world that take money from their resource revenues and put it into a stabilization fund, and I certainly think that that's something that we should strongly consider. I know that as far as the government is concerned, our resource revenues are spent and they're already allotted, and they're aligned and there's nothing more to be had, but I think, as part of this motion, where the money is going to come from should certainly be considered, and I believe that resource revenues are a perfect source to build... Part of our revenues are used to fund the stabilization fund.

CHAIRMAN (Mr. Bouchard): Thank you, Ms. Bisaro. To the motion. Mr. Hawkins.

MR. HAWKINS: Mr. Chairman, I certainly support this. I've been raising this particular matter for a lot of years, and I'm kind of glad to see it finally get a

bit of traction on this side of the House. For many years I had heard at the time Finance Minister Roland say, oh no, don't worry. That's why we'll have a Heritage Fund, and don't worry; we'll use the Heritage Fund to take care of any ups and downs. Then along came, following him, Finance Minister Miltenberger, the elder Miltenberger, that is, and in his wise way he, too, said much the same way, don't worry, there will be a Heritage Fund one day, and you know, you guys are talking about the Heritage Fund.

I always tried to remind everyone that this is not what the Heritage Fund was intended for, and I've always been shooting for a five-year average suggesting that we could predict through our finance folks somewhere in a modest five-year number and we use that one, and again, money achieved over above that five-year average rolls into this little savings account and it's there, accessible, because, as highlighted by other Members, and certainly not just by me but certainly over many years, when something goes awry, we just have no way to respond, and it seems as if it's murder when we call out and say we have to do something. People shriek as if, like, please don't touch our departments and don't cut here, don't cut there. In a lot of ways I also say it's kind of difficult, too, because it's a really stressful time to look at program departments to say, well, we have to find, what is it, \$10 million, \$20 million, \$30 million, \$40 million. Who knows? It does become a difficult challenge.

To be looking at this literally just weeks before the new budget is supposed to roll in and we have to point out a particular department or section and say we're going to have to make some changes and guess what, you're it, is not a good way to do budgeting.

This would certainly help stabilize it. As a matter of fact, to provide some interesting examples here, I'm going to go back a couple years. Again, I know the wise and elder Finance Minister would remember these days, but there was a time when we had received almost \$300 million of overpayment, and I came in the following year, and the first thing they said was, well, you're broke, and don't worry, we're going to have to figure out how to pay it, and the good thing about... The only good news about how broke we were was the fact that in the 2003-2004 budget was, well, the federal government was going to give us a couple years to come up with the \$300 million, but we still owed it, and everybody knew it was an overpayment back from the Stephen Kawfwi government. But boy oh boy, I think as Mr. Dolynny just pointed out, they saw the money and they thought, my goodness, it was almost like arenas for everybody. They just turned around and said let's spend money, community halls, whatever you want. Don't worry. It's the next government's problem, and that's what it was.

In other subsequent years, I've done some research on this one and, quite frankly, some years we do receive overpayments and yet how do we respond? Well, in 2004 we had a \$42 million overpayment. In 2005, we had a \$33 million overpayment. In 2006, we had a \$26 million payment. Fortunately, we started gaining ground again by underestimating our corporate revenues at almost \$40 million. I've got a chart here that spans 14 years, 15 counting this budget year, and I mean, my goodness, it looks like we're 50 percent. I mean, maybe if you're a baseball player a 50 percent average is good, but when you're in the finance business, 50 percent is pretty poor.

I'm not blaming anyone. It's just the fact is it's too hard to plan. You can't predict somebody who refuels. It's wrong to put the finger on any one person. This is just wise planning.

Of course, I could go on into further details, but time is ticking away on my time to be able to speak, but the point is, this is really built around small, sound budgeting. You don't need big, fancy calculations, whatever sort of rings towards your attention, but what I would say is that this is just bread and butter, kitchen table economics. Save money because not every day is going to be a great day. So I support the motion and I certainly look forward to Cabinet supporting it as well. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mr. Hawkins. Next I have Mrs. Groenewegen.

MRS. GROENEWEGEN: Thank you, Mr. Chairman. On the surface this sounds like a good idea, but it almost sounds too simple to be possible, because I've sat through enough briefings on fiscal forecasts and negotiations with Canada on our formula and how that transfer is calculated, perversity factors, own efforts factors, so many different things that it's hard to believe. We have a unique relationship with Canada in terms of how we obtain the majority of our revenues and this is one piece of it. These tax revenues that this motion speaks to, this is just one part of it and I think it is a complex equation. I don't think it's as simple as this and I think that if this were possible that somebody would have thought of doing it sooner than now.

I have a lot of questions. I can't accept this proposal, this idea, on face value because, as I said, I just think it is more complicated than what this motion portrays. So on those grounds, I would have to know a lot more about the implications of this before I could support this motion. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Mrs. Groenewegen. To the motion. Minister Miltenberger.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. As we do this budget and we look at the fluid nature of the revenue projections, I don't think it should blind us to the fact that we have, over

the years, evolved what I think is a budgeting system, although some people may think it has a lot of shortcomings. It does what it is supposed to do.

We are, by any national standard, one of the best run jurisdictions in the country. We have managed our way through the worst economic downturn since the great depression. We protected programs, services, prevented staff layoffs, negotiated agreements with all our employees, we have worked our way through devolution, we have come up with an agreement to put a significant amount of money in the bank for the Heritage Fund and, at the same time, we are still managing to do a major amount of work.

Let's be clear about some of the things that are putting pressure on our budget. We have some big capital items. We have a road from Inuvik to Tuk that we are building, but even bigger and totally our cost is going to be the Stanton Hospital, \$350 million, and we are committed to doing that. We are squeezed for cash over a few years.

We have looked at this in the past. It came up last government as well. The reality is, we are not in a position to put more money into another fund when we have been in ongoing restraint, passive restraint, which I would suggest is a way for us to cushion and manage our way through some of the cost pressures, and we have some of the best finance people and the most conservative working for us, that always plan and err on the side of caution. We have learned to live and prosper under the circumstances we now have, so at this point I don't see the value of this, spending a lot of time looking at this fund. I, as well, don't think that this is a panacea that folks are making it out to be. Thank you.

CHAIRMAN (Mr. Bouchard): Thank you, Minister Miltenberger. To the motion.

SOME HON. MEMBERS: Question.

CHAIRMAN (Mr. Bouchard): Question is being called. Motion is defeated.

---Defeated

Committee, we are on page 5-9, information item, revenue summary. Any questions? Mr. Hawkins.

MR. HAWKINS: Mr. Chairman, after hearing that, it inspired me. I move that we report progress.

---Carried

CHAIRMAN (Mr. Bouchard): I will rise and report progress. Sergeant-at-Arms, please release the witnesses. Thank you, Mr. Miltenberger.

Report of Committee of the Whole

MR. SPEAKER: Good evening. Can I have the report of Committee of the Whole, Mr. Bouchard.

MR. BOUCHARD: Thank you, Mr. Speaker. Your committee has been considering Tabled Document 22-17(5), Northwest Territories Main Estimates 2014-2015, and would like to report progress. Mr. Speaker, I move that the report of Committee of the Whole be concurred with. Thank you.

MR. SPEAKER: Thank you, Mr. Bouchard. Do I have a seconder? Mr. Nadli.

---Carried

Item 22, third reading of bills. Mr. Clerk, orders of the day.

Orders of the Day

DEPUTY CLERK OF THE HOUSE (Mr. Schauerte): Orders of the day for Wednesday, February 26, 2014, at 1:30 p.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. Petitions
12. Reports of Standing and Special Committees
13. Reports of Committees on the Review of Bills
14. Tabling of Documents
15. Notices of Motion
16. Notices of Motion for First Reading of Bills
17. Motions
18. First Reading of Bills
 - Bill 12, Northern Employee Benefits Services Pension Plan Act
19. Second Reading of Bills
20. Consideration in Committee of the Whole of Bills and Other Matters
 - Tabled Document 4-17(5), Northwest Territories Electoral Boundaries Commission 2013 Final Report
 - Tabled Document 22-17(5), Northwest Territories Main Estimates 2014-2015
 - Bill 5, An Act to Amend the Motor Vehicles Act
 - Bill 10, Northwest Territories Lands Act
 - Bill 11, Petroleum Resources Act

21. Report of Committee of the Whole

22. Third Reading of Bills

23. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk.
Accordingly, this House stands adjourned until
Wednesday, February 26th, at 1:30 p.m.

---ADJOURNMENT

The House adjourned at 8:47 p.m.

