

Northwest Territories   
Legislative Assembly

3rd Session Day 65 18th Assembly

HANSARD

Wednesday, March 6, 2019

Pages 5241 – 5292

**The Honourable Jackson Lafferty, Speaker**

**Legislative Assembly of the Northwest Territories**

Members of the Legislative Assembly

Speaker

Hon. Jackson Lafferty

(Monfwi)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Hon. Glen Abernethy

(Great Slave)

Government House Leader

Minister of Health and Social Services

Minister Responsible for Seniors

Minister Responsible for Persons with Disabilities

Minister Responsible for the Public Utilities Board

Mr. Tom Beaulieu

(Tu Nedhe-Wiilideh)

Mr. Frederick Blake

(Mackenzie Delta)

**Hon. Caroline Cochrane**

(Range Lake)

Minister of Education, Culture and

Employment

Minister Responsible for the Status of

Women

**Ms. Julie Green**

(Yellowknife Centre)

Hon. Bob McLeod

(Yellowknife South)

Premier

Minister of Executive and Indigenous Affairs

Hon. Robert McLeod

(Inuvik Twin Lakes)

Deputy Premier

Minister of Finance

Minister of Environment and Natural

Resources

Minister Responsible for the Northwest

Territories Power Corporation

Mr. Daniel McNeely

(Sahtu)

Hon. Alfred Moses

(Inuvik Boot Lake)

Minister of Municipal and Community

Affairs

Minister Responsible for Northwest

Territories Housing Corporation

Minister Responsible for Addressing

Homelessness

Minister Responsible for Youth

Minister Responsible for the Workers’ Safety and Compensation Commission

Mr. Michael Nadli

(Deh Cho)

Mr. Herbert Nakimayak

(Nunakput)

Mr. Kevin O’Reilly

(Frame Lake)

Hon. Wally Schumann

(Hay River South)

Minister of Industry, Tourism and

Investment

Minister of Infrastructure

Hon. Louis Sebert

(Thebacha)

Minister of Justice

Minister of Lands

Minister Responsible for Public

Engagement and Transparency

Mr. R.J. Simpson

(Hay River North)

Mr. Kieron Testart

(Kam Lake)

Mr. Shane Thompson

(Nahendeh)

Mr. Cory Vanthuyne

(Yellowknife North)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Officers

Clerk of the Legislative Assembly

Mr. Tim Mercer

Deputy Clerk

Mr. Michael BallCommittee Clerks

Ms. Gail Bennett

Ms. Jennifer Franki-Smith Law Clerks

Ms. Sheila MacPherson

Mr. Glen Rutland

Ms. Alyssa Holland

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Box 1320

Yellowknife, Northwest Territories

Tel: (867) 767-9010 Fax: (867) 920-4735 Toll-Free: 1-800-661-0784

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

**Published under the authority of the Speaker of the Legislative Assembly of the Northwest Territories**

# TABLE OF CONTENTS

**PRAYER 5241**

**MINISTERS' STATEMENTS 5241**

164-18(3) – Support for Film (Schumann) 5241

**MEMBERS' STATEMENTS 5242**

Arctic and Northern Policy Framework (O'Reilly) 5242

Hay River Chamber of Commerce Gala Award Recipients – Randal West-Pratt

and Paul Delorey (Simpson) 5242

Fort Simpson Territorial Park Interpretive Storytelling Area (Thompson) 5243

Stewardship of the Environment (Vanthuyne) 5243

Fraser Institute Annual Survey of Mining and Exploration Companies, 2018 (McNeely) 5244

Northwest Territories Living Wage (Green) 5244

Sachs Harbour Power Generation (Nakimayak) 5245

Community Empowerment to Address Housing Issues (Testart) 5245

Birthday Wishes for Martha Moses (Moses) 5246

**ACKNOWLEDGEMENTS 5246**

**ORAL QUESTIONS 5246**

**TABLING OF DOCUMENTS 5252**

**NOTICES OF MOTION FOR FIRST READING OF BILLS 5252**

**CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS 5252**

**REPORT OF COMMITTEE OF THE WHOLE 5290**

**ORDERS OF THE DAY 5290**

**YELLOWKNIFE, NORTHWEST TERRITORIES**

**Wednesday, March 6, 2019**

**Members Present**

Mr. Blake, Hon. Caroline Cochrane, Ms. Green, Hon. Jackson Lafferty, Hon. Bob McLeod, Hon. Robert McLeod, Mr. McNeely, Hon. Alfred Moses, Mr. Nadli, Mr. Nakimayak, Mr. O'Reilly, Hon. Wally Schumann, Hon. Louis Sebert, Mr. Simpson, Mr. Testart, Mr. Thompson, Mr. Vanthuyne

The House met at 1:30 p.m.

# Prayer

---Prayer

**SPEAKER (Hon. Jackson Lafferty):** Good afternoon, colleagues. Item 2, Ministers' statements. Minister of Industry, Tourism and Investment.

# Ministers' Statements

## Minister's Statement 164-18(3): Support for Film

**HON. WALLY SCHUMANN:** Mr. Speaker, with the conclusion of the seventh annual Dead North Film Festival this past weekend, it is appropriate that I speak today on our vibrant film industry and its growing importance to our economy.

First, I would like to congratulate all of the participants in this year's event. Nearly 40 films were submitted to the festival this year, with entries from across the North, each region of our territory, and from as young as nine and 10 years old.

Winners were recognized with Zombears. These awards recognize excellence in a variety of fields. In addition, the Northwest Territories Film Commission's Best Locations Award was presented for recognizing the use of the Northwest Territories' unique and world-class backdrops for film. This year's winner was a film called Long Story Short, which offered an alternative telling of the story of the Mad Trapper.

The annual Dead North Film Festival is about more than just films and screenings. The festival hosts seminars, networking opportunities, and workshops. This year, the festival expanded its reach to include a photo competition, further engaging the arts community, and offering the chance for creative growth and new projects. It was an opportunity for media artists from across the territory to showcase their talents, to encourage new entrants in the sector, and to build below-the-line production skills that will increase the capacity of our local industry.

It is precisely why our government, through the Departments of Industry, Tourism and Investment; Education, Culture and Employment; and the NWT Film Commission, are committed to supporting events like this. It offers yet another step in our mandate for greater economic diversity.

Mr. Speaker, the talent showcased at this year's festival underscores how far our film sector has come since the start of this Legislative Assembly. We have more producers in this territory than ever. We have a professional media association working in tandem with our Film Commission to promote our territory on the global stage. We have made-in-the-Northwest-Territories films making waves in the festival scene and even realizing distribution contracts.

We have celebrated NWT filmmakers, like Keith Robertson, who got his start at the Dead North Film Festival, moving on to a fellowship at the Banff Centre for the Arts and Creativity and even more success within the film industry. We continue to see award-winners like Yellowknife's France Benoit telling our Northwest Territories stories on the world scene.

To support the industry, our government has developed the Film Apprenticeship Program, in partnership with the Northwest Territories Professional Media Association, and enhanced the funding available to filmmakers. We have also partnered with producers and the industry to market our territory and its talent to Canada and the world.

Mr. Speaker, the credit really needs to go to the industry. The drive and resourcefulness demonstrated by the territory's pioneers and leaders are second to none. In some ways, the Dead North Film Festival is the only circumpolar film festival in the world that offers an excellent demonstration of the grit and determination that sets the North, and particularly the Northwest Territories film sector, apart.

Our government will continue to support the film sector, push the media arts as a viable career path, and lay the groundwork for more growth. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Ministers' statements. Item 3, Members' statements. Member for Frame Lake.

# Members' Statements

## Member's Statement on Arctic and Northern Policy Framework

**MR. O'REILLY:** Merci, Monsieur le President. On December 20, 2016, the Prime Minister announced that a new Arctic Policy Framework would be co-developed in collaboration with Indigenous, territorial, and provincial partners to replace the 2010 statement on Canada's Arctic Foreign Policy. The framework is also to be informed by Mary Simon's report from the Shared Arctic Leadership Model Engagement. Our Premier sent out the latest draft of what is now known as the Arctic and Northern Policy Framework to selected stakeholders with a request for comments by February 28th. I commend the Premier for continuing to seek input in the development of this document, which will guide federal investment in the Canadian North for at least the next several years.

Last week MLAs received a submission by Alternatives North, and I will table that letter later today. Alternatives North noticed a significant difference between the introductory chapter and the NWT chapter in the document in terms of priorities. The introductory chapter starts with a focus on resilient and healthy people before moving on to issues related to infrastructure, economy, and environment. In contrast, the NWT chapters focused on large infrastructure projects and continued non-renewable resource development. The NWT chapter focuses on sustainable growth rather than sustainable development, and, Mr. Speaker, there is a big difference.

The NWT chapter is economically pessimistic rather than acknowledging that the diamond mines are coming to the end of their natural life and that we need to diversify our economy. The chapter correctly notes that nearly 50 percent of diamond mining jobs are filled by people from outside the Northwest Territories.

The GNWT has failed to find ways to fairly distribute mining benefits across the NWT and across generations. We have seen more than $30 billion worth of diamonds produced and exported while our Heritage Fund is only about $17 million. The NWT chapter fails to provide any alternatives and, in fact, suggests more of the same, with subsidies for further resource extraction and mega projects that will take money away from community development and diversification. Strategies to seize and develop available sustainable opportunities, especially in the knowledge economy, with the prospect of a polytechnic university for the Northwest Territories, and the conservation economy, with opportunities such as Thaidene Nene, have largely been ignored.

I will have questions later today for the Premier. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Hay River North.

## Member's Statement on Hay River Chamber of Commerce Gala Award Recipients – Randal West-Pratt and Paul Delorey

**MR. SIMPSON:** Thank you, Mr. Speaker. This past Saturday the Hay River Chamber of Commerce held its annual gala. As always, it was a great event. The room was beautifully decorated, the food was delicious, and the service was top-notch. The theme was "A Night of Elvis," and yes, Mr. Speaker, attendees were treated to performances by the winner of the world's largest Elvis festival.

The chamber also used the gala as an opportunity to recognize the contributions of some local residents by presenting two awards. I had the honour of presenting the first award, Customer Service of the Year, to Mr. Randal West-Pratt.

Mr. West-Pratt is the manager of Tri R Recycling Depot, warehouse and storage in Hay River, whose positive attitude has created an upbeat and happy workplace. He is eager to help each and every customer and is always present in his communications, offering kind words, direction, and support. He is always willing to lend a hand to coworkers, customers, and even strangers.

This willingness extends beyond his occupation, as demonstrated by his extensive volunteer work with organizations such as the Arctic Winter Games, the Hay River Museum Society, the Elks Club, and with the residents of supported living services. Regardless of whether he is at work or volunteering, each interaction receives his full attention, warm smile, and generous spirit.

Mr. Speaker, the second award of the night was for Citizen of the Year. This went to a man who is well-known in this House, Mr. Paul Delorey. Over the last five decades, Mr. Delorey has spent an incalculable number of hours contributing to his community. His volunteer service in Hay River began in the 1970s with the Royal Canadian Legion, where he spent time fundraising and writing various programs. In the 1980s, he joined the Knights of Columbus and ended up serving in most of the organization's positions. That's where he dreamt up the now infamous "Lobster Do," which kicked off in 1987 with 85 attendees. Thirty years later, the event is still going strong. It now draws 700 attendees, has raised hundreds of thousands of dollars for the community, and has brought thousands of people together to celebrate friendships and bond of community.

He was also the mastermind behind Hay River's Chase the Case fundraiser that raised $700,000 and ensured a stable future for the Hay River Curling Club. Mr. Speaker, I speak unanimous consent to conclude my statement.

---Unanimous consent granted

**MR. SIMPSON:** Of course, Mr. Speaker, we can't talk about Paul Delorey without talking about curling. He has been a prominent volunteer with the curling club for decades, and, during that time, he has done it all. He has been a coach for nearly 40 years and has led countless curlers, primarily youth, in many events, including the Arctic Winter Games, the Canada Winter Games, the junior nationals, the Tournament of Hearts, and more. For his efforts, he was nominated and selected to become a member of the prestigious Governor General's Curling Club and in 2014 was a runner-up for the Canadian Curling Association volunteer of the year.

Beyond his contributions, of which I have only named a few, Mr. Speaker, the citizen of the year award also recognizes the intangible qualities that Mr. Delorey displays every day: an appreciation for community, patience, understanding, hard work, and dedication.

I ask the House to please join me in congratulating both Mr. Randy West-Pratt and Mr. Paul Delorey. Thank you, Mr. Speaker.

**MR. SPEAKER:** Colleagues, I would like to draw your attention to visitors in the gallery with us here today. We have with us the grade four class from Ecole Allain St-Cyr. Thank you for joining us today. Members' statements. Member for Nahendeh.

## Member's Statement on Fort Simpson Territorial Park Interpretive Storytelling Area

**MR. THOMPSON:** Thank you, Mr. Speaker. I want to celebrate a very impressive addition to the Fort Simpson Territorial Park. In previous years at the park, Deh Cho ITI parks division heard concerns that the area around the kitchen facility did not have a gathering area where guests could meet and socialize. The manager of tourism and parks, ITI, attended to this concern by developing a vision with a community manufacturer, PR Contracting. After developing the vision, PR Contracting worked on a fire pit design that would depict Deh Cho wildlife while also including a seating and gathering arrangement.

Once the design was agreed upon, the project was well under way, and, as evidenced, the workmanship and the final products were outstanding.

On June 1, 2018, as part of Tourism Week, the Fort Simpson Visitor Information Centre along with ITI and the territorial parks held an open day for the park season, showcasing this new addition to the park. This event brought together more than 50 tourists, local children, and adults for an evening of food, storytelling, and friendship. The group connected through conversation and food around the newly unveiled fire pit with the seating and gathering area.

Mr. Speaker, the department was able to invite a local elder, Bob Norwegian, to come and partake in the celebration and the official unveiling of one of the new additions to Fort Simpson Territorial Park. He shared some of the history around Fort Simpson and surrounding areas and stories of his ancestors, who have been in the area for more than 600 years.

After the stories, more food was shared throughout the group. As a way to say thank you to everyone who participated, a river tour for two was raffled off, with a local resident claiming the prize. This is an excellent opportunity for community connection through tourism.

Mr. Speaker, this past season, this project and the new addition was very popular for the park. Throughout the summer, the facility was well-utilized by multiple groups, such as Parks Canada, ITI parks events, VIC interpretation program, Nahanni tourism companies, tourism, tourists, and community members.

I would like to thank the Deh Cho regional staff from the department as well as PR Contracting for developing this new addition to our community. Thank you for a job well done, and much appreciated. We will enjoy the use of it this summer. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Yellowknife North.

## Member's Statement on Stewardship of the Environment

**MR. VANTHUYNE:** Thank you, Mr. Speaker. In the 18th Assembly, we have made progress in a number of important mandate areas. We have moved forward in resource development, health, education, progress on housing. Our residents count on these investments to make their lives better and to allow families and communities to grow and flourish, so it's important not to lose the big picture because, no matter what grade you are in in school, what you do for a living, or the condo, cabin, or shack you live in, you must have fresh air you can breathe and clean water you can drink, Mr. Speaker.

That is why I am troubled that, over the course of this Assembly, there have been systemic reductions in the Department of Environment and Natural Resources. This is the fourth year in a row of planned cuts to the department, with a reduction of 10 percent of its budget in the past three years.

This amounts to cuts in service, plain and simple, Mr. Speaker; less money in environmental protection, less support for community-based climate-change monitoring, significantly less on water quality. In general, we are investing less in science and knowledge about our own lands and waters than we were three years ago.

Mr. Speaker, right now more than ever, we are feeling the impacts of the changing world. Climate change is affecting everything. Our roads, shorelines, water levels, fire seasons are in flux. Caribou herds are in crisis. Now is not the time for us to be less committed to science and knowledge. Now is the time for us to invest in that research, in expanding our capacity by knowing more and being better prepared for the changing world.

Mr. Speaker, the tradition of our territory is written by the Indigenous ancestors who coexisted with this environment for many generations. They were and remain stewards of a healthy land that supported and sustained their civilization over many thousands of years. Now, in the 21st century, I believe ENR should be using all available tools to continue that stewardship of a sustainable, healthy environment.

Yes, we can support flourishing, healthy families living in thriving, empowered communities, but, Mr. Speaker, now is not the time for short-sightedness. We need investment in critical knowledge. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Sahtu.

## Member's Statement on Fraser Institute Annual Survey of Mining and Exploration Companies, 2018

**MR. MCNEELY:** Thank you, Mr. Speaker. On February 28, 2019, the Fraser Institute released a 2018 annual survey of mining and exploration companies. The survey is an attempt to assess how mineral endowment and public policy factors such as taxation and regulatory uncertainty affect exploration investments.

Mr. Speaker, the GNWT Industry, Tourism and Investment Department developed the mineral development strategy, which I must say is bearing evidence of results, which we know take some time, productive time, for Indigenous collaboration, industry marketing presentations, advertisement campaigns, capital investments for geology core sample inventory. Bearing results are now shown from the Fraser Institute news release. The NWT is the 10th most desirable mining investment spot on the planet and ranked fourth in mineral potential worldwide. This is improved from the 21st position held last year.

Mr. Speaker, an overall Investment Attractiveness Index is constructed by combining the Best Practices Mineral Potential index, which rates Geology and Policy Perception index, principles of a survey that has placed the NWT jurisdiction in the global investors community. I am confident this recognition will be maintained and exceeded by the department staff and inserted in our 18th Assembly mandate reports.

Mr. Speaker, historically, the mining industry held significant landholdings in the Sahtu, a land area covering 16 percent of the territory. On diversification through essential resource development planning, later, Mr. Speaker, I will have questions for the Minister of ITI. Mahsi.

**MR. SPEAKER:** Masi. Members' statements. Member for Yellowknife Centre.

## Member's Statement on Northwest Territories Living Wage

**MS. GREEN:** Mahsi, Mr. Speaker. The social justice organization Alternatives North just released its updated calculation of the living wage required by families in Yellowknife, and, for the first time, there are calculations of the living wage for Hay River and Inuvik, as well.

The living wage is calculated using a national framework to ensure results are consistent among jurisdictions and over time. The calculation is for the most common family type, two parents working full-time, one child in childcare full-time, and one in elementary school.

Mr. Speaker, the principle of the living wage is that, if you are working full-time, you can afford to pay for the basics. Some people in this House like to say, "The best social program is a job." That is fine, but the job has to pay for accommodation, childcare, food, clothing, and transportation. People working full-time should not need handouts from food banks or subsidized rent.

The analysis released today quantifies the wages required to pay for the basics. Each parent in the Yellowknife family of four has to earn $23.95 per hour; in Hay River, $24.75; and in Inuvik, $23.78. In terms of annual income, that means the two working parents in Yellowknife together need to make $87,500; in Hay River, $90,000; and in Inuvik, $85,000. The number for Inuvik may surprise some people, but it accounts for the fact that two thirds of the population is Indigenous, and they have access to programs non-Indigenous families can't access, such as non-insured health benefits.

Mr. Speaker, what is the government doing to combat the rising cost of living? The government has not provided any new relief for the largest expenses in this budget, accommodation and childcare. In the meantime, there has been an increase of fees and taxes that apply across the board. It is my firm belief that no one who works full-time should be living in poverty. Government needs to figure out how to be part of the solution instead of part of the problem when it comes to stretching the budgets of low income families. I'll have questions for the Minister of Education, Culture and Employment. Mahsi.

**MR. SPEAKER:** Members' statements. Member for Nunakput

## Member's Statement on Sachs Harbour Power Generation

**MR. NAKIMAYAK:** Thank you, Mr. Speaker. It is very welcome news that the new power plant will be constructed in Sachs Harbour. My hope is that this will be a first step to reduce the cost of electricity for residents in the community and, of course, a cleaner source of energy.

Mr. Speaker, the current power plant is 43 years old, so there's plenty of room for improvement and modernization. I think we can expect a new 6-kilowatt plant to be more reliable when it goes into service in 2020.

The new plant is expected to reduce greenhouse gas emissions from the power plant by 283 tonnes per year and improve fuel efficiency by 18 percent. It will not save the world from climate change, but it shows that the GNWT is doing their part in the North, Mr. Speaker, where the impact of climate change is the greatest.

There are also future benefits to be held from installing the new plant announced earlier this week. It is a much more flexible system that makes it easier to incorporate renewable energy.

Sachs Harbour has a lot of wind, and we know from experience with our previous turbine that wind power is viable in the community. It is just a matter of getting the technology up and running. In the long term, the plan is for 20 to 30 percent of the community's electricity to come from wind, but it could be more. The technology is certainly out there.

The first step of putting in the new plant will cost almost $10 million. About three quarters of the money is coming from Canada's Arctic Energy Fund, with the rest from the Government of the Northwest Territories. This kind of investment is really overdue across the Northwest Territories, especially in Nunakput.

Mr. Speaker, the cost of generating electricity in the region is very high, but we also have some of the best potential for wind generation in the Northwest Territories. In time, we hope to see more of these systems sprouting up in every community in Nunakput. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Kam Lake.

## Member's Statement on Community Empowerment to Address Housing Issues

**MR. TESTART:** Thank you, Mr. Speaker. Today I awoke to a story in the news that I believe many of us have seen, a Colville Lake man who is taking housing into his own hands. As a trapper, he spends much of his time on the land. I have no doubts that his hard work and innovation will see him through the process and challenges of getting his dream home built.

I want to commend this man and all those like him who are the embodiment of northern self-reliance, tackling the problems our communities face with grit and determination. This should be an inspiration to all of us.

Mr. Speaker, it was reported in the article that the feelings and sentiments expressed in the community of Colville Lake are that "the best way for them to live in their home communities amidst the housing shortage is by building their own homes." Well, that is not an option for all. I am inspired by this man's story, and I truly wish him and the community of Colville Lake all the best as they work to solve the challenges of community housing.

Mr. Speaker, housing problems are by no means new to this territory. Northerners know the tragic state of disrepair of many of our dwellings in the NWT. In Yellowknife, we know that the affordability issues can place housing solutions out of reach for many people and their families. This is a tough problem, and there is no doubt about that. What will work in Yellowknife, Hay River, or Inuvik will not likely be a good fit for our smaller communities.

Mr. Speaker, I was happy to read that the NWT Housing Corporation is working with community builders to advance their own housing projects, and I want to commend this government for its continued investment in public housing. What's clear, though, is that money alone will not solve this challenge. We need to empower Northerners to build their own homes, work with the private sector to pursue innovation outside government initiatives and government funding, and work with all Northerners who have creative and innovative solutions to solve these challenges.

Mr. Speaker, housing needs to remain one of our top priorities as a public government. We need to ensure that we're caring for Northerners, because housing is fundamental and foundational to all other issues in life. You can see the social issues in the community relate to how many people have a lack of needed housing. So, I'd like to applaud this individual, and again, I'd like to commend the government for continuing to support housing and supporting this individual in particular. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Inuvik Boot Lake.

## Member's Statement on Birthday Wishes for Martha Moses

**HON. ALFRED MOSES:** Thank you, Mr. Speaker. As you know, elders play a very important, vital role in our communities. They have helped build this territory. They have given us a lot of experience, education, promoted our languages, our traditions, our culture throughout the North. Today I would like to recognize one particular elder, and I do hope she is watching, Mr. Speaker, and it's my mom. It's her 76th birthday today, and I want to wish my mom a very happy birthday, and hope Members can join me in wishing you a very happy birthday. Thank you, and happy birthday, Mom.

---Applause

**MR. SPEAKER:** Masi. Members' statements. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. Item 6, acknowledgments. Member for Nahendeh.

# Acknowledgements

## Acknowledgement 20-18(3): Frances and Violet Nahanni – 50th Wedding Anniversary

**MR. THOMPSON:** Thank you, Mr. Speaker. I'd like to recognize Francis and Violet Nahanni, who will be celebrating their 50th wedding anniversary today, March 6, 2019. Francis was originally from Jean Marie River and Violet was from Wrigley. They met in Fort Simpson while Violet was working at the hostel and Francis worked for the DPW. When they first dated, Francis would flash his lights at the end of the street and Violet would go out to meet him and they would go to see a movie. They are strong pillars of the community and the region. They have two children, Glen and Valerie, and seven grandchildren. They are both great role models for all of us. I would like to congratulate them for this huge milestone. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Acknowledgements. Item 7, oral questions. Member for Nunakput.

# Oral Questions

## Question 650-18(3): Sachs Harbour Power Generation

**MR. NAKIMAYAK:** Thank you, Mr. Speaker. Earlier I spoke about the announcement for the Sachs Harbour power plant, and my questions are for the Minister of Infrastructure. We have heard that the new power plant in Sachs Harbour will be much more efficient than the old one, but it seemed to mention a lower power rate. I'm not sure if the Minister can answer this, but what can the community expect in terms of savings? Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Infrastructure.

**HON. WALLY SCHUMANN:** Thank you, Mr. Speaker. As far as power rates go, that question probably would have to be directed to the Minister of the Power Corporation. One thing I can say about installing these new fuel-efficient engines in the community of Sachs Harbour is the documentation and data that I've received shows it's going to have an 18-percent improvement on expected GHG savings, which is going to be about 283 kilotonnes a year, and it's designed, this construction, as all Members know, we're doing a wind study in that region. It's going to be able to build that addition to the power system.

**MR. NAKIMAYAK:** That's all good news. Strong wind is a local resource in the community. I am looking forward to even more efficiency and a smaller carbon footprint. When can we expect an addition of a wind turbine or turbines in Sachs Harbour?

**HON. WALLY SCHUMANN:** We're working on our wind study there. All indications support the idea of us installing one in Sachs Harbour as well as Norman Wells. We are doing our wind study, as well. I think, once all the data is finished being collected along with this announcement that we see with the federal support for this new generator in Sachs Harbour, I suspect that procurement for the windmill would be within the next 24 months.

**MR. NAKIMAYAK:** When you have big announcements like that, and especially the one the Minister just mentioned, there is a chance to build capacity in the community, and I look forward to that. What is the government's plan to roll out more efficient power systems in Nunakput communities, including renewable energy components?

**HON. WALLY SCHUMANN:** If you look at our energy plan going forward, we have a three-year rolling plan that is continually being adjusted as new technologies and different communities put their energy plans forward to us. We work with all the communities in the Northwest Territories. As for the Member's exact question around his communities, a lot of that is going to depend on what type of community involvement they are going to want to be able to participate in some of these projects going forward. With the power purchase agreements, if the community looks at our strategy, there is an opportunity for them to be participants in this. We will work closely with the Member and his communities on how they want to be able to participate.

**MR. SPEAKER:** Masi. Oral questions. Member for Nunakput.

**MR. NAKIMAYAK:** Thank you, Mr. Speaker. I appreciate the Minister's commitment. Just on the last answer there, what is the timetable for upgrading electricity systems in Paulatuk, Ulukhaktok, and Tuktoyaktuk? Thank you, Mr. Speaker.

**HON. WALLY SCHUMANN:** I don't have that detailed information in front of me, but I can work with our Minister in charge of the MTPC and get that information to the Member. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Nahendeh.

## Question 651-18(3): Equity Leases

**MR. THOMPSON:** Thank you, Mr. Speaker. Previously, I was asking questions to the Minister responsible for Lands about equity leases and that. They were talking about positions and stuff like that. Can the Minister please advise us: have all the positions been filled at this point in time? Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Lands.

**HON. LOUIS SEBERT:** Thank you, Mr. Speaker. I am pleased to advise that all five positions have now been staffed. The final staffing process has been completed. The final person who was being put in the position will be starting shortly. All positions are now filled or about to be filled. Thank you.

**MR. THOMPSON:** That is great to hear, that the positions are filled. Previously, when the Minister was talking about the process and they were talking about training and having the positions located in Smith and then taking the training there, now these positions are located in various locations. Has the department started developing training plans for these positions?

**HON. LOUIS SEBERT:** I can advise that training has been ongoing. As these positions have become staffed, each of the people in the positions, of course, come with different skill sets and backgrounds. The training has been a combination of specific to the individual as well as training for the equity lease team. Of course, as I mentioned, training will be ongoing and will be adapted as issues emerge. Yes, training has been conducted and will be continued in the future.

**MR. THOMPSON:** That is great to hear. Since the training has started and is individualized, which is great, has the department and the staff started to work on reviewing these files?

**HON. LOUIS SEBERT:** Work is ongoing. The equity lease team will be reviewing the files to outline and identify the status of each file and the issues that may be involved. There may be issues such as survey requirements and so on. Yes, work has started and is ongoing.

**MR. SPEAKER:** Masi. Oral questions. Member for Nahendeh.

**MR. THOMPSON:** Thank you, Mr. Speaker. Again, I thank the Minister for that answer. I am very grateful that the department is still working towards that and we are getting to the bottom of this issue. Can the Minister advise us when they anticipate the work will be completed with these files? Thank you, Mr. Speaker.

**HON. LOUIS SEBERT:** Of course, the work is ongoing and will proceed in stages. In the settled land-claim regions, work has begun. Of course, I anticipate that that work will be less complicated than in the unsettled land-claim regions. In those regions, of course, there will have to be consultation. I am talking about the unsettled land-claim regions. There will have to be consultation with Indigenous governments. As to when the work might be completed, that is obviously going to take some time. It is not as though all these leases are the same. They are not all different, but there are certainly variations amongst the leases. I can't give a final time for this work to be completed. I know how important it is, and I certainly would be prepared to advise the Member opposite as to progress. I realize, as I said, this is an important issue. We are moving ahead. Thank you.

**MR. SPEAKER:** Masi. Oral questions. Member for Sahtu.

## Question 652-18(3): Mining Investments

**MR. MCNEELY:** Thank you, Mr. Speaker. Further to my statement to the Minister of ITI, could the Minister tell me why he thinks the perception of the NWT as a place to invest in mining improved so much since the last year's Fraser Institute survey? Mahsi.

**MR. SPEAKER:** Masi. Minister of Industry, Tourism and Investment.

**HON. WALLY SCHUMANN:** Thank you, Mr. Speaker. First of all, I think it is quite clear that the message that we have been putting out there to the global industry is getting through to them. We have participated in a number of events the last number of years and got in front of a number of people. We put the message out there that we have a world-leading jurisdiction with extraordinary mineral potential, we have great Indigenous participating around the mining industry, and we have the history getting some of these responsible projects off the ground.

At the same time, I think that the message is getting out there, as well, because one of the big topics of conversation when we are talking to these people is our infrastructure deficit. You can clearly see that, with our engagement with the federal government, we have been successful lately in securing some funding to look towards securing these projects. Thank you, Mr. Speaker.

**MR. MCNEELY:** Thanks to the Minister for that answer. I think it is clear that Indigenous participation and collaboration are important, particularly in the Sahtu. We have a settled area. What can the Minister tell me about how this is being advanced under the mineral development strategy?

**HON. WALLY SCHUMANN:** The mineral development strategy recognizes the importance of preparing Indigenous governments and communities to capitalize on mining exploration. That is well said and done. At the corporate and political leadership level, we have been working with our client-service relations unit, which has done a great job engaging with communities and Indigenous governments and facilitating their participation at events like roundup, PDAC, the NWT geoscience forum that we participate in. Those are some of the things that the department is working very closely on with the Indigenous people and community relations unit. They are doing a great job. They are pretty much our boots on the ground. We also have our other initiative, which is REDI, which travels around the Northwest Territories to give the community a better understanding of the mining and resource development and public education outreach for residents of the Northwest Territories.

**MR. MCNEELY:** As the Minister knows, there is an interested party, an interested company pursuing exploration. When I checked with the agency, the Sahtu Land and Water Board, they are pursuing permits accordingly. My third question is: what kinds of things has the government done as part of the mineral development strategy to increase exploration in the Sahtu and/or the NWT as a whole?

**HON. WALLY SCHUMANN:** I think probably one of the best things that we have done was the MIP program, the Mining Incentive Program. We have allocated some money there, and we thank the Members for helping us increase that for our department. We have $1 million there now for each year to put toward promising exploration projects and prospectors across the Northwest Territories. I can say that we have actually leveraged quite a bit of capital on that. It has leveraged $8.82 million in spending over a $2-million investment for the first four years of this program. In fact, in the Member's riding, Evrim Resources, which he asked me about in the House here a couple of weeks ago, are one of the people that actually leveraged that and found one of the best global gold explorations in the Sahtu last year.

**MR. SPEAKER:** Masi. Oral questions. Member for Sahtu.

**MR. MCNEELY:** Thank you, Mr. Speaker, and thanks for that reply there. My last question to the Minister is: what opportunities does the Minister see on the horizon for the Sahtu, and how can the Mineral Development Strategy support that? Thank you, Mr. Speaker.

**HON. WALLY SCHUMANN:** As I have said, the Evrim Resources project is an exciting one. That was supported by the strategy and the incentives that we supplied through the MIP program. There are also people like Danny Yakeleya, who is in his riding, who has been successful with some gold prospecting efforts that he has done up in that area, and he has also accessed some prospector training and funding through our program, as well. The other one that we are working on to market is the Cantung project. Along with the federal government, we don't just want to get our money back from this project; we want to be able to lay the foundation for good-paying jobs for residents of the Northwest Territories and opportunities for people in the Member's riding. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Yellowknife North.

## Question 653-18(3): Reductions to Environment and Natural Resources Budget and Caribou Protection

**MR. VANTHUYNE:** Thank you, Mr. Speaker. In my statement today I outlined and shared my concerns with cuts to ENR's budget. I would like to just start by asking the Minister of Environment and Natural Resources whether these cuts have impacted our ability to react to and mitigate the effects of climate change. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Environment and Natural Resources.

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. When we went through the reduction exercise of a couple of years ago, the department felt that they were able to continue to do the high-quality work that they do with the budget that they have. We have been fortunate that we have been able to tap into a lot of federal money that has been coming forward, allowing us to keep doing the work that we do. We are through the reduction exercise and, as we move forward and the departments start coming forward with some new initiatives, I am sure that the department will look at this as an opportunity to refocus and gear the new initiatives more toward climate change and the mitigation and the adaptation to it. Thank you, Mr. Speaker.

**MR. VANTHUYNE:** Thank you to the Minister for the reply. Many Northerners are genuinely concerned that we are not investing enough in the caribou, that the department absolutely needs to do more. With the recent announcement with regard to the Tlicho all-season road, I would like to know: can the Minister tell us what the government is planning to do to ensure that the boreal caribou are protected and are going to thrive again?

**HON. ROBERT MCLEOD:** In discussions with a lot of our Aboriginal partners, we understand their concern with the caribou and the caribou numbers and the work that has gone on with them. I know that we are close to finalizing an agreement with the federal government on section 11 funding, and the plan is that we are hoping that we are in the position to make an announcement during this session. I am sure that Members will be pleased with the announcement when it does come out.

**MR. VANTHUYNE:** Thank you to the Minister for the reply. We are obviously going to look forward to hearing the announcement. Of greater concern to the residents of Yellowknife North, and in particular in the North Slave region, is the decline of the barren-ground caribou. Similar to the last question, can the Minister tell this Assembly what we are doing to ensure that the caribou population of the Barren Grounds will rebound?

**HON. ROBERT MCLEOD:** In our discussions, again, with our Aboriginal partners and hearing from people across the Northwest Territories, they are very concerned with the declining caribou numbers. I think that we shared the numbers with you, especially on the barren-ground caribou, where the numbers dropped dramatically. Building on those discussions, I have actually directed the department to develop a plan to improve our monitoring, develop and implement mitigation plans, involve our Aboriginal partners, and improve the science related to the barren-ground caribou herds that are currently facing population challenges in the NWT. As we get close to finalizing the plan, I will be sharing it with committee, get some input from committee and, if needed, come forward with a supplementary appropriation.

I have directed the department to do a lot of work on this, because it is something that we have heard from the folks during our tour of the Tlicho, for example, and their concerns. We thought that we needed to start making some significant investment into the protection of the caribou herd.

**MR. SPEAKER:** Masi. Oral questions. Member for Yellowknife North.

**MR. VANTHUYNE:** Thank you, Mr. Speaker. Thank you to the Minister for his reply. The Minister didn't mention this, but we are aware that the department has also put out, recently, an incentive with regard to hunting and trapping wolves in an effort to also have some positive impacts on rebounding of the caribou, but there have been some concerns shared with regard to that particular program. Some folks are fearful that this is going to have a stream of inexperienced hunters start to line up to go out trying to hunt wolves. That may even result in some public safety issues. I am wondering: can the Minister share with us what the wolf incentive program is entailing, and has the Minister given any consideration to the concerns that folks have been raising? Thank you, Mr. Speaker.

**HON. ROBERT MCLEOD:** In going back to the tour that we had through the Tlicho, we spoke to a number of elders there, and these are folks who have lived amongst the caribou their whole life. They provided us with some insight, wolves being some of the main predators of the caribou herd.

I have read the story, as well, where we have somebody from basically outside the country telling us that our program is not going to be effective, and somebody from southern Canada telling us that our program is not going to be effective, but I am listening to those who have a Master's degree in the environment, who have lived amongst caribou and wolves their whole life. Those are the ones whom we listened to, and those are the ones whom we should listen to. They were telling us that the wolves were a problem, so we have come forward with the wolf incentive.

We have our folks who are actually out in the area. They are monitoring the hunters who are going out, making sure that nobody actually brings wolves into the area and says that they shot them there. We are monitoring quite closely. As far as inexperienced hunters go, it is a significant distance that they have to go, and I think that the more experienced, well-qualified hunters will be out there. We have heard from hunters that it has been a good incentive for them to go and get the wolves, as well. Again, it goes back to listening to what the elders are telling us throughout the Tlicho. They have told us that wolves are a problem, they would like to see that addressed, and we have listened to them. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Yellowknife Centre.

## Question 654-18(3): Living Wage and Northwest Territories Child Benefit

**MS. GREEN:** Mahsi, Mr. Speaker. My questions are for the Minister of Education, Culture and Employment, and they concern the living wage, and particularly the NWT Child Benefit. What we know from the most recent calculation, which was the same as 2017, is that this reference family of two adults and two children would not qualify for the NWT Child Benefit. My first question for the Minister is: how was the threshold for the NWT Child Benefit set? Thank you.

**MR. SPEAKER:** Masi. Minister of Education, Culture and Employment.

**HON. CAROLINE COCHRANE:** Thank you, Mr. Speaker. I have just taken over the portfolio for Education, Culture and Employment in April. I do not know how the income threshold was developed for the child benefit. I will have to get back to the Member with an answer on how that income threshold was developed and defined.

**MS. GREEN:** I appreciate the Minister's willingness to find that information. I hope she will be able to answer the next question, which is whether the thresholds can be changed, and what effort would it take to change them and raise them?

**HON. CAROLINE COCHRANE:** I would like to think that all thresholds can be changed and negotiated. I know that it's a partnership with the federal government, so I will have to check out on how that works, if we define the threshold or if the federal government defines the threshold. However, as stated yesterday, we are in a complete review of our income support. I believe, when we are doing that process, then it makes sense to look at our NWT child benefit, as well, so I will look into that as soon as this session is finished.

**MS. GREEN:** I appreciate the Minister trying to answer that question, as well. I also wonder, as well as adjusting the threshold, whether the child benefit thresholds could be sensitive by region to higher-cost-of-living situations and lower-cost-of-living situations? Would it be possible to target the thresholds in that way, by region?

**HON. CAROLINE COCHRANE:** I do know that I will look into that, as well. I can't say if the Child Tax Benefit is defined by regions, but I know that most of our programs are defined by regions. Income support, we just did a review of the regions, and, like I said, we are doing a complete review of that program as soon as this session is finished. Any income that we can provide better to parents, my understanding or my interpretation is that anything we can do to support parents is the best thing we can do and is the best thing we should be doing. My commitment is that I will be looking at all services that we provide to parents within the control of Education, Culture and Employment and doing as comprehensive a review as possible, with the goal of supporting parents.

**MR. SPEAKER:** Masi. Oral questions. Member for Yellowknife Centre.

**MS. GREEN:** Mahsi, Mr. Speaker. The Minister and I share the same goal of assisting parents to help their children grow up with everything that they need in terms of food, accommodation, and so on, so that the poverty cycle is broken, especially by people who are working full-time. My final question here, and likely for the same answer, I realize, is whether the NWT child benefit could be indexed to inflation. The federal government recently took that step with the Canada child benefit, and it means, of course, that the benefit retains its value. That is an important feature, so can the Minister also look into that?

**HON. CAROLINE COCHRANE:** I will make a commitment to look into that, as well. I do want to state, though, that sometimes, if there are questions that are really specific, it does help if the Ministers kind of get a heads-up. You don't have to even give me the actual questions, but, if you can, tell me the topic because that does give me an indication of what I should be looking for. The NWT child benefit is one that I am not as versed in because that is a partnership with the federal government and therefore it's a set rate, but I will commit to looking into it. I have more authority over my income support programs and my childcare programs. Always, though, if they are direct questions on a specific topic, it's always better to give the Minister a heads-up. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Frame Lake.

## Question 655-18(3): Arctic and Northern Policy Framework

**MR. O'REILLY:** Merci, Monsieur le President. I did take the Minister's advice and give the Minister a heads-up about the questions I am going to ask today. In my statement, I raised some questions and points about the Arctic and Northern Policy Framework. Can the Premier provide an update on the status of his involvement in this federal policy? Mahsi, Mr. Speaker.

**MR. SPEAKER:** Masi. The Honourable Premier.

**HON. BOB MCLEOD:** Thank you, Mr. Speaker, and I thank the Member for giving me advance notice of his line of questioning. In this case, the federal government has not provided any updates on the validation document or the timelines for the release of the Arctic and Northern Policy Framework as a whole. We have asked for clarification, but have heard only that the final document will likely be ready in May of 2019.

**MR. O'REILLY:** I want to thank the Premier for that information. All MLAs received a copy of the submission from Alternatives North on the latest draft of the Arctic and Northern Policy Framework. Can the Premier confirm what other submissions have been received and how he intends to share them with MLAs and the general public while incorporating that input into the final speaker?

**HON. BOB MCLEOD:** I have received comments from the standing committee, both during a briefing on February 28th or 26th and in written correspondence from the committee. I have also received input from stakeholders since the briefing. Further comments are expected this week from Indigenous governments and also francophone organizations, which receive the translated document later than other stakeholders, primarily due to translation. The comments will be incorporated into the document over the next week and shared with Indigenous governments, standing committee, and stakeholders.

**MR. O'REILLY:** I want to thank the Premier for that commitment to share that correspondence with standing committee. I look forward to seeing that. The introductory chapter of the Arctic and Northern Policy Framework starts with "healthy and resilient people" and then has a focus on sustainability. The NWT chapter, though, starts with mega projects and more non-renewable resource developments. Can the Premier explain why there is not a better balance in the NWT chapter, with some coverage of the potential of the conservation economy and the knowledge economy?

**HON. BOB MCLEOD:** I don't believe there is imbalance, but, as I said, we will see what Indigenous governments and stakeholders have to say. Committee has provided positive feedback in this regard, and this is currently being considered, and we will take feedback and develop another draft and share that draft with Indigenous governments, standing committee, and stakeholders. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Frame Lake.

**MR. O'REILLY:** Merci, Monsieur le President. I want to thank the Premier for that commitment to share the next draft or version with standing committee, as well, and I look forward to the opportunity to provide further comments. However, on the face of it, the NWT chapter looks a lot like the pan-territorial vision for sustainable development, and that was just developed by the three northern premiers, without any public input. So can the Premier explain what's happening in terms of collaboration with Indigenous governments and the governments of Yukon and Nunavut to develop a balanced, forward-looking Arctic and Northern Policy Framework?

**HON. BOB MCLEOD:** The Government of the Northwest Territories has held engagements for the development of the Northwest Territories-specific chapter in January of 2018 and has been working with Northwest Territories Indigenous governments through the intergovernmental council. In February of 2019 we shared a draft Northwest Territories chapter with Indigenous governments and the territory. At the same time, we are working on a pan-territorial [chapeau] with the governments of Yukon and Nunavut and will share that document with standing committee once a consensus between the territorial governments is reached. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Item 8, written questions. Item 9, returns to written questions. Item 10, replies to Commissioner's opening address. Item 11, petitions. Item 12, reports of standing and special committees. Item 13, reports of committees on the review of bills. Item 14, tabling of documents. Member for Frame Lake.

# Tabling of Documents

## Document 374-18(3): Letter dated February 28, 2019, from Alternatives North regarding the Arctic and Northern Policy Framework

**MR. O'REILLY:** Merci, Monsieur le President. I would like to table the following document. It's a letter from Alternatives North to the Premier, with comments regarding the Arctic and Northern Policy Framework document dated February 28, 2019. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Masi. Tabling of documents. Item 15, notices of motion. Item 16, notices of motion for first reading of bills. Minister of Environment and Natural Resources.

# Notices of Motion for First Reading of Bills

## Bill 44: Forest Act

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. I give notice that, on Friday, March 8, 2019, I will move that Bill 44, Forest Act, be read for the first time. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Notices of motion for first reading of bills. Minister of Justice.

## Bill 45: Corrections Act

**HON. LOUIS SEBERT:** Mr. Speaker, I give notice that, on Friday, March 8, 2019, I will move that Bill 45, Corrections Act, be read for the first time. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Notices of motion for first reading of bills. Item 17, motions. Item 18, first reading of bills. Item 19, second reading of bills. Item 20, consideration in Committee of the Whole of bills and other matters: Bill 26, Statistics Act; Bill 31, Northwest Territories 911 Act; Committee Report 12-18(3), Standing Committee on Government Operations Report on the Review of the 2018 Report of the Auditor General of Canada on Northwest Territories Child and Family Services; Committee Report 13-18(3), Standing Committee on Government Operations Report on the Review of Bill 31: Northwest Territories 911 Act; Minister's Statement 131-18(3), Sessional Statement 44; Minister's Statement 151-18(3), New Federal Infrastructure Agreement; Minister's Statement 158-18(3), Developments in Early Childhood Programs and Services; and Tabled Document 322-18(3), Main Estimates, 2019-2020. By the authority given to me as Speaker by Motion 7-18(3), I hereby authorize that the House will sit beyond the daily hour of adjournment to consider the business before the House, with the Member for Hay River North in the chair.

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

**CHAIRPERSON (Mr. Simpson):** I will call Committee of the Whole to order. What is the wish of committee? Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. Committee would like to consider Tabled Document 322-18(3), Main Estimates 2019-2020, with the Department of Environment and Natural Resources and the Department of Finance as the items under consideration by committee. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you committee. We will consider the document after a brief recess.

---SHORT RECESS

**CHAIRPERSON (Mr. Simpson):** I will now call Committee of the Whole back to order. Committee, we have agreed to consider Tabled Document 322-18(3), Main Estimates 2019-2020, the Department of Environment and Natural Resources, followed by the Department of Finance. To begin with the Department of Environment and Natural Resources, I will turn to the Minister for any opening comments. Minister McLeod.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. I am here today to present the 2019-2020 Main Estimates for the Department of Environment and Natural Resources.

Overall, the department's estimates propose a decrease of $1.329 million, or 1.5 percent, compared to the 2018-2019 Main Estimates.

Highlights of the proposed estimates for the department include the following:

* new forced-growth funding of $381,000, which includes a term position to meet the government's commitments related to the environmental assessment of the Inuvik to Tuktoyaktuk Highway; and
* new initiative funding of $540,000, which includes resources to implement the 2030 NWT Climate Change Strategic Framework.

These estimates continue to support the priorities and mandate of the Government of the Northwest Territories by:

* improving coordination and effectiveness in resources management systems, recognizing traditional knowledge, land claim agreements, and devolution;
* mitigating and adapting to climate change in collaboration with other governments, businesses, and non-government organizations;
* continuing action on conservation planning, which includes finalizing and implementing existing Candidate Protected Areas and using made-in-the-North approaches to new protected areas, such as Thaidene Nene, Ramparts, and Dinaga Wek'ehodi;
* the department also continues to work with the federal government and co-management partners to develop a new and ambitious suite of tools to research, monitor, and manage range planning in support of conservation of barren-ground and boreal caribou in the NWT;
* ENR continues to conduct and support environmental monitoring and research in the NWT to ensure informed decision-making in resource management and improve our understanding of cumulative impacts on our ecosystems;
* continuing to work with partners to identify opportunities for country food programming, fur harvesting, and traditional knowledge promotion as part of our commitment to promoting initiatives that foster and support sustainable on-the-land livelihoods for residents of the NWT; and
* development of the Water Stewardship Strategy Action Plan, including the implementation of trans-boundary agreements with Alberta and British Columbia, Yukon, and negotiations towards establishing an agreement with Saskatchewan.

That concludes my opening remarks, Mr. Chair. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. I understand that you have witnesses. Sergeant-at-Arms, please escort the witnesses into the chamber. Minister, you may take your seat at the witness table with them. Committee, the department begins on page 61 of the document. The departmental total can be found on page 65, but as always, we will consider the activities prior to voting on the total department. Minister, would you please introduce your witnesses for the record?

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. To my left, I have Dr. Joe Dragon, who is the deputy minister of Environment and Natural Resources. To my right, I have Mr. Dennis Marchiori, who is our director of Corporate Services with Environment and Natural Resources. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Welcome to the witnesses. Committee, the first activity begins on page 68, corporate management. Before we get started, I just want to ask that the committee members and the witnesses keep their questions, comments, and answers very pointed. I know that sometimes there are quite open-ended questions, and an answer can go on for forever. If we can just try to keep things tight and keep things moving, that would be greatly appreciated. Questions or comments from committee on corporate management? Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. The department, and the Minister said this in his opening remarks, is taking a cut again. This is the fourth year in a row. The department has lost 10 percent of its overall budget over that period of time. When I checked the Department of Finance website for the business plan, there is a list of the mandate items. Only five of 25 mandate items have been completed, and one of the ones that was marked as completed is the Centre of Excellence feasibility study, which hasn't even started, so I'm not sure how that made it in there.

Before the Minister says anything about me throwing the staff under the bus, that is not the case at all. I have worked with many of those staff for 20, 25 years. Great staff, but they are just not getting the resources that they need to get the job done. The lack of progress on the mandate items is probably the best example of that. Can the Minister explain briefly why the department is continuing to take a cut for the fourth year in a row? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. I am appreciative of the Member's support for our hard-working staff, who do a lot of good work over at ENR. I am glad he recognizes that, so I will say no more than that.

As far as the reductions go, initially, when we started the 18th Legislative Assembly, for the first two years departments were given a reduction target. Because some of the proposed reductions or revenue streams that ENR had initially proposed weren't where they should be, ENR had come back to the FMB and said that they may need to put off their reductions for one year. As Members recall, I said that there were going to be reductions for the first two years, I think, when we initially started the 18th Assembly. Some of these are residual effects, and some are because we had to reinstate some of the funding that the department had initially identified as part of their cost savings. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thank you, Mr. Chair. I take it from the Minister, then, that this is just a continuation of the reduction exercise and it is being spread out over a longer period of time with this department, which I think is a real shame.

I would like to ask the Minister a couple of very specific questions about corporate management, as well. The department has been developing five bills, and those are slowly making their way over into the House, and so on. Where did the resources come from to develop those bills? Did the Minister go to the Financial Management Board, or were they just found internally? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Marchiori.

**MR. MARCHIORI:** Thank you very much. The resources to develop those legislative initiatives were found internally within the department. We didn't go forward for any additional funding. That money was actually just taken from resources within Environment and Natural Resources. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I appreciate the response. Does the department have a rough figure for how much that has cost the department to date? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thanks, Mr. Chair. Going through the different acts, in terms of the specific numbers for each of the areas, we could come back with detailed information on each of the tables. As we went through the legislative initiatives, we had technical working groups that were formed, as well as stakeholder advisory groups that were formed. On the basis of that, we had a lot of money that was expended for that consultation with our Indigenous governments and organizations, and our stakeholders and non-profit organizations.

We could come back with very specific numbers for each of the legislative proposals, or a round figure that would say, here's how much we spent, but each identified were within this corporate management area within our Policy Legislation and Communications Division. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. My question was: I'd like a round figure, and if they can give that to me today, or make a commitment to provide it. I seem to recall a figure of $2 million, but can someone confirm that for me? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. We'll provide the round figure to the Member. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Can anybody tell me whether there's any funding in 2019-2020 for the development of communications materials related to these bills? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Marchiori.

**MR. MARCHIORI:** Thank you, Mr. Chair. Yes, there is going to be some communications material as it relates to these bills. Once the bills receive assent in the 18th Assembly, we'll have some public materials that will be provided. This way, individuals can see what the bills are and how they relate to themselves. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Yes, I appreciate that. I guess I was hoping for some communications materials before the bills actually receive assent. That might help the public understand what's being proposed. Are there any plans for doing any communications work before royal assent for these bills? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. We do plan on doing some communication to the public so they can understand. That's just a given. As far as a dollar figure, I don't have an exact dollar figure, but the money will be from within the $88 million that is appropriated for Environment and Natural Resources. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. That's good news, and I look forward to seeing that material. I think it would help the standing committee. There were four areas that have been cut within the overall departmental budget. There's a functional review that seems to have been carved out for $250,000, community-based monitoring and research of $375,000, science budget cut $15,000, and then the Fire Boss planes at $1 million. Can someone tell me about what this functional review is all about? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Yes, thank you, Mr. Chair. One of the things, I'll, first of all, go through the functional review. During the planning phase of the functional review, that was done in terms of 2016, so before I arrived in the department. So looking at that functional review, what I wanted to do was really get a sense of coming into the department, what was the reality? What was going through the various divisions, and where were the pressure points? What I ended up doing was I ended up contracting and having an operational review done, as well. Then I had two very strategic meetings with my senior management staff, where we talked about the operational and the functional review to determine whether or not these were appropriate reductions.

On the basis of that, what we ended up doing, and I must say as well what I did, I looked at the OAG report as well, because it came out at around the same time. So having the ability to see all of those recommendations, we ended up undertaking a reorganization within ENR and looking at moving some divisions around, moving staff so that it was more comparable in terms of staff complement per director. I think we've been able to do that. Really, when we look at the reduction, what we decided to do was, from the 250 departmental review, we decided to take $175,000 from corporate management, and that is reducing the $325,000 WSCC budget allocation to $150,000. For the last three fiscal years, we've had no expenses within that count.

This is a program that is for a traditional harvester who is actively engaged in hunting, fishing, trapping, and gathering for a livelihood, and at least 25 percent of the harvester's gross income must come through traditional harvesting. This includes any amount of value for traditional country food, as well. Trappers' claims are reviewed on a case-by-case basis, and as I said, we had no claims for the last three years, so we decided to take $150,000 from that, leaving an additional, what is that, that's $175,000 within the account, and then risk-manage that in the department depending on the year.

In addition, we looked at $75,000 being taken off in terms of environment stewardship and climate change, and that's a reduction in salary costs and other O and M. This is not fully funding an analyst position within one of the activities, and we feel that it could be adequately handled at the existing level. Those were where we came up with the $250,000 that was initially identified in 2016 as the departmental functional review. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Brief final comments, Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Yes, I appreciate the explanation of this functional review. As a result of the functional review, then, the department cut $250,000 out of its budget? Is that what happened with the functional review? Or why is this reduction being made? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. I note that the time has expired, so I'd like a brief response from the witnesses. Dr. Dragon.

**MR. DRAGON:** Thank you, Mr. Chair. That's correct.

**CHAIRPERSON (Mr. Simpson):** Thank you. Next, I have Mr. McNeely to corporate management. Mr. McNeely.

**MR. MCNEELY:** Thank you, Mr. Chair. In recognizing the statements made by the Minister here on the opening comments, and attending some of the previous meetings back home, is there a budget allowance here for, say, a multi-partnership workshop with the land corporations and the renewable resource councils to cover on a shared cost basis for various subjects, including caribou range planning conservation and the protected area in the Ramparts, and also taking into account traditional knowledge, progress, and other related issues? Country foods security, for example. Just a multi-subject, multi-organization, so rather than have individual meetings with individual plans, are there plans for one multiple-partner workshop? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. I directed the department after we've had some conversations with many of the Aboriginal partners on coming forward with a plan to take some initiative with the caribou issue. Part of that plan, I think, would be travelling to the regions and chatting with the different Aboriginal groups, and getting their input and coming up with a bit of a plan. That's how we want to deal with the caribou issue collaboratively. We've already mentioned the Tlicho, and hats off to the Tlicho. They showed tremendous leadership in trying to deal with the caribou issue. As far as the other initiatives that the Member spoke about, the exact dollar figure, I'm not sure of, but I'm sure we do have some initiatives that we're working on as far as the Ramparts go. I believe I touched on a couple of the Member's issues, but as we go forward now with some of the new initiatives, a lot of the issues that the Member has raised will be some that we would be taking a look at and moving those forward. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. McNeely.

**MR. MCNEELY:** Thank you, Mr. Chair. Are there allowances or resources available for a woodland caribou study on the west side of the Mackenzie in the Sahtu? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**MR. DRAGON:** Thank you, Mr. Chair. Yes. One of the initiatives that we're going to be working on and having to do with the section 11 agreement is looking at boreal caribou habitat and coming up with range plans. Strategically, we'll be looking across five different regions across the Northwest Territories and coming up with range plans. Those range plans will be in very strong collaboration with our Indigenous governments and organizations that we will be coming with and looking at doing strategically, starting in the southern part of the Northwest Territories and then moving our way up. We will definitely have the opportunity to be able to work with Indigenous governments and organizations in the Sahtu on that specific herd. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Next, I have Mr. Blake.

**MR. BLAKE:** Thank you, Mr. Chair. Just under the Fur Price Program, it is a great initiative. I think we are one of the leaders in the country that offer this program to trappers. I would just like to see this continue over the years. I have heard, in the Yukon, people struggle there because they have to basically wait until the auction, until they get paid. This is a great incentive for our trappers to get an advance. That way, they can get back out on the land. I just want to ensure that that program will continue without any deductions. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. I appreciate the Member's comments. I believe we do have the best support for our harvesters in the whole country. I can assure the Member that there are no plans for any reductions to this particular program. We know how much it is valued by trappers out there. We have heard from them personally. As the Member has said, it gives them the opportunity to get a fur advance and then wait for the actual fur auction itself. It is a great program. It is one that is well appreciated and well subscribed to. We are going to continue to keep that program going. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Blake.

**MR. BLAKE:** Thank you. Next, under the Community Harvesters Assistance Program, I see a slight reduction since 2017-2018. This program struggles in larger communities, for example, Fort McPherson and Aklavik, with larger numbers. I know in McPherson, for example, we have over 50 applicants every year. By the time you get that many applicants, it is not very much that these people get to go out on the land to help with gas. The main thing is gas for people to get out and travel on the land. It would be nice if we could actually get an increase because, if you speak to the communities, it is pretty clear that they don't have enough funding to help everyone who is in the communities. It is available to everyone, this fund. It is not only land-claim organizations. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. This is a very well-used program, as the Member mentioned. We have had a lot of history with it, allowing people to get out on the land and actually utilize the money. We have a lot of very positive effects from it. We normally schedule in a little over $1.74 million for it. In the year that you are talking about, the 2017-2018 actuals, from time to time we get projects that we feel we actually need to support. That is additional funding that we provided. We continue to do that. As we see projects that come through, we want to have the opportunity to be able to provide funds so that we get traditional meat into the hands of local people.

The other initiative that I will mention is that we are currently working with the federal government in terms of the Nutrition North program. We are looking at whether or not we can help them utilize their money that they are spending on Indigenous harvesting. If we are successful in that discussion, what we would like to be able to do is use the CHAP program, because it is a very effective program. A lot of people use it. A lot of people appreciate the money to be able to get out on the land. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Blake.

**MR. BLAKE:** Thank you. That is great news. That Nutrition North funding would be an asset. I know that is one of the concerns that many of my communities have: sure, our stores make that funding, but we don't see it come down to the people. That is always the concern with communities. I am glad the doctor mentioned country foods. As you know, my whole riding, every fall, there is an opportunity with one of the outfitters who supply wildlife, sheep, moose, caribou, if we are able to get funding for charters.

In the past, Northwright has been good enough to do it for free, but because flight is shut down to Inuvik, now, we have to look for funding on a yearly basis. Would the department be open to a long-term agreement to ensure that, every fall, we don't have to be scrambling for this money and ensure that it is in place? It is not a lot of money we are talking about. Would the department be open to that? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. I share the Member's concerns about the Nutrition North program. We are glad that we are able to help many communities with the community assistance program. I think we have helped some communities get some different types of meat in when the caribou are not readily available. That is there. I think we have also helped with the Member's riding in paying for part of a charter last year, or paying for the charter. As far as a long-term agreement, it is application-based, but I think we have demonstrated in the past that we are more than happy to assist the community. I am not sure of the value of going into a long-term agreement. I think ENR, in most cases, will step up to the plate and help out the community. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Further, Mr. Blake?

**MR. BLAKE:** No.

**CHAIRPERSON (Mr. Simpson):** Thank you. Next, I have Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chairman. I want to thank my colleague from Mackenzie Delta for starting this line of questioning. A couple of things that I would like to touch on in this vein is that, in the line item of country foods, we see that this is contributions to support the engagement process in the development of the country food strategy. Can the Minister maybe explain a little bit with regard to the development of the strategy and, in particular, why it appears that, from 2017-2018 to now, there is a reduction of about $40,000 in this line item? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Vanthuyne. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. The country foods file, what we have really been looking at doing is increasing our presence in the communities on what people are thinking in terms of country foods and what else we could be doing differently in the department. What we have looked at doing is combining, actually, two strategies, the country food strategy and the traditional economy strategy, to come up with one that is an ENR sustainable livelihoods action plan.

In looking at the country foods, right now, what we have in place, these were funds that were given to ENR in terms of the development of a country food strategy and related programming. What we have decided to do, like I said, is to realign those two strategies into a sustainable livelihood action plan. What we saw is a significant overlap in terms of the issues. Versus going to the communities multiple times, asking similar questions, and going around the same topic, we wanted to have that discussion.

What we have developed is a large outreach program that is going to be done by the end of March. We are having two large regional meetings that will have designates from community and regional Indigenous governments, renewable resource boards, and land and water boards, as well as 18 small community events. What we are doing with the community events is we are actually going with canvas tents into the community to talk to community members about what they want in terms of this file. We see it as such an important file, and we want to hear from elders, community members, Indigenous governments, and organizations. We want to make sure we have a real robust sustainable livelihoods plan. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Dr. Dragon. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair. I appreciate that we are making the effort to combine the country foods and the traditional economy. The word that you used was a "robust" effort. Where in this budget, then, shall we find the resources that are going to go towards this combined effort? We have a country foods line item that seems to be depleting a little bit. Talking about traditional economy, we have a traditional knowledge line item that has also gone downhill a little bit. If we are going to put forward a really robust strategy with regard to the combination of traditional economy and country foods, where are we seeing the resources for that? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Vanthuyne. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. If Members could look on page 69 in terms of the program detail, the new on-the-land unit, we have put those funds into that line item. We have approximately $3.290 million that we are going to be putting towards all of these initiatives that we consider on-the-land. Again, it's putting a real focus towards this in the department. We brought in a manager of this program. That allows us to have more focus on these types of initiatives versus them being on the side of the desk. We think that we have a really good strategy, and I think that we have enough money there to do a lot of really great things. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Dr. Dragon. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chairman. I appreciate that. That seems like a reasonable move to me. I guess I would just add at the end, and there is no need for a reply, really, but if we are going to make these kinds of changes, we should also be putting forward a very strong communication piece so that the communities are very aware of these changes and the accessibility of this new pot of funding. That is all that I have for corporate management. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Vanthuyne. Mr. Nakimayak.

**MR. NAKIMAYAK:** Thank you, Mr. Chair. On page 69, just getting back to some of my colleagues here, the on-the-land unit line there, the reduction, I have heard some of the reasons, but I am just looking at some other districts or other governments and self-governments around the circumpolar world. All of ENR's systems for mapping and tracking are very good. I am thinking from a community perspective. A lot of hunters sometimes go out on the land without a GPS or something to track, and a search costs hundreds of thousands of dollars. We have experienced them around this region here this past winter.

I am just wondering if there are any initiatives, since we see all these lines here for on-the-land, of maybe lending out some GPSs or things like that that hunters can communicate with. It is a part of traditional knowledge, and items like that could be very useful to the department just by lending that out, getting some data back from harvesters and where they are on the land. I just want to know what the Minister has to say about that. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Nakimayak. Minister McLeod.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. That is actually a very good idea, and I think it is something that we are going to away from here and have a look at to see if there are opportunities for us to provide that. The Member said it exactly. It is very expensive to go out and search for people. There are times when the planes come from southern Canada, and that could be the difference between living or dying.

I think that the idea has got a lot of merit, and I can assure the Member that it is something that we will go away from this particular exchange with and see if it is one that we could implement. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. Mr. Nakimayak.

**MR. NAKIMAYAK:** Thank you, Mr. Chair. Things like this, a few little dollars, can actually go a long way and save a lot in prevention. Other than that, I am looking at these other ones. You know what? I am not going to ask any more questions on this one, since I know that some of my colleagues have already asked and for the sake of time. I appreciate the response. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Nakimayak. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. In the budget, we talked about a feasibility study for northern sustainability and community resilience, $150,000 under it as an initiative. In the business plan, on page 60, it says that it has been fulfilled. Can the Minister explain how this happened, or if this has been fulfilled or not? It is $150,000 in the budget.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Thompson. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. One of the commitments that we had was in terms of researching the feasibility of creating a Northern Centre of Excellence, and I believe that that is what the Member is speaking to, the $150,000. We have been researching. The opportunity that we have been doing is talking to academics and talking to various institutions that have similar types of centres of excellence, but we also thought, given that this has such an alignment with Aurora College and the Aurora Research Institute that is up in Inuvik, that we have to make sure that we are aligned.

What we decided to do was, in terms of holding off for the decision process on this, we wanted to see what was going to be going on with ECE and the polytechnic. Based on that, and now having a leader of that, we will now engage further in those conversations. We are looking at having an RFP that would go out and actually do the work that it is meant to do, based on the initial research that we have already completed of doing a made-in-the-North approach versus a southern-based model. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Dr. Dragon. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. That is great information. However, in the business plan, it just says it is fulfilled. I am trying to understand how it has been fulfilled if we are still working on it. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Thompson. Dr. Dragon.

**DR. DRAGON:** The commitment was researching the feasibility of creating a Northern Centre of Excellence. Again, the staff time we have done interdepartmentally, as well as externally, to research councils down in Ottawa to come up with the best approach for the RFP. What was stated was researching. We have done the research; we just need to fulfill the RFP to get it going. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Dr. Dragon. Mr. Thompson.

**MR. THOMPSON:** The commitment was to do the research, not do the job? Is that correct? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Thompson. Minister McLeod.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. The mandate was to do the research. The research has been done, and they will plan a path forward from there. The commitment has been fulfilled, as the research has been done. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair, and I thank the Minister for that clarification. We still see $150,000 in this budget area. Is that what the cost is for the next step to this project? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Thompson. Minister McLeod.

**HON. ROBERT MCLEOD:** Yes.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair, and I thank the Minister and his department for clarifying that for me. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Thompson. Further questions? Seeing none, I will call this activity on page 69. Environment and Natural Resources, corporate management, operations expenditures summary, $13,986,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** We shall move on to the next activity, starting on page 73, with details on 74 and 75. Questions? Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Can someone tell me what the status is of the contaminated sites manual? I have been asking about this document for three years now, and it's shown in the business plan as something, I think, that was supposed to be delivered in the last quarter of 2018. If someone could tell me where this work is at, I would appreciate it. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. The truth is I am not sure where the manual is at. I will commit to the Member that, if there was a commitment that was made to have this brought to the Assembly, then we will find out where it's at and report back to committee.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Yes, I have been asking about this for three years, so it would be great to find out what is happening with it. In this section of ENR's budget, there is a reduction of $50,000 to science budgets, so can someone explain to me what is being cut here? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. Again, looking at a $50,000 reduction, when it was initially proposed, it was proposed as reducing the science budget. That was in 2016. As a part of the reductions, in terms of looking at this, we are going to take $25,000 from environmental stewardship and climate change, and that is the reduction of casual wages that will have no impact on our functions nor on our programs, as well as another $25,000 in the same area, and that is reducing contract services. Again, this will have no impact to programs. It's primarily for consultants for third-party workshops, and we have been able to do that in-house now.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I appreciate that detail. I am not convinced. It may not have an effect on programs and services, but it may have an effect on the kind of submissions that we make to land and water boards, regulatory bodies, the kind of expert evidence that they require to make sound decisions. Is that going to be impacted by these reductions? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. No, it's not going to be impacted by the reductions. I think our folks over at the department are still capable of doing high-quality work within the $88-million appropriation budget that they do have. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Well, I don't want to get into a debate with the Minister about the capability of his staff. I believe we have already settled that, that we agree that they work hard, they do good work. The problem is that they don't have the resources that are necessary to deliver on the mandate, and part of that mandate is to provide sound evidence for evidence-based decision making. If you cut contracted services, and that means outside expertise to help you deliver good technical advice to boards, it's not going to happen. In any event, I have one other question here. There is another $25,000 cut to undertake departmental functional review, so I am trying to understand. That is the description. Is that a correct description, Mr. Chair? Thanks.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Marchiori.

**MR. MARCHIORI:** Thank you, Mr. Chair. Just as a part of a clarification, when we looked at how the department was functioning and the business plans, we had done some movements of functions, so some of the reductions you are noting that were originally in here are now in environmental stewardship and climate change. That $25,000 that was listed for the functional review was something that was mentioned by Dr. Dragon a little bit earlier. That is part of that reduction exercise and the functional review, which was $75,000 in not funding an analyst position. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Okay, so I guess the business plan is no longer correct, the one that is available on the Department of Finance website. The $25,000 reduction in environmental protection and waste management has now been moved down to environmental stewardship and climate change. Coming out of the departmental functional review, then, there was supposed to be an analyst hired to help to better organize the department, and that position is not going to be staffed now? Is that what's happening? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Marchiori.

**MR. MARCHIORI:** Thank you, Mr. Chair. As part of the work on the business plans and moving what we had into the various divisions, which included the restatements for the department, the $75,000 that was mentioned by Dr. Dragon earlier, part of it was initially listed under environmental protection and waste management, but, as we did the restatements, it falls under, with the movement of climate change, out of what was the environment division, into environmental stewardship and climate change. That $25,000 is now listed as not fully funding an analyst position. ENR believes we have enough analysts within that area to continue to do the work that we are doing, and so that now falls under environmental stewardship and climate change. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Okay. Thanks, Mr. Chair. Can I get a commitment out of the Minister, then, to provide an update? I am looking at, I think, it's schedule 3 in the business plan, which does not seem to be correct anymore. This is from the Department of Finance website. Can I get a commitment out of the Minister, then, to provide a corrected version of this, where the reductions are shown and the proper categories, according to the reorganization of the department? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. I understand the Member's concern, and I will make that commitment to provide the schedule and the up-to-date information. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Yes, thanks, Mr. Chair. I guess it's kind of hard for us to do this on the fly without knowing what's been moved around in the various parts of the department. I am working from this schedule, and that is not what those folks seem to be working from, which is not a very helpful place to be. That is just a comment. I do not expect a response. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Further to environmental protection and waste management? Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chairman. I just want to touch for a moment on the contaminated sites program within this activity. I would like to maybe start by asking the department: are they aware of how many contaminated sites that we have assessed here in the Northwest Territories? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. Yes. Right now, in terms of the devolved sites that we had when we first got all of those, we were at about 700. We have worked in terms of going through all of those projects to assess in terms of remediation of any of those contaminated sites. Right now when we look at our devolution agreement, part C, in excepted waste sites, we currently have five excepted waste sites. That's Ptarmigan, Tom, Crestaurum, Burwash, Rodstrom, and Tin Mines. As well, under the devolution agreement, part E, in operating sites, we have a total of seven operating sites. In terms of other waste sites, we have eight other sites that are part of the devolution agreement. We have two staff in this area who oversee all of that and then have an ongoing listing of all of those waste sites, the work completed, and, as well, kind of the next steps. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair. So, of the sites that we have identified and even the ones that you were referring to as waste sites and then those being operating sites, what is the relationship that we have with regard to responsibility of ours, like our responsibility and/or the federal government's responsibility in that regard? What number are they responsible for, if any, that are still a hangover from devolution, or are we jointly responsible? I would like to get a little clarification on that. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. In looking at all of the waste sites, what we have to do is come up with a determination of whether or not there is still remediation work that needs to be completed and whether we are agreeable to the amount. We work with the federal government to determine those sites. Where we have questions, we go back to them, and we work with our colleagues, in terms of providing technical support, with Lands and ourselves, to be able to come up with whether or not we feel that we have the money that is negotiated for the remediation of these sites. For a lot of them that we review, we have the opportunity to be able to say that we feel that we have enough money to be able to remediate this site, or we don't. If we don't, then we go back, and we negotiate with the federal government to be able to get the appropriate money to clean those up. Again, we do that with our colleagues in the Department of Lands, and if we do the negotiation, then we do it in Executive and Indigenous Affairs. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair. I am getting a little bit clearer understanding. The actual on-the-ground investment in remediation of contaminated sites is a negotiated process. Who manages that money? I guess what I am getting to in all of this is that, if we have this many contaminated sites, it is a concern for Indigenous governments, our government, and the federal government. Unless you can explain to me a little bit more about the pot itself, it seems to me that that $319,000 is probably covering off on just more administrative-type stuff. I am just trying to get to where we are really investing in identifying these sites and putting a genuine effort into cleaning them up. How many active contaminated sites are we negotiating investments in right now out of these many that need to be cleaned up? I ask because almost every one of these five waste sites that you named are in my riding. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. You are right. In terms of looking at the $319,000, that is really the O and M and the program management to look at all of these files. As we go through and we determine contaminated sites, the other part that this group does is actually look at the coordination and seeing that the remediation done is done per our standards. The funds that actually backstop all of this are in the environmental fund within Finance. That is a $50-million fund that we have access to in order to do remediation projects. For the money that we initially negotiated with the federal government, when we look at contaminated sites, we need to assess how much it is going to cost to remediate. Then our departmental staff will oversee third parties that would come in and do the remediation to our standards. Once that is completed, then that remediation site is then deemed cleaned up. Really, the $319,000 is just the operation and the management of all of these sites.

As I said earlier, we have five accepted waste sites. We have seven operating sites and eight sites that are a part of the devolution agreement that we are currently working on right now. We have a deadline to the end of March to report on where we feel that some of those are in the queue and whether or not we have enough money for them, and we continue to negotiate with the federal government. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair. I guess, come end of March, after we have done that due diligence, then we are going to possibly see the resources start to hit the ground in terms of investment in cleaning up a number of these identified sites. Is that correct?

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thanks, Mr. Chair. Yes, that is correct. Thanks.

**CHAIRPERSON (Mr. Simpson):** Thank you. Environment and Natural Resources, environmental protection and waste management, operations expenditures summary, $4,069,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Please turn to activity 3, environmental stewardship and climate change, on pages 76, 77, 78, and 79. Mr. Nakimayak.

**MR. NAKIMAYAK:** Thank you, Mr. Chair. On page 77, on climate change, can I just get a little bit of information on the increase? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. The increase is an additional $390,000 funding for the development of the Climate Change Strategic Framework. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Nakimayak.

**MR. NAKIMAYAK:** That is all I have for this one right now. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chairman. I, first of all, want to say that I appreciate the increase to the climate change line item, but I do have some questions on that. The department has always been very aware of the Auditor General report and has had their own action plan to address a number of those issues. Committee, though, has made it known to ENR in the past, and in particular during business plan reviews, that we would like to see a policy or legislation developed that would clearly establish the department as the lead on climate change issues. Can the department give us some insight on how the diversity of climate change is being managed by our government, and is ENR our lead? What is our direction going to be with regard to policy or legislation, if any, with regard to ENR being the lead on climate change? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. We did change the title of the division to environmental stewardship and climate change, recognizing that we are going to be the lead on climate change for the Government of the Northwest Territories. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair. Does that mean, then, that now the responsibilities with regard to climate change aspects that affect Infrastructure and even the Minister's other department, Finance, the direction for intergovernmental action on climate change will now come from the Department of ENR? Are we developing some kind of legislation or policy that will provide some degree of certainty for folks? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. Taking all of the comments that we got from the Auditor General, I think, again, we accepted all of those recommendations. One of the things, unfortunately, that the Auditor General couldn't speak on was any documents that were currently in the queue.

When we look at what we developed for our action plan for the Climate Change Strategic Framework, I think that we have a very robust plan that is going to be able to be shepherded through, within government, a lot of interdepartmental committees that we are going to have, a lot of reflection on what all of the various departments are able to do in the climate change portfolio.

Really, as we look at that, we also have to see how it relates to other new initiatives that are coming in, like the knowledge economy or the implementation of the knowledge agenda and how that is incorporated into climate change. I can reassure the committee that we have a number of interdepartmental committees within the bureaucracy that deal at the director level, at the ADM level, at the deputy minister level, and also at the ministerial level, where we are looking at all of the climate change impacts of what is going on in the North. I think a big part of that, as well, is really understanding that we don't have any magic bullet for climate change. We just have to approach it and really look at a real accounting of what everybody is doing. That is really in part one of our climate change action plan. I think that there are 100 different actions that are identified within that action plan for part one. In part two, there are another 50 actions that are identified within the action plan.

Again, I really look forward to being able to roll that out. I think that we are just about there, and it should be done this spring where we would have that rolled out. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chairman. I appreciate the deputy minister giving some insight as it relates to the number of interdepartmental collaborative efforts. How about the efforts in terms of also reaching out to the Indigenous government council? Is there a connective effort there as it relates to our climate change efforts? Will they have a role to play as it relates to being consulted on with regard to our climate change strategic action plan? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Recognizing the value of our Indigenous government partners through the knowledge agenda, I think that they are going to be a part of the process, and we will seek their input in any types of initiatives as we go forward. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Nothing further from Mr. Vanthuyne. Anything further to environmental stewardship and climate change? Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I hope that I have this right, because I am not working from the same page as our friends. I think there is $37,000 that has been cut out of community-based monitoring and research under the Cumulative Impact Monitoring Program. Can someone tell me why that cut has been made and what is being cut? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. Again, as we went through the initial reduction exercise within the department, the wording again was community-based monitoring. That title has stayed in there, but going through the functional and the operational review, we reviewed the activities and what should actually be taken out for the $375,000. That was the initial rationale for that allotment. The reality of it is that these alternative reductions identified have minimal negative impact on the departmental operations.

What we have, and I will take you through, is a series of five of them that get to that reduction. There are four within water management and monitoring, and the fifth reduction is environmental stewardship and climate change.

The $150,000 from the first one is $150,000 from water management and monitoring. This is from our grants and contributions, and it is a reduction in our contribution agreement to Mackenzie DataStream. This system is up and running now, and therefore, it no longer requires the funding that has been allocated to it. That is why we deemed it as part one of this reduction.

The second part is an $85,000 reduction in, again, water management and monitoring. This is on water research studies, and it is a reduction in contracts for data interpretations and review of water quality and quantity testing services. By using contractors, we are able to now have people in-house who are able to do this work. Again, these services will be conducted internally to promote program efficiencies.

The third one is a $75,000 reduction in environmental stewardship and climate change. This is a reduction in the contracts for updates on the information of various environmental portals and travel for meetings. One of the things that we invested in last year was video conferencing in the department. We do a lot of meetings now with our trans-boundary partners via video conferencing versus actually having to fly into the various jurisdictions.

In terms of the fourth, again, $50,000 in water management and monitoring. This is in water partnerships and agreement. Again, this is a reduction in travel. This section will utilize, again, the video conferencing equipment for negotiations in trans-boundary.

Finally, the last one of $15,000 is in water management and monitoring in water research and studies. This is a reduction in travel, and this is basically for the essential meetings and conference attendances that will be maintained. It is just being a little more particular to the conferences and meetings that we are sponsoring staff to go to. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. While I appreciate getting this level of detail now that we are in Committee of the Whole, why was this information not made available as part of the business plan, the exchange of information requests, and so on that have been going on in this Assembly since September? Why am I finding out about this now on the floor of the House in Committee of the Whole? That is probably a question for the Minister. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. My understanding is that the reductions were part of the business plan. I think what may have been a little confusing is that some of the restatements that we have done may have confused it a bit. I have committed to the Member that we are going to be providing them information. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I appreciate the commitment from the Minister, but that is not very helpful as I try to work my way through the rest of the main estimates in Committee of the Whole. This information can and should have been provided to us before we arrived here. I would like to know whether there are any reductions made to the Cumulative Impact Monitoring Program now, because I don't know what I am working from anymore. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** There are none.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I don't believe that the standing committee or the public has seen a formal response to the Auditor General Report on Climate Change. Is that something that the department is still working on? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. I am a little confused here. We may have responded to the report of the Auditor General. I know that there were a number of recommendations that were made in there, and we responded that we were acting on all of those recommendations. I will commit to the Member, because my understanding is that we did respond to that, but I will confirm that and share it with committee.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I don't think I have seen a document. I think I have seen a draft of a document, a very early preliminary draft. The department claims that it has responded to the OAG recommendations and the Climate Change Strategic Framework action plan. I would probably disagree with their assessment, but I don't think that we have actually seen a formal response to the Auditor General report.

ENR says that it has the authority and leadership under the Climate Change Strategic Framework for monitoring and reporting on climate change. What kind of monitoring and reporting do they intend to do, and will it include information about the Energy Strategy and proposed carbon pricing, as well, so that all of that information is found in one document? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. One of the things that we're looking at doing in terms of the ongoing accounting of all the different activities that we're doing on this file is ensuring that we're having a quarterly conversation at the end, so we're having a normal accounting on all the different items that are going on.

I can assure the committee that we are line in step with the energy plan and the carbon strategy. We've been working together. Our departments work very much in lock and step. When we look at the climate change action plan, really, goal number one is from the energy plan; it is improving and tracking and monitoring GHG emissions. That is one of the goals of the energy plan. We look at having that ongoing discussion about all the different activities, but we're going to be doing a yearly report of all activities that we've done, and also put a performance management methodology towards the 100 actions that we're looking for part one of the action plan so that we're able to see how well we're doing in terms of what we proposed as actions and how well we are able to deliver on those actions. At the end of the five years, we'll also be looking at a summary report that goes through all of this plan, but also looks at the next five years. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I will have to wait to see what the detail is because I don't think we've really nailed that down yet. I want to go back to the Climate Change Strategic Framework Action Plan. My colleague from Yellowknife North talked a bit about this. I understand that there are going to be a few new interdepartmental committees established, but there's nothing that establishes the authority of the department in legislation, regulation, or policy with regard to something like collaborative and coordinated reporting on climate change. There's nothing about how Cabinet decisions might include climate change implications, how infrastructure funding submissions should be screened for climate change impacts, or assistance with greenhouse gas reductions. I think those are the kinds of tools that we need to have to ensure that the department has the authority and the leadership in legislation, regulation, or policy to make sure that we are successful at climate change. That's what the Auditor General has said. That's why we failed in the previous two strategies. What is the department going to do to address this situation in next year's budget? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. As we move forward debating next year's budget, I mean, that will happen, and there will be some initiatives that are brought forward. I believe that the Government of the Northwest Territories, we are so far ahead of the curve on climate change, feeling the effect of climate change. I think some of the work that we've done in that is already incorporated into when we look at the infrastructure that we put in. I suppose, if it is the wish of the Assembly, we can put every little thing into regulation, legislation, and that, just to give the Member comfort, and the public comfort, that we take this particular issue very seriously, and we're incorporating it into a lot of the work that we do. Because, as I've said, in my travels south, speaking with my colleagues from across the country, we felt the effects of climate change long before the southern jurisdictions, so we had to take steps to try and mitigate that. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Environment and Natural Resources, environmental stewardship and climate change, operations expenditure summary, $9,897,000. Does committee agree?

**SOME HON. MEMBER:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Please turn to activity four, forest management, beginning on page 80 and continuing on to page 83. Comments or questions from committee? Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. In this division of the main estimates, and I presume I get this right, there is a $800,000 reduction with regard to covering a shortfall in O and M savings for Fire Boss planes. Is that still accurate? At least, I'm still looking at this from the business plan from the departmental website. Is that still accurate? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Yes, it's still accurate.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. So as I understand it, the shortfall is actually $1 million, so why is only $800,000 found in this part of the ENR budget? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thanks, Mr. Chair. The O and M savings that were initially identified for the 802s that we were buying, initially there was $500,000 identified for contract savings. During the initial evaluation of those planes, the original estimates were based on U.S. dollars. At the time of the estimates, the Canadian dollar was actually 10 cents higher than the U.S. dollar. By the time the planes were bought, the American dollar was then $1.26 to our Canadian dollar. So the $500,000 was not realized as a contract savings as initially thought of in 2016.

In addition, there was thought that, given that they were going to be a new fleet of aircraft, that the O and M would be substantially lower because it's a new fleet of aircraft. Unfortunately, when we saw that we didn't get the $500,000, what we asked committee was to delay the second $500,000 so we could get a year under our belt with the 802s to see how much operations and maintenance were. What we realized is, based on the fleet of eight versus the CL215s, where we had four planes, we actually didn't realize a savings in terms of O and M.

Upon realization of that, what we did was looked at, again, the areas within our forest management division, and we were able to find $800,000 in savings that was manageable from an ENR perspective. On the basis of that, what we looked at, the $800,000 breaks down to $350,000. We are not hiring a long-term fixed-wing aircraft for pre-suppression activities. These are for smoke controls and services to camps, and when we move people. This is really aligned to a risk measure, depending on if we have a lot of fires or don't have a lot of fires.

$250,000 of the $800,000 was reduced training costs for the aviation contract, and there will be little impact, as the contractor now has trained flight crews for two seasons, so we don't have to have that level of training. In addition, we found $200,000 for reduced consultant support for aviation services dealing with aircraft maintenance and inspection scheduling, and, as well, weather forecasting. We've been able to now, as we've had staff work through this process, actually acquire that competency, and we have them now working in the department and using weather-forecasting tools to predict fires. Again, we feel that those series of reductions will be better identified versus the 802 that we did not realize. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. That explains the $800,000 in reductions within forest management, but there are cuts to other parts of the ENR budget that relate to the Fire Boss aircraft. Why were the cuts made to the other parts of the ENR budget to fund the shortfall? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Yes. Thank you, Mr. Chair. Again, as we looked at the operational and the functional review of looking at the department and where best to identify money, because the costs weren't realized within the 802s, we then looked at other parts of the department as we were going through our operational and functional review to be able to see if we could find efficiencies. The remaining $200,000 came from the following areas: $100,000 came from wildlife, and this is reduced biodiversity conservation section. This is funding related to the Wildlife Act and worked toward Phase 2 regulations that should require less support in the future. The proposed regulations are expected to be completed in the near future. We don't see that as needing that expense anymore.

We had additional $40,000 under wildlife. That is reducing operational requirements for the wildlife management information system. All past data has been uploaded within that system. Now, efficiencies can be realized with recent operational enhancements. In addition, $35,000 in wildlife, this is a savings in office administration and support. No positions are impacted with this reduction. We saw a savings in equipment, supplies, training, and operational costs associated with that position. The position was removed in the beginning of 2017-2018 and ended in 2018-2019.

Finally, the last of the $200,000 was $25,000 in environmental stewardship and climate change. This is the reduction of a contract service for air-quality monitoring stations in Fort Smith and Norman Wells. The budget allotted to this work with third parties for monitoring the air quality stations is greater than the actual realized costs, so we were able to find $25,000 within that file. Thank you very much, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. That is a great explanation, but why did the department not look for the extra $200,000 within forest management? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. Again, these were decisions prior to me coming to the department. I really thought, in looking and going through each of these respected areas, I felt that the $800,000 was as much as we could take out of forest management division and not lose any of the efficiencies or the work that we do in that area. I felt that by going and looking at other areas, we were able to find that money and be able to come up with that savings. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Look, I appreciate the deputy minister's answers. I am not questioning his ability to manage the department, and so on. I would like to ask the Minister: did he ever consider going to the Financial Management Board and seek the additional funding or to get a waiver or whatever so that the department did not have to make these internal cuts to come up with the amount of the anticipated savings? I would like to know why the Minister didn't take that route. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. When ENR had identified the Fire Boss and not the potential savings that were going to be realized, it came back to the FMB and asked if it would be able to defer that and they would find other sources of reductions. They did, and we approved that. All the other departments within the GNWT had met their obligations. Because we had asked for a waiver on the Fire Boss potential savings, that is the reason we came up with this.

As we go forward now into the next budget, I think with some evidence we have on the actual cost of operating the Fire Boss, I think the numbers that we come forward with will be a lot more accurate. As we come forward with the new initiatives, much as we were talking about with the climate change and all the measures that need to be taken with that, I think you are going to see a budget come forward from ENR in the future that is more accurate and putting a lot more resources towards a lot of the initiatives that are going to be brought forward by the department.

I think, through the exercise that we went through, it gave them an opportunity, as Dr. Dragon spoke before, to kind of refocus and move some money around to places where it is needed and get new priorities. I think you are going to find a budget come forward in the future with a lot of the new initiatives as we spoke about. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I appreciate the Minister's words, but the facts show that this department is not delivering on the mandate items that it was tasked with doing, only five of 25 completed. I think we are seeing the results of the continuing cuts with the lack of progress on this work. That is all I have, Mr. Chair. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. O'Reilly. Minister, would you like to respond?

**HON. ROBERT MCLEOD:** I would love to. I respect and understand the Member's position. He has always taken the same position, but I am of the opinion that the department has fulfilled many of the mandate items on top of doing all the work that was tasked before them before our 235 mandate items came forward. I think the department has been adjusting. It has been an adjustment for a lot of the departments because they continue to do the work.

As you see the results of the work that they are doing, a lot of the new initiatives that they are working on are much appreciated by a lot of folks across the Northwest Territories. There is still some work going on with the mandate commitments: fulfilled are eight; in progress, 12; anticipated, 6. I think, in spite of what the Member is saying, the department has been trying to fulfill their mandate items on top of doing all the other work that is required of them within the $88 million appropriation. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Environment and Natural Resources. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. Just a couple questions in regard to fire suppression there. Last year, the community regularly didn't have a team. They were budgeted for it and, due to complications and whatever reasons, weren't able to get the team going. Is that team budgeted for this year? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Yes, it is.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. That is good news to hear. Has the department been able to reach out to the community and try to help them get prepared for their training that they need to pass on this? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. The budget line item that the Member is referring to is part of this appropriation that we are bringing forward to the Assembly right now. Once it is approved, then we will go out, work with the community, work with all the other communities, like we normally do, as far as the training and that goes. Right now, it is subject to approval of the budget. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. I appreciate that it is part of the budget process. Previously, Nahanni Butte and Jean Marie talked about setting up a small team, getting prepared. Has the department looked at reaching out to them and seeing if they are still interested in doing this? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. I am not sure if we have actually reached out to them. If it is an issue that is concerning the community, then they would have a conversation with our folks there. If they want to have a conversation, we are more than willing to sit down with them. Actually, as to whether we went and called them or not, I am not quite sure. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. I appreciate the Minister saying that the department will reach out or is able to talk to them and that. Can the superintendent regional staff reach out to the communities and see if they are still interested in doing that? I know that, last time I talked to them, they were. Is that something the department is able to do? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. We can reach out to them, but at the same time, if they are still interested in following up with some of these initiatives, they can contact us, as well. We will reach out to them. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. I can get the community to reach out. I just need to know if the regional superintendent is the person who we should be reaching out to. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. The regional superintendent is the point of contact. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Nothing further from Mr. Thompson. I will call this activity. Environment and Natural Resources, forest management, operations expenditure summary, $34,832,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Please turn to the next activity, beginning on page 84, water management and monitoring. Comments or questions? Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chairman. Recently, we have seen some correspondence come in to some Members with regard to groups and different organizations that have been concerned with the Site C dam in BC. I know that we have a transboundary agreement with British Columbia and Alberta, and this is, of course, the Peace River that is affected. I am wondering if the Minister can give us some insight as to what effects the Site C dam has with regard to our transboundary agreement with British Columbia, and do we have any concerns or any need to be concerned with regard to the development of the Site C dam? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. The Member is absolutely correct. There is a lot of concern down the valley about the water that is coming from BC, and then there is concern with the Site C dam project. We had signed a transboundary water agreement with both Alberta and British Columbia in 2015, and the intent of these agreements was to promote the effective transboundary water management and ensure that water that is flowing into the NWT remains substantially unaltered in quality, quantity, and the rate of flow. Implementation of these two agreements is currently under way. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chairman. Thanks to the Minister for giving some description on the transboundary agreements and what our expectations are from them, but, knowing that now we have these boundary agreements in place, do we have any reason to be concerned, based on those agreements, with regard to the development of the actual Site C dam? Have we shared any concern with the BC government that a dam such as this will potentially impact our aquatic ecosystem, I guess, if we want to call it that, or even our subsistence harvesting? Do we have any concern in that regard? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. There is always concern when there is water flowing into the NWT from other jurisdictions, and that is one of the reasons we signed a transboundary water agreement with them. Our officials participated in a three-year environmental assessment review process and provided recommendations to the Canadian Environmental Assessment Agency about potential downstream impacts from this hydro expansion project. Part of that is a community-based monitoring program. I think there are 40 sample sites as part of our community-based water-monitoring program, and there are 22 communities as part of the community-based monitoring program. Obviously, we are concerned. As to actually if we have any say in it, my understanding is it flows through Alberta and then into the Northwest Territories, so we continue to monitor that, and we will make our views known. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Okay. So, then, it seems to me that we are quite confident that the transboundary agreements are adequately covering off, confidently covering off, on any concerns that we might have as it relates to the development of the Site C dam. I am happy to hear that we are going to keep monitoring that. What about further transboundary water agreements? I know that Saskatchewan waters and Yukon waters are clearly borders that we also have good reason to be concerned with. Have we or are we in the midst of negotiating agreements with regard to transboundary watersheds with Saskatchewan and the Yukon? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. With all of these agreements, we have three existing transboundary agreements right now, with Alberta, British Columbia, and the Yukon. I will just take you really quickly through them. In terms of Alberta in 2018, the 2016-2017 Alberta-NWT annual implementation report was released, and work is under way for the 2017-2018 report. In British Columbia, in 2018, the NWT and British Columbia released an implementation highlights report that outlines the work completed between 2015 and 2017 towards bilateral implementation. Within the Yukon in 2018, the NWT has been negotiating with the Yukon towards updating our transboundary agreement that was signed in 2002. It is expected that that agreement will be completed within the life of this Assembly. Finally, with Saskatchewan and Nunavut, the division has initiated discussions with Saskatchewan, and right now Saskatchewan is in a legal review, in terms of their agreement. As well, Nunavut, Nunavut has to come up with a water strategy before they can get into negotiations with us. So, once they do that, then we would get into those transboundary agreements with both of those jurisdiction. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Seeing nothing further from committee at this point, I am going to call a five-minute recess. Thank you, committee.

---SHORT RECESS

**CHAIRPERSON (Mr. Simpson):** I now call Committee of the Whole back to order. Committee, we were in ENR, activity 5, water management and monitoring. Comments or questions? Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I think that I heard from our friends here that, in water management and monitoring, there was an $85,000 reduction in water research and studies and a $50,000 reduction in travel. I am wondering how that is impacting our ability to negotiate the Transboundary Water Agreements. Maybe I could start with: have there been any new agreements signed during the life of this Assembly? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. In my time as Minister, I have signed one Transboundary Water Agreement, and I believe that that was with Alberta, but I inherited the portfolio, I believe, about a year and a half into this Assembly. We have three existing Transboundary Water Agreements right now with Alberta, British Columbia, and the Yukon, but I believe that the other two might have been signed in the 17th. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. That was my understanding, that there haven't actually been any signed during the life of the 18th Assembly. You can see it even on page 85 of the main estimates, where water partnerships and agreements has a $200,000 reduction between 2018-2019 and those proposed for 2019-2020. Even if you go back further in time, the budget was higher. Are these progressive cuts over time affecting our capability and capacity in terms of negotiating and signing these arrangements and implementing them? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. The short answer is that it doesn't. I think that Dr. Dragon gave an explanation before about the fact that we are trying to use a lot of video conferencing now when we are having some of these discussions, but there is always going to be a need for some face-to-face conversations. I believe that there is still some money that is available for that. No, we don't believe that it is affecting our ability to try to negotiate these Transboundary Water Agreements, and if there comes a time when we feel that it is affecting our ability, then I am sure that ENR will come back to the FMB. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I am, of course, just trying to find what it said in the mandate commitment. I think that the understanding was that we were going to actually have all of these remaining agreements signed off, including ones with the Yukon and Nunavut and so on. How come we are not making as much progress on these as we had anticipated at the time that the mandate was put together? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. We would like to try and make as much progress with our partners as possible. We are always prepared to go to the table and do some negotiations. Negotiations involve two parties, and if our other party is not getting to the table as quickly as we would like, then that affects our ability to get this work done. I said before, when I was responding to the Member's question, that I know that I signed the one Transboundary Water Agreement with Alberta. My understanding is that a final BC-NWT agreement was also signed in 2015, and we are holding an information session with Nunavut about the process and progress to date with respect to the Transboundary Water Agreement. ENR met with the Government of Saskatchewan to discuss a Saskatchewan-NWT agreement for shared waters. The final Yukon-NWT agreement was signed in 2002, and parties to the existing agreement met in March 2018 to discuss the existing Yukon-NWT transboundary water agreement. I think I took a long way to respond to the Member's question about whether it's affecting our ability or not as far as the negotiations go, and the short answer is that we do not believe it is. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. So, yes, the mandate commitment is we will negotiate Yukon, Nunavut, and Saskatchewan toward the completion of a transboundary water agreement, so does the Minister expect, then, that by September we are going to have negotiated transboundary agreements with Yukon, Nunavut, and Saskatchewan? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. My understanding is, with the Yukon, we are expecting to have updated agreements to be completed during the life of this Assembly. My understanding is Saskatchewan is going through a legal review, and Nunavut is doing some water strategy work. The Yukon one will be updated. We will see what happens with the legal review out of Saskatchewan. I am not sure where Nunavut is at. I would like to see them all done by the life of this Assembly, seeing as it was a mandate commitment, but sometimes we do what we can to try to expedite our end; we just need our partners to work with us to get their end of it done, as well. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. I just want to go quickly to Site C again. We are having an effect with the Bennett dam. When it opens and closes, we see water levels come up and down there. With Site C have other provinces or First Nations people come to the government or the department and asked them for their help to deal with this situation? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Of course it is a concern, as I mentioned earlier, about the dams that are going there and the water flow to the territory. We see it up in the Beaudel, where the water level sometimes fluctuates up and down. I know we have had some Aboriginal governments who have come to us say that they do have a concern with that and want to know how we plan on dealing with it, so we have been trying to work with them to assure them that the Government of the Northwest Territories is doing what we can to bring their concerns forward. At the end of the day, I believe the decision is kind of out of our control because it is in BC, so we just have to make the case to these particular jurisdictions that it's having an effect on the Northwest Territories. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Seeing nothing further from committee, I will call this activity. Environment and Natural Resources, water management and monitoring, operations expenditure summary, $9,349,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Please turn to activity 6, wildlife, starting on page 88. Comments or questions? Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. The first day of this sitting, I asked the Minister about the status of the Bathurst caribou range plan, and I still do not have an answer, so I will try again. Can the Minister tell me what's happening with this range plan? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. With the Bathurst caribou range plan, right now one of the things that we are working on is ensuring that we have very much detailed any of the industrial activity that could be potentially going on in the North and making sure that we have included that within our model. We have been doing the Bathurst caribou range plan for the last four years, where we have been looking at, with our Indigenous governments and our partners, to be able to come up with a robust plan. I think we are just about there. We have brought in the contractor who was originally doing the modelling work for us, who would look at any of the cumulative effects of any development in that area. Because, the range plan, it is right in an area of potential development, we just want to make sure that we have had all of that type of potential activity put into the range plan before we release it. It's very much imminent in terms of its release. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Yes. I was involved in starting the work on that before I even arrived here, so I am worried that this is taking way too long while the herd continues to decline. The Minister, in response to questions from my colleague earlier today, talked about the need to develop a plan. That is the plan for the Bathurst caribou herd. Everybody was involved in making it. How much longer is it going to take to get this thing approved, and does it have to go through Cabinet? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. My understanding in talking to the deputy is that within a month or so we will be able to bring it to Cabinet and get Cabinet's input. Then I believe it will go out to the public afterwards; go out to committee, then the public. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. Good catch. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I am not sure what the deputy minister means by having to detail industrial activities and getting the contractor to do more modelling work. That is all fine and dandy, but, meanwhile, the caribou herd continues to decline. Most importantly, there is not one cent of new money in the budget for the caribou crisis. Why is there no new money in the budget for the caribou crisis? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. We recognize the severity of the declining caribou herd. We heard it throughout our tour of the Tlicho, and we heard it from the Yellowknives, as well. I have instructed the department, as I was responding. I have directed the department to come up with a plan to address a lot of the issues that we have heard about. I think in response to an oral question before, I said that we are looking at trying to have this work done as quickly as possible and have it come forward in the form of a supplemental if need be. On top of the ongoing work that we do as part of our regular budgeting process on the caribou, I have directed the department to look for additional funding, have put in a request for additional funding, to expand on the work of the caribou, so we would like to see that come forward here in the form of a supplemental sometime during the life of this Assembly. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Yes, I really look forward to seeing what this supplemental looks like, but the plan doesn't actually require new money to do some of the things that are already set out in there. Offsetting, mobile caribou conservation measures, I don't think that that actually requires a lot of money to do, so when is the department going to start doing some work on protection of habitat instead of just concentrating on wolves and harvesters? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. We are doing a lot of work in this particular area. Wolves and harvesters are just part of the work that we are doing. Those seem to be the ones that are highlighted all the time, so those are the ones that would get the most attention, but there is a lot of work that goes on as part of our regular work within the management of caribou. I am going to, through you, Mr. Chair, go to Dr. Dragon to give us an explanation of some of the work that we have ongoing. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. I just thought that I would go through the next steps of what we look to do with the range plan so that the Members can understand the process of what needs to be done. We are going to have a "what we heard" document for all of the consultation that we have been doing with our Indigenous government partners and a decision paper by the end of this fiscal year. It is imminent, as I mentioned. One of the things that we have to do with that range plan, because we are in the Wek'eezhii area is that we have to go to the Wek'eezhii Renewable Resources Board for review, as per section 12.5 of the Tlicho agreement, and to also provide the proposed range plan to standing committee.

In terms of recommendations, we are looking at a number of recommendations within that plan, intensifying project mitigation as cumulative disturbance increases, and that is one of the areas where I thought that we needed to have a look at any new development that is being put into play. We are looking at transmission lines. We are looking at any new Terra X development. Anything that is current, we put in that plan so that we can make a really good decision on the plan. Again, this includes thresholds for limiting development under existing disturbances and making sure that they are restored.

We are also looking at the conservation of the Bathurst caribou calving and post-calving grounds and important water crossings and land crossings. As the Member mentioned, also, more mobile caribou conservation measures, so looking at the core areas within the Bathurst caribou zone, managing roads and traffic, and adding patches of unburnt forest in the winter range to our values at risk. That is another initiative that we are doing, along with the wolves, is we are looking at how we are currently addressing forest fire in the Bathurst range. Right now, unfortunately, with the herd that they are in terms of the size, at 8,200 animals, they are right now not really in any of the forested areas. They are more above the treeline. Unfortunately, right now, with their numbers, we don't see a lot of them within the treeline.

We are going to return to Cabinet after, with the results of the WRB conversation, the SCEDE review, and then we will request the final approval of the range plan. Then we will move into the implementation phase of that. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I appreciate the description of that, but I guess I am worried that, by the time we get through all of those steps, there may not be any caribou left. $150,000 was cut from boreal caribou monitoring in last year's budget. The Minister said that there was going to be additional funding on the way to make up for that. Our requirements for boreal caribou continue to increase. We have to have a recovery strategy. There is going to be more monitoring required as a result of the Tlicho all-season road. Where is the money for boreal caribou work? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. We want to do a thorough job on the work that we do, and we don't have much choice. We can't make a unilateral decision. We have committed to working with our Aboriginal partners on trying to move this forward. Again, credit to our Aboriginal partners; they recognize that this is a serious issue, and they want to move forward as well. I think it is going to carry a lot more weight, and it is going to go a lot further in partnership with the Aboriginal governments.

As far as the boreal caribou, in responding to questions from the Member for Yellowknife North during oral questions earlier this afternoon, I did mention that we are looking at possibly making some type of an announcement here shortly.

I take the Member's point. I remember distinctly last year saying that the $150,000 was going to be eliminated, but we are working with Canada to try to secure some funding. My understanding is that within the next few days year, or during the life of this session, we should be able to make an announcement to address the concerns that the Member is raising. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Next, I have Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. In regard to this section here, bison management control and developing plans there, can the Minister advise: have they been looking at the herd around Fort Liard and Nahanni Butte? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. In the Member's riding, a draft Nahanni bison management plan has been revised following an internal ENR review, and it will go out for a broader GNWT review. In the Nahanni population, currently, there are seven male tags only available, and once the population has reached 1,000 animals, a male-only harvest of between 1 to 2 percent could be implemented, as per the management plan. I think that the short answer to the Member's question is yes, we are looking at three different herds of bison in the Northwest Territories. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. He said three herds. The three herds are by Fort Providence, Fort Smith, and the Fort Liard and Nahanni Butte area? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. We have the Mackenzie Population. I guess that would be by Fort Providence. The Nahanni Population would be in Fort Smith, and then we have the Slave River Lowlands Population. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you. I am assuming that the Nahanni Population is by Nahanni Butte and Fort Liard. Correct? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, I think that they all decided to move to a safer location. No, I don't think that the Member was going to give up until I gave him the actual information. The Nahanni Population is the Nahanni Butte population, and the Slave River Lowlands is Fort Smith. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. Recently the CBC came out with an article with two researchers, one from the University of Montana and one from the University of Saskatchewan, talking about culling wolf populations to help caribou, and they were saying it doesn't work. I understand that the Minister spoke to this on the floor here with Mr. Vanthuyne, but can the Minister advise: have we come up with a solution? Have our researchers and our staff worked with local Aboriginal groups to come up with a plan? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Exactly, Mr. Chair. As we travelled through the Tlicho, listening to elders talk and listening to an 87-year-old elder in the Tlicho saying that he has hunted caribou his whole life, and he always believed that the wolves are a major predator. He told us that they take between 30 to 35 caribou apiece. I mean, I recognize that the Member was referencing a couple of comments that were made by one outside Canada, in Montana, and one in Saskatchewan. I am not sure what their connection to the Northwest Territories is, or if they know where it is on the map, but I would take the word of our elders over any person who doesn't make this their home. We rely on the words of the folks who have lived in that area their whole life.

We have worked with them in coming up with a plan, and we also work with our co-management partners. We have a very close working relationship with the Tlicho government right now, and again, to their credit, they recognize the importance of the preservation of the caribou herd for their future generations.

I am going to go back to a comment that I heard when we were visiting Whati. There was a gentleman there who is 87 years old, and he said, "I have hunted caribou my whole life. I have had the opportunity to hunt caribou and live off caribou. What can I do to help, to make sure that my children and my grandchildren enjoy the same privilege that I had?" Of all the words I have heard on the caribou in all the conversations I have had, I thought those were the wisest words I have ever heard as far as the caribou go. It is that type of advice that we take to heart. If they say wolves are a problem, I believe them. If they say wolves are going to make a difference in saving some of the caribou, I believe them, and I think we should.

My understanding is: in our zone, I think we have taken about 20 wolves so far. If you listen to the elders, they say they can take between 30 and 35 animals. Twenty wolves at 30 animals, that is 600 caribou we may have saved. It is one of the steps that we are going to take and try to preserve the caribou herd. It all goes back to this traditional knowledge and listening to those who have the most expertise. Thank you, Mr. Chair. I have gone on a little too long. I apologize for that.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. I am not worried. I greatly appreciate the Minister providing this information because, again, when we have news coming out and saying things and we have these researchers, that is why I was asking the question. Is our staff working with the Aboriginal population, using traditional knowledge? At the end of the day, that is where we do things. I just wanted to make sure that we were following that practice. I greatly appreciate that. Again, elders are very wise. The reason why they are there is they have lived a long time and they know a lot of stuff. I know, in my riding, the team from ENR does work with the Aboriginal groups really well. That is part of their knowledge base. I would just like to thank the Minister for his answer. No further questions at this point in time. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Another round for Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I understand I am only supposed to have one. Sometimes the questions and answers go on for a bit. I want to talk about the wolf incentive program. I appreciate what the Minster said in the House earlier about outside experts. There was a working group established, including experts from his own department, the Tlicho Government, and other Indigenous governments. They ranked and rated 12 different options for dealing with wolves. The top option was aerial shooting on the cabin grounds. The next one was summer harvest assistance. The next one was diversionary feeding. You have to go more than halfway down the list to find winter harvesting.

This study, published by the Wek'eezhii Renewable Resources Board, shows that the wolf incentive program is not the most effective way to take out wolves. For this to actually work and have an impact on the caribou populations, you have to take out between 60 and 80 percent of the wolf population. I don't think this is going to work, the wolf incentive program. That is what I am fearing. That is what the experts said on the radio, as well. Given this study, why is the department pursuing this incentive program, increasing the wolf bounty? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Dr. Dragon.

**DR. DRAGON:** Thank you, Mr. Chair. In looking at this issue of trying to address the wolf situation, in every community that we went through, as the Minister mentioned, we had very, very strong comments in terms of wolves and what we could do. Being in the Wek'eezhii area, we cannot change a program or come in with a different type of program without submitting a proposal to the Wek'eezhii Renewable Resources Board. We are currently in the process of doing that. We look to have one done shortly that we would have. It would only come into effect in June of this year. If we did nothing, if we didn't look at having an incentive program, we wouldn't have been able to do anything with wolves.

The other thing that we heard when we went into communities was that it costs a lot to go out on the land. We tried, in the department, in a previous version, increasing the amount of money that we had available for wolves. It didn't work. People came back to us and said, "It is not enough money." We went to communities. What we did was we asked them, "How much would it take for you to have the incentive to come in this region?" The last three years, we have averaged in this North Slave region in between 30 and 40 wolves. To date, we already have 20, and the season for doing that type of hunting hasn't really started. It is starting as of the beginning of March.

We have also had a discussion with our partners in Nunavut because, although the options are provided to go and do actual hunting on cabin grounds, that jurisdiction is in Nunavut. We have no say in terms of what Nunavut can do on their lands. They have to go through the same process of the Nunavut Wildlife Management Board to get authority to do any sort of reduction exercise.

In looking at the option, we decided we would increase the prices to see whether or not we would have people who would go into those regions. What we found is we have had people who are now saying, "You know what? I am thinking about it." We have a lot of the areas where we have hunters who have now, unfortunately, gotten older and don't go in to do that sort of hunting. If we don't have harvesters in that area, we can't reduce that population.

That is how we approached the situation. It is the only thing that we could really do before June 1st. We decided to increase the levels of the harvest prices. We have had some exceptional feedback from harvesters who are telling us, "Thank you. It is about time." Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I thank the deputy minister for that information. In the additional joint management proposal that is being prepared for the Wek'eezhii Renewable Resources Board, what will it contain in terms of predator control? I just want it highlights, please. I don't need all the details because I still have a couple of other questions if I can get to them. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Briefly, Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. We haven't finalized it yet. We are working with our Tlicho partners to come up with a plan going forward. As the Member said, this program here has been beneficial to help them to take some of the wolf population out as well as assisting in helping our contractors. We could do it by air, but who will benefit from that. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Will there be a management proposal or a predator control proposal submitted to the Nunavut Wildlife Management Board to help protect the Bathurst caribou herd? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, there will.

**CHAIRPERSON (Mr. Simpson):** Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Well, that is some good news. I look forward to getting further details on that. I do want to pass along some of the concerns that I have heard about the wolf bounty or wolf incentive program. People are worried about caribou being used as bait, potentially. There was a media report from earlier this week about meat wastage on the winter road. People are worried about collateral damage to other species as people go out there, particularly over harvesting of wolverines.

My colleague from Yellowknife North also mentioned hunter safety issues. Some of the people who may be going out may not be as experienced as they could or should be, or maybe not as well prepared as they could be. There was at least one incident last year where someone got lost on the winter road. What steps are the department taking to try to deal with these concerns and issues? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. First of all, let's give some credit to the folks who go out there. These are people who are experienced hunters, and wolves are what they are after. If they try to use caribou as bait, they could get charged for that. We will come down hard on that. I have heard of stories, not here, where caribou was used as bait. Credit to the local hunters' and trappers' associations, they got after those. To me, that is just ignorant, and it shouldn't be done. Let's give them some credit. I don't think they will be doing that.

As far as collateral damage, it is wolves they are after. I don't think they will be just shooting everything that comes their way. They may take the odd wolverine because there is some incentive just on the fur itself. I don't think it's going to be the Wild West up there, and I do trust the judgment of a lot of folks who go up there. We monitor it. We have 24-hour monitoring. We have a couple of check stops that are there. I've heard from a couple of people saying that they were going in there, and they were actually getting their vehicles checked on the way in to make sure they weren't bringing dump wolves in there, because those aren't the ones that we want. We're doing a lot of work on this, and I'm giving credit to the experience of those that are out there. If those that have no experience go out there, I think they're going to find out awfully quickly they're in over their head.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I appreciate the response from the Minister. I don't necessarily agree with these concerns. I'm just passing them on from what I heard, and I meant no disrespect to any harvesters who might go out there. If folks are not experienced and not well-prepared, things can go badly sometimes. I don't think anybody wants that to happen, but these are concerns that I'm hearing, and I'm passing them onto the Minister.

I don't have any other questions about this, other than to say that I am very, very concerned that there is no money in the budget for the caribou crisis. We should have anticipated this, and there should have been some money in here for that, and I'm very disturbed that it's not. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Would the Minister care to respond?

**HON. ROBERT MCLEOD:** Yes. Thank you, Mr. Chair. I didn't mean to go after the messenger, but I'm just a little bit passionate about this. As far as money in the budget for the caribou, I did say earlier that I had given direction to the department to come forward with a plan on dealing with the caribou, as well as my response to questions from the Member from Yellowknife North on the funding that we're hoping to be announcing here during the life of this session, and I think it will be well-received. As well, I've directed the department to try and identify more funding for a lot of the work that we need to do with our Aboriginal partners, because we can't make unilateral decisions. Those days are over. We have to work with our Aboriginal partners now, and all those who are affected by this, because it's the only way it's going to work. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. McNeely.

**MR. MCNEELY:** Thank you, Mr. Chair. I'd like to recognize the concern from the Member from Frame Lake. I truly feel his concern for the caribou, but I'm quite satisfied with the department's allocation of funds, having participated in the SSI bilateral meetings last year, and I understand there's one coming up here again. I know caribou conservation and preservation and range planning is all on the agenda, so I'm satisfied with where that agenda and that discussion are going. For those reasons, I support the department's initiative towards caribou conservation and recovery and range planning. I know there's been quite an invested interest in the cost of the surveys, in the neighbourhood of $6 million, so recognizing that commitment along with the department's allocation of funds, the continuation of that dialogue, I thank the department for putting up with a lot of the statements I've heard from some of the community leaders far exceeding what really is actually happening out there. Some of us don't even go out there, including myself, very seldom. Like the Minister said, we take the traditional knowledge point of view at heart there, and those are the meaningful dialogue that's going on. Cutting it short, I'm satisfied. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Anything from the Minister? Minister.

**HON. ROBERT MCLEOD:** Yes. Thank you, Mr. Chair. I appreciate the Member's comments. My commitment to this Assembly and to the people out there is we will work with our Aboriginal governments because, as I said before, we can't make unilateral decisions on the preservation of caribou. The only way it's going to work is if we have a partnership approach, and good on some of the Aboriginal governments for recognizing that and working with us. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Environment and Natural Resources, wildlife, operations expenditures summary, $14,560,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. We have information items on pages 92 to 101. If committee would care to make comments or ask questions about the information items on page 92 to 101, I will entertain a set of comments or questions. Mr. Thompson

**MR. THOMPSON:** Thank you, Mr. Chair. In here, the environmental fund, is this where we talk about recycling and that area? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** I'm sorry. Yes, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. Previously, I've asked the Minister about setting up a recycling depot or terminal or whatever you want to call it, distribution centre, for the region. Can the Minister advise if there have been any further conversations about setting up a distribution centre; not a depot but a distribution centre? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes. Thank you, Mr. Chair. My understanding is there have been no further discussions, but I'd have to confirm that. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. Again, this is an opportunity for the potential for employment in the region and that. Can the Minister advise who I should be talking to, or the local contractor, who should they be talking to, so we can get this opportunity moving? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes. Thank you, Mr. Chair. We have some local operators in the Member's region, but the person, if he's looking for a contact, would, again, be the superintendent in Fort Simpson. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Nothing further from Mr. Thompson. Seeing nothing further from committee, we can return to the departmental total found on page 65. Environment and Natural Resources, total department $86,693,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Does committee agree that this concludes our consideration of the Department of Environment and Natural Resources?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Thank you to the Minister. Thank you to the witnesses. Sergeant-at-Arms, you may escort the witnesses from the Chamber. Minister, you may take your seat. Thank you. Committee, we have next agreed to consider the Department of Finance. I will turn to the Minister of Finance for any opening comments he may have. Minister McLeod, are you ready? Minister McLeod.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair.Good afternoon. Today I am presenting the 2019-2020 Main Estimates for the Department of Finance. These estimates total $258.2 million, which includes the GNWT's operating contribution of $70.4 million to the NWT Housing Corporation. Overall, the department's estimates propose an increase of $7.5 million, or 3 percent over the 2018-2019 Main Estimates.

Setting aside the changes in the contribution to the NWT Housing Corporation, which you will review with Minister Moses, highlights of Finance's proposed 2019-2020 Main Estimates include:

* $15.3 million in inter-departmental transfers and $400,000 in initiative funding for the establishment of an Information Systems Shared Services unit;
* $400,000 to support secondment agreements between the GNWT and Indigenous organizations;
* $2.0 million in forced growth as a result of increased usage and costs of the Employee Medical Travel and Dental programs; and
* $12.5 million to provide rebates and cost-of-living credits to minimize the effects of the NWT Carbon Tax on NWT residents.

Finally, I would also like to point out that the 2019-2020 Main Estimates outline the Borrowing Plan for the GNWT. This plan proposes to establish a total borrowing limit for the GNWT of $809 million, which is comprised of the following:

* Short-term debt, $390 million;
* Long-term debt, $419 million; and
* Capital leases, $500,000.

The limits proposed in the Borrowing Plan will be included in the Appropriation Act (Operations Expenditures), 2019-2020. The GNWT borrowing is part of our overall debt, which also includes the NWT Power Corporation and the NWT Housing Corporation debt. That concludes my opening remarks. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister McLeod. I understand that you have witnesses whom you wish to bring into the Chamber. Sergeant-at-Arms, please escort the witnesses into the Chamber, and Minister, please take your seat at the witness table. Committee, the department begins on page 131 of the tabled document that we are considering. The committee will notice that, on page 137, there is a copy of the Borrowing Plan. However, we will defer consideration of that until after the department, and we will then consider it in its own section, which is in the blue tab near the front of the document on page XV. Minister McLeod, will you please introduce your witnesses for the record?

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. To my right, I have Mr. David Stewart, who is the deputy minister of Finance and also secretary to the FMB. To my left, I have Mr. Sandy Kalgutkar, deputy secretary to the FMB. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. Welcome to the witnesses. Committee, the departmental total is on page 135. As usual, we will defer that until after consideration of the individual activities, of which there are five, followed by some information items. The first activity is directorate, and it can be found on page 139. I will open the floor to comments or questions on directorate. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I am not even sure if this is the right place to ask, but is there any information about the Heritage Fund? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. It is under the management board secretariat, but if the Member wishes, he can ask the questions in this particular area.

**CHAIRPERSON (Mr. Simpson):** Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I will wait until we get to the management board secretariat, and I just found my page here. It is 151. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Any further comments or questions on directorate? Seeing none, I will call this activity. Finance, directorate, operations expenditures summary, $76,134,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Turning to the second activity, human resources, beginning on page 143 and continuing to page 145. Comments or questions on human resources? I will give committee a moment. Mr. Thompson.

**MR. THOMPSON:** Sorry. Hopefully this is the section, human resources. I have heard people concerned about affirmative action and it not being implemented properly. Does the department encourage or work with other departments to set up succession planning so that Indigenous people are able to move forward into a position of management? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. The short answer is yes. We work with all of our Indigenous employees, and I think that there are a couple of programs to try to get them some management experience. If employees are identified as though they might be able to move through the system and are capable of becoming managers, then we would work with them to give them the proper training that they need to move them along. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. Can employees identify themselves for management or to look at getting to be trained in this area? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. I suppose that the employees can identify themselves as potential candidates for moving through the system. Again, identifying yourself is one thing. Being capable of doing the work that is assigned to you and moving through the system is another matter, but I don't think that anything stops them from self-identifying. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. I just lost my thought here for a second. It is good to see that, and I understand that. When people are given the opportunity to apply for jobs and they are not successful, what is the appeal mechanism? Do they have the opportunity to appeal the process? I guess, what is the mechanism for people who appeal? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. When there is a competition, the client service manager from our department helps the hiring department with the process, but they also work with the applicant. If somebody wasn't successful, then they would give them the information that they would need to know the steps and point out them to the website for the exact steps they might go through for a staffing appeal.

Also, to explain, we have done some plain language work to be able to explain to folks what is appealable and what isn't appealable about competition, so they would give them all of that information and then check to see if they would like to appeal anything about the process that they didn't think was done properly. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. I appreciate that clarification. If a person appeals, are they able to receive all of the notes that are part of the interview process? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. I am not sure that I know all of the details of exactly what they would get access to. I know that there have been cases where they have been provided things like test scores and those sorts of things, but I don't know the level that they go down to. We could look into that and get back to the Member specifically around the panel's notes and those sorts of things, but I think it is mostly about scoring and that sort of stuff that they would get.

The other thing that we do, and this is outside the appeal process, is that, on every competition for Northerners, if somebody is not successful and they get regrets, we actually will go through their resume with them or their interview and say, "Here's something that you might want to try next time," so that they can learn. If there are things in the interview that they didn't do well on, outside the appeal process, they can still get some tips that might help them in the next competition. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. I appreciate that information. It helps me when constituents ask me the questions about what the process is. I know that, in the past, I have seen people give a position and give them training plans. I guess my question is: do we still do this? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Again, going back to my earlier comment, we identify somebody who has the ability to move through the system and, with the proper training, move into a management role. I think we see it government-wide. We have a lot of Indigenous people now in management roles, and some of it is through the training of the GNWT, and there are a number of training options that are available. So we continue to work with them, and, if there is an opportunity for them to be identified, get a position, move through the system, we will train them, and we have the appropriate appropriation to do so. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. I guess maybe I should have made myself a little bit clearer. I understand the government system and how to work with that. What I am talking about is a person who is not in the government system, who has the qualifications but, say, doesn't have writing skills up to snuff but has the experience of five, 10 years in there. Does the department or does the government allow the opportunity to set up training plans? Because I know in the past we have been able to. I have seen it happen, where we found an individual and set him up to take the training position for the job. I guess my question is: do we still do these types of things, or is it just now based on competition? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. Two things on that: there still are training positions that departments can use if they want to hire somebody, and that feeds into the regional recruitment program that I am sure the Member is aware of. Then the other program we started last year is something called the gateway program, where we have provided funding to departments to go out, and we put out calls for applications on this for somebody who maybe doesn't quite have the skills to work in a government position yet and for various things, but it provides departments with funding to have them work part-time and then get education upgrades at the same time. We really see that as an opportunity, for maybe those residents who are out there who may be fell short in high school or weren't able to complete or did some sort of post-secondary, to help them get back while they are still getting some employment experience which would put them into a position to be able to compete for jobs. So that is a new program we have launched this fiscal year. I think we are starting to get some applications in. I think it's 15 or 20 who we have supported so far, but I have a lot for that as a pathway in for people to get a little experience and a little education and move into permanent employment with the government. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Nothing further from Mr. Thompson. Anything further from committee on human resources? Seeing none, I will call the activity. Finance, human resources, operations expenditure summary, $21,039,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Please turn to the next activity, information systems shared services, ISSS. Comments or questions on this activity? Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. In the main estimates, on 149 is the number of active positions, and it only increases by eight people between the two years. Is this where this integrated shared services systems unit or whatever it's called, ISSS, is being moved into? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. O'Reilly. Deputy Minister Stewart.

**MR. STEWART:** Thank you, Mr. Chair. Yes, this is the information systems shared services unit, so this is the initiative that we have talked to the committee about, of basically consolidating all of the resources from across government into one unit to do information systems development. Really, the genesis of that was a review that was done and a recognition that there is an awful lot of this work being done in government; often it was not being coordinated particularly well, and you had different departments doing different things, and that led to duplication and those sorts of things. The other thing that came out of the review was just the ability to take advantage for career pathing and training and to learning from each other, so the decision was to set up this shared services unit and have a governance model around it that would keep departments getting the services they need. Really, it reflects the demand for an increasing number of services online and those sorts of things, so we are really structuring ourselves to be able to move in a much more major way into that area. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Deputy Minister Stewart. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Okay. I accept that the work was done. Why, the active positions, is there only an increase of eight? I thought there were like 78 people or something who were being moved from different departments into finance. How many people are moving into finance as a result of the establishment of this new unit? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Deputy Minister Stewart.

**MR. STEWART:** Thanks, Mr. Chair. The main estimates reflect the restatement from various departments, but I can provide for the Member a little detail behind that. Sixty-nine of those positions, of the 88 positions for 2019-2020, are transfers from other departments, so it reflects that consolidation. Eleven positions were existing in finance because the office of CIO was already there. As well, we had a couple of these types of position in the department already. There was one position that was re-profiled from existing resources to create another project management position. There was initiative funding for four positions that related to making sure that we provide the level of support we need to departments. Then, finally, there was another initiative that was not related to the consolidation but was related to providing e-service, where we are setting up a small service unit in Fort Smith that will provide I call it "virtual GSO-type service," so that people who are trying to do online services can actually reach out and phone somebody to get help, if they need, for service delivery across the GNWT that is done on an e-service basis. That is being set up this year, as well. That is where you get to the 88 total, so 69 come from other departments and then some from finance and a little bit from initiative funding. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Deputy Minister Stewart. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. So where are these 69 people actually going to be housed, which building? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Deputy Minister Stewart.

**MR. STEWART:** Thanks, Mr. Chair. I think the initial plan is they will be in three different locations. Some will be in the gallery building. There was already a shared service unit for Lands, ENR, and ITI, and we will use the space that was there. Some will be in the Laing Buildings, where the office of the CIO was. There may be some swapping out of space. Then the third sort of focal point will be in Northwest Tower, what I affectionately call "the green building." There is some space that we were able to get through infrastructure for a third spot there. Obviously, ideally, we would like to have everybody come together, but this is a rather large unit, so many departments have multiple locations, and we will just have to work with this for the time being, until we can maybe consolidate into a single location. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Deputy Minister Stewart. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. So do all of these people move on April 1st? Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Deputy Minister Stewart.

**MR. STEWART:** Thank you, Mr. Chair. It probably won't happen right on April 1st. I think we are doing a staging plan now. We certainly want them all in place by June 1st, but office moves and those sorts of things, as you know, are a little bit complicated. We are getting down into that detailed office layout. We kind of have a rough sense of where everyone is going at this point, and then we will start to get that detailed planning, but we do not want to get too far into the fiscal year without having everybody in the locations they need to get to. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Deputy Minister O'Reilly -- or Deputy Minister Stewart. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I am not sure if that is a promotion or a demotion. I know there are some people who would like to demote me here.

---Laughter

**MR. O'REILLY:** More seriously, what systems do we have in place to evaluate outcomes here? I am not talking about convenience for people who work for the government. I am talking about client service. How is the effectiveness of this move, massive move, of resources into Finance going to be evaluated? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Deputy Minister Stewart.

**MR. STEWART:** Thanks, Mr. Chair. Part of the process that we are going through and one of the first things that we will be working on is we have a rough sense of what should be in an accountability framework and, certainly, departments are very interested to make sure that they don't lose any of the service that they are getting now. We are trying to look at this on a broader sector basis so that we can include accountability around the other components of information systems, but also that information technology and information management as well to come up with a sector-level set of indicators, but we will absolutely have a specific set of metrics that we will be tracking to make sure that this is working in terms of the same level of service, if not improved service, and better consistency, and those sorts of things, and then reporting out on the progress they are making. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Deputy Minister Stewart. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Can I get a commitment, then, out of the Minister? Because I don't think I have actually seen this evaluation framework or accountability framework or whatever the department wants to call it. Can I get a commitment out of the Minister to share that with the appropriate standing committee? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Minister McLeod.

**HON. ROBERT MCLEOD:** It's not like we're trying to make work, or anything like that.

---Laughter

**HON. ROBERT MCLEOD:** No, I know, I know. Everybody heard me because the mic was on. I was just saying that this whole exercise we are going through is not a make-work project. It is just that we are trying to improve services across the Northwest Territories to the public and to our GNWT employees. So going back to the Member's question, I will commit to sharing the information with the appropriate committee. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Yes, I guess some of the questions I have are, I remain to be convinced that this is actually going to improve services, but can the Minister commit to providing even an interim report before the end of this Assembly to the standing committee on how this is working out? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Minister McLeod.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. Like I said before, this is hoping to improve services. I mean, we can't predetermine the outcome and condemn it to failure before it has even gotten off the ground, but what I can commit to do to the Member, the Members -- not the Member, the Members -- is provide them an update when we come to our May/June session, because I think we will have a pretty good indication then of how the move is going and an early indication of some of the improvements that are bound to happen. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. I will allow one more, if there is any. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Yes, with my five seconds. I guess I am just a bit surprised, more than a bit surprised, that there is no accountability framework, no evaluation framework for this now. We are talking about moving 69 people around GNWT into the Department of Finance without an accountability framework, a way of measuring the success of this, so I am more than worried about this. I will wait and see what the Minister is able to provide to standing committee in terms of the evaluation framework and then in the interim report, but I guess I have heard concerns from constituents as well about this. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. I didn't see a question or hear a question in there. Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. I am just looking for some clarity on this new division here. My understanding is, right now, there are people within the department, employees, who develop computer programs and implement technological solutions to serve that department, and what is happening is that all of those positions from the departments are moving into Finance into this central division. Is that correct? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Minister McLeod.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. That is correct.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. I am also concerned about this. Over the years, we have seen the centralization of some government services, and the results, from what I have heard, haven't been the greatest.

If you talk to anyone in the government who has ever tried to hire someone, they are not particularly thrilled with the way HR works, and from what I understand, there was a time when hiring was done sort of within the departments. Not entirely, but much more so. The departments seem happier with that, and it was generally quicker. The Department of Infrastructure has taken back control over procurement of all items over $50,000 and, from what I understand, departments now have difficulty procuring items. You know, we can't spend half the money that we allocate for procurement. Financial shared services has also been recently created, and it has been taken out of the departments and the people who directly use those into a central, you know, area in Finance, and now the people in the departments don't have a relationship with the Finance person anymore. Now it is just they contact Finance, and that person might not be very familiar with what goes on in their department, and I know that has caused issues in some departments.

Now, we are doing the same thing with these tech positions. So there are people right now who develop and design programs for use by departments, and they are working there on the front lines with the people who use those programs, and that creates a good feedback loop. If there are issues, they can talk directly to those people.

Now, there is going to be this gap between them and there is going to be the group of tech people and there is going to be the group of people on the front line, and they are not going to be dedicated to one project, and so they are not going to have that relationship. I foresee issues, and I don't know why this was done so soon after financial shared services and without an evaluation of how things are going in human resources and without an evaluation of how the departments like the new procurement services. Because, from everything I can tell, no one is really happy with it.

Even, you know, contractors. Before, if they had a contract with a department to procure something, they knew the people in that department. They could contact them. If there were problems with payments, they knew who to contact. Now, you contact Finance. It is some nameless person behind a desk somewhere in Yellowknife, and they have no idea what is going on with that person's project.

So I see a lot of problems with these sort of centralizations that have already happened, and yet we are going ahead with a new one. So the question is about what sort of measurements we are going to use to measure the success of this is almost moot because these measurements should have been done over the years on these other departments, and I don't think they have been.

I understand why there might be some need to reorganize. You know, you want to have people working together who are doing similar things, but I don't know if a massive organization all at once is the way to go about it. I remember one deputy minister said to me in the business plans, and it wasn't related to this, it was about something else, but no matter how you organize government, it is about communication. I see that now we are just organizing it, but we are not putting any thought toward communication. I have grave concerns about this, and I think this is ill-informed, and, you know, I don't know if I can support the budget on this alone, seeing what we have seen in the past with the other sorts of amalgamations. I just wanted to let the department. I don't really have a question. It was just a comment. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Minister McLeod, to the comment.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. I think it is only fair that I respond to the comment from the Member. I can understand his concern. I have been through the system quite a few times in all my years of work, and I am not sure if many in here remember the Department of Personnel days. There was a Department of Personnel which was much like HR now, and they went into the different departments. They did a lot of their own hiring. I know a number of people who were involved in those different departments, and they were comfortable there, and then they amalgamated into the department of HR. What that did, although initially a lot of them didn't like the move, it kind of broadened their horizon where, if you were working in an education department, for example, then you are used to hiring teachers. Then all of a sudden, you are working on hiring people for the department of public works, so it gave them a lot of different views on different departments within the governments.

I mean, I can understand the Member's concern, and we will have to see how this plays out. Let's not condemn things to fail before they even start. There might be an opportunity here for all of these people to come together and expand their knowledge. From working with one department on a particular project, they can expand their knowledge, and that may help them in the future.

It is unfortunate for the Member to say that he may not be able to support the budget based on this one particular issue when we have a budget of $1.9 billion that is beneficial for every riding in the Northwest Territories. It is a budget that a lot of people look forward to, and it is helping people in the Northwest Territories. I find that it is unfortunate that that is the Member's position, but I respect his position.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. Further questions on this activity? Seeing none, I will call this activity here. On page 147, Finance, information systems shared services, operations expenditures summary, $19,362,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** I understand that dinner is here, so we will take a short break for something to eat.

---SHORT RECESS

**CHAIRPERSON (Mr. Simpson):** I will call the committee back to order. Committee, we were on information systems shared services. Did we call that one? Sorry, committee. We are on management board secretariat. My apologies. It has been a long day for all of us. This activity begins on page 150. Do we have comments or questions from committee? Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I am hoping that one of our friends here can tell me what the current balance is in the NWT Heritage Fund. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. There is $17.1 million. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I think that is actually the same amount as when I asked the last time. What is the increase from a year ago? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. The Member is correct. I am pretty sure that that was the amount, because he asked the same question last year. I think that last year I said $17.2 million, and I said it again this year. That was the figure at public accounts, and this year it will increase by $7.6 million. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. That's great. One of the mandate items reads as follows: "We will review and develop amendments to the Northwest Territories Heritage Fund Act in light of devolution to ensure a defined revenue stream and stronger public governance." Can the Minister or one of his colleagues tell us what is being done to ensure that that mandate item is achieved? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Kalgutkar.

**MR. KALGUTKAR:** Thank you, Mr. Chair. For the changes that we are currently contemplating to the Heritage Fund, we have gone out for an RFP that we have finalized, and we will be transferring the administration of the fund to a third party. That is the major change that is happening this current fiscal year. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Well, that is certainly news to me. I have never heard of that one before. Can the Minister share a copy of the RFP with the Standing Committee on Government Operations? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. I am a very sharing person, so I would be glad to share that, along with anything else that the Member might want. When the opportunity arises, we will give them an in-person briefing as well.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. When does this RFP close? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. My understanding is that it is closed.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I am a little bit surprised, because this is the first time I have heard about it. Can someone explain the rationale here to contract out the management of our Heritage Fund to a third party? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Kalgutkar.

**MR. KALGUTKAR:** Thank you, Mr. Chair. When the Heritage Fund was first established, because the balances were growing relatively slowly, the amount wasn't that significant. It didn't make sense for a third-party administrator to look after the investments in the fund, because the costs would have been too high. Because the balance is getting to an amount where it makes sense that the fund balance be administered by a third party who is better positioned to invest the fund in a more diverse mix of assets so that it grows a bit faster, we have decided to go with that approach. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I am trying to reconcile contracting out the management of our Heritage Fund with the mandate commitment that talks about stronger public governance. How is contracting out the management to a third party going to meet this mandate commitment of stronger public governance? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. My understanding is, from what I have been told, this was raised during discussions at business plans in the Department of Finance's proposed budget. As far as the third party goes, I think the Member in particular has been asking for the last few years that this be something that -- I mean, we were talking about public governance. Maybe that is the next step, but, for now, it has gone out for an RFP to have somebody administer it on our behalf, is my understanding. The public governance part, I will have to have a discussion with the official. I am not sure if that is the next step in this, and we just want to make sure we don't over-govern the Heritage Fund.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Yes, well, although I believe in stronger public governance of the Heritage Fund, it is not me saying this. This was direction from the Legislative Assembly. The mandate was accepted. It was voted on in this House, and now the department has gone off and contracted out the management of our Heritage Fund. I can assure you I did not hear that when I sat in on the business plan review for this department, so this comes as very much a surprise to me, that we are contracting out the management of our Heritage Fund. Can the Minister provide me any sort of assurance that there is actually going to be any public governance now, of the Heritage Fund, in the future? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Again, my understanding is that this issue was raised during the business plans. Maybe it was missed. I mean I don't know the situation with that. Then it is going to go out for an RFP for third party. There will be a lot of accountability on this. The public will have a lot of opportunity to see. It is not like we are tucking this away. I believe in public accountability, too, and public governance, and that is what we are doing in here. I have been here for a while, so I am very familiar with public governance. Anyway, I am going to stop there, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. If I recall correctly, the last time there was a discussion about this, it was about changing the regulations that defined how the money in the Heritage Fund can be invested to make it so that the fund might actually start to earn money instead of losing money by having some perhaps more liberal investment policies around it. That is what we were told. Now, all of a sudden, I find out that the management is going to get contracted out. How do we go from changing regulations about the investment of the fund to contracting out its management without a Regular MLA, standing committee, and the public knowing? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. O'Reilly. Minister McLeod.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. I am not going to get into a debate on this. This was raised in September. If the Member missed it, he missed it. There was plenty of time from September to now to find out if this was in there or not and raise the concerns that he had. I am going to find out. There may have been more information off the officials, but it is my understanding. I think the Member wants a big, 12-person, public board to oversee this money. Then we have to start putting money away into the Heritage Fund, and we will determine how we are going to use it. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I do not appreciate the Minister speculating or impugning some kind of motives to me on this issue. This is serious. I sat in on the departmental business plan review. This did not get discussed. This was not. This is the first time that I, as a Regular MLA, am finding out that the department is going to contract out the management of our Heritage Fund. This is a serious matter, Mr. Chair, and I don't appreciate the Minister saying that my view is that there should be a 12-person board and trying to impugn that I might want to sit on it or something. That is ridiculous. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Minister McLeod.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. I don't assume anything. If I have something to say, I will say it, and then I do, and some people may not like that. I'm sorry. That is just the way it is. I can assure the Member and all Members of this House that everything we do we do in an open and transparent manner, because you have nothing to gain by not doing it. This is public money. This is a Heritage Fund, so, if we need to have a discussion more on the RFP and the situation there and if the Member missed a briefing or if he didn't catch it, then I suppose it should be on me, as Finance Minister, to fill him in and give him the details on the proposal going forward. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. I just want to point out and caution here, to all Members, that we respect one another. Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. On page 151, I see "carbon tax offset" for $12.5 million, and then, on page 152, I see "carbon tax offset" for $11.9 million. I was wondering what accounts for that disparity? Where did that $600,000 go? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Minister McLeod.

**MR. STEWART:** Thank you, Mr. Chair. The total amount is $12.5 million, as the Member noted on page 151. On 152, the grants portion is $11.9 million. The other $600,000 is the administration side of that, the cost. We are proposing to have a couple of positions to help administer the fund, and then we also have to pay the fee to the CRA to do the cost-of-living offset benefit, so we identified for Members when we presented on the carbon tax approach that there would be some administrative cost, and it is $600,000. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Deputy Minister Stewart. Mr. Simpson.

**MR. SIMPSON:** Thank you. So, the remaining $11.9 million that is going to the public, can the witnesses explain how that is going to be divvied up? I see that it is intended to reduce the impact of the carbon tax for heating fuel, industrial emitters, electricity generation, and the cost of living, so can I get a breakdown of where the $11.9 million is going? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Deputy Minister Stewart.

**MR. STEWART:** Thanks, Mr. Chair. We can get a table, but I will very quickly just sort of remind the Members of some of the things that we are going to be using that money for. First, obviously, is the cost-of-living offset benefit, which will be delivered to residents to help offset the impacts of the carbon pricing. There is the heating fuel rebate so that both residents and small businesses and others will not have to pay carbon tax on heating fuel. Then there are the rebates related to the large emitters, as well, and for electrical generation, but we will provide a table that provides the detailed breakdown of the $11.9 million. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, deputy minister. Mr. Simpson.

**MR. SIMPSON:** Thank you. Those are the items that I read off, as well. The department doesn't have the numbers in front of them of where this is going? Is that correct? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Deputy Minister Stewart.

**MR. STEWART:** Thanks, Mr. Chair. Yes, absolutely, I can read the numbers. In 2019-2020, the heating fuel rebate is estimated to be $2.4 million. The large emitter rebate will be $3.8 million. The industry trust will be $1.3 million. The rebate for electrical generation is $1 million. The cost-of-living offset benefit is $3.4 million. There will be $0.6 million or $600,000 for administration, and that leaves a total off the total revenues of around $3.5 million that will be going towards the contribution towards the Inuvik wind project. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Deputy Minister. Mr. Simpson.

**MR. SIMPSON:** Thank you. In terms of the cost-of-living offset, how is that breaking down? How much is going to be allocated per person, and does it matter if you are a couple, if you are a child? Could I get some details on that? Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Deputy Minister Stewart.

**MR. STEWART:** Again, I will confirm these dollar values, but it is on a per-person basis. If you have more people in the household, obviously, the value will be higher. If I recall correctly, the value was $260 annually for people who are 18 and over, and $300 for children under the age of 18, dollars a tonne. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, deputy minister. Mr. Simpson.

**MR. SIMPSON:** Thank you. $280 for adults and $300 for children in the household. How come there is that disparity between children and adults? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Deputy minister.

**MR. STEWART:** Thanks, Mr. Chair. In the initial design of the program, the assumption was that there were certain things that were going to be more heavily impacted, that would hit families more than it would hit, necessarily, people without children. The decision was made to make it slightly larger for children than it would be for adults, and therefore families would end up, on a per-person basis, with a little higher amounts. That was the original design that was done around the carbon tax cost-of-living offset. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, deputy minister. Mr. Simpson.

**MR. SIMPSON:** Thank you. Were there any dissenting opinions from members of the department who don't have children on that division? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Deputy minister.

**MR. STEWART:** Thanks, Mr. Chair. There were certainly lots of views, not only from people in the department, but when we released the approach to the public, as to whether there should be more that goes to families, whether it should be income-tested, and a variety of other things. Yes, there were different views, depending, probably, on their own family situation, but also recognizing what we were trying to do, which is really offset the impact of the carbon pricing as opposed to any other objectives that might be out there. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, deputy minister. Mr. Simpson.

**MR. SIMPSON:** Thank you. I understand that the federal backstop, as it is called, the federal carbon pricing plan, considered rebates for small businesses, as well, and I think that they are working on the details of that. Those might be grants to upgrade the efficiency of their buildings or equipment. I am not quite sure. I don't even know if that plan has been released yet. I see that there are large-emitter plans. There are plans to offset electricity generation in communities. There are plans to give money directly to people. Are there any plans to help small businesses cope with this carbon tax? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Deputy Minister Stewart.

**MR. STEWART:** Thanks, Mr. Chair. Probably the two biggest drivers for small business that will be provided offsets is 100 percent of the heating fuel carbon tax is being rebated back to the user, whether it is a resident or it is a small business, and then electricity generation, as well. We are not charging carbon tax on electricity generation using diesel fuel. There are also other programs that are being looked at under the Low Carbon Economy Fund, I believe, that will help businesses in terms of some of the things that they may want to do to help reduce their consumption. I know that that work is ongoing with the federal government, but I know that there is a component of it that is intended to help small business, as well, under that program. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, deputy minister. Mr. Simpson.

**MR. SIMPSON:** Thank you. The department might want to advertise that fact, and maybe it is the Department of Infrastructure who has to, because the way that this is seen is that it is just another tax on small businesses because they are not getting a cheque in the mail the same that a family is going to. I am sure that the department is going to say, "Well, they'll just raise their prices and recoup that loss," but it is a tight market out there right now. That is not going to be received well by consumers. When businesses are struggling in this economy, the last thing that they need is another tax on them. I have no further questions on this section. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair. If I can, I am going to take a moment to go back to the Heritage Fund, just because I think that we need a little bit more clarity on what steps the government has taken. I think that I am seeing it differently than my previous colleague from Frame Lake has. I recognize, also, that I am a member of the Board of Management, and we have a fiduciary responsibility every year to manage the pension plan of past, current, and future members. If I am understanding this correctly, I think that this is the intention of what we are doing here in terms of going out to the third party. I would like to ask the Minister of the department: is this, in fact, an RFP that has gone out to actually seek investment fund managers? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. That is correct.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair. Really, what we are doing is we are trying to seek out some expertise that we clearly don't have in-house. Right now, again, you can correct me in a moment if I am wrong, but our money is just simply sitting in a fund, not allocated to any kind of investment portfolio and not generating any kind of interest. It is my understanding that we are going to seek investment expertise to spread this fund around in some form of investment portfolio, with the intention of generating additional profits or revenues to the fund. Is that correct? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Mr. Kalgutkar.

**MR. KALGUTKAR:** Thank you, Mr. Chair. That is exactly right. Currently the fund is sitting in investments that are earning less than 1 percent a year, and the intent was that, when the fund got to a balance where it made sense to have a third-party advisor looking after the funds, we were always intending to do that. This was raised by MLAs several times in the past. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair. Will the fiduciary oversight still remain with the government? I know, for example, again, the Board of Management is the oversight for fiduciary responsibility on the pension, even though we have actuaries who manage the fund. Will this agreement with the third party make sure that all fiduciary responsibility and decision-making remains with the government? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Kalgutkar.

**MR. KALGUTKAR:** Thank you, Mr. Chair. That is correct. The overall operation of the fund will not change, other than the general mix of investments might change. There will be an annual report. There will be audited financial statements that will be signed and audited by the OAG. The whole responsibility that the Member is referring to will not change. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, and I think that I just got the answer to my last question, which was going to be: will this be audited on an annual basis, and will we see annual reports that will get tabled in the House? Just for confirmation, maybe we will get the Minister to answer that question. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** I apologize, Mr. Chair. Yes.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you. That is all I have on that particular item, but I have a few minutes left here. I would like to move over to line item Mackenzie Valley Fibre Link on page 151. Can we get clarification as to the significant increase from $7,643,000 in the 2017-2018 actuals to the now almost $14 million from the 2018-2019 and the 2019-2020? Where are these funds allocated to? What is this going toward? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Who am I directing this question to? Mr. Kalgutkar.

**MR. KALGUTKAR:** Thank you, Mr. Chair. If you look at the 2017-2018 actuals column, if you look at the block of numbers that say expenditure category, there is an amount that says $5.3 million for interest. As part of the 2017-2018 actuals, that $5.3 million is part of the $8.9 million that is under the deputy secretary of the financial management board, but in error. So, if you pull out that $5.3 million now allocated to the $7.6 million, you will get a comparison to the rest of the fiscal years. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** All right, and so the question, however, then becomes: where is this nearly $14 million being dispensed to? I mean, I can't see a description as to the allocation of the $14 million. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Kalgutkar.

**MR. KALGUTKAR:** Thank you, Mr. Chair. The allocation is made up in several areas. The biggest tranche of money is paid to the Northern Lights Fibre Consortium for the debt-servicing payments and the annual maintenance that they do on the fibre line. That amounts to about $11 million per year. Then there are land access fees that we pay to the Gwich'in and to the Sahtu, which is about $2.6 million, and that makes up the balance of the majority of the $14 million. There is also some environmental monitoring that we have to do, but the big portion of the cost are those two areas. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Okay. Thank you, Mr. Chair. Maybe, without having to go look and if one of the Minister's colleagues has the answer at the top of their head, what form or how much generation of revenue do we, if at all, generate for our government off of the Mackenzie Valley fibre optic line? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. My understanding is it's about $1.2 million for this fiscal year.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Okay. The reason why I raise this, Mr. Chair, is because I appreciate that we are not experts in certain fields and we need to hire and form agreements. We just talked about that, in fact, over here as it related to the Heritage Fund, about getting experts to manage certain things. That said, though, when I look at other jurisdictions that are responsible for their information super-highways, Alberta is a good example. The Government of Alberta maintenance ownership over that asset and then might have a small contractor managing the technical aspects of it, but they get to generate significant revenue off of it by leasing, for lack of knowing the technical term, but essentially "leasing space out" to those who have an interest in accessing the information highway. I think that it would have been an excellent opportunity for us in the arrangement that we made with regard to this fibre optic line to find a way in which this could have ended up being a much larger revenue generator for us as a government. It seems to me that, clearly, we are paying an abundance of money to a manager, and yet we are making very little on the other end in terms of revenue. So how long do we have this agreement in place, and is there a future opportunity to renegotiate a financial situation that is going to be more beneficial to northern ratepayers? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. The agreement is for 20 years. This was a P3 partnership, and so we are paying fees on that, and we make $1.2 million. As far as renegotiating, I am not sure if there is an opportunity to renegotiate. Maybe I will go to our fibre-line expert through you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Kalgutkar.

**MR. KALGUTKAR:** Thank you, Mr. Chair. At the end of the contract, the fibre line does become a GNWT asset, and, at that time, it would mean an opportunity to either renew the contract with Northern Lights Fibre Consortium or just look for another service provider to maintain and operate the line for us. As the Member says, it is fairly specialized. You need fairly specialized expertise to manage the fibre, so it would likely be in the best interests of the government to look at somebody, whether it's Northern Lights or somebody else, to manage the fibre for us. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne, your time has expired. Anyone further? Seeing none, I will call this activity. Finance, management board secretariat, operations expenditure summary, $76,734,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Please turn to the fifth activity, Office of the Comptroller General. Comments or questions? Seeing none, I will call the activity. Finance, Office of the Comptroller General, operations expenditure summary, $64,933,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Committee, we have an information item at the end of this department. Comments or questions? Seeing none, we will return to the departmental total, which is found on page 135. As I stated earlier, we will leave the borrowing plan until after we are done with the department, and then we will move to the borrowing plan. If we have comments or questions on the totals, the organizational charts, or the revenue summary, now is the time to ask them. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair. The Minister knows that, on occasion, I have questioned what the future of the territorial financing formula might look like and what opportunities there might be to negotiate or renegotiate that with the federal government. That aside, I think what we all know typically is that the agreement is that own-source revenues, the more that we generate, there is some clawback on the territorial financing formula. However, interestingly enough here, I see that the grant from Canada has grown a little bit compared to last year and more so from the year prior, but then our own-source revenues have also grown. I am wondering: was there no clawback, or how did we manage to generate more of our own-source revenue without having a reduction in the federal grant from Canada? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. The way the formula works in terms of the grant from Canada is it does look, as you note, around our own-source revenue and those sorts of things, but, to take out the fluctuation, it uses a moving average of a couple of years of critical data in terms of the escalators that are built into the formula. So sometimes you will see it both going up, and sometimes you will see it going the other way, but it is to smooth it out, and that is part of the reason why you would see the scenario that you are talking about. In terms of the grant itself, it is a three-year moving average, and it uses, actually, lag data, so it's from data from two years previously so that you have lots of time to plan for what you know what your formula is going to be. That is part of the reason that you see the pattern that the Member described. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Seeing nothing further, I will call the departmental total. Finance, total department, $258,202,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Does committee agree that this concludes our consideration of the Department of Finance?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. I will ask the Minister and the witnesses to stay put, as we are now moving to the borrowing plan. It is the second blue tab in the document. Right after the summary tab, we see a blue tab that says "borrowing plan." As is our tradition and the requirement, we will go through this and vote on this item. First, I have Mr. Vanthuyne for comments or questions.

**MR. VANTHUYNE:** Thank you, Mr. Chair. Just a couple of things that I have. I always find it interesting when I see the word "contingency" when it comes to government spending. It seems like, in our borrowing here, we've identified in certain line items "contingency." I appreciate the asterisk here that says, "Contingency amounts are based on the estimated working capital requirements during the year, which can vary significantly." What I'm trying to understand is, how does borrowing even have a contingency to begin with? This could be totally an ignorant question, but I'm trying to understand this. I'm a project manager by background, and I've always recognized, in my previous years in working with the government, that government, or I should say taxpayers at large, don’t really approve of contingencies. So I'm trying to understand, what does "contingency" as it relates to Government of the Northwest Territories borrowing? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. There's no such thing as a stupid question, Mr. Vanthuyne. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. I'll deal with the first line here on short-term debts. Our short-term debt is essentially our cash shortfall, if you like. The main estimates project that, if the short-term debt is going to go from $318 million up to $325 million during the year, with short-term debt, you can imagine a scenario where, for example, if we had a very bad fire season and our supplementary appropriations were much greater than we expected to be. So what this is doing is saying, let's put in a contingency amount so what this Appropriation Act is saying is that, if you need to borrow on short-term debt up to $390 million, the Legislative Assembly is giving you that authority through this appropriation.

You can't know on all of these. You're forecasting which is what's in the main estimates of our best guess for March 31, 2020, and then, we're giving ourselves some room, particularly on something like short-term borrowing for things like emergencies related to fires and those sorts of things that would be unexpected. It's really just to give room so that, if there is an emergency, you can do that spending without having to come back and seek an appropriation on that type of a basis. That's probably the cleanest explanation. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** All right. Thank you for that explanation. Do we just pick an arbitrary number, or is this a typical percentage of the larger amount? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. I mean, largely, it is a best estimate that we can come up with, knowing past events that have happened and those sorts of things. It's not based on a formula, or anything like that. It's just to give us that room that might be needed. I think anything beyond that, you'd want to be coming back for those borrowing authorizations. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** I appreciate that. If we look at the NWT Hydro Corporation, in their short term, they look like they're going to be borrowing a significant amount over this next year. I have two questions. One is: can we just get a reminder as to why we're going to see that significant increase? Then: why is it that no other corporation seems to have a contingency, or is that just not a necessary thing? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. In terms of the Hydro Corporation and their short-term debt, there were some estimates built-in, and they were quite generous in terms of things that they might have to borrow for. There are some resource-related projects that they've responded to RFPs to provide power there, that they would have to borrow to have the generation available for that. They have some other things out there that they may have to borrow some money on. That was all built-in. Not all of those may necessarily happen, but we wanted to make sure they had the room to be able to do that.

In terms of the contingency, we don't see the Hydro Corporation or the Housing Corporation having the same type of that emergency situation, like a forest fire, that would be needed to have that contingency built in. They have other mechanisms that are there in terms of being able to deal with those things, so we don’t include contingencies on those. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** All right, thank you. Just my last question. To see such a significant increase in one year in this type of borrowing, can I get some slightly better description of what the intention is for that? I recall, at some point in time, the previous president of the Power Corporation indicating that, yes, there were going to be some necessary investments with regard to the NT Power Corporation. We're also aware, of course, of the whole scenario that is under way as it relates to Power Corporation potentially being a power distributor for the Town of Hay River. I'm trying to understand, are there some asset acquisitions that are being made? I mean, we're talking about a $100-million increase here, so I'm just trying to get some justification, some substantiation, on why the big increase. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Stewart.

**MR. STEWART:** Thank you, Mr. Chair. Maybe we can provide some additional detail on that, as well, but I will say that I think the Member hit on a couple of big areas. One, the Hay River franchise. They're still going through that process, but there will have to be some borrowing to be done to be able to purchase the assets when the franchise turns over for Hay River. There are two other resource projects that I know they put in a request for proposal. There was a request for proposal to be the power provider for the NICO project, should it proceed. This gives them the capacity, if they were successful in that, to be able to provide power for that. I believe another project down in the southwest corner of the NWT also will be looking for a power provider, so it gives them that room, as well. I think those are the main components that are in there, but maybe we can get some additional detail and provide it to the Member. I don't have it in front of me, but that's the kind of thing that's in there. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Anything further? Mr. Vanthuyne.

**MR. VANTHUYNE:** That's appreciated. Then maybe what I'll do is I'll ask the Minister if he can commit to providing that additional detail so that we have it. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. We'll be glad to provide it to the Members. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Anything further? Mr. Vanthuyne.

**MR. VANTHUYNE:** No, I won't ask for a 12-person committee, or anything like that.

**CHAIRPERSON (Mr. Simpson):** Thank you. Seeing nothing further, I will call this activity. Borrowing Plan for the Government Reporting Entity and Established Borrowing Limits for the Government of the Northwest Territories, established limits for 2019-2020 Appropriation Act, total government borrowing, $809,276,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Does committee agree that we have concluded consideration of the Borrowing Plan for the Government Reporting Entity and Established Borrowing Limits for the Government of the Northwest Territories?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Thank you to the Minister and to the witnesses. Sergeant-at-Arms, please escort the witnesses from the Chamber. What is the wish of committee? Mr. Thompson.

**MR. THOMPSON:** I'd ask the Chair to stand and report progress.

**CHAIRPERSON (Mr. Simpson):** Would you like to move that, Mr. Thompson?

**MR. THOMPSON:** I'd like to move that the Chair stand and report progress. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Thompson. There is a motion to report progress. The motion is in order and non-debatable. All those in favour? All those opposed? The motion is carried.

---Carried

I will rise and report progress.

**MR. SPEAKER:** May I have the report, Member for Hay River North?

# Report of Committee of the Whole

**MR. SIMPSON:** Mr. Speaker, your committee has been considering Tabled Document 322-18(3), Main Estimates 2019-2020, and would like to report progress, and, Mr. Speaker, I move that the report of the Committee of the Whole be concurred with.

**MR. SPEAKER:** Masi. Do we have a seconder? Member for Inuvik Twin Lakes. The motion is in order. All those in favour? All those opposed?

---Carried

Masi. Item 22, third reading of bills. Mr. Clerk, orders of the day.

# Orders of the Day

**DEPUTY CLERK OF THE HOUSE (Mr. Bell):** Orders of the day for Thursday, March 7, 2019, 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. Acknowledgments
7. Oral Questions
8. Written Questions
9. Returns to Written Questions
10. Replies to the Commissioner's 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
    * Motion 34-18(3), Referral of 2018 Review of Members' Compensation and Benefits Report to Committee of the Whole
18. First Reading of Bills

- Bill 42, An Act to Amend the Petroleum Products Tax Act

- Bill 43, An Act to Amend the Income Tax Act

1. Second Reading of Bills
2. Consideration in Committee of the Whole of Bills and Other Matters

- Bill 26, Statistics Act

- Bill 31, Northwest Territories 911 Act

- Committee Report 12-18(3), Standing Committee on Government Operations Report on the Review of the 2018 Report of the Auditor General of Canada on Northwest Territories Child and Family Services

- Committee Report 13-18(3), Standing Committee on Government Operations Report on the Review of Bill 31: Northwest Territories 911 Act

- Minister's Statement 131-18(3), Sessional Statement

- Minister's Statement 151-18(3), New Federal Infrastructure Agreement

- Minister's Statement 158-18(3), Developments in Early Childhood Programs and Services

- Tabled Document 322-18(3), Main Estimates, 2019-2020

1. Report of Committee of the Whole
2. Third Reading of Bills
3. Orders of the Day

**MR. SPEAKER:** Masi, Mr. Clerk. This House stands adjourned until Thursday, March 7, 2019, at 1:30 p.m.

---ADJOURNMENT

The House adjourned at 7:26 p.m.