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The Honourable Tony Whitford, Speaker

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YELLOWKNIFE, NORTHWEST TERRITORIES**FRIDAY, JUNE 23, 2000****MEMBERS PRESENT**

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

ITEM 1: PRAYER

-- Prayer

SPEAKER (Hon. Tony Whitford): Thank you, Mr. Allen. Good morning colleagues. Item 2, Ministers' statements. The honourable Minister responsible for Seniors, Mr. Steen.

ITEM 2: MINISTERS' STATEMENTS**Minister's Statement 6-14(3): Seniors Week**

HON. VINCE STEEN: Thank you, Mr. Speaker. Good morning. Mr. Speaker. I rise today to focus the attention of this House on a very important segment of our population. I am speaking about seniors who live in the Northwest Territories. As you know, this is Seniors Week, a time to recognize and honour our elders.

Mr. Speaker, NWT seniors currently make up about 4 percent of our population. It is expected that by the year 2018, this figure will rise to 12 percent. We can all benefit from the wisdom of our seniors. They have a lot to offer and we must not forget that.

To that end, Mr. Speaker, the government has, through its strategic planning document Towards a Better Tomorrow, made a commitment to seniors and all citizens of the Northwest Territories, for a safe, secure and respectful environment. In addition, this Assembly has outlined as one of its goals to have "elders who are well supported by their communities and able to live independently".

Each of us has a duty to recognize the contributions that seniors have made in building our great land. Through toil and hardship, they persevered in conditions that many of us have never known. Today, seniors play a productive and beneficial role in our society. They are one of our most valuable resources.

Many seniors today still take active responsibility for family life, caring for and guiding the younger generations. We often look to our elders for advice and support, drawing upon their wisdom and their experiences to address our own problems. In short, Mr. Speaker, directly or indirectly, seniors enrich all our lives.

It is our duty, Mr. Speaker, to support and assist seniors in what should be their golden years. We should remember that, whatever our dealings with seniors, we must treat them with the respect to which they are entitled.

Additionally, Mr. Speaker, I would like to remind all Members that we need to remain true to the principles set out by the federal, provincial and territorial Ministers responsible for Seniors when developing policies and programs that affect

seniors. These principles are dignity, independence, participation, fairness and security.

In closing, Mr. Speaker, in honour of Seniors' Week I ask that you and the Members of this House join me in recognizing the value of our seniors here in the Northwest Territories. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Steen. Item 2, Ministers' statements. Item 3, Members' statements. The honourable Member for Mackenzie Delta, Mr. Krutko.

ITEM 3: MEMBERS' STATEMENTS**Member's Statement on Recognition of Chief Julius High School Graduates**

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, I am pleased today to stand here and recognize the hard work and effort of four students in my riding, the Mackenzie Delta, in the Chief Julius School in Fort McPherson. The recent graduates of the Chief Julius School have worked hard for this accomplishment and I know that their families and friends are delighted to see the hard work pay off.

My community has supported these young people on their journey towards their dreams and goals that they have set. This is one step, of many steps that they will take, for a brighter future for themselves.

They reach out, looking for goals and accomplishments they may need and also realizing that there are challenges along the way. So with that, Mr. Speaker, I would like to congratulate Joyce Greenland, Janice Tetlich, Vernon Elias, and Conrad Blake of the Fort McPherson Chief Julius School, and wish them all the success in the future on their dreams to continue their journey of education. Thank you.

-- Applause

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

Member's Statement on Speedskate Canada AGM

MR. BRADEN: Thank you. Good morning, Mr. Speaker. Today, I am pleased to welcome a premier event for the Northwest Territories and Yellowknife. As a result of the efforts of Penny Johnson, president of the Northwest Territories Speed Skating Association, Speedskate Canada, the sport's governing body which represents speedskating in all the provinces and territories, is holding its annual general meeting in Yellowknife from June 22 to June 25 at the Yellowknife Inn.

This is the first time, Mr. Speaker, that a national sport organization has held a national AGM in any territory.

I would like to recognize the president of Speedskate Canada, John Cavar, and the director general, Jean Dupre, for bringing this meeting to Yellowknife.

In addition, there are more than 70 participants from across Canada, including speedskating world champions and olympic gold medalists Jeremy Wotherspoon, Catrina Le May Doan and Francois Drolet.

Northwest Territories president Penny Johnson, Karen Polakoff from Inuvik and Karen McGee of Yellowknife, are the Northwest Territories representatives. The Speedskate Canada business meeting will also include workshops on competitions, gender equity and a soccer game involving the Olympic medalists and local speedskaters. At the awards banquet, the keynote speaker is the Northwest Territories' own Olympic champion, Sharon Firth, who distinguished herself in cross-country skiing for many years.

Mr. Speaker, at the last Arctic Winter Games, Northwest Territories speedskaters scooped 14 out of a possible 16 medals for the Northwest Territories. David McCann, of Yellowknife, is currently training in Montreal in an attempt to gain national and international recognition. It should be noted that the coaching in the Northwest Territories is provided entirely by volunteers.

Mr. Speaker, Northwest Territories speedskating programs are active in Fort Liard, Fort Simpson, Inuvik, Hay River, Dettah, Ndilo and Yellowknife. That the program is developing so rapidly across the Territory is a testimony to the excellent efforts of the many volunteers and coaches.

Mr. Speaker, the Northwest Territories has tremendous opportunities in the area of tourism development, including the meeting and convention trade. A convention of this nature is a tremendous example of our capacity to expand our business and gain further recognition for the Northwest Territories. We are confident they will enjoy, and long remember the Speedskate Canada Conference here in Yellowknife. Thank you, Mr. Speaker.

-- Applause

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

Member's Statement on 1999 General Taxation Area Assessment Notices

MR. MCLEOD: Thank you, Mr. Speaker. This government is responsible for assessing the value of all property in the general taxation area. The general taxation area includes all land in the Northwest Territories, except cities, towns and villages. This responsibility is a legislative activity and the Property Assessment and Taxation Act requires that all property values, both land and improvements, must be updated every ten years.

Property assessment is a process used to assign a value to all property in the Northwest Territories. It is necessary that consistent rules or techniques be used by this government's

property assessors to make sure that the values of all similar kinds of properties are consistent and fair.

Land value in the general taxation area is based on land development costs. These development costs include such things as the cost of building new roads or providing services like water, sewer and electricity.

Recently in the Deh Cho region, my constituents have been shocked and have been left feeling helpless by the new assessment values placed on their properties as a result of the 1999 assessment notices.

Yes, Mr. Speaker, they have the option to appeal these assessments and, as we all know here in the North, land development costs are high. However, Mr. Speaker, it is this government's responsibility to find innovative ways to lower these costs. How can it be considered fair and equitable for my constituents to be asked to carry the results of our government's lack of initiative in this area?

I will be asking the Minister of Municipal and Community Affairs later today, how it can be considered fair and equitable for his department and this government to expect my constituency to bear the burden of these increased assessment values which, down the road in all likelihood, will result in increased property taxes. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. McLeod. Item 3, Members' statements. The honourable Member for Thebacha, Mr. Miltenberger.

Member's Statement on Apprenticeship Training Plans for Northwest Territories Power Corporation

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, in this House this week, we have heard a significant amount of debate and discussion on human resource issues. The need for the government to make a commitment to train Northerners, of the shortcoming to affirmative action, of the fact that the government has demands in industry that they themselves do not appear willing or able to meet, of the fact that we have lapsed hundreds of thousands of dollars with apprenticeship training.

Mr. Speaker, the issue I would like to speak briefly about today is the fact that we own NTPC. We have a corporation with hundreds of employees, and I would like to ask the Minister, or I will ask him later today in question period, whether he will commit that NTPC will come forward with a plan for apprenticeships similar to what BHP Incorporated and Diavik did; BHP Incorporated with a commitment, I believe, up to 13 apprentices, and Diavik, where the commitment is up to 18.

Mr. Speaker, there are a significant number of skill sets where I believe this is possible. There are alignment opportunities, there are power engineers, power plant operators, there are mechanics, just to name some.

I believe that there is a potential for the Crown corporation that the people of the Northwest Territories owns, to demonstrate a commitment to hiring and training Northerners.

Mr. Speaker, I think it is critical that we look at this. It is an opportunity, especially given the fact that the Department of

Education which Minister Ootes is also responsible for lapsed \$400,000 with apprenticeships, that we are looking for careers for our people in the Northwest Territories, for our students. So I hope, and I will ask this question so the Minister will have some time to think about this and be able to stand up and commit to coming forward with a plan that would clearly outline, how they intend to address this unfortunate gap and demonstrate the commitment of government that we demand of industry. Thank you.

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

Member's Statement on Recognition of Inuvik Twin Lakes Elders

HON. ROGER ALLEN: Thank you, Mr. Speaker. Today, Seniors Week formally comes to a close. Mr. Speaker, I would like to speak about some members in my riding of Twin Lakes who have made significant contributions to our community. One of them is a very good friend and colleague of mine, Mr. Edward Lennie, who has made significant contributions to our on-going culture. Mr. Lennie spent a great many of his years promoting and coordinating arctic sports, helping out at old-time dances, and being an all around supporter of our cultural events held in Inuvik from time to time.

Two ladies that can compete with the famed Suzie and Sarah characters in the Yukon in any given situation, are Emma Dick and Sarah Tingmiak. These two fine ladies have been recognized in the past for their tremendous work in helping the people of the Inuvik and Mackenzie Delta region for their caring ways.

Another senior who requires recognition is Mr. Marty Tappanen, who tirelessly prepares meals for the seniors bi-monthly luncheons at the Ingamo Hall Friendship Centre. I cannot overlook the valuable work of Ruby and Buster McLeod. Ruby works tirelessly promoting youth dancing in the Inuvik Twin Lakes riding. The youth dancers often perform at many of the functions promoted in the town of Inuvik.

Another valuable personality I would like to recognize this week is not only a friend of mine, but a pioneer in the aviation business, and spends much of his leisure time in the bush, Mr. Fred Carmichael.

There are so many others who have set the standards for us, many of whom I may have missed. If I have, I apologize. Let me say I did not forget the important contributions to our special community. I hope you all had a very special week and continue to enjoy Seniors' Week. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Allen. Item 3, Members' statements. The honourable Member for Hay River North, Mr. Delorey.

Member's Statement on Contributions to Hay River Play School

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, today I would like to recognize a group of individuals in Hay River who worked very hard to ensure that our youth get a good start in life. Individuals involved in the Hay River playschool have been

very proactive in setting up facilities, equipment, and volunteering time to work with the youth of our community.

A few years ago when they were trying to set up the playschool, funds were hard to come by. Certain individuals were very active in getting the funds in place. One individual even went as far as to take out a personal mortgage so the playschool would have a facility to work out of.

Through their efforts, they have been able to pay off this mortgage and they are very well established in Hay River. The playschool and the Head Start Program, through their hard work, have established an education system that ensures every child between the ages of two and five get an early start in education.

Recently, the playschool group got together and organized an auction in Hay River. Through this auction, they were able to raise over \$20,000 to put towards playschool activities in Hay River.

Groups such as these, Mr. Speaker, should be high on the government's list when it comes to helping them with funds. I would like to congratulate this group of individuals in Hay River and I wish them all the success in the future. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Delorey. Item 3, Members' statements. Item 4, returns to oral questions. Mr. Steen.

ITEM 4: RETURNS TO ORAL QUESTIONS

Return to Question 2-14(3): Maintenance of Territorial Highways

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I have a return to an oral question asked by Mr. Leon Lafferty on June 20, 2000, regarding the maintenance of territorial highways.

The Member's question tried to make a connection between the department's maintenance expenditures by highway and its maintenance priorities. There is no simple or direct connection between the two.

As the Minister of Transportation, I am responsible for setting the department's maintenance priorities. My general direction to the department is that all public highways in the Northwest Territories, all-weather or seasonal, should be maintained to keep them safely passable for the travelling public at all times.

On a practical, day-to-day basis, the department's regional superintendents and highway foremen decide how they will keep the highways in their areas safely passable. The amount and kind of maintenance work required will depend on their judgements according to the type of highway surface, geography, local weather conditions and traffic characteristics.

Maintenance costs vary tremendously across the Territory. Highways built on stable, well-drained ground are less expensive to maintain than highways built over swampy muskeg. The cost of highway resurfacing depends on whether locally available gravel sources are scarce or abundant. Snow removal is more expensive in areas that get more snow. Heavily travelled roads need more attention than lightly

travelled roads. Maintenance costs vary from region to region and highway to highway, not because the department's priorities change, but because these factors change.

The Department of Transportation's maintenance expenditures by highway give no indication of its maintenance priority. The priority to keep the territorial highway system safely passable is the same everywhere. Achieving that priority does cost more for one highway than another but all our highways have the same priority. They are to remain safely passable. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Steen. Item 4, returns to oral questions. The honourable Minister responsible for the Department of Health and Social Services, Mrs. Groenewegen.

Return to Question 4-14(3): Treatment Facilities for Heroin Addiction

HON. JANE GRONEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I have a return to an oral question asked by Mr. Krutko on June 20, 2000, regarding treatment facilities for heroin addiction.

The list of treatment facilities that can be used in southern Canada are:

- Poundmakers Adolescent Treatment Centre in St. Paul, Alberta;
- Ranch Ehrlo Society Volatile Substance Abuse Program, Butte, Saskatchewan, for adolescents;
- Action North Recovery Centre, High Level, Alberta, for adults and adolescents; and
- Poundmakers in St. Albert, Alberta, for adults.

The southern facilities, in addition to providing programming for dual addictions, behavioral, psychological and suicidal problems, provide programming for heroin or cocaine addictions as part of their overall services to clients.

The territorial treatment centre, Nats' éjée K'éh, in Hay River, has also dealt with clients with heroin addictions. Effective April 1, 2000, the department provided Nats' éjée K'éh with resources to address the treatment needs of clients with a dual diagnosis, for example, a client with an addictions and a mental health diagnosis. The program, as with those in the southern facilities, is not specifically structured to provide services to clients with only cocaine and heroin addiction problems.

The assessment and referral process occurs through the local alcohol and drug project and the regional health and social services board approves the application for southern treatment. Clients must go through detoxification before entering either southern treatment programs or the program provided by Nats' éjée K'éh. Detoxification services are available at hospitals in the Northwest Territories. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. The honourable Member for Inuvik Twin Lakes, Mr. Allen.

ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

HON. ROGER ALLEN: Thank you, Mr. Speaker. This morning I would like to recognize Sharon Greenland, my constituency assistant from Inuvik Twin Lakes, accompanied by Mr. Tom Williams, my executive assistant. Welcome to the gallery.

-- Applause

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

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I do not have the opportunity to recognize someone from Inuvik that often. My constituency assistant, Debbie Jugens, is with us today.

-- Applause

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

MR. NITAH: Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize a couple of friends of mine who are not in the gallery, but they are in Yellowknife in the hospital. Mrs. Elizabeth Drew, who is not doing very well, from Fort Resolution. I wish her a speedy recovery. Also, Mr. Pete Fraser, who is always watching us in this House and knows exactly what is going on. I would also like to wish him a speedy recovery. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Nitah. I caution Members that visitors should be in the gallery. However, we will assume they are watching on television today and we wish them a speedy recovery. Item 5, recognition of visitors in the gallery.

Colleagues, I would like to take this opportunity to recognize and thank our pages. I would like to do it now because as the day goes on, the activity of the House may preclude that. We have had with us for the past week the pages serving from the cadets. They come from different parts of the Northwest Territories. I would like to introduce them and their sponsors. Patrick Joss from Holman, a guest of Mr. Steen; Vanessa Grenier from Fort Smith, a constituent of Mr. Miltenberger; Shana Ermatinger from Inuvik, guest of Mr. Allen and Mr. Roland; Jackson Mantla from Rae-Edzo, a guest of Mr. Lafferty; Carl Galle from Fort Simpson, a guest of Mr. Antoine; Karla Lennie from Norman Wells, a guest of Mr. Kakfwi; Sabrina Krivan from Yellowknife, and Vital Manuel.

I would like to say on behalf of all the Members, we appreciate all of your efforts in the past five days. Thank you very much, pages.

-- Applause

I am told this is excellent training as you proceed to become MLAs yourselves later on.

Item 6, oral questions. The honourable Member for Inuvik Boot Lake, Mr. Roland.

ITEM 6: ORAL QUESTIONS**Question 39-14(3): Changes in GNWT Fiscal Outlook**

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, during committee of the whole yesterday, the Honourable Joe Handley made a comment. I pull it out of the unedited Hansard. It refers to the debt wall, which is something I have questioned him about previously.

A question was asked of him during the opening comments to the budget about the debt wall. Mr. Handley's response was, and it refers to new dollars:

"...already seeing a turn-around. A little bit of the population growth and so on. But if we see no increase at all, then we would hit our maximum within two years. Within two years, we would be there, and quite possibly within 18 months. That is an estimate because of course, things will change."

What I would like to know from the Minister is, what has changed from the previous Session, when I asked questions and the Minister responded to me that we were looking at the debt wall within less than a year if things did not change. What has changed since the previous Session to now? Thank you.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Return to Question 39-14(3): Changes in GNWT Fiscal Outlook

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, a number of things have changed. First of all, we have, during the past several months as the Member knows, received more revenue in terms of corporate taxes than we had anticipated. That has certainly made a difference to our bottom line. Secondly, the population in the Northwest Territories is showing some increase. Third, there are good signs of further development on the Diavik mine, possibly the Winspear mine, there is increased oil and gas activity going on and exploration activity up and down the valley.

The economic picture looks more positive than I think was projected by the previous government and even by ourselves earlier in this term. Increased revenue has certainly been a big part of it.

I am optimistic that our departments will be able to find the \$5 million we had identified in the budget through efficiencies and looking at doing things differently within the department. Both on the expenditure and revenue side, there are more signs saying things are improving than what we had anticipated several months ago. Thank you.

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

Supplementary to Question 39-14(3): Changes in GNWT Fiscal Outlook

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, is the Minister stating we will see some revenues flowing from the Diavik and oil and gas developments within the next 18 months? Is that the case? Thank you.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Further Return to Question 39-14(3): Changes in GNWT Fiscal Outlook

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, as the Member well knows, we do not collect much of the revenue directly ourselves. We do indirectly through the increased employment of northern residents. We anticipate seeing improvement. We anticipate having more Northerners taking jobs in construction at Diavik. We see BHP doing a good job of meeting their targets. Winspear is continually looking for people. There are some good signs there and it is the same thing with the oil and gas development.

The biggest increase and benefit to us will continue to be employment until we have devolution. That is where I see most of it coming from. The other piece is as industry comes North, they use more fuel, purchase more from companies who produce products and all of that indirectly generates some revenue to government. Thank you.

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

Supplementary to Question 39-14(3): Changes in GNWT Fiscal Outlook

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, we are not getting any figures here and I know we will not receive a direct benefit from revenues, but the Minister has said that "we are seeing more revenue from corporate tax, our population is increasing". So what is the dollar value of those increases to this government? The summary of accumulated cash position we have due from the Government of Nunavut in this fiscal year is about \$35 million. Can you explain that further? Thank you.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Further Return to Question 39-14(3): Changes in GNWT Fiscal Outlook

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, if I look at the main estimates and the revised main estimates for the year 1999-2000, we at that time projected \$90 million in total tax revenues alone. In the year 2000-2001, we are estimating \$133 million in revenues in taxation. There is a bit of a windfall that year because of the way one of the major companies in the Northwest Territories field their corporate tax.

We anticipate in 2001, \$129 million. The following year another extra million in revenue. There is a small but continuing increase in here. I think these are projections based on actual projects. As I said, I expect there is going to be a lot more development happening in oil and gas and mining and construction and so on over the next little while.

I am optimistic we are going to see even more improvement than is shown by our finance people in doing their accounting of what we have and know right now. Thank you.

MR. SPEAKER: Thank you, Mr. Handley. Final supplementary, Mr. Roland.

Supplementary to Question 39-14(3): Changes in GNWT Fiscal Outlook

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, can the Minister inform us what is the proposed number, or guesstimate, of your department when it comes to some of the good signs you had mentioned earlier, oil and gas and diamond development, and the impact that will have on us with the budget and the revenues. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Further Return to Question 39-14(3): Changes in GNWT Fiscal Outlook

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, we are expecting, and again I cannot break this out by sector, as I do not have that information in front of me, \$55 million in personal income tax. We expect that to maintain itself and to increase. Not by us increasing the rates, but by the number of people who are working.

Corporate income tax in 2000-2001 gives us almost \$40 million. We realize, as I mentioned earlier, there is a bit of a windfall this year. Next year it will go down to about \$34 million or so.

Payroll tax, under the current regime, gives us \$8.8 million, and that will increase as employment increases. Fuel taxes are about \$10 million, closer to \$11 million, going up to about \$13 million. Tobacco tax will maintain itself at about \$9.8 million. Property tax will maintain itself at about \$8 million, then rising in a couple of years to roughly \$9 million. Insurance taxes will maintain itself at about \$1.5 million. All of that will either maintain itself, we project, or increase. Thank you, Mr. Speaker.

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

Question 40-14(3): Deh Cho Property Assessments

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister responsible for the Department of Municipal and Community Affairs, Mr. Antoine. My constituents in the Deh Cho have been shocked by the results of the department's most recent assessment of the property values. For example, in the community of Enterprise, I am told that some of the properties have gone from around \$4,000 in assessment to over \$20,000. I would like to ask the Minister how his department could justify such huge increases in property assessment values. Thank you.

MR. SPEAKER: Thank you, Mr. McLeod. The honourable Minister responsible for the Department of Municipal and Community Affairs, Mr. Antoine.

Return to Question 40-14(3): Deh Cho Property Assessments

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, the assessment on the general taxation area, these are

communities that are non-taxed. According to the Property Assessment Taxation Act, it requires that all property values from both land and improvements be updated every ten years.

The last time properties were assessed was in 1987. I am told that, when looking into this matter myself, the values in 1987 did not reflect the full development cost at that time. The assessment was low at that time. This recent assessment was completed in 1998. Updates for land were completed in October of 1999. Therefore, the ten-year period for the communities and areas in many communities, the increase was substantial, as the honourable Member said, from 100 percent to 400 percent over the ten year period. This included the property value and the land development cost. This is what I have been told by the department as to how they come up with the property assessments. Thank you.

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

Supplementary to Question 40-14(3): Deh Cho Property Assessments

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, the process for property assessment values allows for appeals. I would like to ask the Minister what percentage of property owners in the general taxation area have appealed their 1999 assessment notices?

MR. SPEAKER: Thank you, Mr. McLeod. It may be out of the availability of the Minister, however, I will allow the Minister to respond if he wishes. The honourable Minister responsible for the Department of Municipal and Community Affairs, Mr. Antoine.

Further Return to Question 40-14(3): Deh Cho Property Assessments

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, I am told there are many appeals. I do not know how many, exactly. There is an independent board or revision that reviews the assessment. When a concerned citizen applies for an appeal, the board of revision will look at the appeal.

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

Supplementary to Question 40-14(3): Deh Cho Property Assessments

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, will the Minister undertake to provide me with the information that would indicate how many of those appeals that were reviewed by the independent board of revision have resulted in either an increase or decrease to the property assessment values?

MR. SPEAKER: Thank you, Mr. McLeod. The honourable Minister responsible for the Department of Municipal and Community Affairs, Mr. Antoine.

Further Return to Question 40-14(3): Deh Cho Property Assessments

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, yes, I will do what the honourable Member is requesting and find out how many of these appeals were heard and the

feedback the department received from the board of revision and provide that information. Thank you.

MR. SPEAKER: Thank you, Mr. Antoine. Item 6, oral questions. The honourable Member for Thebacha, Mr. Miltenberger.

Question 41-14(3): Need for NTPC Apprenticeship Program

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, my questions are addressed to the Minister responsible for the NWT Power Corporation and follow up on my Member's statement this morning. I was wondering if the Minister would commit to taking a serious look at how the Power Corporation can formally develop an apprenticeship program that would look at the very many skill sets within the Power Corporation and come forward with a plan, unless it already exists and I am unaware of it, as to how we can train Northerners to become mechanics, linesmen, as I indicated in my Member's statement. This would also have the added benefit of making sure we do not lapse apprenticeship dollars when there is still a critical need for trained Northerners in these critical areas. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. The Minister responsible for the Northwest Territories Power Corporation, the Honourable Jake Ootes.

Return to Question 41-14(3): Need for NTPC Apprenticeship Program

HON. JAKE OOTES: Thank you, Mr. Speaker. That it is a very good suggestion. We will look at it and I certainly agree with the Member that we should look within our organizations in government wherever we can for apprenticeships, certainly with an organization like the Power Corporation.

At the moment, the Power Corporation does have an apprenticeship program which was started four years ago and a total of seven apprentices are in the Power Corporation, four of whom are in the west and three in Nunavut. All are priority one candidates under the affirmative action program.

For the Member's information, the Power Corporation is conducting an organizational review as a result of the division process. Several steps have been taken on that. One was to set up a steering committee, which has decided to do some consultation and to check with a cross-section of employees, as well as representatives from the Union of Northern Workers, to provide input into the organizational review process. Following that meeting, a design committee was set up of approximately 15 individuals from across the Territories. It includes representation from employees, including the bargaining unit, head office and excluded employees.

The design committee meets on an ongoing basis and is looking at various areas. I think this is one area this fits into, if it has not already fit into. I appreciate the Member's comment, and that is an area I will follow up with. Thank you.

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

Supplementary to Question 41-14(3): Need for NTPC Apprenticeship Program

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, in the days of old, the territorial government was one of the main employers of apprentices. They have since gone out of that for the most part and have moved to contract arrangements with local tradesmen.

The Power Corporation, since we own it, is a key area with tremendous potential. My question to the Minister is will he be prepared to report back with a clear plan and some targets? We asked BHP to try to hire 13 apprentices and rotate them into the workforce. We asked Diavik for 18 apprentices. Would he commit to coming back to the House to report back, and could he tell us when? Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. The Minister responsible for the Northwest Territories Power Corporation, the Honourable Mr. Ootes.

Further Return to Question 41-14(3): Need for NTPC Apprenticeship Program

HON. JAKE OOTES: Thank you, Mr. Speaker. The subject of apprenticeships popped up during my election campaign as I was going door-to-door. I did speak to several individuals who worked for the Power Corporation who spoke about this area as well.

Due to the many issues that have been there with the Power Corporation, it is a subject that I feel needs to be addressed quickly. There were previously other priorities. I will discuss with the board of directors, with whom I am meeting on Monday, the possibility of designing a program and will report back to the Member as to the timing this can be looked at and discussed. Thank you.

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

Supplementary to Question 41-14(3): Need for NTPC Apprenticeship Program

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, when the Minister reports back, could he also indicate how NTPC could work with Education, Culture and Employment in terms of marketing and promoting the apprenticeship opportunities with the Power Corporation to the students in the schools and through the career development component of the Department of Education. Because it is well and good to have apprenticeships, but you have to be able to make sure that we spend the same kind of effort and time that we have trying to get apprentices into the mines.

We have to give the same kind of attention and effort with this particular initiative if it is going to succeed. So could the Minister indicate that and could he also just indicate when he thinks he will be able to report back. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. The Minister responsible for the Northwest Territories Power Corporation, the Honourable Mr. Ootes.

Further Return to Question 41-14(3): Need for NTPC Apprenticeship Program

HON. JAKE OOTES: Thank you, Mr. Speaker. Yes, I believe what the Member was saying, the long and the short of what he was saying, was that we need a promotional program on the part of the Power Corporation to work hand in hand with the Department of Education to ensure that the focus and the profile of apprenticeships is raised.

I am meeting with, as I mentioned, the Power Corporation on Tuesday evening in Hay River and I expect that I can discuss both of these matters. I will report back as quickly as I can after that. Thank you.

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

Question 42-14(3): Addressing Literacy in NWT Communities

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister responsible for Education. I am alarmed with statistics that I have come across, the percentages of illiterate people in the different constituencies versus the percentage of the population who are illiterate in the Mackenzie Delta, 36 percent. In the community of Tsiigehtchic, it is almost 39 percent; Fort McPherson, 35 percent; and in Aklavik, it is 38 percent.

There are other constituencies with even higher percentages, in some cases up to 40 percent. So I find it awfully alarming, Mr. Speaker, that we have these high percentages of illiterate people in our ridings, yet we are trying to talk about economics and making sure that we do the best for the people, because one of the statistics states that the higher the literacy level is, the greater the success rate they have in the labour market.

Yet, Mr. Speaker, many of the people that we find who are in trouble with the law have low literacy skills and that leads to crime. There are also other statistics in relation, a person with low literacy is usually on unemployment or is usually receiving social assistance.

So I find it alarming, Mr. Speaker, that we as a government have not done more to try to attract those skills. So I think that realizing there is a connection between these percentages and aboriginal communities that illiteracy has a direct relationship between crime, poverty, unemployment, poor health and low income limits success for the people in those communities.

So I would like to ask the Minister of Education exactly what is his department doing to improve on these statistics and bring down the percentages of illiteracy in the aboriginal communities?

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

Return to Question 42-14(3): Addressing Literacy in NWT Communities

HON. JAKE OOTES: Thank you, Mr. Speaker. There is no doubt that illiteracy is an extreme problem in this Territory and that we need to address that on an ongoing basis. At the

moment, to my understanding, the Northwest Territories Literacy Council is conducting a research project. I expect that they will be bringing that forward within a short period of time and that there will be recommendations in there that possibly we can, and look at and see what can be done.

Funding is done through Aurora College to provide literacy funding to community groups at the moment. Literacy is a problem throughout our system. It is there at the early childhood level and our programs, that we do have, are trying to address that area through the early childhood programs, through Aboriginal Head Start programs. And then in school systems, we are noting that literacy levels are low and it is of concern to us and I believe that this whole area needs addressing.

We are just developing and, hopefully we will get it through soon, a directive which has been worked on for some time, the directive on adult basic education and literacy. Following the directive, we hope to develop a strategic plan, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Ootes. Supplementary, Mr. Krutko.

Supplementary to Question 42-14(3): Addressing Literacy in NWT Communities

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, one of the areas in our communities that we see a lot of is our people who are on income support trying to better themselves through the adult education program. Yet, Mr. Speaker, I find it appalling that in the budget review that is one area that has taken some major cuts, especially in the delivery of that program in our communities.

So how can the Minister stand here and say that there are avenues that they are taking to accomplish this, but yet, on the other hand, they are cutting the program that is in place to deliver this in the small communities?

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

Further Return to Question 42-14(3): Addressing Literacy in NWT Communities

HON. JAKE OOTES: Thank you, Mr. Speaker. The program that was in existence, Community Skills for Work, sunsetted. It was not put into base funding and that is the program that I believe that the Member is referring to.

I have been working to develop, refine and enhance that particular program. I presented a paper to the Standing Committee on Social Programs yesterday, and hopefully we can discuss that as a possibility. The area that we are looking at is a target at employment and literacy, family and workplace program, so hopefully, Mr. Speaker, that can be addressed. I believe that is what the Member is asking for.

MR. SPEAKER: Thank you, Mr. Ootes. Supplementary, Mr. Krutko.

Supplementary to Question 42-14(3): Addressing Literacy in NWT Communities

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, I for one feel that it is crucial that we do have opportunities for the people in these communities, especially in some cases where you have 40 percent of the population illiterate. In regard to the oil and gas industry in my riding, it is on our forefront. It is on the doorstep, but in order for us to take advantage of it, we have to have skilled labour.

So I would like to ask the Minister, is he willing to implement a program to take advantage of these economic opportunities and improve the labour market in our regions, so they can take advantage of these opportunities?

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

Further Return to Question 42-14(3): Addressing Literacy in NWT Communities

HON. JAKE OOTES: Thank you, Mr. Speaker. We are working, as part of a group led by the Department of Resources, Wildlife and Economic Development, to deal with the oil and gas developments in the Mackenzie Valley. There are a number of thrusts underway. We are part of the Human Resource Development Strategy and we have developed an extensive program and outlined the potential jobs that will be there. We have outlined what the requirements are and I believe that will address some of the concerns that the Member is speaking of with regard to the need to bring our population into a position and position them to take advantage of the potential jobs that are going to be there down the line.

MR. SPEAKER: Thank you, Mr. Ootes. Final supplementary, Mr. Krutko.

Supplementary to Question 42-14(3): Addressing Literacy in NWT Communities

MR. KRUTKO: Thank you, Mr. Speaker. Can the Minister give me a general idea of when will he have something in place, for the House and for the people in my riding, knowing that there is a program that is going to be in place, there are resources, that he will have to deliver these programs.

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

Further Return to Question 42-14(3): Addressing Literacy in NWT Communities

HON. JAKE OOTES: Thank you, Mr. Speaker. This is an ongoing process. All of our departments are involved in part of the strategy to have development take place in anticipation of the oil and gas activity and the pipeline activity. As well, we have the Non-Renewable Resource Strategy, which identifies, I believe, 19 possible areas that need to be addressed, in order for our Territory to be ready and participate in this development that has taken place. So we are working on that on an ongoing basis.

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

Question 43-14(3): Physician Shortage in Yellowknife

MR. BRADEN: Thank you, Mr. Speaker. My question this morning is for the Minister of Health and Social Services regarding the shortage of doctors in Yellowknife. I have heard from a constituent, Mr. Speaker, who is concerned with the continuing pressure that is on the few doctors that are in Yellowknife. I would like to beg your indulgence in reading just a couple of lines from a message.

This person, who is a mother of two young children, says:

"On recent visits to our family doctor, while I have still received the outstanding care I appreciate, I have noticed that my doctor and others are just plain tired. They work unbelievably long hours, while still offering us their best. They are overworked. There are too many patients and not enough doctors."

And she goes on to talk about the delays in trying to schedule appointments with her doctors and with specialists.

My question, Mr. Speaker, is, can the Minister update the Assembly on progress by the Yellowknife Health and Social Services Board to restore the doctors ranks in Yellowknife? Thank you, Mr. Speaker.

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

Return to Question 43-14(3): Physician Shortage in Yellowknife

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I am glad that the honourable Member for Great Slave has raised this issue because it is of very much concern to our department that we stabilize the situation here in Yellowknife.

I noted, from the Alberta Health Minister recently, that Alberta is looking for about 330 general practitioners. About 15 would probably solve all of our problems here in the North, particularly in Yellowknife.

Mr. Speaker, I think it is well known that there have been negotiations taking place between the Yellowknife Health and Social Services Board and the physicians here in Yellowknife to look at an alternative payment schedule, offering physicians options for how they would be paid and what kind of benefits they could receive.

These negotiations are still ongoing at this time, so I am not in a position to offer details. But we do hope to have something to take to the Financial Management Board shortly in terms of the investment that it will take to stabilize the situation with the physicians, who are here. The secondary part of that is, then we will have a competitive contract of which to recruit more positions.

That has been a difficulty in the past. Under the fee for service schedule, it was difficult to clearly define for physicians what they could expect, who might consider coming here. So we hope to have such a recruitment tool in hand and also an offer for Yellowknife physicians in the very near future.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Supplementary, Mr. Braden.

Supplementary to Question 43-14(3): Physician Shortage in Yellowknife

MR. BRADEN: Thank you, Mr. Speaker. I appreciate the information and I also appreciate that as negotiations may be going on there is some information that is best kept behind closed doors for now, and I look forward to the progress.

We still have a situation where, especially in the emergency ward here in Yellowknife, Mr. Speaker, we are facing a very distinct lack of physicians. The number of doctors able to cover the needed spaces is not there. What assurances can the Minister offer that, at least, that very vital service will be covered for the next coming months? Thank you, Mr. Speaker.

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

Further Return to Question 43-14(3): Physician Shortage in Yellowknife

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, when we do reach a full complement of general practitioners here in Yellowknife, then the rotation for emergency shifts will become more bearable for the physicians.

In the interim, the department does have an agreement with the Alberta Medical Association for the provision of physicians who will provide locum services here in Yellowknife, to cover such things. It is not a long-term solution, but in the interim, we hope that that would help to cover the shortfall and certainly, again, we want to express that we understand the pressure that the physicians are under and we are doing our best to stabilize the situation and the working environment for them.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Supplementary, Mr. Braden.

Supplementary to Question 43-14(3): Physician Shortage in Yellowknife

MR. BRADEN: Thank you, Mr. Speaker. The work of the department along with the Health and Social Services Board is very critical in this area. The leadership demonstrated and the professionalism there is something that we are counting on. In other communities in the Northwest Territories, Mr. Speaker, can the Minister advise us on the status of the number of physicians available there and, indeed, can all communities in the Northwest Territories count on a stable supply of physicians and medical care over the next couple of months? Thank you, Mr. Speaker.

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

Further Return to Question 43-14(3): Physician Shortage in Yellowknife

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. In the other communities which do have resident physicians, the negotiations for the transfer from a fee for service payment plan to a contract salary have been completed. However, we

are experiencing difficulties with shortfalls. I know Hay River, for example, is also very actively attempting to recruit physicians for that community. What we want to do is equalize as much as we can the method by which physicians are paid, and this will avoid a competition between the various communities who have resident physicians to try and recruit from within the pool we have. We need to bring physicians in from outside.

It would be correct to say that we are experiencing a shortage in other communities as well, but hopefully this contract that is being negotiated now will serve as the tool that will cause southern physicians to look at northern communities including Yellowknife. Thank you.

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

Question 44-14(3): Secondary Oil and Gas Development

MR. BELL: Thank you, Mr. Speaker. My question today is for the Minister of Finance. I was encouraged in going through his budget speech to hear that the government intends to put as much emphasis on oil and gas development and spin off business and industries as it has done in the diamond industry. It has done some good work there. Just to quote a passage "within our means, we are committed to continuing to provide similar support to Northern companies working in the oil and gas sectors."

I would like to applaud them for that, but I would also like to ask the Minister what kinds of industries and spin off businesses has the department identified as things that they might be looking to support. Thank you.

MR. SPEAKER: Thank you, Mr. Bell. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Return to Question 44-14(3): Secondary Oil and Gas Development

HON. JOE HANDLEY: Thank you, Mr. Speaker. I suppose that there are two areas that we have had interest expressed to us. One is in the business of providing oil and gas well maintenance services. There is a very active project going on at the Hay River Dene Reserve and I think that they are doing some great things and have some good people working on it. I expect that we have that one. I expect that we will see other companies coming forward wanting to get into that business.

Second, we have had some interest from companies who either own drilling rigs or are interested in drilling rigs. There are northern companies who want to do that. All of the industry has expressed concern over the shortage of equipment, camps and so on in the North, trucks and other equipment. So I expect that we will see more of that.

I anticipate over the next couple of years, as this speeds up, we will see a lot of interest by northern companies wanting to get involved and having a legitimate place to have a good viable business in this. Thank you.

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

Supplementary to Question 44-14(3): Secondary Oil and Gas Development

MR. BELL: Thank you, Mr. Speaker. Oil and gas well maintenance, drill rigs and things like this are great and I am glad to hear that. But I am wondering if any manufacturers in the North have expressed interest in getting in on pipeline development. It seems to me that there might be some opportunities available there. Thank you.

MR. SPEAKER: Thank you, Mr. Bell. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Further Return to Question 44-14(3): Secondary Oil and Gas Development

HON. JOE HANDLEY: Thank you, Mr. Speaker. We have had regular meetings with the Northern Manufacturers Association. Certainly they are interested in business opportunities that oil and gas will provide to them on a number of fronts, tanks, construction materials. There have been some general kinds of discussion about alternative kinds of pipes, for example, using fibreglass instead of steel. That certainly has not reached the stage of being a realistic proposal yet, but definitely manufacturers are very interested in the opportunities this presents. Thank you.

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

Supplementary to Question 44-14(3): Secondary Oil and Gas Development

MR. BELL: Thank you, Mr. Speaker. If local companies do have ideas that seem feasible and seem to be good ideas, how do they approach your department to discuss these concepts to see if they may in fact be viable and to see if the department would be interested in supporting them? Thank you.

MR. SPEAKER: Thank you, Mr. Bell. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Further Return to Question 44-14(3): Secondary Oil and Gas Development

HON. JOE HANDLEY: Thank you, Mr. Speaker. They do not approach us in Finance, but I will answer as Minister responsible for Resources, Wildlife and Economic Development. In Resources, Wildlife and Economic Development, we do offer a number of services for our businesses and potential businesses. We have money regionally to assist people in preparing business proposals, feasibility studies and so on. There are also a number of avenues for people to get grants, loans, and contributions through Resources, Wildlife and Economic Development. My recommendation is that they would approach our regional economic development offices. Thank you.

MR. SPEAKER: Thank you. Minister Handley. Item 6, oral questions. The honourable Member for Frame Lake, Mr. Dent.

Question 45-14(3): Fuel Tax Revenue Projections

MR. DENT: Thank you, Mr. Speaker. I was listening as the Minister of Finance was responding earlier to a question from my colleague and spoke about windfall revenues. So my question will be to the Minister of Finance. I noticed that in our

budget before us there has been no increase in rates in personal taxes or corporate taxes, so new revenues there are more a result of economic activity, which is positive.

But in his budget speech the Minister said that the only new tax initiative was a hotel tax proposed for the next year. Well, Mr. Speaker, I disagree. In fact, in this budget there is a significant tax grab. I would like to point out that fuel tax revenues are nearly double in this budget compared to last year. An extra \$5 million in revenues, because this government will collect more money per litre than the government did last year.

Mr. Speaker, this tax will hit everyone. Trappers fuelling up their snowmobiles, fisher people trying to fuel up their boats, tourists. Mr. Speaker, I would like to ask if the Minister will do the right thing and change the ad valorem tax that is now on fuel to a fixed amount per litre. Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, Hear.

MR. SPEAKER: Thank you, Mr. Dent. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Return to Question 45-14(3): Fuel Tax Revenue Projections

HON. JOE HANDLEY: Thank you, Mr. Speaker. I am pleased to remind the Member that I have, on a couple of occasions, indicated that we have not been enforcing our ad valorem tax. Instead, we have maintained a fixed amount per litre. So the windfall we are getting here is not a result of implementing the ad valorem tax it is a result of increased fuel consumption in the North. That is a result of increased economic activity.

It is our intention, Mr. Speaker, to make the change that the Member has referred to. We are doing very well on a price per litre and do not feel that we need the ad valorem tax. Thank you.

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

Supplementary to Question 45-14(3): Fuel Tax Revenue Projections

MR. DENT: Thank you, Mr. Speaker. I am very pleased to hear that. I would like to get a breakdown, though, of the increase in litres we are expecting to see sold in the future. I would like to ask the Minister if he could provide us with the estimates and the volume of sales that are used for this budget compared to the volume of last year's budget.

MR. SPEAKER: Thank you, Mr. Dent. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Further Return to Question 45-14(3): Fuel Tax Revenue Projections

HON. JOE HANDLEY: Thank you, Mr. Speaker. I will be pleased to provide that information to the Member. I do not have it in front of me right now. Thank you.

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

Supplementary to Question 45-14(3): Fuel Tax Revenue Projections

MR. DENT: Thank you, Mr. Speaker. The welcome change that the Minister talked about in changing the tax to a fixed rate, will he ensure that the fixed rate is set so that it represents the amount that was raised by the government in previous years and does not represent an increase?

MR. SPEAKER: Thank you, Mr. Dent. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Further Return to Question 45-14(3): Fuel Tax Revenue Projections

HON. JOE HANDLEY: Thank you, Mr. Speaker. No.

MR. SPEAKER: Thank you, Mr. Handley. Final supplementary, Mr. Dent.

Supplementary to Question 45-14(3): Fuel Tax Revenue Projections

MR. DENT: Thank you, Mr. Speaker. It sounds to me that we are looking at an increase from that response, but I guess we will have to wait and see. My final question, Mr. Speaker, is when will the Minister be bringing this proposed change forward?

MR. SPEAKER: Thank you, Mr. Dent. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Further Return to Question 45-14(3): Fuel Tax Revenue Projections

HON. JOE HANDLEY: Thank you, Mr. Speaker. We are not looking at any increase in the amount that we collect per litre. We will bring it forward as quickly as we can. Given the workload we have, this has not reached the top of the pile yet. But, Mr. Speaker, I assure the Members that we do not intend to enforce the ad valorem tax in the meantime. We will stick with a price per litre. Thank you.

MR. SPEAKER: Item 6, oral questions. The honourable Member for Range Lake, Ms. Lee.

Question 46-14(3): Proposed Hotel Tax

MS. LEE: Thank you, Mr. Speaker. My question goes to the Minister of Finance and it is in regard to the proposed hotel tax. Mr. Speaker, earlier, in answering questions from my colleague, Mr. Roland, he had indicated that there had been a windfall in various taxes. There has been more revenue coming in from fuel, there were more people per capita, and he found some additional tax with respect to corporate tax. Yet, at the same time he has felt the need to impose a totally new tax regime in the name of a hotel tax.

My question, Mr. Speaker, is why is he being so greedy and having to introduce a whole new tax on the backs of small hotel operators. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. I would caution Members about using unparliamentary language. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Return to Question 46-14(3): Proposed Hotel Tax

HON. JOE HANDLEY: Thank you, Mr. Speaker. I want to assure the Member that I am not greedy. But I do know how to do basic math. The problem is that we have a deficit. We are not balancing our books, so we cannot now go out spending like drunken sailors just because we are projecting some healthy revenues. We have to continue to manage responsibly. Until we have a balanced budget, I cannot see us starting to hand money out and not tax anyone. The government cannot do everything for everybody. We will just run up deficits and that is not acceptable. I will not continue to lead us into a hole. We have to be responsible. Thank you.

MR. SPEAKER: Thank you, Mr. Handley. Supplementary, Ms. Lee.

Supplementary to Question 46-14(3): Proposed Hotel Tax

MS. LEE: Thank you, Mr. Speaker. I am glad that the Minister of Finance is working on his math, because my math tells me that this is really not a good revenue option. He is proposing to spend hundreds of thousands of dollars to collect very little money.

Mr. Speaker, I propose that this is not just a tax question. Has he thought about those small bed and breakfast operators, most of whom are in his riding?

Let us just think about how this works out in practice. We have to think about a little bed and breakfast operator with four rooms who has to write a cheque to the government every month. They may get \$500 in income and they have to write a \$50 dollar lousy cheque to the government every month. Has the Minister thought about that, Mr. Speaker?

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Further Return to Question 46-14(3): Proposed Hotel Tax

HON. JOE HANDLEY: Thank you, Mr. Speaker. Again, I wish to point out to the Member that this is not a tax on the hotel operators. This is a tax on the occupants who use the hotel rooms. A lot of those people are tourists and so on.

Keep in mind, as well, that we are projecting that this is going to give us a net increase of a million dollars. A million dollars is a million dollars.

I sympathize with the small bed and breakfast operators and hotel operators who are trying to run a viable business. I also have a lot of sympathy for small tourist operators who are trying to eke out a living in the tourism industry. I feel sorry for a lot of the people in the small communities who want jobs and there is no opportunity there.

So, Mr. Speaker, I have committed to spend the money that we collect here, the net amount of money, the million dollars, to put that back into tourism. That is going to help a lot of people in the communities and, in fact, even in the large centres.

This is an opportunity to build our tourism industry and I think we can benefit a lot of people. The government cannot do everything by itself, we need to work in partnership and we need to get revenues from other sources. This is not just a tax

grab, this is an investment opportunity. This is an opportunity for everybody in the North to benefit. Thank you.

MR. SPEAKER: Thank you, Mr. Handley. Supplementary, Ms. Lee.

Supplementary to Question 46-14(3): Proposed Hotel Tax

MS. LEE: Thank you, Mr. Speaker. I think he may be putting back on his sneakers because I do not understand where he is going to get a million dollars in net. Mr. Speaker, in most communities when you travel there, unfortunately the hotels are not filled with tourists from elsewhere. They are filled with government employees.

I know that the tax is not from the operators, and it may be that the visitors who visit do not mind paying \$5-\$10 to our tax coffers, but he cannot implement this tax without the middle person, so given that the math is so bad and the Minister has just been so....

MR. SPEAKER: Pardon me, Ms. Lee. Could you ask the question, please?

MS. LEE: And he already said that there is not going to be direct taxation, so my question, Mr. Speaker, is, is he not being really sneaky, and what he is really trying to do? Is he going to implement this and increase the tax to make it worthwhile? So he is not really looking at five percent, maybe he is looking at 15 percent....

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Further Return to Question 46-14(3): Proposed Hotel Tax

HON. JOE HANDLEY: Thank you, Mr. Speaker. I wish the Member shared the same commitment and support to the tourism industry that I do. This tax will generate for us about \$1.1 million by our estimates, and that is based on a five percent hotel tax. We anticipate it will cost roughly \$100,000 to administer this from the government's point of view.

That leaves us \$1 million, basic math. So we have \$1 million to re-invest into tourism, based on our estimates. I am not looking for a 15 percent tax. I said five percent and please do not imply something else, because we are looking at five percent. That is all we have ever said. Thank you.

MR. SPEAKER: Thank you, Mr. Handley. Final supplementary, Ms. Lee.

Supplementary to Question 46-14(3): Proposed Hotel Tax

MS. LEE: Thank you, Mr. Speaker. Obviously he is working from figures and facts that we are not privy to. My question is already in the wake. He could not give us information on how many operators he is talking about, how many bed spaces, or any of those facts. He has not consulted anybody to the fullest extent. Could the Minister provide us with the information that he is working on and would he seriously consider scrapping this really bad idea?

MR. SPEAKER: Thank you, Ms. Lee. I am going to remind Members again, that supplementaries should not carry preamble and I will begin to enforce it much more strictly. I have a stopwatch and I know how long you take. So please,

question, short, no preamble. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Further Return to Question 46-14(3): Proposed Hotel Tax

HON. JOE HANDLEY: Thank you, Mr. Speaker. My department is working on finalizing the exact number of hotel beds in the Northwest Territories in establishing for more rooms. There are roughly 1,100 to 1,200, plus some new ones being built right now, but we will get more specific information.

Mr. Speaker, the Member just made reference to the fact that there are not many tourists staying in hotels in the small communities. That is what I want to fix. We want more than just government employees staying in those hotels. We want to see tourists in there. But in order to do that, we have to market. We have to provide regional support, and that is what this tax is going to do. This is an investment in tourism. Thank you, Mr. Speaker.

MR. SPEAKER: Item 6, oral questions. The honourable Member for Hay River North, Mr. Paul Delorey.

Question 47-14(3): Regional Oil and Gas Positions

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, my question is for Mr. Handley. I was impressed with everything that is coming out in the oil and gas industry and the possibilities for the North. We have heard many, many times, that the diamond industry in the Northwest Territories has done much for the North, but in fact it is all in Yellowknife.

So I am looking forward to oil and gas as being much more beneficial to the Northwest Territories outside of Yellowknife.

-- Applause

One area in the budget speech that kind of caught my eye was you mentioned the creation of four regional positions, petroleum advisor positions. I would like to ask the Minister if he could tell us exactly where these positions are going to be. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Delorey. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Return to Question 47-14(3): Regional Oil and Gas Positions

HON. JOE HANDLEY: Thank you, Mr. Speaker. Right now, one of them is designated for each of the three regions along the valley. One for the Inuvik region, one in the Sahtu, and one in the Deh Cho region. One of the positions, right now, is being designated to work with the Mackenzie Valley planning and development initiative that the Department of Resources, Wildlife and Economic Development is undertaking. Initially it will be located in Yellowknife, because that is where the project is being headed out of.

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

Supplementary to Question 47-14(3): Regional Oil and Gas Positions

MR. DELOREY: Thank you, Mr. Speaker. The position that you marked headquarters, or the one that the Minister has referred to just now, could the Minister tell me if that position is in place right now or is it going to be put in place?

MR. SPEAKER: Thank you, Mr. Delorey. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Further Return to Question 47-14(3): Regional Oil and Gas Positions

HON. JOE HANDLEY: Thank you, Mr. Speaker. The positions are being put in place in the regions. I think the hiring is going right now as we speak, so some of them may actually be in place. The position with the Mackenzie Valley development planning exercise, I believe, is already in place. Thank you.

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

Supplementary to Question 47-14(3): Regional Oil and Gas Positions

MR. DELOREY: Thank you, Mr. Speaker. I take it from that then the position at headquarters is not going to be an extra position, apart from what is at headquarters right now.

Mr. Speaker, I would like to know if the Minister could tell this House where the position for the South Slave will be located?

MR. SPEAKER: Thank you, Mr. Delorey. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Further Return to Question 47-14(3): Regional Oil and Gas Positions

HON. JOE HANDLEY: Thank you, Mr. Speaker. To answer the first question, the position with the Mackenzie Valley development exercise will be one of the individuals. It is already in place, because we are part way through the fiscal year. The location of the South Slave position is, I believe, Fort Simpson. Thank you.

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

Supplementary to Question 47-14(3): Regional Oil and Gas Positions

MR. DELOREY: Thank you, Mr. Speaker. Is there a set time, Mr. Speaker, for when these positions in the regions are going to be put into place?

MR. SPEAKER: Thank you, Mr. Delorey. The honourable Minister responsible for the Department of Finance, Mr. Handley.

Further Return to Question 47-14(3): Regional Oil and Gas Positions

HON. JOE HANDLEY: Thank you, Mr. Speaker. As I indicated, we are already advertising and may have, in fact, made some

offers and in fact, may even have some people on the job today. I do not know. But as quickly as we can. Thank you.

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

Question 48-14(3): Human Resource Management Accountability

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, my question is addressed to the Premier. Yesterday, during our discussion on a comprehensive human resource strategy and accountability measures to see how these strategies were working, I asked the following question, and I quote from page 156 of the unedited Hansard yesterday:

"Mr. Speaker, as part of this work and review, given the fact that the Premier has indicated to my honourable colleague, Mr. Dent, that there is no way, at present, to hold deputy ministers accountable for targets or any kind of measurable goals in the area of human resource development, will they look at this critical area of clear accountability frameworks that cut across government. The commitment that was made back in 1997, and has yet to be honoured."

Mr. Speaker, the Premier responded on page 156 of the unedited Hansard:

"Thank you, Mr. Speaker. Mr. Speaker, I do not think that the Member is correct accordingly as having said that I cannot answer the question when I do not agree with the basis on which he is making the question."

Mr. Speaker, I would like to quote, for the Premier's benefit, his response to Mr. Dent, from page 153 of the unedited Hansard:

"I know we have sent some suggestions to senior management over the years and asked that more aboriginals be hired, more women be hired to senior management across the departments as a whole, however, there is no clear measurable way by which to make this government, Ministers and deputy ministers, accountable for not meeting these targets."

My question to the Premier is, given that fact that there is no way and we are paying millions of dollars to deputy ministers to take direction, will he commit, in part of his review, to look at the area of clear accountability frameworks for human resource management issues? Thank you.

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

Return to Question 48-14(3): Human Resource Management Accountability

HON. STEPHEN KAKFWI: Thank you, Mr. Speaker. The Members had taken up a line of questioning yesterday, as the Speaker is aware, about how this government is not, in fact, meeting the expectations of the Members in the area of hiring, particularly aboriginal people, northern people and women, in the civil service. The intentions of my remarks were to say that there is, in fact, clearly demonstrated by the Member's dissatisfaction with us and the previous government, no

concrete way by which we can compel the people who do the hiring, recruiting and retaining of staff to meet certain targets.

We have a policy. This government is interested in looking at ways in which we can increase a number of aboriginal people, particularly in management, the same of increasing northern people and women in the area of management and overall as a percentage in the government.

It is uncertain for us, as a government, as to how we can best proceed. There is absolutely no disagreement on this side, that we should do something about it, but it is not clear to us the best way to proceed.

I indicated to the Members clearly yesterday that if this is a priority, why I did not hear about it in clear, articulate terms in the development of the document and workshop in Fort Providence earlier this year.

If it is a priority now then we are prepared to work at it, but Cabinet had abstained from the motion because it is giving specific direction. I had said that we would work on it over the summer and try to come up with a number of options for the Members to consider in the Caucus meeting or workshop that is slated for September, and that is still the commitment. Thank you.

MR. SPEAKER: Thank you, Mr. Kakfwi. The time for question period has elapsed. I will allow the Member to finish his supplementaries. Mr. Miltenberger.

Supplementary to Question 48-14(3): Human Resource Management Accountability

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I asked a very specific, straightforward question that was raised yesterday. I quoted the Premier saying there is no way to hold Ministers and deputy ministers accountable. I am hoping this is not a government-wide problem in terms of who runs the ship.

But will the Premier commit in the review that he said was going to take place between now and September to look at ways to, in fact, have a clear accountability framework that cuts across departments when you are dealing with human resource management issues? Thank you.

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

Further Return to Question 48-14(3): Human Resource Management Accountability

HON. STEPHEN KAKFWI: Thank you, Mr. Speaker. Mr. Speaker, I am aware that this is something that all Members of the Legislature and previous governments have aspired to address. In all, I would say, probably not successfully. If there was a clear accountable way for this Legislature and this Cabinet to compel our senior managers to meet our expectations, then we would see results to reflect that.

I know that in agreements with BHP Incorporated and Diavik, we do have percentages of northern and aboriginal people that we expect them to meet and it is our information that there is clearly success in the way we arranged that. We have not done that in this government and we are committed to look at ways we could do it. The Members have brought forward a motion yesterday at least on their side, that they believe a Public

Service Commission, whatever form that may take, would meet all their expectations for aboriginal and northern hires. I am not so certain that that is going to resolve any of the problems that we are facing, but we are committed to working positively with the Members to meet the general intent to their motion that they brought forward.

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

Supplementary to Question 48-14(3): Human Resource Management Accountability

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I think the Premier should keep in mind he has no idea what my motives, my assumptions are about a Public Service Commission, so he should not attribute his motives or his assumptions to me or any of my colleagues.

Mr. Speaker, I get back to this very specific issue. The Premier says accountability. It is not there. We do not know how to fix it. I am asking him to commit in this House -- he said in September when we go to Inuvik, they are going to have a bunch of work done. This is a critical component. If he is telling us that the deputy ministers run on their own with no accountability, we have a problem. I am asking if he will look at it and come back in September in Inuvik and lay out a way that they, as a new accountable, open and transparent government, are going to deal with this issue. Thank you.

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

Further Return to Question 48-14(3): Human Resource Management Accountability

HON. STEPHEN KAKFWI: Thank you, Mr. Speaker. Mr. Speaker, I believe we tried yesterday to share with the Members our interest and concern in this area. We would like to look at ways in which we can increase a number of northern people in the civil service and increase the number of aboriginal people and women, particularly in the senior management level. That should be clear.

We would like to work with the Members on discussing the best way of achieving that. That should be clear. We made that commitment yesterday. What has thrown us a bit is that there is now a motion that has passed that says the Members on the other side have already figured it all out, with the solution being a Public Service Commission.

We abstained from the vote because it is a direction the Members wish to convey to us. We accept it. We are still committed to the fact we should first review all of our options and be clear about what our motives are and why we are interested in addressing this issue, and to work together in September to decide on a particular course of action, so all of us, Cabinet and Ordinary Members, come together and define a course of action that is acceptable to everybody.

The motion has thrown us because it has pre-empted the suggestion we made to work together to discuss a number of options, one of which would be a Public Service Commission. Thank you.

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

Supplementary to Question 48-14(3): Human Resource Management Accountability

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, it is clear that rather than answer the question, the Premier would prefer to bash the motion and direction from this side of the House. This is not an issue about affirmative action at this point, who you hire or how you hire.

This is a management issue of accountability where the Premier has said, on record, that they cannot hold deputy ministers or Ministers accountable. What is he going to do about that very fundamental management issue?

As the political leaders of this government, if you are saying...

MR. SPEAKER: A question please, Mr. Miltenberger. Mr. Miltenberger?

MR. MILTENBERGER:...what are you going to do about it, Mr. Premier? You cannot hold deputy ministers accountable, as you say.

MR. SPEAKER: Thank you, Mr. Miltenberger. Premier Kakfwi.

Further Return to Question 48-14(3): Human Resource Management Accountability

HON. STEPHEN KAKFWI: Thank you, Mr. Speaker. Mr. Speaker, to be clear, we share the concerns raised by Members. We have offered to do the ground work, the preparatory work to have this issue discussed fully in September, when all of us meet as Members of the Legislature. I will be going as a Member for Sahtu to work with all Members on deciding how to address this issue of ensuring our civil service is reflective of the population and the communities it serves, and the hiring and policies set out by this government are in fact reflected in the way in which hiring and recruiting and interviews and placement of employees are done.

I have shared that and said let us get together and work it out. Why do you not give us your research that convinced you so emphatically that the Public Service Commission is the answer to all the difficulties you see? That would be a good start. We will sit down with you in September and decide how the government can meet the expectations that Members of the Legislature are asking this government to be accountable for. Thank you.

MR. SPEAKER: Thank you, Mr. Kakfwi. The time for question period has expired. I just want to remind Members that these are your rules that questions be brief, no preamble for supplementaries. I also want to remind Cabinet that the answers should be brief and to the point. It does take up your time, and again, these are your rules you have asked me to apply.

Item 7, written questions. The Chair recognizes the honourable Member for Weledeh, Mr. Handley.

Point of Privilege

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, I rise on a point of privilege under Rule 20(1). In a news story aired on CBC Radio this morning, Mr. Dave Miller reported that Cabinet rejected to establish a Public Service Commission. Mr.

Miller suggested that in the consensus system of government, abstaining from a vote is in effect a signal of opposition.

Mr. Speaker, I would like to clarify that it is a long-standing custom in the consensus system of government for Cabinet to abstain from voting on motions that provide direction to the government.

-- Interjection

MR. SPEAKER: Order, please, order.

HON. JOE HANDLEY: Mr. Speaker, one need only go back to a motion from the second Session earlier this year to see the difference. On a motion directing a comprehensive audit of the Department of Resources, Wildlife and Economic Development, Cabinet signalled its opposition, because of the costs incurred, to the motion and voted no. That is clearly different than abstaining.

Mr. Speaker, I would like to reaffirm, on the record, that Cabinet has heard the direction from Ordinary Members with respect to the establishment of a Public Service Commission. Over the next while, Cabinet will be reviewing the recommendation, conduct any additional research that may be required, and report back to the Assembly as soon as possible. We want to work with the regular Members to do this task.

As a first step, it would be useful, as the Premier mentioned, to have a copy of the research that has led to the conclusion the creation of a Public Service Commission...

MR. SPEAKER: Order, please. Order, Mr. Handley. Mr. Handley, I have noted from your filed statement that you have changed some words. Mr. Handley, you are not allowed to change any of the statement you have filed with the Speaker.

-- Interjection

Speaker's Ruling

Order, please. The Member for Weledeh, Mr. Handley, has raised a point of privilege under Rule 20(1). I can confirm that the Member did provide me with his point of privilege under Rule 20(2), one hour before he raised it. The Member has corrected the CBC report and his point of privilege is accepted. However, I would indicate that the Member went beyond the requirements of the rule, which is to explain the point of privilege in a clear and concise manner by providing comments on a previous vote of this Assembly, and the Cabinet's course of action on yesterday's Motion 5-14(3), on establishing a Public Service Commission. Thank you..

The Chair recognizes the honourable Member for Hay River South, Mrs. Groenewegen.

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I would like to seek unanimous consent to return to item 5, recognition of visitors in the gallery.

MR. SPEAKER: The Member for Hay River South is seeking unanimous consent to return to item 5, recognition of visitors in the gallery. Are there any nays? There are no nays. Mrs. Groenewegen.

REVERT TO ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

HON. JANE GRONEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize Alan Vaughn with Arctic Financial Services. With him, Jonathan David Taylor from Pacific Western. They have brought a delegation of representatives from southern lending institutions to take a look around the North. I also want to thank them for confirming that there is life outside of Yellowknife by attending my community of Hay River this week as well. Thank you very much.

I would also like to recognize Vern Jones and Donna O'Brien, from the Hay River Soaring Eagle Friendship Centre, in the gallery. Thank you.

-- Applause

MR. SPEAKER: Thank you, Mrs. Groenewegen. Welcome to the gallery. Item 5, recognition of visitors in the gallery. The honourable Member for Thebacha, Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I would like to thank my colleague for changing the subject so quickly and giving me the opportunity to recognize Ms. Helen Hudson McDonald, from my constituency. Thank you.

-- Applause

MR. SPEAKER: Welcome, Ms. McDonald. Item 5, recognition of visitors in the gallery. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to opening address. Item 10, replies to budget 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. The honourable Member for Yellowknife South, Mr. Bell.

ITEM 14: TABLING OF DOCUMENTS

Tabled Document 9-14(3): Letter From Constituent Regarding the New Student Financial Assistance Rules

MR. BELL: Thank you, Mr. Speaker. Mr. Speaker, today I would like to table a letter to me from a constituent about her concerns with the new student financial assistance rules. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Bell. Item 14, tabling of documents. Item 15, notices of motion. Item 16, notices of motion for first reading of bills. Item 17, motions. The honourable Member for Weledeh, Mr. Handley.

ITEM 17: MOTIONS

Motion 4-14(3): Setting of Sitting Hours by Speaker (Carried)

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker,

I MOVE, seconded by the honourable Member for Frame Lake, that the Speaker be authorized to set such sitting days and hours as the Speaker, after consultation, deems fit to assist with the business before the House. Thank you, Mr. Speaker.

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

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, I know the intent of the motion, but I would just like to make it clear, especially for the public out there, that no way, shape or form that we as a government should railroad this budget through the House by taking advantage of the rule in the motion.

I believe the intent of the rule is in place strictly to allow the House to conclude its business where we are finding there is a backlog in the process and we are behind on the budget. Most budgets that have gone through this House have taken up to eight weeks.

Yet this budget, I do not want to see it not go through the process of allowing debate and ensuring the communities that are affected by this budget, especially regarding the cuts that are taking place in this budget, have an opportunity to debate it and do justice for the people we serve in the Northwest Territories. They elected us to be here to ensure their say is being heard, their issues raised and there will be something done with this government.

This budget will set the precedent for the next four years. I feel this rule should only be used when we find ourselves in a bind and down to a time crunch. This Session was supposed to take three weeks. I do not want to see it take two weeks. I want debate. I want to see issues put on the table, Ministers held accountable and departments hearing the concerns and questions by Members of this House.

I want to ensure that debate takes place. I do not support this motion.

MR. SPEAKER: Thank you, Mr. Krutko. Just a reminder that the motion deals with all the business of the House and not just the budget. To the motion. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, just for clarification, the purpose of the motion is not to try to railroad things through and not do a thorough job. We want to do a thorough job. However, Mr. Speaker, if it is necessary, and there have been times that it has been already this week, to extend question period and so on, we do sometimes have to consider the option of extending our sitting time in order to get our business done. That is the only intention. There is no motive here to try to jam things through. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. Sitting hours will be extended accordingly.

Item 17, motions. Item 18, first reading of bills. Item 19, second reading of bills. Mr. Handley.

ITEM 19: SECOND READING OF BILLS

Bill 2-14(3): Write-off of Debts Act, 2000-2001

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, I move, seconded by the honourable Member for Inuvik Twin Lakes, that Bill 2, Write-off of Debts Act, 2000-2001, be read for the second time. Mr. Speaker, this bill authorizes the write-off of debts in accordance with section 24 of the Financial Administration Act. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. The motion is in order. To the principle of the bill. Question has been called. All those in favour? All those opposed? The motion is carried. Bill 2 has had second reading. Accordingly, the bill stands referred to a committee. Item 19, second reading of bills. Mr. Handley.

Bill 3-14(3): Forgiveness of Debts Act, 2000-2001

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, I move, seconded by the honourable Member for Inuvik Twin Lakes, that Bill 3, Forgiveness of Debts Act, 2000-2001, be read for the second time. Mr. Speaker, this bill authorizes the forgiveness of debts in accordance with section 25 of the Financial Administration Act. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. The motion is in order. To the principle of the bill. Question has been called. All those in favour? All those opposed? The motion is carried. Bill 3 has had second reading. Accordingly, the bill stands referred to a committee. Item 19, second reading of bills. Mr. Handley.

Bill 4-14(3): An Act to Amend the Workers' Compensation Act

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, I move, seconded by the honourable Member for Inuvik Twin Lakes, that Bill 4, An Act to Amend the Workers' Compensation Act, be read for the second time. Mr. Speaker, this bill amends the Workers' Compensation Act to facilitate the determination of appeals by removing a limitation on the number of members on the appeals tribunal.

This bill also amends the Act to provide that members of the board and review committees may not be appointed to the appeals tribunal. In addition, this bill also authorizes the appointment of a vice-chairperson and an acting vice-chairperson of the appeals tribunal and sets out certain transitional rules respecting the continuation in office of members of the appeals tribunal. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. The motion is in order. To the principle of the bill. The honourable Member for Inuvik Boot Lake, Mr. Roland.

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, as this bill makes some changes, the initial intent is a good one. I have concerns that the Minister still retains the authority to appoint the chair and the vice-chair of these boards. That, Mr. Speaker, is a concern to me.

In clause 4, the Minister shall designate a chairperson and vice-chairperson of the appeals tribunal from among the members of the appeals tribunal appointed under paragraph 1(8).

That is a concern to me. If we are talking about being more open and arms length from the government, is this truly being arms length when people who have gone through the process and reached the period of having to make an appeal, then feel who they are going to be sitting in front of is actually going to hear their case in an open way if they know the Minister appoints that person? Why can the department not make this where from amongst themselves, they can appoint a chairperson and a vice-chairperson. I think that is straightforward. It opens the door to being open and having people who come before the appeals tribunal feel they will be

heard and it is not going to be influenced by the Minister who is responsible for the Workers' Compensation Board.

That is a very serious concern, Mr. Speaker. I have serious consideration in this area, and concerns that this has to be addressed. We have talked about being open and accountable. I think this is a small move that would really show big on the department in making it more open.

Most people who unfortunately have to go through the process of an appeal...I think we need to look at this. I hope the department has a chance to review this. As the bill comes up, this is the area that, if it remains, I cannot support. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. To the principle of the bill. The honourable Minister, Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, I am sure that this can be discussed further as we review the bill. I just want to point out that this is not a department that is involved here. This is the Workers' Compensation Board. The board essentially manages or operates the WCB through the president.

If the board will make the appointments, we will have a situation where the board that heard, made and recommended on the original decision, is now going to appoint the members of the appeal. We want to avoid that. My intention, Mr. Speaker, is to have that removed from the department intentionally so we do not have that conflict. Have the Minister subject to make the appointments. Thank you.

MR. SPEAKER: Thank you, Mr. Handley. To the principle of the bill. Question has been called. All those in favour? All those opposed? The motion is carried. Bill 4 has had second reading. Accordingly, the bill stands referred to a committee. Item 19, second reading of bills. The Chair recognizes Mr. Handley.

Bill 5-14(3): An Act to Amend the Workers' Compensation Act, No. 2

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, I move, seconded by the honourable Member for Inuvik Twin Lakes, that Bill 5, An Act to Amend the Workers' Compensation Act, No. 2, be read for the second time.

Mr. Speaker, this bill amends the Workers' Compensation Act to enable the Workers' Compensation Board to make a special payment to dependent surviving spouses who have lost compensation entitlements under the Act, or any predecessor to the Act because they married or re-married before April 17, 1985, the date the equality provisions of the Canadian Charter of Rights and Freedoms came into force. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. The motion is in order. To the principle of the bill. Question has been called. All those in favour? All those opposed? The motion is carried. Bill 5 has had second reading. Accordingly, the bill stands referred to a committee. Item 19, second reading of bills. The Chair recognizes Mrs. Groenewegen.

Bill 6-14(3): An Act to Amend the Nursing Profession Act

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I move, seconded by the honourable Member for

Nahendeh, that Bill 6, An Act to Amend the Nursing Profession Act, be read for the second time.

Mr. Speaker, this bill amends the Nursing Profession Act to provide for the appointment of a registrar and the establishment and appointment of a registration committee. This bill also sets out the powers and duties of the registrar and the registration committee. The registrar is authorized to issue registration certificates and also, on the direction of the registration committee, to issue temporary certificates of exemption.

In addition, this bill repeals a provision in the Act that permits a person to practice without holding either a certificate of registration or a temporary certificate of exemption. Furthermore, this bill makes a number of minor amendments to the Act, including amendments that clarify the bylaw making powers of the Northwest Territories Registered Nurses Association, the requirements for obtaining a certificate of registration and a temporary certificate of exemption, the membership status and rights of a person who holds a temporary certificate of exemption and the appeal process for applicants who are refused registration.

Finally, this bill sets out certain transitional rules respecting pending applications for certificates, the validity of prior and existing certificates and the continuation in office of the registrar and the registration committee, currently appointed under the bylaws of the association. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mrs. Groenewegen. The motion is in order. To the principle of the bill. Question has been called. All those in favour? All those opposed? The motion is carried. Bill 6 has had second reading. Accordingly, the bill stands referred to a committee. Item 19, second reading of bills. Item 20, consideration in committee of the whole of bills and other matters. Bill 1, Committee Report 1-14(3), Committee Report 2-14(3), Committee Report 3-14(3). By the authority given to the Speaker by Motion 4-14(3), the House is resolved into committee of the whole to sit beyond the time of adjournment until the committee is prepared to report. Item 20, consideration in committee of the whole of bills and other matters, with Mr. Delorey in the chair.

ITEM 20: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

CHAIRMAN (Mr. Delorey): I would like to call the committee to order. The committee has a number of issues to deal with. What is the wish of the committee? Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, the committee wishes to review Bill 1, Committee Report 1-14(3), Committee Report 2-14(3), Committee Report 3-14(3) concurrently, and continue with the Department of Resources, Wildlife and Economic Development. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Does the committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Thank you. We will take a short break, and resume in ten minutes.

-- Break

CHAIRMAN (Mr. Delorey): I would like to call the committee back to order. We are reviewing the Main Estimates, 2000-2001, for the Department of Resources, Wildlife and Economic Development. Mr. Handley, would you like to bring in any witnesses?

HON. JOE HANDLEY: Thank you, Mr. Chairman. Yes, Mr. Chairman, I would.

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

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Would the Sergeant-at-Arms please escort the witnesses in?

Mr. Handley, when we broke yesterday, Mr. Braden had asked a question. Are you prepared to answer that question at this time?

HON. JOE HANDLEY: Yes, Mr. Chairman, I am prepared to answer the question. My witnesses are here somewhere. They are coming. Mr. Chairman, the question, as I recall, was what were we doing to attract employees working at the mine to live in the North. I suppose in the same way to have Northerners take on more jobs.

Mr. Chairman, there are a number of things we are doing. I think the last government started doing a lot, where we had the \$10,000 grant for housing to encourage people to move North. I think that had some success.

We have been fairly active as a government and municipal governments in marketing the Northwest Territories as a good place to live and be. I saw advertising at the Meet the North Conference last year. I see advertising at Ekati Mine and other places to say this is a good place.

The City of Yellowknife and I believe other communities have either subsidized or helped people to come up and do familiarization of the North, bring their families up so they can understand it. The companies themselves have done a fair bit of providing northern allowances to people who are not travelling. I believe they have also encouraged families to come up. They have moved their northern management here. They are doing some and we encourage them to continue with that.

We have signed socio-economic agreements with both BHP and Diavik, that require them to meet some targets in terms of the percentage of northern workers. There are a fair number of initiatives we have undertaken to encourage and have people move to and live in the North. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Before I go back to Mr. Braden, would you please introduce your witnesses for the record?

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, with me today is Mr. Bob McLeod, deputy minister for the Department of Resources, Wildlife and Economic Development, and Mr. Jim Kennedy, director of corporate services for the Department of Resources, Wildlife and Economic Development. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. With the Minister's answer, regarding the socio-economic and benefit agreements negotiated and under negotiation with companies, could the Minister give the committee some idea of how those targets are being met, specific to residency? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Braden. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, the only mine that is operating right now is BHP. The target for northern employees is 70 percent, 50 percent of which is to be aboriginal. On both counts, BHP is presently exceeding the targets that were set in the socio-economic agreement.

The agreement with Diavik will come into effect during the construction stage. As soon as they get their water license, this will start to kick in as soon as they begin construction. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. Again referring to the Minister's opening comments yesterday, there was a discussion of the parks and tourism division. The second priority of the department is the development of the tourism strategy. I am aware of at least two similar documents, one of which is a collection of, from my understanding, some knowledge, experience and suggestions that have come up from the department, but not mandated specifically towards a tourism strategy.

The second document, which I understand we are going to see next week sometime, is the report of the economic strategy panel.

I wanted to ask the Minister what kind of approach or design does the department have in mind in terms of building this strategy in consultation with the industry? Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Braden. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. We have made a commitment to complete a strategy by the end of the calendar year. We have been doing some work in the department. As I mentioned before, in talking with some of the Northwest Territories Tourism Association people, they have been doing some work as well.

We intend to move toward a comprehensive strategy. The document we have prepared, the drafts and so on, have been done in consultation with the tourism associations, as well as the chambers of commerce, some regional tourism people, and so on. The intention is, as we move along, to do this cooperatively as we have done with other strategies, like the protected areas strategy, where we bring everybody in, including aboriginal governments and so on.

It will very much be a collaborative effort. The target for completing it is the end of the calendar year.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. One other area I would like to explore is the area of small business development, specifically to training and support for the various skills that are involved in running a small business.

Looking at the department's plans, something I do not see in there is anything directed to this kind of support for the small business community. There may be something in Education, Culture and Employment that covers this, but what I have in mind, Mr. Chairman, is not something that would be a business administration matter or things of this nature that might be offered through our college system. It would be small-scale, easily delivered programs on a community scale that can assist small businesses in areas such as cash-flow management, personnel and recruiting, marketing, bookkeeping...the nuts and bolts, Mr. Chairman, of running a small business.

What kind of delivery mechanism do we have in the North, with the department or otherwise, that can help small businesses through these day to day chores? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Braden. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, we have a number of staff in each of the regions whose responsibility is economic development support. We also have the community economic development services section in headquarters. In addition to that, there are a number of economic development officers in the regions. Some of them report to us. Some of them work for municipal governments or the band councils.

The kind of support the Member is referring to is really important to the small businesses. Because it is not structured courses or anything, which would be the responsibility of Education, Culture and Employment, we intend to do it at the regional or at the community level. We do it on an as-needed basis and try to respond. I think it works quite well in some areas. Maybe in other areas, not as well as the business would like.

We also have to be very careful that we do not get into interfering in a private businessman's way of operating. It is his business. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. A suggestion that these courses can, and I think would, be very well subscribed to if they were presented on a proactive basis, with the idea that they are delivered at convenient times and places at a community and regional level.

I think all too often small businesses have a tendency, and I speak from a former life as a small business person, that there is a tendency to wait until it is too late, until difficulties come up or people ask for help. The government could be providing a good service to the small business community if it was proactive and took a lead in delivering this kind of service. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Braden. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Yes, Mr. Chairman, I take the Member's advice. We try to do that to the best of our ability. I guess we just have to keep working at it to get it to the stage where everybody is satisfied. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. The Chair recognizes Mr. Bell.

MR. BELL: Thank you, Mr. Chairman. I have a few questions I would like to ask Mr. Handley, and a few points I would like to make. Initially, I would like to start off and refer a bit to the tourism strategy that is in the works. I believe we really have to get going in this area and have an overall look at the tourism industry and see what kinds of things we can do to stimulate growth in this area. I think it is critical for diversifying the economy.

Mr. Handley has discussed several initiatives he feels are going to be used to promote tourism. One thing I would like to discuss is a constituent's concern, which was the lack of a presence at Expo. The committee has also made mention of this, that we did not attend Expo 2000. I believe the department's response, both to the committee and to me, was that it was deemed that this was going to be too expensive and we were not going to get the best bang for our buck in this area. They had determined they could get better mileage from other venues and better mileage from attending other events in other capacities, given their limited means and budget.

They also explained to me that they had looked carefully at Expo, costed out what they figured it would take to attend, and deemed it was not cost-effective. On one hand, I am disappointed that we did not have a presence at Expo, but I am glad to hear that they actually take the time to weigh out some of these things and do cost benefit analysis. I think that is something that is often lacking in other departments in other areas. I am wondering if the Minister can talk a little bit about some of the other things he is proposing to do internationally in lack of attendance at Expo to try to stimulate tourism.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Bell. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Taking part at Expo was going to be incredibly expensive for us. A minimum contribution to be a partner with the federal government is \$250,000. Prices are really inflated during these events, so even renting a large room, along with the supportive services that come with it for a period of time, would be \$50,000 a day. This is just out of our league. In fact, very few provinces and none of the territories have pavilions there either. Things tend to get really exorbitant.

Expo '86, for example, cost this government \$15 million. The Expo in Spain cost \$4 million. We do not have that kind of money anymore. Even though we really want to promote tourism, is that the best use of our money?

I might add, Mr. Chairman, that myself and the deputy minister, Bob McLeod, are going to Antwerp in July, where I am making a speech at a diamond conference and we are going to take the opportunity to go over to Expo, meet with the commissioner and see if there is a way of us participating without having to pay these high costs. It may be possible that we can do something.

The Expo event goes on until November, so we have not lost the whole opportunity if we want to take part. Generally

speaking, there are more cost effective ways for us to use our limited money than the cost of this event. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Bell.

MR. BELL: Thank you, Mr. Chairman. Earlier, I questioned the Minister about the oil and gas industry and the kinds of spin-off benefits that might be available for Northerners, northern businesses, and for northern manufacturers. We have heard the Minister comment that not every community in the Northwest Territories is going to have a pipeline running through it so it is important to look to other things like tourism to stimulate some of the smaller economies, some of the economies that are not close to the potential pipeline development.

I would like to suggest that we look to all communities of the Northwest Territories for possible development, possible spin-off business and jobs that could be created in the oil and gas industry. I think there are certainly manufacturing opportunities to be had. I suppose it probably benefits the larger communities like Yellowknife and especially Hay River. I think that these are some of the things that we need to look at and not just consider. That unless you are within the immediate proximity of a pipeline, you are not going to receive any benefit. So I really think it is important that we look at some of the opportunities that might come out of this, take a proactive approach, and do something early.

In the diamond industry, I think the secondary value-added cutting and polishing, now we are seeing a grading facility. I think, in hindsight, we almost missed the boat on that and give the department credit. They did play catch up and they did get in on the ground floor, but I think it was close and I would like to make sure that the department is paying attention in oil and gas, because I think we are going to have one big shot at this thing. I hope we do not miss it. I think there will be a flurry of activity and if we are not up to speed it will be easy for companies doing the work in the Territories to say listen, you simply do not have the businesses that can participate. You do not have the people to do the work. We have got to go south. We need this development to go ahead. As they say, things are going to move at the speed of business, so I think that it is important that the department be ready to help Northerners and northern businesses in all areas of the Territories take advantage of what is sure to be a boom.

In that area, we have seen socio-economic agreements with diamond companies. I would like to ask the Minister if we will have the same kinds of agreements in place with pipeline companies to ensure that a certain percentage is a percentage of Northerners, a certain percentage of aboriginals are hired and also that northern businesses are utilized to the fullest extent possible. Will we be in a position to negotiate and ensure that we look after Northerners' interests first?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Bell. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. The oil and gas business is a little more complex and more difficult to identify who we would have the arrangements with. But certainly we intend to support, first of all, the aboriginal leaders and their request to have an equity position in a pipeline. So that kind of arrangement will certainly result in them owning some of it and, hopefully, them hiring their own people from the community. So that would help. So we support that.

Second is, as I mentioned earlier today with regard to support services, whether it is oil and gas well services, providing materials, equipment, so on. We support that and that should mean northern jobs as well.

And then the third area, to provide jobs in the actual construction of pipelines, exploration for gas and oil and so on. Then our intention is to, where we can, enter into socio-economic agreements, for example, with a pipeline company and work closely with both DIAND and the National Energy Board to make sure that the socio-economic agreements have some teeth to them. I appreciate the Member's suggestions. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Bell.

MR. BELL: Thank you, Mr. Chairman. I would like to say that I do recognize that it is slightly more complicated with the oil and gas industry than it has been in the diamond industry. We may not be able to arrive at the same kind of formal socio-economic agreements that we have seen in the diamond industry. But I hope that the Minister and the Premier will continue to lobby the pipeline companies, lobby the oil and gas companies and say, listen if you want to make this thing go ahead and you want to make this thing go ahead quickly, it is going to require partnership with Northerners.

It is going to require doing everything in your power to use northern labour, northern manufacturers, northern businesses and if we cannot get formal socio-economic agreements...I hope it is made at least clear to them that things will go a lot more smoothly if they include us in the process.

The last thing I would like to ask the Minister about is the Non-Renewable Resource Strategy that his department has spent a lot of time on and has been consulting, I think quite heavily, with the federal government, with Martin and with the Minister of DIAND.

We saw the Minister sort of roll this out for the first time at the intergovernmental forum in Hay River and I think he felt it was key to get the feedback and the participation of all the aboriginal groups in the strategy so that there was some buy-in and there was ownership. I thought that was a fundamental and key first step.

But I would like to ask the Minister, what kind of response he has been getting, not so much from the federal government at this point, but from some of the other aboriginal groups and aboriginal leaders with regards to the Non-Renewable Resource Strategy?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Bell. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. The two co-chairs for the Economic Devolvement Strategy report that, I think, was given out to the chair of GED yesterday, are both aboriginal leaders, Richard Nerysoo, and Darrell Bealieu. We have other aboriginal people who are involved in the preparation of that strategy. Richard Nerysoo, in particular, accompanied some of our people to Ottawa, took part in a presentation, and spoke on behalf of all aboriginal people very strongly in support of it.

I have not received as much feedback as I, ideally, had hoped for from chiefs and other leaders, but I think given the day to day business that they are involved in and their busy

schedules, I am not surprised. But no one has said the strategy is wrong. Absolutely no one has said that. Any comments I have heard have been supportive, even though some people may want a little bit more of this or that in it. It has been good support. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. I have next on my list Mr. Miltenberger, however in fairness everybody, as he has spoken yesterday already, I will recognize Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, in regard to this department, one of the problem areas that I have noted going through is the number of vacancies within this department. I believe we counted somewhere in the area of, I believe it was 48.

One of the concerns I have because of that is with the number of vacancies, the amount of people we have left within the department, especially when it comes to developing or collecting data. For myself, I was trying to get data and information on caribou in the Northwest Territories, in regard to the different caribou herds and species. There was very little information collected, especially from aboriginal groups. The only group that had statistics was the Inuvialuit and people from the Eastern Arctic that have done studies on the different Inuit people when they collected data on caribou.

But yet, in the western Territory, there is very little data collected in regard to use of the herd and also the consumption of the species and yet, we are looking at being involved in large scale developments; diamond mines, and now we are looking into the oil and gas.

I think that if this government is going to take a role in the process of the environmental assessment screening process, when the regulatory decisions are made on exactly which route is going to be taken and also what rivers are going to be crossed or the effects that it may have on the environment, we have to have the data to make sound decisions.

I think, as a government, we have taken over the responsibility of wildlife and forestry from the federal government, but yet when it comes to having that information and research available, it is very lacking.

So I think it is critical that, with the number of vacancies we have within the government and not having the bodies there to do a lot of this work, that we are falling behind. I think it is essential that the department makes an attempt to fill these vacancies but also ensure that we have the data, the information that is going to be needed.

We are going through a review of the Wildlife Act sometime within the next year or so. There again there has to be data put forth in regard to usage of the species by the different groups, the question about rights that flow from land claim agreements and also the question about treaty rights.

So this is essential for myself. Reviewing the Department of Resources, Wildlife and Economic Development that is one area where I feel we have to do more and make an attempt to ensure we have the people in place to do this research and also make sure we have it compiled quickly so that we have it available for ourselves, so when we do make presentations on behalf of the people of the Northwest Territories, we have that information available. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. First of all, I will just say that our vacancy rate is not as high as it would appear at first because we have a number of seasonal positions.

For example, in the May vacancy report we had 34 full-time vacant positions and the other 32, when the data was pulled together, were seasonal positions, so a lot of those have been filled. Having 32, 34 about that number, out of a total compliment of 420 fulltime positions, is probably not out of line because you always expect to have eight, nine, or ten percent turnover.

On the other issue the Member raises though, I agree 100 percent with the need of having some really thorough baseline data collected and information available on our wildlife and natural environment, so we need to do that. Oil and gas is quickly catching up to us, or speeding up in the North. The department is aware of the need for it.

We are doing a review within the department of our programs and services to figure out how we can identify the resources, human and dollars, to be able to achieve what the Member is recommending we do. So we are in agreement on that. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, the other area that I have raised concerns with the Minister and also with the department is the whole area of taking advantage of the oil and gas industry, especially in my riding. I would like to state that, from what we have seen from the diamond industry, there has been a lot of emphasis put in regard to making funds available on the secondary industry, working with the Department of Education in ensuring that the training programs are there for people to access those jobs. But also making sure that there is money available for different special projects.

We have \$1.6 million identified for diamond projects, but yet there is nothing in the budget for oil and gas projects, so that we can assist groups like the Inuvialuit with the gas project that may look at accessing gas from the pipeline that may come forth to offset the cost of diesel fuel converting over to natural gas. So these types of things have to be built into the budget and I, for one, would like to see another item added, called oil and gas projects, so it is not specifically related to the control or the management of overseeing oil and gas in the Northwest Territories.

But having monies available, similar to the diamond industry, in the range of \$1.6 million to \$2 million, so that we can also take advantage of that particular industry.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, I will just address that we are, as a government, prepared to give the same consideration to oil and gas as we have to the diamond industry. We have a number of options for people who need support and that could be through the BCC, it could be through

our regional economic development officers, it could be through special arrangements like we have done on loan guarantees and so on for diamonds. There is absolutely no preference given to diamonds over oil and gas or anything like that.

We are open to supporting any good, viable ventures that come forward or proposals. Our people will work with entrepreneurs who want to do this.

The other side, as well, is we are spending a considerable amount of money right now on things like supporting the Aboriginal Pipeline Group. We have committed to paying a third of the costs for this meeting next week in Fort Simpson. Those are things that really are not our responsibility. It should be DIAND because they are the ones who get the benefit out of it. But for the sake of getting our people to have some equity and some jobs, we have to do it. We are making that investment. We will continue that. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Another area I have concerns with is regarding the economic development sector and the service we provide in that area. We have some \$695,000 for community economic development officers. I have seen the programs in the communities. The money they get is not sufficient for the cost of living. Trying to attract someone with a background in economic development and trying to access dollars for economic development projects is hard. You cannot attract people for that amount of money and live in an isolated community with the cost of living.

I feel we have to work closer with the different economic development areas we have. We have the Northwest Territories Business Credit Corporation, the Northwest Territories Development Corporation, we have aboriginal corporations in place now. We have to somehow consolidate all of these dollars we have and make better use of them and streamline those dollars so they go to specific regions and areas.

By having more access to capital, we are able to do more. Without having the groups consolidate themselves into one agency or organization to work along with other institutions, we have to have the ability to move some of this money around. A lot of money has been spent through the Northwest Territories Business Credit Corporation and also the Development Corporation in the southern part of the Northwest Territories - Yellowknife, Hay River - those areas in which a lot of those loans were given out.

When it comes to the northern part of the Northwest Territories, or even the communities, they have had very little access to those dollars. In order for any community to get ahead, we need access to capital. I feel there has to be a better way of streamlining this money so communities and regions are able to access this capital.

I would like to ask the Minister if he would consider looking at consolidating these different economic strategies so we can streamline them and be more accountable to the people it is supposed to serve by making sure there are capital dollars there for the business community to access. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, we are committed to streamlining our operations in terms of the various channels people have for loans and grants, contributions, assistance with business advice, and so on. We are already doing that. That is part of our plan this year, to get on with it.

In terms of how long it is going to take, we are already starting to try to bring the Development Corporation and BCC closer together. The whole exercise would probably take us into the next fiscal year to complete. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. At this time, the Chair would like to recognize some people in the gallery. We have a number of deputy ministers of health who are here in Yellowknife. They have been here since Wednesday on business meetings. I would like to recognize David Dodge, Ron Hinkle, Pierre Holgreanu, Paula Burton, Ann McFarlane, Gladys Heets, Debra Fry, Thomas Word, and Carol-Anne Duffy.

-- Applause

Welcome to Yellowknife and to the Legislative Assembly. The Chair would now like to recognize Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, I will take advantage of your largess and leap in here before you change your mind, since Mr. Dent now wants to speak.

I have two questions I would like to ask the Minister. The first one, since this is the first budget of the 14th Assembly, and we have the departments before us asking for \$75 million. We spent quite a few weeks with business plans, targets, plans and programming issues. Given the fact that it was stated by the Premier in this House that there is no clear, measurable way by which to make this government, Ministers and deputy ministers accountable for not meeting targets, for my own clarity and peace of mind, I would like the Minister to explain accountability in his opinion as Minister with this department and the \$75 million they are asking for. Are we just going through the motions and having to place our faith in the good nature of the Lord above when it comes to dealing with this issue in any kind of clear, measurable, accountable way? Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Miltenberger. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, first of all, as the Minister of Resources, Wildlife and Economic Development, I am responsible. I want to clear that up.

Secondly, Mr. Bob McLeod, as the deputy minister, is responsible for the management and administration of the department. He is accountable to me. Mr. McLeod enters into a contract with me in terms of what we are going to deliver as a department.

I heard very clearly the standing committee's recommendation in terms of having more measurable results. I will be going over the department's proposed targets and results to ensure we get

specific so they are measurable and we will know whether or not we have good products and services for the \$75 million. All I can do is assure you I will do my best to do that. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. So it is clear, I intend to ask this question of every department that comes before this House. For clarification, the Minister is saying there are clear measurable ways in which you are prepared to be held accountable for, with the \$75 million that is before this House?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Miltenberger. Mr. Handley.

HON. JOE HANDLEY: As part of the business planning process, every department, and this department, is asked to indicate targets and outcomes, goals and so on. All of those are built into the business plans. If in some cases, we find that the proposed results are not as measurable as they could be, we need to refine that. I will work very closely with my department to make sure we achieve what the committee and Ordinary Members are asking: having results that are measurable so you know whether or not we did a good job with the money available. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. It is good to hear that with the first department through the gate, that the Department of Resources, Wildlife and Economic Development is going to be accountable.

I have a question about the energy strategy. I raised this in my general comments yesterday, and the Minister responded to the effect that while it is important, it should be something that was done later because you have other pressing issues on the table. I would like to raise the question again.

We had a briefing by the Energy Alliance, which I thought was very informative and enlightening for all of us. This is not a \$30 million issue as the government initially indicated. It is worth somewhere in the neighbourhood of \$230 million. That figure, I would submit, is growing as we speak with fuel prices going up.

There is a piece-meal effort being made that is un-coordinated, which is my concern. The four potential measures outlined by the Energy Alliance in their presentation were energy efficiency, energy supply options, Northwest Territories Greenhouse Gas Emissions Strategy, and a policy on regulatory framework.

Mr. Chairman, I want to make the point that the government has indicated they are doing the Energy Greenhouse Gas Strategy. I know the PUB is looking at the policy and regulatory framework of the Public Utilities Board. I know the Power Corporation is trying, in its own way, to deal with the energy issue as well. The government is struggling with petroleum products and the Housing Corporation, with its huge rising cost of utilities.

My concern is they are all going forward in an un-coordinated way. We are talking about a huge amount of money here. If we do not take the time now to set a process in place to come up

with the board energy strategy that will link these pieces, we will end up in a month, two months or a year, with a host of initiatives that are not related, which no energy strategy will be able to link.

From a good business sense and practice, and for the good of the people in the Northwest Territories, we have to initiate this process. I would ask the Minister if he would be willing to commit to look at that. I think there is a role the Energy Alliance could play. Just about every deputy minister is on that particular board. It does not have to be done by the deputies or the government per se. They just have to get a process going that will report back.

I see this as a critical issue. The government is doing things in bits and pieces, but it is not linked. I would like the Minister to consider and respond whether he would be willing to look at this as a critical issue, considering the potential savings that are there and the rising costs we are currently faced with. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Miltenberger. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. The Department of Resources, Wildlife and Economic Development was one of the departments instrumental in setting up the alliance. We do participate actively on it. We see the Energy Alliance as being the vehicle for coordinating our efforts in government with the Power Corporation, private sector, the Housing Corporation and so on.

We recognize the immensity of the problem, the amount of fuel that is used and so on. I agree with the Member's recognition. I will commit to doing that. However, given the limited number of people, I believe we only had seven staff in environmental protection to handle everything from hazardous waste to these issues. It is just a matter of where do we put our energies.

We are working on greenhouse gas, beverage container recycling, energy efficiency initiatives and so on. We will do everything we can to achieve what the Member is requesting. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Miltenberger.

MR. MILTENBERGER: Mr. Chairman, I would like to point out that if this is going to work, there has to be a public consultation process. It is not something I see being done internal to government alone with its staff. The Energy Alliance sees the responsibility of developing a strategy with the Government of the NWT. But that, I suggest, is just to set up the process, and let the Alliance point out, very clearly, the broad energy strategy is not in the works at this point, but the Alliance could provide advice and assistance.

So I will just ask the Minister the kind of process I have in mind is not going to be one just done by staff internal to the government. But if it is going to have credibility and buy-in from the public and the very many sectors affected by energy issues, it has to be something that has a public component,

The one in the Yukon, I know, took two years, but they set up a committee similar to the economic development strategy committee to do the work and come back with a product. So would the Minister consider looking at that in a very serious

way and possibly ask the Energy Alliance to develop a working document for discussion? Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Miltenberger. Mr. Handley.

HON. JOE HANDLEY: I see the Energy Alliance as more than just providing advice and input. I see the Energy Alliance as being the vehicle. I hope we do not have to create another one. We want to work with the Energy Alliance because it represents a lot of other agencies besides our department.

I support it. I only hesitate in terms of the capacity we have in a department, but it is a high priority. We need to have it well coordinated. We need an overall strategy, but we also have some immediate things we have to continue on with: completion of the greenhouse strategy, beverage containers, all the other things I mentioned. So it is a matter of capacity, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. The chair recognizes Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I would like to start off by congratulating the Minister for, in his opening remarks, committing as a priority to explore a revenue neutral beverage container recovery program. I heard about this several times in the past year, particularly around election time from constituents who thought that we should be doing something in this area and I did commit to them that I would do my best to encourage the government to follow up on it. So I would just like to compliment the Minister on taking that as a priority and encourage him to conclude the development of the program this year and ensure that we have one in place for next year.

One of the other points that the Minister talked about as a priority in his opening comments was the development of a tourism strategy for the Northwest Territories. I know, I think, the Minister has heard from a number of Members in this House already that we think this strategy is long overdue. I too think it is long overdue.

I really have to say that I am somewhat disappointed by the commitment that has been shown by the department to tourism. I think that if we really did have that commitment, while the cutbacks have been pretty broad through government, I would argue that over the past four or five years, the cuts to tourism have been disproportionate within this department in comparison to other areas.

So I do not think it is any surprise now when the Minister of Finance proposes a five percent hotel tax in order to get some money to market tourism, that some operators are going to come out in favour of that. They have been beaten down and ignored for so long that they are willing to grasp at anything, no matter how punishing to the industry to try and help out.

I really think that in a \$75 million budget, finding \$1 million, if that is what we are talking about in terms of net money, to more properly promote tourism to the Northwest Territories, to get the promotion back up to the level that it has been in the past, would be something that should be done within. I think that we should recognize the priority there and try and work from within, rather than looking only to be able to do it with money from outside.

One other sort of general comment that I would like to make is in economic development. I think that, certainly from the constituents who I know have worked with the department, there has been a feeling that they have been able to access the programs reasonably. So I would like to say that I congratulate the department for having a pretty good reputation among people who I know who have tried to access programs.

The department does seem to have been fairly responsive in that area. The one thing I would wonder about is whether or not there is a conscious decision when you are looking at economic development programs within the department to put a certain amount of money into the small capital projects as opposed to the larger ones.

The reason I ask that is that I think that we have seen in the past some tremendous successes with small programs where people could get \$5,000 to \$7,000 to help them bring their equipment up to a certain standard or to invest in some equipment that would get them into, perhaps not a real business, but an occupation that they might be able to undertake, whether that is fishing or trapping or something, that helps them become more self-reliant.

So perhaps if the Minister could advise, is there a clear distinction between the small capital programs and the larger programs? Do we maintain some funds so that there is always some money available for the smaller programs?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Dent. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. With regard to tourism, I share the Member's feeling that over the past years we have not paid enough attention to tourism. It has a tremendous potential.

When the responsibility for a large part of tourism was devolved out to the Northwest Territories Tourism Association, it was done with the expectation that there would be a partnership arrangement where the private sector would bring in 50 percent of the dollars and the government would provide 50 percent. That has not really happened. The industry just has not been able to do that.

I really believe in tourism we need to have that arrangement. I hope we can someday achieve that because I think it was a good objective to begin with.

The finding money from within...you know, we not only have to get to the level we were at, I think we have to get higher than that because we need to promote this more as an industry. So if, throughout the year, I could find additional dollars from within then certainly, there is a priority in the department when we do not have other things that are more pressing needs, then we need to put it into tourism, because it is a priority for me. I think it is too important of an industry.

With regard to the economic development programs, we do have small business grants that are specifically for small business, and I think they cap out at about \$5,000, and there is a total of \$287,000 within that category. We are also looking, because we do not have an EDA, we do not have a lot of money to make available in grants and loans and so on to small businesses. We are looking at the possibility of putting some sort of ceiling, even on the so called larger ones, of possibly \$100,000 or so. Anything beyond that would have to

be viewed differently, because the small business sector is a real driver within our economy.

We are trying to do it. I am hopeful that through the document, the common agenda, we can put a new argument to the federal government. Get us some EDA dollars to help this sector out because we are not doing nearly as much as the demand is out there. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I certainly welcome the Minister's commitment to put some extra money this year into tourism if possible, and I have no doubt that the operators will welcome that as well. However, I would point out that if it is not base money, and we are talking only about money that is extra this year, it creates the problem of proper planning and taking advantage of opportunities that may present themselves in an ongoing basis. So that is not the best way, sometimes, to manage your dollars, to only be able to fund it in the short term.

One other thing I was surprised to see no mention of in the Minister's opening comments as a priority, was work on the Northwest Territories Wildlife Act. Over the past year there has been extensive consultation undertaken on this act. Could the Minister outline for me, what the timetable is from this point on until when we expect to see a new act introduced in this legislature?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Dent. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. We have gone out to consultation with an initial document on the identified issues in the Wildlife Act. That round of consultations has been, essentially, completed. The revision of the Wildlife Act is being sort of dove-tailed with the species at risk legislation. The two fit together. Both of them require a tremendous amount of consultation.

We are now doing a discussion paper, doing consultation and building a discussion paper as we move along with that. We anticipate having the discussion paper, which would largely take in recommendations and advice from various groups, ready to come to Cabinet in the spring of 2001. We would then go back out again for further consultation with the objective of having legislation into the Assembly by the fall of 2002.

But as everybody knows, it is a very complex process because we get involved with other legislation, including our tourism act, and other ones. There is certainly a lot of interest from land claim organizations, renewable resource councils, hunters and trappers associations, bands, Metis councils, so it is a very complex exercise.

We are aiming at fall of 2002 for legislation. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. The chair recognizes Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. I will make my comments brief and questions to the point.

Can I ask the Minister what the mandate of the Northwest Territories Development Corporation is? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Nitah. Mr. Handley.

HON. JOE HANDLEY: I could read you the formal mandate but I could give that to the Member instead. Essentially, the mandate, though, is to provide support to businesses where the private sector either is not interested in going or just cannot afford to go because the business may not be viable on its own. But at the same time, with a modest amount of support, a business could be supported and provide jobs in the community.

So it is aimed at those communities where it is marginal.

A second part of the mandate is to assist new ventures that are being established or having difficulty in getting through those few first years. So the Development Corporation does get involved in various ventures in a partnership arrangement to help keep them viable.

Those would be the two main purposes. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Nitah.

MR. NITAH: Thank you. In your opening remarks, you wrote the Northwest Territories Development Corporation provides financing to community investments. In the Northwest Territories, the corporation is mandated to provide investment and ongoing support for ventures in small communities where the prospects of profitability may be weak, but benefits for employment creation are high. Continued efforts will be directed towards providing assistance and strengthening management and production capacity at the community level and developing markets and the products to satisfy the needs for those markets.

That is what you wrote in here.

You mentioned getting into business ventures and what not. What is the policy of the Development Corporation when it comes to joint ventures with the community organizations in getting into small business?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Nitah. Mr. Handley.

HON. JOE HANDLEY: Generally, Mr. Chairman, the policy in entering into joint ventures is that the Development Corporation will take out preferred shares in a venture. It will do that, though most often where there is a likelihood that the venture will be able to buy back those preferred shares and, at some point, operate on its own again.

The Development Corporation does not want to enter into a long-term, forever arrangement with a joint venture that is never viable. So at some point, they have to assess whether or not this is really a joint venture or whether it should be looked at as a subsidiary. Subsidiaries are those cases where we do, with a modest investment, continue to subsidize where the private sector will not go.

Examples of those would be the Fort McPherson Tent Factory, where we have been in there a long time and supporting it as a subsidiary because of the employment it generates.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. I asked Mr. Fred Koe that same question and he told me that for the Northwest Territories Development Corporation to begin a joint venture with any organization or individuals, the corporation would have

to own 51 percent of the management. That goes totally against what I am reading here, "strengthen management at the community level". Take Fort Resolution, for example, the sawmill has been the forefront of a lot of discussion.

Since I have been elected, I have had meetings in the community with the leaders, with Mr. Koe, and what I have heard really disturbed me. I am concerned about management and the whole way the Development Corporation handled that project.

There was one manager after another going in there working for the Development Corporation. They set up an advisory board consisting of people from the community, who have an interest in the sawmill. The sawmill was the only major employer in the community. Now, Fort Resolution has experienced the most depressing economic times in 20 years.

The advisory board that was set up by the Development Corporation advised the manager and the president of the Northwest Territories Development Corporation and through him, the board, on the way the business was managed.

For example, the sawmill was \$750,000 in debt, but the manager, who was working for the NWT Development Corporation, saw fit to go buy two new \$650,000 loaders. You do not do that kind of stuff when you are in the hole.

Another example is the sawmill used local contractors to cut roads into timber areas for an average of \$30,000. Another manager came in, did away with the local contractors, went to Hay River, hired a contractor to do the same work, and paid this individual and this company \$350,000. Was the NWT Development Corporation trying to kill this project?

The local advisory board was making such a fuss, they were dismantled by the president of the NWT Development Corporation. He flew in there, dismantled it and said we have a manager in there doing the job.

Understanding and having the information on all of this, this statement does not hold water for me. I support what Mr. Krutko had spoken to on the amalgamation of all of these different corporations this government developed.

Will the Minister look at the NWT Development Corporation and provide this House with a track record of the joint ventures they are in, for the last five years, the success rate, the failure rate, how many dollars have been spent, how many people have been employed, how many of those businesses do they own 51 percent of and manage completely, the results of those businesses, et cetera? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Nitah. I would like to remind the Members that we are on general comments. We do not want to get right into the specifics of the departments. I will allow Mr. Handley to answer, if he wishes.

HON. JOE HANDLEY: Thank you, Mr. Chairman. I think some of the examples the Member was referring to are precisely the reason why we have Mr. Koe as president of the NWT Development Corporation. I am sure, with his board, they will make very responsible decisions. The 51 percent is a decision the board will make. They operate within a limited budget. I can tell you the NWT Development Corporation has changed its ways of operating considerably since Mr. Koe has been there.

I would be pleased to provide the information to the Member. I believe it is already included in the annual report and the corporate plans. I will check that. If it is not and there is more information the Member wants, I would be happy to provide it. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. Are you sure the 51 percent is at the discretion of the board or is it a policy? Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Nitah. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, I do not have Mr. Koe here with me, but I can check that and find out for the Member. I do not believe there is a policy that says it must be 51 percent. In fact, I know of ventures where the NWT Development Corporation holds shares where they do not have 51 percent. If it is a policy, it is a policy of the new board. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. I do not think it is in the government's best interest to be operating a business. It should be there to support businesses, business development, et cetera. There may be some shares going back to the communities where the business has been done, but if the shares are worthless, what is the point? Fort Resolution, as an example, they have preferential shares, but those shares are in a deficit. They are given a bill at the end of the day.

Why is this government even contemplating on being in business for the sake of being in business? They should provide assistance to people and organizations that feel they could succeed in the business, not run the business. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Nitah. I do not think there was any question there. Would the Minister like to reply to those comments?

HON. JOE HANDLEY: Thank you, Mr. Chairman. The only thing I could say, Mr. Chairman, is that I agree that government should not be involved in business where the private sector can handle it. I think the role of the Development Corporation, as I said earlier, is to assist new ventures where there is some likelihood that the venture is going to be able to stand on its own two feet and buy out the preferred shares. We are not, as a government or as a Development Corporation, in the business of competing in the private market. We should get ourselves out of that.

There are cases where, for a period of time, a venture does need some backing if it is not able to operate on its own within a period of time, and that differs from venture to venture, than it has to close its doors. We cannot stay in it forever. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. The Chair recognizes Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, I have problems regarding projects or investments that we have made in communities. For example, the Fort McPherson Canvas Shop has been there since the late 1970's. It has been

a problem with regard to marketing tents, tee-pees, canvas bags.

One thing I find awfully hard to accept is they are boycotted from selling their products at wholesale in the city of Yellowknife because of concerns from people that storefront operators come up here and sell stuff in their stores that were made in Taiwan or China, as artifacts made in the Northwest Territories which are replicas of aboriginal art, yet they are not aboriginal art.

We have a product which is made by aboriginal people, produced in the Northwest Territories by aboriginal people and yet there are these roadblocks we put in front of ourselves to promote our manufacturers and the business sector to market our products, in which we, as Northerners, are putting roadblocks in front of the people in the North who produce these products.

I would like to ask the Minister, why is it that as a government, we do not allow our products to be sold anywhere in the Northwest Territories?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. I would again like to remind Members that we are on general comments on this whole thing. We have been dealing with the Development Corporation for the past two speakers now, and it will come up under 11-21. I will allow the Minister to respond.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, I will speak in general to the principle of what we are doing. It is our objective, in manufacturing northern products, to first of all have northern people manufacture them in the North; secondly, to get the retailers in the North to handle them in their stores and other services they provide. Then you have a normal market, where our products are sold by the northern stores and the Co-op, private sector and so on.

If we were to continue to sell the products ourselves in competition with the private sector, they would all just back away from it and we would end up with no stores carrying northern manufactured products. In order to not compete with them, but with an unfair advantage of the government, then we have to say that we will not sell directly if there is a privately-owned retail business selling the product.

In the case of the Fort McPherson tents, there are retail outlets who sell them. We cannot compete with them, otherwise they are going to say take your tents and sell them yourself. We would lose on that count. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. I believe we are already losing because you cannot sell that product wholesale. You have to sell with a market cost built into the price. The person who is selling it makes a profit out of somebody else's craft or item they produced. That is where I have a problem.

People have taken advantage of First Nations people for how long when it comes to crafts, moccasins, et cetera. People at the YCI are making carvings and selling them for next to a dollar. The guy then turns around and sells it at the storefront operations and they make a mint out of it. That is where I have a problem.

This government has a responsibility to ensure there is an open market and people have the right to sell their products without having someone who has a storefront operation dictating to them exactly what the price of that item should be. If Joe wants to sell some in the corner store or out in front of the post office, he should be able to do that. But because he is competing against Walmart or Canadian Tire or these large conglomerates who can eat you up any day of the week, you can never compete against that type of competition. I think this government has to do more to ensure the regulations and restrictions that are put in place, especially for northern manufacturers and producers, are taken out. We need to allow those products to be sold on the open market. Imposing these measures on our own people is where I have a problem.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. I suppose the long-term answer, and I am not being flippant in saying it, but the long-term answer will be for more northern and northern aboriginal people to become retailers, so they are the ones who are benefiting from the sale of their products.

I do not think it would be a good business practice for us to sell at whole sale price and, at the same time, expect that retailers are going to carry the product. It would not work. I cannot agree that it would be a good environment for us to compete against people we are asking to sell things. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Also, in regard to the policies that this government has in place, we have the Business Incentive Policy, we have the manufacture policies in place for businesses to produce products in the Northwest Territories.

One area that I feel we have to do more in is the secondary industries. I think we have to realize that any strong economy in the world, or even in Canada for that matter, you look at the provinces that have a high GDP in regard to gross domestic product, are those provinces that have those secondary manufactured industries built into their society.

I think for us here in the North, we have to do more to promote that, especially when it comes to...one problem that I have is that government, across the board, is not following that policy. In some areas, some departments do but other departments do not.

The Housing Corporation is a good example. I raised a question about what is happening in Alaska. I raised a question in regard to companies in my riding, or even in Inuvik, you have Bob's Welding, Tetlodge Development Corporation. These groups have demonstrated they can produce their own doors, windows, frames, and other items. They use tanks, and what not, in regard to businesses here in Yellowknife that have taken the time, established their own businesses, especially in the manufacturer side, and are starting to promote it.

But this government has to do more to ensure that it is carried out right across the board, not just in this department, but it is this department's responsibility to ensure that those policies are being enforced and they are carried out by all departments in the government.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. I will take the Member's advice. The manufacturing directive and so on do apply to all government departments and agencies and we will do what we can to make sure everybody follows it. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Krutko.

MR. KRUTKO: Maybe the Minister can tell us what happens if they do not follow it?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, if departments and agencies are not following it and we catch it in time, then correction is made to make sure that the department understands what the responsibility is. Quite often, though, we do not find out until after. It is very hard to do more than remind them that that policy does apply to every department.

If a department, and we have not had a case yet, consistently ignores it, then we would have to look at what action would have to be taken in that case. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Krutko, do you have any more general comments?

MR. KRUTKO: Mr. Chairman, in regard to the reply from the committee to the Minister, especially in communities where we do not have the potential for oil, gas or any major developments happening, we have to start promoting the renewable, non-renewable businesses that are there, especially in the trapping and crafts area and fishing and the marketing of wheat products and what not.

There has been very little emphasis put on the importance of that sector in regard to dollars that have been spent in the past. Unknowingly that what happened in the fur industry, which we have seen in our communities, that there have been some major effects on that, especially when it comes to aboriginal abilities to subsistence. Where they used to have hundreds of trappers going out every year to trap, now we are down to a very small handful of them in our communities.

I am wondering, can the Minister tell us exactly what initiatives he is willing to take or bring forth to ensure that we improve that sector of our economy?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, we do spend a considerable amount of money on the renewable resource sector, particularly with traditional economy. So in the fur sector, for example, we are probably spending in the neighborhood of a couple million dollars supporting that industry, even though the value of the fur sold does not come anywhere near that amount.

In the fishing area, we have worked out a fishery strategy. We have given it to the Great Slave Fishery Advisory Board and we are waiting for their response to it.

The other areas, like agriculture, we are ready to look at creating some policies around agriculture at the municipal levels. Forestry, the same thing, we are reviewing our forestry practices.

So we are spending, in total, a lot of money and we do recognize that the renewable resource side of the department is very important in terms of people's lifestyle and traditional experiences. So it may not generate as much in corporate taxes and so on, but it is important to people and we do recognize that within the department. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. The Chair recognizes Mr. McLeod.

MR. MCLEOD: Thank you, Mr. Chairman. I have quite a few questions, but I will be asking the majority of them when we go into detail.

I have some general comments and some concerns I wanted to raise. As you know, the Deh Cho is a territory that is working hard to enter into negotiations. There are a lot of problem areas.

One of the big concerns that I have been faced with since my election is dealing with the Cameron Hills. This is an area that the communities in the Deh Cho, in my riding, are still disputing over whose traditional lands it falls under and there is certainly a lot of overlap. But it is part of the Deh Cho proposal and it is an area that is going to be negotiated and there is discussion on a land use process and also land protection in that area.

However, a big problem that we have been having and experiencing has been with your department on issuance of timber permits. Up to recently, there was really no inventory, and yet permits were issued...I think there were six permits issued this year. When I raised a question about consultation, I cannot find any. I think your consultation amounts to putting an ad in the paper.

So I have to get clarification. Is that what it means? Is there really a good measure of what the inventory is in the Deh Cho?

And now that the permits are issued, all of the logging is pretty well done. The complaints that I am getting are that there is no monitoring. The people who are doing the logging are doing whatever they seem to want to do. I want to ask a question regarding the monitoring area. Have you had any reports regarding the abuse and the butchering that is going on in Cameron Hills? Have any one of you gone up to take a look? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. McLeod. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. With regard to Cameron Hills, that one we are committed to not issuing anymore permits in there without community consultation and community agreement, that it is reasonable and there is the allowable cut or timber there to make it possible.

With regard to the question, have we been in there. I personally have not been there in a while. Mr. Bob McLeod, the deputy minister, has been in there, but again not for some time. We do have staff who have very carefully monitored the cutting operations in that area and they are in there when there is

harvesting going on, practically on a weekly, if not a daily, basis.

We do monitor it more closely than maybe the communities feel we do. We know how much timber is being taken out of there and where it is going. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. McLeod.

MR. MCLEOD: Thank you. I am glad that you have taken a position that you do not want to issue any more permits. I still have a problem with what you consider consultation. Maybe you could elaborate on that.

I do feel that if it were not for some of the senior staff to go into the Cameron Hills...there are complaints from the communities and actually from some of your own staff. I think there is a problem up there. Maybe it has not gone up as far as your level.

Another area that I am concerned about, and Mr. Krutko has raised it a number of times, is the oil and gas issue and lack of available dollars to do oil and gas training and planning.

In the Deh Cho and the communities that I represent, I am seeing a real push for more oil and gas training. Some of the communities have gone as far as hiring oil and gas coordinators. They are doing a lot of work in the area of planning; developing a land use plan, impact benefits agreements and anything related to oil and gas, but I am not seeing any money flowing from this department. I have seen Mr. Ootes indicate that he is going to be committing, I think, \$500,000 to oil and gas training, which is fine but it is not enough, and that is for across the board in the Territories. What is happening in the communities now is we are having to go to your department and dip into the BDF funding, which is not a great amount to start with. It is really taking away from any investment in the areas of small business.

So I am just wondering, what is your department planning to do to try to help and assist the communities with planning and training and preparation for oil and gas, that we know is all coming down the tubes?

Also, the other component that has to be addressed is the education about oil and gas. When you go to the communities and start talking about oil and gas, it is a real foreign issue and people do not understand the process. People do not understand what it is all about. I do not think it is reasonable to expect the community leaders to be able to stand up there and explain the whole process. It is going to take some commitment from this government to do that. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. McLeod. Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman. First of all, the Department of Resources, Wildlife and Economic Development did provide a fair bit of financial support at the beginning when the one venture at the Hay River Reserve was being set up. I think they are very appreciative of our support on that one. I meet with them fairly regularly. I met with them when I was in Calgary, so we do support them and any of these kinds of ventures very much.

In terms of training and so on, we will commit to working closely with the Department of Education, Culture and Employment to ensure that there are maximum amounts of training dollars available. We will endeavor to do that over this coming year and future years.

In terms of public awareness about oil and gas and the whole industry, we, through the Mackenzie Valley Development Committee, have been doing a lot of that. They have been out to quite a few communities and doing consultations, probably never enough, but the only thing we can do is just continue on as we have time to do more and more of that, because I agree with you, it is very important. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. McLeod.

MR. MCLEOD: To comment on the Mackenzie Valley Development Committee, I just had a round of constituency meetings and none of the communities had ever heard of this plan. I am sure they have not come to any of the communities in the Deh Cho.

One further comment I wanted to make, and the rest of my questions I will save for detail. Under the BIP program, we are running into a couple of problems on the Hay River Reserve. Because the reserve is close to the town of Hay River, it is being lumped in as part of the town of Hay River. So when they go get registered with BIP, they mark the community down and it is marked as Hay River. On the reserve, there is no bank and services.

They cannot use their land as part of the security for loans. So lending agencies will not go on the reserve. Because they are BIP'ed the same as Hay River, they have a hard time getting grants. When they do qualify for a grant, it is always considered market disruption because they are considered part of Hay River, but they are not part of Hay River. They are their own community.

I think that is something that really has got to be looked at. When I did my round of meetings in the communities, there was a real concern of that in the South Slave and the Deh Cho, but in your department it would be considered part of the South Slave.

-- Laughter

When it comes to BDF funding, there is very little for the small communities. Last year, the BDF funding ran out of money. The program ran out of money at the end of June. So when you start looking at it, you say why is this happening? The pot of money that comes to the region was very small, and the money is being gobbled up by the bigger communities. I think that is a problem.

There are two points I am making here: the problem with the reserve and also the BDF funding. There has to be a look at reallocating some of the funds so the smaller communities have a chance to get at it.

CHAIRMAN (Mr. Delorey): Thank you, Mr. McLeod. The Chair recognizes the clock, but I will allow Mr. Handley to answer the question.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, I will keep my answer short. What we have done is

we have tried to treat the Hay River Reserve in a way that is to their advantage. We will go by the communities' advice. If they want to be treated as a separate community from Hay River, then we will do that. There is a disadvantage, of course, because then they will lose. They are not included as part of Hay River for any jobs or opportunities that exist in the town. They would have a disadvantage over local businesses. There are advantages and disadvantages.

If they are treated under BDF as a separate community, they are a level three as compared to a level one with Hay River. It is really up to the community. We will take the community's advice they are giving you or us. If they want to be treated separately, we will do that. If they want to be part of Hay River, we will do that. We are trying to work it to their advantage.

In terms of the other question about the amount of BDF money, yes, the money is very limited. We run out very early. We are suffering the consequences of not having an EDA agreement and the limited dollars we have, our BDF money, is just a few hundred thousand in each region and goes very quickly. We will make every effort we can to get an EDA and get more money into BDF. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. General comments? The Chair recognizes Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, I move we report progress.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. There is a motion on the floor. The motion is in order and is not debatable. All those in favour? All those opposed? The motion is carried. We will rise and report progress. I would like to thank the Minister and his witnesses for appearing before the committee.

MR. SPEAKER: The House will come back to order. Item 21, report of committee of the whole. Mr. Delorey.

ITEM 21: REPORT OF COMMITTEE OF THE WHOLE

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 1, Appropriation Act 2000-2001, and would like to report progress. Mr. Speaker, I move that the report of the committee of the whole be concurred with.

MR. SPEAKER: Thank you, Mr. Delorey. Do we have a seconder for the motion? The Chair recognizes the honourable Member for Mackenzie Delta. The motion is in order. All those in favour? All those opposed? The motion is carried. Item 22, third reading of bills. Item 23, orders of the day. Mr. Clerk.

ITEM 23: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Speaker, meeting of the Standing Committee on Social Programs immediately after adjournment this afternoon, and for Monday morning at 9:00 a.m. of the Standing Committee on Accountability and Oversight.

Orders of the day for Monday, June 26, 2000:

1. Prayer
2. Ministers' Statements
3. Members' Statements

4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Oral Questions
7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address
10. Replies to Budget Address
11. Petitions
12. Reports of Standing and Special Committees
13. Reports of Committees on the Review of Bills
14. Tabling of Documents
15. Notices of Motion
16. Notices of Motion for First Reading of Bills
17. Motions
18. First Reading of Bills
19. Second Reading of Bills
20. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 1, Appropriation Act, 2000-2001
 - Committee Report 1-14(3), Standing Committee on Accountability and Oversight Review of the 2000-2003 Business Plans and 2000-2001 Main Estimates
 - Committee Report 2-14(3), Standing Committee on Governance and Economic Development Review of the 2000-2003 Business Plans and 2000-2001 Main Estimates
 - Committee Report 3-14(3), Standing Committee on Social Programs Review of the 2000-2003 Business Plans and 2000-2001 Main Estimates
21. Report of Committee of the Whole
22. Third Reading of Bills
23. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until Monday, June 26, 2000 at 1:30 p.m.

-- ADJOURNMENT

The House adjourned at 2:15 p.m.