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YELLOWKNIFE, NORTHWEST TERRITORIES

WEDNESDAY, JULY 5, 2000

MEMBERS PRESENT

Honourable Roger Allen, Honourable Jim Antoine, Mr. Bell, Mr. Braden, Mr. Delorey, Mr. Dent, 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. Roland. Good morning, colleagues. Item 2, Ministers' statements. The honourable Member for Hay River South, Mrs. Groenewegen.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 14-14(3): Review of Child Welfare Services by the Child Welfare League of Canada

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, later on today I will table the document, *It Takes A Community: A Report to the Department of Health and Social Services on Child Welfare Services in the Northwest Territories*.

When we collectively identified our priorities and strategies for the next four years in *Towards A Better Tomorrow*, we did so based on a shared vision of the NWT. This vision includes a desire to uphold safety, security and respect for all citizens, with a focus on those who may be especially vulnerable, including children. The well-being and safety of our children is critical and we want to continue to strive to do the best possible job we can in ensuring this.

The department commissioned this report to provide a pro-active, system-wide review of child welfare programs and services. We wanted an overall assessment of the NWT system and the linkages with service partners. Additionally, the department was seeking practical, doable recommendations which would strengthen existing child welfare programs and services.

Mr. Speaker, this is the first time we have undertaken such an extensive, system-wide review. We selected the Child Welfare League of Canada as consultants based on the fact that they have the expertise. They are North America's oldest and largest voluntary organization devoted entirely to protecting and promoting the well-being of children. They have worked in all regions of Canada, including the Yukon, and they have experience addressing circumstances that are similar to ours.

Because of this expertise, the Child Welfare League of Canada was able to gauge how we are doing in comparison to national standards. They gave us a fresh viewpoint and their review has provided us with a tool for setting future direction.

Undertaking a pro-active review is evidence of the department's commitment to providing the children of the Northwest Territories with a quality child welfare system. The report gives us the opportunity to pinpoint weakness and develop remedies where there are inadequacies.

The report found a number of areas we need to improve, but it also paid tribute to the strengths of our current system. The report acknowledges that we are on the right track:

- our new legislation introduced in November 1998 is progressive and we have solid policies, standards and protocols that support it;
- on the front lines, our NWT foster parents are informed, caring and dedicated to the children in their care and their communities; and
- NWT child protection workers, who are primarily aboriginal, bring enthusiasm, loyalty and commitment to the job of bettering the lives of children.

The report has provided a number of recommendations for strengthening our services, and in many cases, the suggested actions are already underway:

- information pamphlets are being produced to help raise public awareness and understanding about the Act and services provided;
- there is on-going education regarding the new Act, and competency-based training is being developed for supervisors and child protection workers;
- a Child and Family Information System has been designed in consultation with child protection workers and supervisors, and training and implementation will begin in the next month;
- we are developing standards for foster parents and we have already developed standards for children's treatment centres; and
- we are exploring other options to empower and protect children in the system.

Mr. Speaker, for those areas we have not yet addressed, we intend to take an organized, multi-year approach starting with the prioritizing of issues based on the most critical needs. We are already at work, planning our response to this review. It will be in the form of an action plan that includes costing. Preliminary activities will be included in our next business plan.

At this time, the report is being provided to health and social services boards for distribution to their front line workers and program directors, as well as to agencies with an interest in child welfare services. The department is requesting feedback on the observations and recommendations of the Child Welfare League so that we can determine what system-wide actions need to be set in motion immediately and over the next few years.

I invite Members to contribute to this work by providing comments on the report. The welfare of our children is paramount and the interest demonstrated by Members in this review is most welcome. I look forward to providing Members with updates on our progress. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Madam Minister. Item 2, Ministers' statements. Item 3, Members' statements. The honourable Member for Range Lake, Ms. Lee.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement on Canada Day Celebrations

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I would like to take this opportunity to reflect on the great Canada Day celebrations that were held over the long weekend in and around the city of Yellowknife.

The turnout we had at Petitot Park on Saturday was one of the biggest in my memory, helped by great weather and great spirit among our people. It was a real place of celebration. In particular, Mr. Speaker, I would like to send out my sincere congratulations to the 46 people who were sworn in as newly minted Canadians.

It was heartwarming to hear that the 46 individuals originated from no less than 25 different countries around the world, including Iran, Moldavia, Republic of China, United Kingdom, Jamaica, Vietnam and the Philippines. It reminded us once again of the depth of the multi-cultural nature of our city.

I would also like to congratulate our Commissioner, Glenna Hansen, Mr. Fred Koe, chairperson of the Canada Day committee, the staff of the citizenship office in Yellowknife, and the officiator of the ceremony, Mr. Bob Engle, himself a naturalized Canadian and a distinguished long-time Northerner, for a job very well done.

I was also fortunate enough, Mr. Speaker, to take part in the friendship dinner held for the benefit of visiting and host families for the Celebrate Canada in the Capitals program on Sunday night at the Great Hall. The visitors came from Alberta, British Columbia, Manitoba, Prince Edward Island, and Sachs Harbour, Northwest Territories. Going by the way the visitors spoke so warmly and emotionally about our city and our people, they seemed to share my view that Yellowknife is a little heaven on earth.

Mr. Speaker, we owe many thanks to the host families and the host committee for the outstanding hospitality given to the visitors. I would like to publicly thank Dale and Marty Peltzer, Sylvia and Wes Simmons, Yvonne Quick, Linda and Blair Dunbar, Chuck and Jocelyn Carruthers, and Altco. As well, Mr. Speaker, I would like to congratulate the organizer extraordinaire, Darlene Mandeville, and the host committee members, Paul Chang and James Wong. Thank you, Mr. Speaker.

-- Applause

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

Member's Statement on Incentive Policies for the Northern Business Community

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, the economic and social issues in the Territories go hand in hand to have a healthy economy, which leads to increased employment and less reliance on the social net and social envelope. It leads to increased ability for resource developers to create jobs and opportunities for Northerners.

Mr. Speaker, regarding the incentive policies this government has, I would like to know exactly how has it met the goals and objectives it has set to ensure the northern business community will be able to establish a business and take advantage of the economic opportunities, such as the Business Incentive Policy and the Northern Manufacturers' Directive and to ensure the government's Business Incentive Policy provides incentives to local businesses to promote and allow the companies to reinvest their corporate earnings back into the North through economic opportunities and strengthen our economy and improve the job opportunities for Northerners.

Regarding the activities this government is involved in, especially in Alaska, I have a lot of concerns regarding how that is being done and how it is benefiting Northerners, especially northern businesses and northern manufacturers. I would also like to know how is it that this government says on one hand, we have a policy and on the other hand, they tell us the Free Trade Agreement will jeopardize that policy. I thought the policies this government had in place were there to protect us and ensure we had some protection from the Free Trade Agreement to be able to carry out and conduct these policies that were grandfathered by establishing these policies before the Free Trade Agreement was implemented.

With that, Mr. Speaker, I will be asking the Minister of the Housing Corporation questions on this matter. Thank you.

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

Member's Statement on Mackenzie Youth Summer Games

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, last night, the Honourable Roger Allen, his staff, Mayor Fred Behrens and I attended the opening ceremony of the Mackenzie Youth Summer Games in Rae.

It was a pleasure to see so many young people together in a bush setting. They were setting fish nets, playing beach volleyball and soccer. For the rest of this week, youth from the communities within the South Slave, North Slave and Deh Cho will have a chance to build friendships and participate in some healthy competition.

Youth from the various communities are mixed into four teams. I am sure that all youth attending these friendship games will return home with memories to last a lifetime. I would like to acknowledge the recreation staff in Rae and all the coaches for their dedication. They have organized a very worthwhile event in the Rae-Edzo region. Thank you.

-- Applause

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

Member's Statement on Proposed Hotel Tax

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, today I would like to speak briefly on the issue of the hotel tax. As a result of the reply received from the Minister yesterday, Mr. Speaker, very clearly the government of the Northwest Territories is always looking for opportunities to increase revenues so they can support better programs in critical areas like education and health.

As well, we know there has been an internal committee looking at options such as this. Last week, the Minister announced a hotel tax in this House. The idea of \$1.25 million to be reinvested into tourism sounds good and positive on the surface. However, when I asked the Minister how much of that money would actually come from government itself, the reply I received indicated that \$1.5 million to \$2 million was what employees spend on accommodations in the Northwest Territories. Mr. Speaker, in my opinion, that is very low and is only part of the equation.

It does not capture hotel costs that are directly or indirectly incurred by government. For example, we have to look at hotel use by boards and agencies of government, including municipalities who get a majority of funding from government and medical travel which is paid for by the Northwest Territories. What about contractors and consultants who travel on GNWT contracts, where any hotel tax would just be added to the bills sent back to the government?

Mr. Speaker, in travels to different communities, hotels and bed and breakfasts are usually full of people on government business in one way or another. The Minister himself acknowledged that if you add those factors into the equation, it significantly changes the five to six percent he quoted in the House yesterday. Looking at potential revenues, Mr. Speaker, it might be better to look at how many tourists come to the Northwest Territories, which may give us a more realistic picture of actual revenue.

It is a legitimate exercise for the government to try to raise revenues. However, Mr. Speaker, the issue is, are we being realistic about net results? I would ask the Minister to consider tabling the calculations that clearly show how this \$1.25 million in projected revenues was arrived at. People want to know that the government is using blue-chip information and numbers in its calculations. After four and a half years, Mr. Speaker, as an MLA, I can clearly tell you I am very familiar with how very fluid, almost like liquid mercury, the government fiscal projections can be. Mr. Speaker, I request unanimous consent to conclude my statement.

MR. SPEAKER: Thank you, Mr. Miltenberger. The honourable Member for Thebacha is seeking unanimous consent to conclude his statement. Are there any nays? There are no nays. You may conclude your statement, Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Speaker. In conclusion, I would just like to note that in a letter to the Premier dated June 30, 2000 from the Canadian Federation of Independent Business, they indicate they are very concerned about the introduction of a hotel tax. In fact, based on surveys in other provinces, Members are calling for the elimination of this

special tax. Members in Alberta are unanimous in their opposition for the tax and they believe the industry should not be singled out and forced to charge a sales tax.

There is also concern that rather than encouraging tourism, this tax deters tourism as it drives up the cost of accommodation. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Miltenberger. Item 3, Members' statements. The honourable Member for Yellowknife South, Mr. Bell.

Member's Statement on Manufacturing in the North

MR. BELL: Thank you, Mr. Speaker. Mr. Speaker, I would like to talk a bit today on manufacturing in the North. Mr. Speaker, typically when we think about manufacturing, we have this picture of equipment and intense, large-scale operations. That is not always the case, and usually is not the case in the Northwest Territories. It is not just the larger centres in the Northwest Territories that have manufacturing in some capacity. Cottage industries like the production of arts and crafts also qualify.

When we look at northern manufacturers, we have to take a realistic look at the impact they have on our economy. These people create employment in the North. They pay taxes in the North. They contribute to our communities. Mr. Speaker, northern manufacturing ensures a lower level of leakage of money out of our economy. More stays here, Mr. Speaker.

This government has a northern manufacturing directive under its Business Incentive Policy, but does it adhere to it? There have been some questions in this House, specifically over a project in Alaska, as to whether the government is doing exactly what it is saying. I think, Mr. Speaker, the government has to adhere to northern manufacturing not only at home, but when it does business abroad as well.

There have been concerns that at times northern manufacturing can mean there is less money to go around, fewer homes can be built in some of the communities. I think we need to take a closer look, Mr. Speaker. There have been many suggestions and indications that northern manufacturers are very competitive and sometimes can provide a lower price than southern companies and their southern competitors.

Mr. Speaker, this fall when the government undertakes to do a review of the Business Incentive Policy, I hope they will keep in mind just how important northern manufacturing is, and ensure the Northern Manufacturing Directive stays with the Business Incentive Policy and is in fact adhered to. Thank you, Mr. Speaker.

-- Applause

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

Member's Statement on Recognition of Yellowknife Participants in the Calgary Marathon

MR. BRADEN: Thank you, Mr. Speaker. Mr. Speaker, as part of the Assembly's vision document, Towards a Better

Tomorrow, we are looking to help foster self-reliant, healthy individuals, families and communities who are doing their part to improve the quality of their own lives and others as well.

As people make lifestyle choices, Mr. Speaker, more and more are making the choices for a healthier and more satisfying lifestyle. Last Monday evening, I met some of the ten Yellowknifers who are on their way back from the Calgary Marathon. Eight participated and completed the full 26 mile marathon and two more did the ten kilometre run. On the hottest day of the year so far in Calgary, all of the Yellowknife participants completed their race.

Of about 3,000 participants, the northern representatives made a good showing. I would like to compliment Francis Chang, Sheila Devine, Dan Daniels, Bernie Hughes, Sonya Zimmerman, Terry Chang, Starr Stinson, Michael Neary, Kyle Kelly and Kathryn Schenher on achieving their personal goals and completing this event.

I would also like to acknowledge the running and exercise programs of my constituents at Body Works Training and Rehab Centre on the promotion of healthy lifestyles. Through their learn to run programs, many citizens of Yellowknife have joined in this wholesome activity in their search for healthier lifestyle choices.

We also have events in Yellowknife such as the Terry Fox Run, the Run for the Cure, and the Young and Old in Step, an annual family walk sponsored by the seniors. They raise money, increase awareness and also exemplify the volunteer culture here in the North, whether it is holding a stopwatch at the finish line or passing out juice to the many walkers and runners.

The premiere event on the local calendar for runners is at the end of August, when the Yellowknife marathon and half-marathon are held. A large number of territorial athletes will compete and it will also attract a number of runners from across North America. It is just one example of how a few determined people, when they get together, can create another special event.

We have been challenged to enter a team, Mr. Speaker. They have already named us "You can run but you cannot hide." Perhaps we can ask our Clerk, the guy who sets the pace here, Mr. Hamilton, and Mr. Handley, the guy with the spiffy new finance footwear, to help lead our delegation. Thank you, Mr. Speaker.

-- Applause

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

Member's Statement on Accountability of Cabinet Ministers

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, in this Assembly, we have heard much said about accountability. During the June 30th committee of the whole review of the Department of the Executive, some questions on accountability went across to the Premier.

The Premier's response, and I quote from page 864 of the unedited Hansard:

"That is exactly what it is we are trying to do and to make sure that in four years, those of us that wish to do so can go to the polls with absolute confidence that we have done a great job. That is the greatest accountability of all."

Following that, Mr. Speaker, I questioned the Premier, and I quote from page 867 of the unedited Hansard: "I would like the Premier to state what his definition of accountability is." And on the same page of the unedited Hansard, he started off by saying: "Thank you. I am going to ask for a dictionary so I can give them something that is universally accepted as a definition of accountability."

Mr. Speaker, he did not grab that dictionary to give me a definition, so I have done it here. From the Miriam Webster's Collegiate Dictionary, 10th edition, "accountability: the quality or state of being accountable; an obligation or willingness to accept responsibility; or to account for one's actions."

Following that, the definition of accountable: "subject to giving an account; answerable; capable of being accounted for; explainable."

Mr. Speaker, we have had many questions during committee of the whole in discussion of departments' budgets and so on. Departments have provided some information. Some of that information draws concern, Mr. Speaker, as to the following of policies and guidelines of government. With that, Mr. Speaker, when the appropriate time comes, I will be asking the Premier and his Ministers about accountability. Thank you.

-- Applause

MR. SPEAKER: Thank you, Mr. Roland. Item 3, Members' statements. The honourable Member for Frame Lake, Mr. Dent.

Member's Statement on Northern Manufacturing

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, I would like to join a couple of my colleagues today who have spoken about northern manufacturing. Northern manufacturing is an important contributor to the economy. If we do not develop it and support it, we could lose a significant amount of direct employment. With the multiplier effect, an even larger number of spin-off jobs.

The Northern Manufacturer's Association estimates there are 60 manufacturing firms in the Northwest Territories employing 600 people. As Mr. Bell has noted, there are countless others involved in manufacturing who do not even think that is what they do.

Someone who crafts birch bark baskets or who makes moccasins or the person who sews a parka to sell is also manufacturing.

Mr. Speaker, northern manufactured products are typically designed to meet harsh northern conditions, which also means they offer good potential for export. For eight years, Frame Lake included a large number of manufacturing firms and I worked closely with several to help them move towards marketing their northern manufactured items. Companies like Fiberglass North, marketing tanks, and who are developing fibreglass power poles. They are receiving requests for information from Europe and all across the Americas. Energy

Wall and Building Products have just recently received national certification for their new wall system and are working on certification in the U.S. market.

Mr. Speaker, over the years, this government has spent millions of dollars helping northern manufacturers develop products. Resources, Wildlife and Economic Development has had tremendous foresight in this area, and has helped generate a lot of jobs in the Northwest Territories through this support. However, Mr. Speaker, northern manufacturers are concerned that the support given by Resources, Wildlife and Economic Development may not be reflected by all other areas of this government.

Fuel tank manufacturers, fibreglass tank manufacturers and others are concerned that there could be a lot more commitment and support shown, for instance, by the Northwest Territories Housing Corporation. Mr. Speaker, we need a government-wide commitment to support northern manufacturers. Otherwise we could be wasting the good investments made by Resources, Wildlife and Economic Development.

We need to know the Northern Manufacturer's Directive will be supported by all GNWT agencies. Thank you, Mr. Speaker.

-- Applause

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

HON. ROGER ALLEN: Thank you, Mr. Speaker. Mr. Speaker, at the invitation of the MLA for Tu Nedhe, we traveled to Lutselk'e on Monday, July 3 to make a brief address to the youth who were attending a cultural summer camp. The youth at the Lutselk'e camp are learning about the culture and geography of the region, moving camp to historical camping sites so the youth may learn about traditional hunting areas.

Mr. Speaker, on July 4, we traveled to Rae with our host MLA for North Slave to assist in the opening of the Mackenzie Games. Mr. Speaker, it was a pleasure to observe these youth and join the freedom of being out on the land...

MR. SPEAKER: Mr. Allen, under the rules of Member's statements, Ministers are not permitted to make statements in the area of their responsibility. You are the Minister responsible for Youth. Item 3, Members' statements. The honourable Member for Yellowknife Centre, Mr. Ootes.

Member's Statement on Tribute to Mary Beth Miller

HON. JAKE OOTES: Thank you, Mr. Speaker. Today, it is my sad duty to publicly say goodbye and Godspeed to a Yellowknifer who, along with her family members, has been a long time constituent of Yellowknife Centre. She was an inspiring young athlete who tragically lost her life during the weekend.

Mary Beth Miller died in Valcartier, Quebec, where she had gone to spend the summer training for the biathlon. Mary Beth came to Yellowknife from Ontario when she was only six years old with her parents, Mary Carol and her late father, Doug Miller.

She was in the French immersion program at St. Joseph's and

later attended Sir John Franklin High School. She graduated in 1994 and also received the Top Female Athlete of the Year Award that year. She then attended Augustana University College in Camrose, but sports was always her great love and something at which she excelled.

She started out as a cross-country skier as a child, moved into cross-country ski racing and then on to the biathlon. Mary Beth represented the Northwest Territories and later Canada at four Arctic Winter Games, two Canada Winter Games, the North American Canadian Championships and two World University Games in Korea and Slovakia.

She also collected many trophies and awards, both in the North and internationally. Sport North named her Senior Female Athlete of the Year last year.

Mary Beth's long-term goal was to train full-time and qualify for the Canadian A Team. Those who knew Mary Beth describe her as dedicated to what she was doing, full of enthusiasm and generous with her time and her experience.

The Miller family has started a scholarship fund in her memory. The scholarship will be given annually to a female athlete in the NWT. I am sure all who knew Mary Beth Miller, either personally or from a distance as a very fine athlete and role model, will join me in extending sincere condolences to Mary Beth's family, friends and sporting comrades on her tragic and untimely passing. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Ootes. Indeed, the condolences of the House go to the family of Ms. Miller. Item 3, Members' statements. Item 4, returns to oral questions. The honourable Member for Yellowknife Centre, Mr. Ootes.

ITEM 4: RETURNS TO ORAL QUESTIONS

Return to Question 61-14(3): Financial Assistance for Disabled Students

HON. JAKE OOTES: Thank you, Mr. Speaker. I have two returns. Mr. Speaker, I have a return to an oral question asked by Mr. Dent on June 26, 2000, regarding the expected student contribution of ten percent under the Student Financial Assistance Program.

The ten percent expected student contribution applies in cases only where a student is applying for a repayable loan. It does not apply to other forms of financial assistance such as grants, remissible loans or scholarships. A repayable loan is provided to students based on an assessment of their financial need. This need includes certain allowable expenses and takes into consideration income students receive for the four-month period prior to enrolling in studies. Since repayable loans were introduced in the Student Financial Assistance Program approximately ten years ago, there has always been a calculation of expected student contributions when assessing applications for repayable loans. We have reduced the expected contribution from 13 percent to ten percent under the new program.

Return to Question 78-14(3): Teachers' Education Leave Funding

Mr. Speaker, I have a return to an oral question asked by Mr. Krutko on June 28, 2000, regarding funding available for teachers who wish to complete their bachelor's degree or

pursue other training or education.

The current collective agreement between the GNWT and Northwest Territories Teachers' Association, which represents teachers in schools outside of Yellowknife, includes a fund to provide financial assistance to teachers currently employed in the education system who wish to improve themselves professionally. Called the Central Professional Improvement Fund, it is administered by a committee with equal representation by the NWTTA and ECE. Each year, an amount equal to 2.25 percent of the gross basic salaries of all teachers in the system is designated to the fund. The fund for the 2000-2001 school year is approximately \$504,000.

The fund has two components. Forty percent of the money is allocated to regional professional improvement committees for professional development conferences and workshops for teachers and principals in the regions. Sixty percent of the fund is retained by the committee to fund those teachers awarded year-long education leaves.

Approximately \$300,000 was available to fund teachers on education leave in the 2000-2001 school year. Of the 17 applications received by the Central Professional Improvement Committee, five education leaves with allowance were approved.

Of the leaves approved, two were for teachers from the Beaufort Delta, one was from the Deh Cho, one from the Sahtu, and one from the South Slave. No applications were approved from the Dogrib Divisional Education Council.

When considering the applications, the Professional Improvement Committee looks for teachers with four or more years of continuous service as a teacher in the Northwest Territories, teachers completing work toward a first degree, teachers who have made a contribution to the field of education in the Northwest Territories, teachers with demonstrated support for school programs, leadership in the profession, community involvement, as well as letters of support from supervisors and colleagues. Previous professional improvement education leave is also a consideration of the committee.

In granting education leave, the Central Professional Improvement Committee is bound by the terms of the collective agreement. Teachers can also apply for education leave without allowance. This would give them the option of applying for and receiving benefits under the Student Financial Assistance Program. Teachers who are granted education leave without an allowance do receive some benefits from the Central Professional Improvement Fund. These benefits include paid tuition and funding for some travel expenses.

In the 2000-2001 school year, five NVVT teachers were granted leave without allowance. Two of the teachers are from the Deh Cho, two from the South Slave and one from the Dogrib Divisional Education Council.

MR. SPEAKER: Thank you, Mr. Ootes. Item 4, returns to oral questions. The honourable Minister responsible for the Department of Transportation, Mr. Steen.

Return to Question 85-14(3): Hay River Airport Fuel Tanks

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I

have a return to an oral question asked by Mr. Delorey on Wednesday, June 28, 2000, about whether the Department of Transportation had plans to move the aircraft fuel distribution tanks at the Hay River Airport.

To answer the Member's question satisfactorily, I will need to give a bit of background. Over the many years that Transport Canada owned and operated the Hay River Airport, the soil around the fuel distribution system was contaminated by fuel spillages. One of the conditions of the 1995 transfer of the airports to the territorial government was that Transport Canada accepted responsibility for any environmental damage on the airport properties that had occurred prior to the transfer. Today at the Hay River Airport, the former fuel distributor, under the supervision of Transport Canada, is remediating the soil contamination.

In the meantime, a new, environmentally friendly fuel distribution system has been installed by a new fuel distributor at a less convenient location across the air terminal apron from the former fuel distribution system.

The bio-remediation process will take at least two years for the bacterial microbes to digest the hydrocarbon contaminants. Should the Department of Transportation interrupt the remediation process prematurely, it would thereby assume the environmental liability from Transport Canada. For this reason, the department will not agree to re-locate the new fuel distribution system on the preferred former site before it is confident that the contamination has been cleaned-up satisfactorily and completely.

I would caution the Member that two years is an estimated forecast and not a firm date. The process is biological and subject to the variabilities of biological processes. In any case, nothing will be done at the site until the environmental situation has been rectified. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Minister Steen. 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. It is certainly a distinct pleasure this morning to recognize two distinguished guests, Shirley and Sharon Firth, ex-ski mates of mine at the 1972 Olympics, as well as Shirley's daughter, Nina Larson, and their niece Justine Firth. Welcome to the Assembly.

-- Applause

MR. SPEAKER: Thank you, Mr. Allen. You should point out which is which.

-- Laughter

Indeed, welcome to the Legislative Assembly. Item 5, recognition of visitors in the gallery. The honourable Member for Mackenzie Delta, Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Speaker. I too would like to take the great honour of recognizing Shirley and Sharon Firth for their long-term commitment to the Northwest Territories in the area of cross-country skiing. It has been quite some time since they have been back together and I would like to welcome

them and thank them for their long-term commitment to the North. Thank you.

-- Applause

MR. SPEAKER: Thank you, Mr. Krutko. Item 5, recognition of visitors in the gallery. The honourable Member for Deh Cho, Mr. McLeod.

MR. MCLEOD: Thank you, Mr. Speaker. I would like to recognize some visitors from Fort Providence, my wife Joyce, my daughter Shauna McLeod and her friend Destiny Thom.

-- Applause

MR. SPEAKER: Thank you, Mr. McLeod. It is always nice to have family come to visit. Welcome to the Legislative Assembly. Item 5, recognition of visitors in the gallery. Members and colleagues, with the indulgence of the House, I would like to take this opportunity to recognize our Sergeant-at-Arms, Corporal Ouellette. Corporal Ouellette is retiring as of today to Alberta. He has served us in two governments and he is now taking this opportunity to pursue a different life with Mrs. Ouellette and family.

With that, I would like to, on your behalf, present him with a plaque in recognition of his service to the Legislative Assembly of the Northwest Territories and to the honourable Members that he has so dutifully served over the years. Mr. Ouellette, thank you.

-- Applause

We wish you well and Godspeed in your journey.

Also, honourable colleagues and Members, I would like to take this opportunity to recognize our new, acting Sergeant-at-Arms, Jay Bran. Jay was Sergeant-at-Arms here for the summer of 1996. He will serve us for the remainder of this term for sure. Please welcome him.

-- Applause

Item 5, recognition of visitors in the gallery. The honourable Member for Thebacha, Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Speaker. I have the pleasure today to recognize Ms. Denise Kurszewski from Fort Smith. She is a northern educator completing her masters degree. She is here in the gallery today. Thank you.

-- Applause

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

HON. JOE HANDLEY: Mr. Speaker, I too would like to introduce Denise Kurszewski, a northern born and trained, experienced teacher, and a good role model for many young people who want to get into that honourable profession. Thank you.

-- Applause

MR. SPEAKER: Thank you, Mr. Handley. Item 5, recognition of visitors in the gallery. I would like to welcome everyone that has

come to visit us today. Item 6, oral questions. The honourable Member for Inuvik Boot Lake, Mr. Roland.

ITEM 6: ORAL QUESTIONS

Question 122-14(3): Alleged Contraventions of the Financial Administration Act

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, As I mentioned in my Member's statement, there has been much discussion about accountability and how that will be applied to the 14th Assembly.

Mr. Speaker, I pull from the Financial Administration Act, part 3 on appropriations. Section 27 states "No person shall incur an expenditure without the authority of an enactment."

Then I go to section 29: "The Minister of Finance shall submit to the Legislative Assembly, in accordance with section 25 of the Northwest Territories Act Canada, an appropriation bill for each fiscal year based on the votes and items of expenditures set out in the estimates."

Section 30 says "no person shall incur an expenditure unless it is pursuant to an appropriation and in accordance with the activity set out in the estimates on which the appropriation is based."

Mr. Speaker, I would like to know from the Premier, seeing as he is the head of government, the symbol that we all fall under in the sense of leadership and accountability, if he has defined, or if it has been pointed out to him, if in fact departments have gone outside of the rules set out, what would the Premier do to rectify the situation? Thank you.

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

Return to Question 122-14(3): Alleged Contraventions of the Financial Administration Act

HON. STEPHEN KAKFWI: Mr. Speaker, I believe the question is hypothetical. What would I do if that particular situation were to arise?

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

Supplementary to Question 122-14(3): Alleged Contraventions of the Financial Administration Act

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I will put some specifics to this. During the review of Resources, Wildlife and Economic Development budget, there were intra-departmental transfers to different areas from operations and maintenance. One was for \$236,000, one for \$366,000, and then there is the whole area of the Development Corporation budget that was applied to them. In fact, \$1.4 million of that was used in other places in the department.

So there were intra-departmental transfers that were not voted on at the time. I would like to know what the Premier is going to do in this situation when there are clearly incidents that have gone outside of the Financial Administration Act when there has been over \$250,000 transferred within the department. Thank you.

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

Return to Question 122-14(3): Alleged Contraventions of the Financial Administration Act

HON. STEPHEN KAKFWI: Thank you, Mr. Speaker. I will take the question as notice. Thank you.

MR. SPEAKER: Thank you, Mr. Premier. The Premier has taken the question as notice. Item 6, oral questions. The honourable Member for Deh Cho, Mr. McLeod.

Question 123-14(3): Land Claims and Self-Government Negotiations

MR. MCLEOD: Thank you, Mr. Speaker. It stated in the Ministry of Aboriginal Affairs establishment policy, the mandate of the Minister and the ministry is to protect, develop and promote the interest of the territorial government and the residents of the Northwest Territories in negotiations and implementation of land claims, self-government and treaty entitlement agreements. The political and constitutional development of the western Northwest Territories in developing and maintain mutual beneficial working relationships with the aboriginal leaderships.

I note the Minister of Aboriginal Affairs is not the only arm of the GNWT participating in negotiating tables, but Mr. Speaker, I note the mandate for negotiations and implementations of land claims, self-government and treaty entitlement agreements for the Northwest Territories lies exclusively with the Ministry of Aboriginal Affairs.

This calls to question why the other arms of governments are participating. Mr. Speaker, there are seven active negotiating tables the Ministry of Aboriginal Affairs is participating in. I would assume each chief negotiator has a certain amount of authority when they participate in negotiations. Could the Minister outline for the House the authority or mandate that each chief negotiator for the seven tables has?

MR. SPEAKER: Thank you, Mr. McLeod. The honourable Minister responsible for Aboriginal Affairs, Mr. Antoine.

Return to Question 123-14(3): Land Claims and Self-Government Negotiations

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, the chief negotiator is responsible for the overall negotiations of each table. The mandate comes from the different policies that have been developed over the years through the government with the Ministry of Aboriginal Affairs taking the lead in coordinating the development of a position. In the land claims area, it has been there for quite a number of years through the different claims that have been settled. Recently, with the self-government negotiations with the Dogrib and the Beaufort Delta, it is a whole new area of negotiations, which we are undertaking. It has not been done before anywhere in Canada. As a result, the mandate is developed as we have been going along in these cases.

The different departments that are involved play a role as well in coordinating and developing the mandate. In different specific instances, if we are dealing with municipal lands, then the Department of Municipal and Community Affairs plays a key role in that area, the expertise in the department as well as

the knowledge that is there. The understanding of the legislation that is applicable to the municipality, so there is a role that Municipal and Community Affairs plays.

There is the aspect of finances involved as well. Of course, the Department of Finance has to be involved in that area, the legislation as well as the expertise and the knowledge that exists in that area.

You go into Resources, Wildlife and Economic Development, that is another department that plays a key role. For each table, as we tackle the different items on the table, a set of negotiations is then developed. As different items are placed on the table by the different parties, the aboriginal governments put an item on the table which is something, for example, regarding wildlife, the federal government also has a position and we have a position.

At the table, these items are discussed. The mandate of the chief negotiator is to play a coordinating role in this instance. In specific cases, the department which is responsible for the item on the table plays a crucial role in the development of a position to be brought to the table. Thank you.

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

Supplementary to Question 123-14(3): Land Claims and Self-Government Negotiations

MR. MCLEOD: Thank you, Mr. Speaker. Would the Minister be able to provide me with documents detailing the terms of reference on how each chief negotiator is to conduct themselves when he or she participates in negotiations?

MR. SPEAKER: Thank you, Mr. McLeod. The honourable Minister responsible for Aboriginal Affairs, Mr. Antoine.

Further Return to Question 123-14(3): Land Claims and Self-Government Negotiations

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, yes, I would be able to provide that. I will see if that is confidential, but I will look into that and provide the information to the honourable Member. Thank you.

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

Supplementary to Question 123-14(3): Land Claims and Self-Government Negotiations

MR. MCLEOD: Thank you, Mr. Speaker. Would the Minister also describe for me the reporting process for the role of the chief negotiator and the role of the Ministry of Aboriginal Affairs in Cabinet involvement?

MR. SPEAKER: Thank you, Mr. McLeod. The honourable Minister responsible for Aboriginal Affairs, Mr. Antoine.

Further Return to Question 123-14(3): Land Claims and Self-Government Negotiations

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, in the Ministry of Aboriginal Affairs, we have a deputy minister who is responsible for the whole ministry. Part of the ministry includes land claims negotiations, as well as self-government negotiations. There is a director for the self-government

negotiations. The director is responsible for the chief negotiators of each table. There is a coordinated approach between the deputy minister, the director and the chief negotiator, along with the policy analyst. The reporting is such that after every negotiating session, the chief negotiator, along with counterparts from different departments, discuss the outcome of the negotiations with the director, the deputy minister, and the policy analyst. As the Minister, I eventually receive a report after each negotiation session.

As the negotiations go along, if things are according to the policies we have laid out, then it does not necessarily have to go to Cabinet for any decision. However, if there is a decision that is above and beyond the outline of a policy we have laid out, then the department will develop revision to an existing policy or maybe create a new one. That has to go to Cabinet. If it is within the mandate of the negotiations, then it is just a matter of negotiating and reporting. That is the way it is set up. Thank you.

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

Question 124-14(3): Projected Hotel Tax Revenue

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, my question is addressed to the Minister responsible for the Department of Finance, regarding the hotel tax. Mr. Speaker, this issue has received considerable scrutiny and debate since the Minister announced the tax in this House. The question for me is the \$1.25 million in projected revenues, and the lack of clarity in terms of the calculations that were used to arrive at that estimate. I would like to ask the Minister today whether he would be prepared to table the calculations that have led to the figure of \$1.25 million in revenues that will be generated in his estimation by the hotel tax. Thank you.

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

Return to Question 124-14(3): Projected Hotel Tax Revenue

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, certainly. No problem at all. Thank you.

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

Supplementary to Question 124-14(3): Projected Hotel Tax Revenue

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I would like to thank the Minister for that commitment. I would like to ask him if he would be prepared to table that either today or tomorrow, before the House rises, so we have a chance to look at it in the ensuing summer months. Thank you.

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

Further Return to Question 124-14(3): Projected Hotel Tax Revenue

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, I will table what I can now. I am assuming we are meeting today, tomorrow and Friday. I will do everything I can to have it tabled before this House closes for the summer. Thank you.

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

Question 125-14(3): Using NWT Suppliers and Manufacturers

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, as I mentioned in my Member's statement, the economy and social issues go hand in hand. Mr. Speaker, a healthy economy means increased employment and less reliance on the social net, and an increased ability for resources to be developed to assist the needs of our people. I applaud the government's initiatives in other jurisdictions, such as Alaska, in increasing trade and investment. We need to ensure that northern businesses are accessing these opportunities, ensuring participation in the inter-jurisdictional joint ventures.

More businesses in the northern businesses means more jobs for Northerners. It is simple logistics, Mr. Speaker. This government's Business Incentive Policy provides incentives for local businesses on the premise that they will reinvest corporate earnings back into the northern economy. Reinvesting means strong economies and more jobs.

However, there is no guarantee that this policy applies to the government's business transactions outside the Northwest Territories. Mr. Speaker, I encourage this government to practice what it preaches at home and also carry it out abroad.

Mr. Speaker, when will the Minister of the Northwest Territories Housing Corporation table a list of northern suppliers and manufacturers, including sub-contractors, that were used in the recent sale of a seniors' complex in Alaska? Thank you.

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for the Northwest Territories Housing Corporation, Mr. Allen.

Return to Question 125-14(3): Using NWT Suppliers and Manufacturers

HON. ROGER ALLEN: Thank you, Mr. Speaker. Mr. Speaker, I am trying to get that information as soon as we can and table it as soon as we can. Thank you.

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

Supplementary to Question 125-14(3): Using NWT Suppliers and Manufacturers

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, in a recent press release made by the president of the Northwest Territories Housing Corporation, it states that under the terms of the Alaska deal, Northwest Territories contractors will build the complex with local labour, while Northwest Territories suppliers and manufacturers will provide the materials.

Can the Minister describe what enforceable or accountable access to this information is in place to ensure northern manufacturers and suppliers and support services will be used in future trade initiatives in other jurisdictions? Thank you.

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for the Northwest Territories Housing Corporation, Mr. Allen.

Further Return to Question 125-14(3): Using NWT Suppliers and Manufacturers

HON. ROGER ALLEN: Thank you, Mr. Speaker. Mr. Speaker, I would like to inform the Member that we have considered and we had given 100 percent preference to northern manufacturers. As long as the Northwest Territories Housing Corporation has the ability to tender out the projects, we will honour those obligations. Thank you, Mr. Speaker.

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

Supplementary to Question 125-14(3): Using NWT Suppliers and Manufacturers

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, in a recent letter by the manager of the Northwest Territories Housing Corporation to local suppliers, it stated the Northwest Territories Housing Corporation has also supported northern manufacturers through the purchase policy. When will the Minister table the contract report that will provide: the total value of the contract; a list of the northern businesses that were used in the contract; and the amount of revenues generated for each of the listed northern businesses used in the contract for every transaction made by the Northwest Territories Housing Corporation outside of the Northwest Territories in the past five years. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for the Northwest Territories Housing Corporation, Mr. Allen.

Further Return to Question 125-14(3): Using NWT Suppliers and Manufacturers

HON. ROGER ALLEN: Thank you, Mr. Speaker. Mr. Speaker, the work is presently underway to provide all the definitive answers to the question the Member has asked. We will get that to him as soon as possible. Thank you.

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

Supplementary to Question 125-14(3): Using NWT Suppliers and Manufacturers

MR. KRUTKO: Thank you, Mr. Speaker. I will be waiting for that information to be tabled. I would also like to ask the Minister a question regarding the government and the Business Incentive Policy and the North American Free Trade Agreement (NAFTA). Could the Minister tell me...he made reference that our policies do not apply because of the NAFTA agreement. Can the Minister explain that comment? Thank you.

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for the Northwest Territories Housing Corporation, Mr. Allen.

Further Return to Question 125-14(3): Using NWT Suppliers and Manufacturers

HON. ROGER ALLEN: Thank you, Mr. Speaker. Yes, I will try to answer that as best I can. According to my information, the Government of the NWT can call for tenders from northern manufacturers if they issue tenders. If the tenders were issued from the State of Alaska, then we do not have any authority over how they govern themselves and their procurement policies. Thank you, Mr. Speaker.

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

Question 126-14(3): Diamond Training Success Rates

MR. BRADEN: Thank you, Mr. Speaker. My question is for the Minister of Education, Culture and Employment regarding the investment that this government is making in training for pre-employment in the diamond industry.

In measuring the results that come from that investment, it was an issue that was raised during the election campaign, and more recently, one of my constituents is concerned and frustrated that, while she has taken this training, she has been unable to get employment in the industry.

My question, Mr. Speaker, are the graduates of directly related employment projects tracked to determine the success rates of graduates in obtaining employment in areas relating to that training? Thank you, Mr. Speaker.

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

Return to Question 126-14(3): Diamond Training Success Rates

HON. JAKE OOTES: Thank you, Mr. Speaker. To answer the question directly, I am not familiar with whether we track graduates of these particular programs. We have a pre-employment training program offered at the Aurora College campus here in Yellowknife, and I believe there were 12 graduates last year and some 12 or 15 this year. Many of them, I understood, had been offered positions immediately following their graduation. I am not familiar with this particular individual who has not been able to obtain employment, Mr. Speaker. Thank you.

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

Supplementary to Question 126-14(3): Diamond Training Success Rates

MR. BRADEN: Thank you, Mr. Speaker. I am wondering to what extent the department or Arctic College works with industry to design training specific to the needs of the employers? Thank you.

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

Further Return to Question 126-14(3): Diamond Training Success Rates

HON. JAKE OOTES: Thank you, Mr. Speaker. It is a pre-employment training program for the diamond industry. It covers areas such as how diamonds are mined and the makeup of diamonds. It gives the students an opportunity to move into either the mining field or the cutting and polishing area. There are also the polishing plants or occupational training of their particular plants where we provide assistance. Thank you.

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

Supplementary to Question 126-14(3): Diamond Training Success Rates

MR. BRADEN: Thank you, Mr. Speaker. To return to a comment the Minister had about tracking the results, it is certainly something that we have been exploring in our budget reviews.

Will the Minister advise of any commitments that he has to track the results of graduates from these programs? Thank you.

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

Further Return to Question 126-14(3): Diamond Training Success Rates

HON. JAKE OOTES: Yes, Mr. Speaker, as I mentioned earlier, I am not sure what tracking mechanisms are in place, but I will commit to ensure that we get that information and report back to the Member on that, Mr. Speaker. Thank you.

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

Question 127-14(3): Policy to Assist Northern Manufacturers

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, my question today is for the Minister responsible for Resources, Wildlife and Economic Development and it relates to northern manufacturing. Mr. Speaker, I would like to ask, first of all, does Resources, Wildlife and Economic Development have a policy financially helping northern manufacturing businesses develop in the Northwest Territories?

MR. SPEAKER: Thank you, Mr. Dent. The honourable Minister responsible for the Department of Resources, Wildlife and Economic Development, Mr. Handley.

Return to Question 127-14(3): Policy to Assist Northern Manufacturers

HON. JOE HANDLEY: Thank you, Mr. Speaker. Yes, we have a number of policies that relate to support to northern business and most of these policies are followed up with programs. Thank you, Mr. Speaker.

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

Supplementary to Question 127-14(3): Policy to Assist Northern Manufacturers

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, would the Minister be prepared to give us some of the reasons as to why the department would have such policies and programs?

MR. SPEAKER: Thank you, Mr. Dent. The honourable Minister responsible for the Department of Resources, Wildlife and Economic Development, Mr. Handley.

Further Return to Question 127-14(3): Policy to Assist Northern Manufacturers

HON. JOE HANDLEY: Mr. Speaker, we have a number of policies to support northern businesses. The policies are in place to support the various needs that are there.

For example, we have a policy on business development funds that is broken into a number of programs to help people in smaller businesses. From small business grants and loans, all the way through to medium size businesses. We also have a process of Community Futures Organizations, which can make loans to businesses where in that circumstance at the regional level, loans are more appropriate.

We have a Business Credit Corporation, which deals with the larger businesses. Through the Business Credit Corporation, companies can qualify for up to a million dollars in a loan and that can be somewhat smaller or up to that amount.

We also have the Northwest Territories Development Corporation, which is there to help ventures that are struggling to survive and also to assist in the operation of subsidiaries, where although a private business may not be able to manage it financially, it is a worthwhile venture because of the employment it creates.

So there is a whole host of reasons why we have these policies, Mr. Speaker.

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

Supplementary to Question 127-14(3): Policy to Assist Northern Manufacturers

MR. DENT: Thank you, Mr. Speaker. The Minister has confirmed, I think, the importance of these programs, particularly the economic diversification and job creation for northern manufacturing.

Will the Minister give us the assurance that all departments are aware of this government's investment in northern manufacturing firms and that they follow the manufacturers' directive? Thank you.

MR. SPEAKER: Thank you, Mr. Dent. The honourable Minister for the Department of Resources, Wildlife and Economic Development, Mr. Handley.

Further Return to Question 127-14(3): Policy to Assist Northern Manufacturers

HON. JOE HANDLEY: Mr. Speaker, last week I confirmed that I would have the chairman of the Business Incentive Policy Steering Committee, the deputy minister of Resources, Wildlife and Economic Development, who chairs the committee, do a reminder to all of the departments that all government department agencies are subject to that policy.

If that has not been done already, then it is certainly being done within the next few days. I think, in that way, we can ensure that all departments are aware of it. Thank you.

MR. SPEAKER: Thank you, Mr. Handley. Item 6, oral questions. The honourable Member from Yellowknife South, Mr. Bell.

Question 128-14(3): Proposed Hotel Tax Administration

MR. BELL: Thank you, Mr. Speaker. I have a question today for the Minister responsible for Finance, Mr. Handley, and it is about the hotel tax.

When Mr. Handley first presented the hotel tax concept to Ordinary Members a couple of weeks before he unveiled it in the House, he gave us, at that time, his best estimate for what he felt it would cost to administer the hotel tax. I believe he said it was \$250,000.

Can the Minister confirm if that is still his best estimate for what the administration of this tax will cost? Thank you.

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

Return to Question 128-14(3): Proposed Hotel Tax Administration

HON. JOE HANDLEY: Thank you, Mr. Speaker. The initial estimate was \$250,000. My department continued to work on what systems would be in place for administering it. They now tell me that \$100,000, somewhere in that range, is probably more accurate than the \$250,000 which we had used, being conservative in the first place.

My estimate at this point is closer to the \$100,000 mark. Thank you.

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

Supplementary to Question 128-14(3): Proposed Hotel Tax Administration

MR. BELL: Thank you, Mr. Speaker. Just for confirmation, I am a little bit confused, but I think, in the matter of a couple of short weeks, the Minister was able to cut the amount of administration by two and a half times? Is that correct? Thank you.

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

Further Return to Question 128-14(3): Proposed Hotel Tax Administration

HON. JOE HANDLEY: Yes, Mr. Speaker. We are working very hard on it and I am sure that we are going to be as diligent and thorough as possible in ensuring that we do not use up any more of this than absolutely necessary for administration.

The whole objective of this new tax is to reinvest it back into tourism, and I intend to do my best to make sure that every dollar possible goes back into tourism to support that very important industry for us.

I am discussing with my staff. I am aiming at the \$100,000 area, not the \$250,000, as being the likely figure. Thank you.

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

Supplementary to Question 128-14(3): Proposed Hotel Tax Administration

MR. BELL: Thank you, Mr. Speaker. Can I ask the Minister how we went from \$250,000 to \$100,000? Was it initially assumed that it would take three or four people to administer and now we are down to one? I am just wondering. It seems like a drastic change, Mr. Speaker. I am wondering if the Minister could give us some indication of how he whittled from \$250,000 to \$100,000 in two weeks time? Thank you.

-- Applause

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

Further Return to Question 128-14(3): Proposed Hotel Tax Administration

HON. JOE HANDLEY: Mr. Speaker, it is basically through, I think, very thorough responsible work and I have to give my staff a lot credit for finding ways of doing this. This is really moving from looking at the equivalent of two people needing to do this down to, saying "No, we can piggy back on some of the systems we have right now." We believe we can do it with one person and that is what we are aiming at doing.

I think the staff are doing an excellent job and working hard on this. Thank you, Mr. Speaker.

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

Supplementary to Question 128-14(3): Proposed Hotel Tax Administration

MR. BELL: Thank you, Mr. Speaker. I have to applaud the staff for their efforts as well. They have done quite a job in getting this thing from \$250,000 to administer down to \$100,000.

-- Applause

Certainly a pat on the back, but I am wondering if the Minister might agree that maybe this thing has not been analyzed very carefully and maybe we need to really take a look at this to make sure we have the right numbers here, Mr. Speaker. Thank you.

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

Further Return to Question 128-14(3): Proposed Hotel Tax Administration

HON. JOE HANDLEY: Thank you, I really am pleased that the Member has realized why we announced this initiative at this time and allow a lot of time for consultation because we are not, between myself and the department, going to pretend that we have all of the answers. We want to consult with industry, tourism people, hotel operators and so on.

So there are a number of months, as I said before, where we intend to continue to refine this and make sure that every dollar that is generated that can possibly be put into tourism goes to support the tourism industry.

I am sure there are going to be new ideas coming forward over the next few months. Thank you, Mr. Speaker.

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

Question 129-14(3): Basic Education Services for Adults

MR. LAFFERTY: Thank you, Mr. Speaker. My question is for the Minister of Education, Culture and Employment, the honourable Jake Ootes. Last week, many concerns were shared in the House about the need to develop a territorial strategy for literacy. I think we all recognize that literacy and upgraded skills will help Northerners have a healthier and more prosperous lifestyle.

My concern is having adults return to high school to complete their upgrading because adult basic education programs are not offered in some communities. There are adults out there who are not at the high school level. What services are available to these adults? Thank you, Mr. Speaker.

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

Return to Question 129-14(3): Basic Education Services for Adults

HON. JAKE OOTES: Thank you, Mr. Speaker. The issue of literacy is certainly important. We have been addressing this issue from a departmental side. It is not just the area of literacy of those who are in school, but people who are out of school, as Mr. Lafferty has stated. Where do we give them the opportunity to be able to access adult basic education?

It is of concern to us, and for that reason, we have been trying to work on a program to tie all this together amongst the various programs. We have just proposed in the departmental budget to reintroduce the Community Skills for Work Program, which is the funding of \$650,000. Some of that will be funneled through the Aurora College system and some will be funneled to the regional offices for access by community groups.

That is the basic area that communities, such as the ones Mr. Lafferty is speaking of, could potentially access. Thank you.

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

Supplementary to Question 129-14(3): Basic Education Services for Adults

MR. LAFFERTY: Thank you, Mr. Speaker. By putting adults in high school in some of the communities, is board funding increased or decreased, Mr. Speaker?

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

Further Return to Question 129-14(3): Basic Education Services for Adults

HON. JAKE OOTES: Thank you, Mr. Speaker. The process that is used to fund district education councils is school enrolments and it does increase the funding should enrolments increase, as Mr. Lafferty has asked. If adults attend high school, yes, then the funding is increased accordingly. Thank you.

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

Supplementary to Question 129-14(3): Basic Education Services for Adults

MR. LAFFERTY: Thank you, Mr. Speaker. Can the Minister tell me if the funding formula is different for ABE courses in the communities versus high school? What is the difference in the funding formula if you have adult basic education classes in the community versus the high school?

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

Further Return to Question 129-14(3): Basic Education Services for Adults

HON. JAKE OOTES: Thank you, Mr. Speaker. The funding formula for high school is based on the number of students and the number of teachers. It is based on a formula according to the enrolments.

The funding for Community Skills for Work is somewhat different because it is done by allocation to regional offices and then applications are made by community groups, but it is not done in the same fashion as school enrolments, for example. Thank you.

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

Question 130-14(3): Support for Northern Manufacturers

MS. LEE: Thank you, Mr. Speaker. My question today is directed to the Minister responsible for the Housing Corporation and I would like to follow up on the Members' statements and questions raised by my colleagues here with respect to supporting northern manufacturers.

Mr. Speaker, I was glad to hear that the Housing Corporation was making inroads into Alaska and that we will be building

facilities there and so on. Mr. Speaker, I think it is good that our people could go all over the world and build things, but I do not think it is as meaningful if we do not have full participation by the local producers and local manufacturers.

My question to the Minister is, has he, as a Minister, directed the department? If so, how did he direct the department to make sure that whatever work that they do all over the world, they give the priority to the northern manufacturers? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister for the Housing Corporation, Mr. Allen.

Return to Question 130-14(3): Support for Northern Manufacturers

HON. ROGER ALLEN: Thank you, Mr. Speaker. As I explained earlier to the previous question, Mr. Speaker, yes, the Northwest Territories Housing Corporation is working with the northern manufacturers and northern suppliers to provide, under a tendering process, to our projects that are external to Canada.

I just want to confirm again, Mr. Speaker, if the tender document came from Alaska itself, then the Business Incentive Policy and IMD does not apply under that circumstance. Thank you, Mr. Speaker.

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

Supplementary to Question 130-14(3): Support for Northern Manufacturers

MS. LEE: Mr. Speaker, I am interested in two things. I am interested in the Minister's commitment and support for the northern manufacturers and secondly, Mr. Speaker, my understanding is that the Business Incentive Policy of the Northwest Territories is protected under the Free Trade Agreement, because the northern manufacturers preference policies is a directive of the Business Incentive Policy, which is protected under the Free Trade Agreement. So I would suggest the Minister look into that further and find a way to support northern manufacturers. I am interested in the Minister's commitment and support of this policy.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister responsible for the Housing Corporation, Mr. Allen.

Further Return to Question 130-14(3): Support for Northern Manufacturers

HON. ROGER ALLEN: Thank you, Mr. Speaker. I think, in terms of commitments, commitments are already made by this government through its application of the Business Incentive Policy. This applies to the way we do business in the Housing Corporation.

The other thing is that we have been giving the northern manufacturers and Northwest Territories suppliers 100 percent preference on our Alaska projects. Thank you, Mr. Speaker.

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

Question 131-14(3): Proposed Hotel Tax Projections

MR. NITAH: Thank you, Mr. Speaker. My question today is for the Minister responsible for Resources, Wildlife and Economic Development. It has to do with the hotel tax.

We hear a lot of numbers flying around. How much it is going to cost to administer, how much revenue is it going to get? One of the questions that has never been asked, and I would like to ask that today, is what is it going to cost the average person out of pocket money at the front desk of a hotel per night? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Nitah. The honourable Minister for the Department of Resources, Wildlife and Economic Development, Mr. Handley.

Return to Question 131-14(3): Proposed Hotel Tax Projections

HON. JOE HANDLEY: Thank you, Mr. Speaker. Assuming it is a \$130 room, it would cost the average hotel user, the occupant, \$6.50, in that case, for each night they stay there. Thank you.

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

Supplementary to Question 131-14(3): Proposed Hotel Tax Projections

MR. NITAH: Thank you, Mr. Speaker. I think a few of my colleagues may be a little disappointed in me, but I think that is alright. We always talk about that we need more money in tourism, but we know the financial situation of this government. I do not think it is such a bad idea to go out and find ways of raising money.

-- Applause

Then reinvesting it into the area that we are trying to improve.

So I would like to ask, where exactly would the revenues from the tax be implemented? Is it going to be to improve the parks? Is it going to be used to promote the Northwest Territories to bring in more tourism? What is the case here, Mr. Speaker?

MR. SPEAKER: Thank you, Mr. Nitah. The honourable Minister responsible for Finance, Mr. Handley.

Further Return to Question 131-14(3): Proposed Hotel Tax Projections

HON. JOE HANDLEY: Thank you, Mr. Speaker. Ms. Lee already said I do not know, but I have to disappoint her and tell her that I do know.

-- Laughter

I tell you, the first thing I am going to do is a lot of consultation with people in the tourism industry because I think the operators, the business people out there, can give me the best advice on where the money should go.

My own preference in talking with business people is I think it should go in two areas. One being marketing the Northwest Territories as a destination and second is building regional capacity. I look at the tremendous work that one of our

operators, Bill Tait, who runs Raven Tours, has done. We have now about 10,000 Japanese coming to the Northwest Territories. He has made a huge, tremendous contribution to the Northwest Territories and to our economy through that. Where, just through the natural beauty of the Northwest Territories, not just in Yellowknife, but everywhere is unique. We can do the same thing with German tourists. We could do the same thing with all Europeans, with Americans, even with many Canadians.

I look at the beauty of the Lutselk'e area, the East Arm. That is something that you do not find anywhere else in the world. I believe that the industry people, the same way Mr. Tait did, with some support from our government, can do a tremendous job working with local people to bring a lot more tourists into the North, so we do not just have government people staying in the hotels.

This is a tremendous opportunity for us to break away from our dependence on the federal government. Thank you.

-- Applause

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

Supplementary to Question 131-14(3): Proposed Hotel Tax Projections

MR. NITAH: Mahsi, Mr. Speaker. I am just wondering if the department or the Minister has done any projections as to how many more tourists could be attracted to the Northwest Territories by promoting the Northwest Territories using the revenues from this tax? Thank you, Mr. Speaker.

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

Further Return to Question 131-14(3): Proposed Hotel Tax Projections

HON. JOE HANDLEY: Thank you, Mr. Speaker. Right now, we have approximately 50,000 tourists that have come to the Northwest Territories. I think by working with the tourism operators, hotel owners, other people in the business, aboriginal communities, and so on, and promoters in the other parts of the world, that we can easily double that amount. I think if we double that amount over the next three, four, or five years, then we start to see business, hotels, and so on, being viable in the small communities. We will see a lot more of the people who were here earlier as tourists watching what is happening in the Legislative Assembly.

The whole thing is good news for the Northwest Territories. We have to take some risks here. I am ready to gamble that this will work and we will see many more tourists in our beautiful part of the world. Thank you.

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

Question 132-14(3): Impact of Free Trade on Procurement Policies

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Finance. It is in regard to the

dilemma that we find ourselves in, with insuring that the policy directors that we have in place for the things such as the Business Incentive Policy or manufacturers' incentive policies, are in jeopardy because of NAFTA. Has the department done anything to see what the impact of the Free Trade Agreement is on the policies and economic programs that we have in place to protect our business community and also benefit the North?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Finance, Mr. Handley.

Return to Question 132-14(3): Impact of Free Trade on Procurement Policies

HON. JOE HANDLEY: Thank you, Mr. Speaker. Yes, we have taken a look at free trade agreements, as well as internal trade agreements in Canada, and the impact of them. We have to be very careful. It is a very complex arrangement. We have to be very careful with how much we change and what we do to our policies, because there is always a risk that if we change it too much, then we could lose the benefits we have within it.

We will continue to work very carefully to make sure we do not jeopardize our northern preference policies by changing them so much that the Free Trade Agreement kicks in and someone challenges us. Thank you.

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

Supplementary to Question 132-14(3): Impact of Free Trade on Procurement Policies

MR. KRUTKO: Thank you, Mr. Speaker. In regard to the other responsibilities that we have, especially in land claim agreements, talking about the economic opportunities. There have been statements made in this House about considering revamping our Business Incentive Policy and our Manufacturers' Directive. When will the government be coming forth with these amendments or changes? Can the Minister state that?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Finance, Mr. Handley.

Further Return to Question 132-14(3): Impact of Free Trade on Procurement Policies

HON. JOE HANDLEY: Thank you, Mr. Speaker. I have made a long list of commitments that my staff are putting together, but my aim was to try to have something put forward for the new fiscal year, but I cannot say with 100 percent certainty that we will be able to meet that, but that is what I am going to aim at. Thank you.

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

Supplementary to Question 132-14(3): Impact of Free Trade on Procurement Policies

MR. KRUTKO: Thank you, Mr. Speaker. Has the Minister made contact with the business community or the aboriginal organizations that, if any of these changes take place, will be affected? Have we consulted with the manufacturers or the business community to consider the possibility of their involvement and directing us to what consideration could be

made? Has the Minister consulted with the business community?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Finance, Mr. Handley.

Further Return to Question 132-14(3): Impact of Free Trade on Procurement Policies

HON. JOE HANDLEY: Thank you, Mr. Speaker. I have consulted with some of the business community. I cannot say I have done with all of them. I have consulted with most of the larger organizations, the construction association, Chamber of Commerce, and so on, in Yellowknife. In terms of consultation with the regions, we have not had time to do that yet. Thank you, Mr. Speaker.

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

Supplementary to Question 132-14(3): Impact of Free Trade on Procurement Policies

MR. KRUTKO: Thank you, Mr. Speaker. Has the government lived up to its consultation obligations that are under land claim agreements, especially in the economic measures chapters of the agreements, where we have to consult if we are making any changes or implementing any new programs? Has the department or the Minister done that?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Finance, Mr. Handley.

Further Return to Question 132-14(3): Impact of Free Trade on Procurement Policies

HON. JOE HANDLEY: Thank you, Mr. Speaker. We have made a commitment to live up to not only the word, but also the spirit and intent of the statements in the land claims agreements. We continue to participate in a tripartite implementation committee, made up of the aboriginal organizations, the federal government and ourselves, to ensure that we are.

Now, having said that, I am sure there are some instances where there will be disagreement or has been disagreement, but we are attempting to follow the full intention and meaning of the land claims agreements. Thank you, Mr. Speaker.

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

Question 133-14(3): Student Financial Assistance Loans

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Education, Culture and Employment. Earlier today, the Minister responded to a question that I asked on June 26th, when I asked what the reason or the rationale was for the ten percent student deduction calculation of the amount that would be paid to student financial assistance.

The Minister's response said that, "Since repayable loans were introduced approximately ten years ago, there has always been a calculation of expected student contributions." I guess what we are saying is that we take it off because we have always done it.

Mr. Speaker, we call these loans needs assessed. Other than the ten percent deduction, is there any difference in the amount that is paid in these loans to students? Thank you, Mr. Speaker.

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

Return to Question 133-14(3): Student Financial Assistance Loans

HON. JAKE OOTES: I believe the question that the honourable Member asked was, other than the ten percent reduction is there any difference in the amount paid. To the best of my knowledge, no, Mr. Speaker. I understand that this is the only deduction made. Thank you.

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

Supplementary to Question 133-14(3): Student Financial Assistance Loans

MR. DENT: Thank you, Mr. Speaker. It is hard to justify them being needs assessed when we are referring to allowable expenses. Students individual circumstances do not seem to be taken into account, such as the course of study, the cost of a computer that may be needed, or even the purchase of a bed. Are those sort of things taken into account or are standard living expenses used in the calculation?

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

Further Return to Question 133-14(3): Student Financial Assistance Loans

HON. JAKE OOTES: Mr. Speaker, the need, as it says here, includes certain allowable expenses and takes into consideration income the students have received for the four months. I do not have the answer to exactly all the expenses that are deducted, Mr. Speaker. Thank you.

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

Supplementary to Question 133-14(3): Student Financial Assistance Loans

MR. DENT: Thank you, Mr. Speaker. I do not believe that the individual student circumstances are taken into account. I would ask the Minister why ten percent was chosen. It could have been 15, 40, 90 percent. Other than the stated reason that it has always been done, is there any other rationale for deducting ten percent from the amount given to students in student financial assistance?

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

Further Return to Question 133-14(3): Student Financial Assistance Loans

HON. JAKE OOTES: Thank you, Mr. Speaker. This was introduced many years ago and it has been in the system since. It was felt at the time that there needed to be a contribution made by the student who did earn income. It is a needs assessed loan and obviously there is income that the

student earns during that period of time. It is an assistance program, Mr. Speaker.

MR. SPEAKER: Thank you, Minister Ootes. Final supplementary, Mr. Dent.

Supplementary to Question 133-14(3): Student Financial Assistance Loans

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, I would like to ask the Minister if he will, with his department officials, review this deduction and ensure that there is some other rationale than we have always done it. We need to take a look at the cost of computers, the course of study, whether or not a student needs to purchase a bed. Those things need to be calculated, rather than just saying ten percent of what you earned, you can afford to lose it off the top. Will the Minister commit to review the rules with his department? Thank you.

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

Further Return to Question 133-14(3): Student Financial Assistance Loans

HON. JAKE OOTES: Thank you, Mr. Speaker. I have already been speaking with the department regarding the ten percent and the rationale behind that. I will commit to looking at this issue, Mr. Speaker. Thank you.

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

Question 134-14(3): Profiling Revenues from the Proposed Hotel Tax

MR. BELL: Thank you, Mr. Speaker. My question is for the Minister responsible for Finance. After the question by my colleague about the hotel tax, I feel almost compelled to follow that up with some further explanation. Can the Minister tell me if we have a tax like the hotel tax and, if we put the revenues directly into regional capacity building and marketing, is that called a direct tax? I am looking for some clarification. I am not sure. Thank you.

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

Return to Question 134-14(3): Profiling Revenues from the Proposed Hotel Tax

HON. JOE HANDLEY: Mr. Speaker, I am not sure what the Member means by a direct tax. If he is referring to it as a dedicated tax where we would collect it and use it for a specific purpose, then yes, it is bordering very much on being a dedicated tax. The intention here is that this tax is taken out of the hotel industry and will be used in the broader field of tourism. In a sense it is not even strictly defined as a direct tax or a dedicated tax because it would then have to go back to hotels. It is going back into the same field. That is similar to a situation we have with education taxes that are collected, which are collected in education but spent broadly in education. It does not quite fit the category what I believe the Member means by a direct tax. Thank you.

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

Supplementary to Question 134-14(3): Profiling Revenues from the Proposed Hotel Tax

MR. BELL: Thank you, Mr. Speaker. I am just a little concerned. To use an analogy, if you let a dog get its paw on the carpet, pretty soon the dog is rolling around in the middle of the carpet. It is all muddy and you cannot get that smell out of there. I am encouraged that we are willing to dedicate certain taxes towards an initiative like this. I am wondering if we can take all cigarette tax and put it toward promotion in the Department of Health and Social Services for instance. Thank you.

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

Further Return to Question 134-14(3): Profiling Revenues from the Proposed Hotel Tax

HON. JOE HANDLEY: Well, Mr. Speaker, I just want to assure the Member that I have a lot more control over my dog than he seems to. My dog does not take advantage of me like that and I manage the finances for this government with the same determination as I manage my dog.

-- Laughter

SOME HON. MEMBERS: Heel!

HON. JOE HANDLEY: That is the same expression I use with my dog. To answer the question, Mr. Speaker, I think it might be a little dangerous to just take the taxes from cigarettes, for example, and use that solely for cigarettes. I believe that our costs for tobacco products advertising, paying for the costs and the results of the disease and so on from smoking is much greater than the amount of money that we collect on cigarette taxes. We want to be careful. If we start dividing it up that way we may find ourselves in shortfalls in some very important areas. In many cases, we are better off to use the program that we have now where we set priorities as a government and allocate our resources on that basis. Thank you, Mr. Speaker.

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

Supplementary to Question 134-14(3): Profiling Revenues from the Proposed Hotel Tax

MR. BELL: Thank you, Mr. Speaker. What about the tax on alcohol? Could we maybe turn around and apply all that money to the prevention of FAS or other worthwhile causes like that, Mr. Speaker? Thank you.

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

Further Return to Question 134-14(3): Profiling Revenues from the Proposed Hotel Tax

HON. JOE HANDLEY: Thank you, Mr. Speaker. It is the same situation there. We collect maybe \$13 million or \$14 million a year through alcohol taxes or sale of alcohol products. It is not really a tax. Again, the amount of money that we spend on promotion of responsible living, the prevention of alcohol abuse

and FAS/FAE, the other problem that results from alcohol abuse, the amount is much greater than what we collect. It is the same situation with the tobacco tax. I say let us set the priorities as a government and allocate our money accordingly, rather than trying to dedicate money, or we will find ourselves shortchanged in some very important areas. Thank you.

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

Supplementary to Question 134-14(3): Profiling Revenues from the Proposed Hotel Tax

MR. BELL: I think it is fortunate then that the amount we spend on tourism is not much more than what we will collect with this hotel tax, because we spend so little. I am wondering if the Minister does see a change here or maybe this could be a precedent for future governments.

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

Further Return to Question 134-14(3): Profiling Revenues from the Proposed Hotel Tax

HON. JOE HANDLEY: Mr. Speaker, I want to assure the Member that we do spend a lot more, even though it is not a great amount, on tourism than this tax will collect. We have spent roughly \$4.5 million on tourism and parks. Are we setting a precedent that is dangerous by doing this? I think we are probably setting a precedent that is dangerous and would be irreversible if we found ourselves not liking this in a few years because it did not achieve the results we were aiming at. I do not think we are setting anything that is dangerous by this one, Mr. Speaker. It may prove to be a real good model for the partnership we want to have with the tourism industry and others who benefit from all the tourism activity that I anticipate that we can generate by working this way with people. Thank you.

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

Question 135-14(3): Premium Paid Due to Manufacturing Incentive Policies

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, this question is for the Minister of Resources, Wildlife and Economic Development, the Honourable Joe Handley. My colleagues have made statements supporting northern business and northern manufacturing. I also support northern manufacturing and purchases. What I am hearing from my constituents is that they are paying extra costs for homes built for them by the Northwest Territories Housing Corporation. They end up paying an extra \$40,000 or more for a four-bedroom house. My constituents are concerned that Business Incentive Policy supports businesses and not individual concerns.

The people and the government help to finance these businesses. Is there some protection in your policies to protect the citizens of the Northwest Territories from the extra costs they have to pay for these services? Thank you.

MR. SPEAKER: Thank you, Mr. Lafferty. The time for question period has expired, but I will allow Mr. Lafferty's questions to

continue until he is finished. The honourable Minister responsible for Resources, Wildlife and Economic Development, Mr. Handley.

Return to Question 135-14(3): Premium Paid Due to Manufacturing Incentive Policies

HON. JOE HANDLEY: Thank you, Mr. Speaker. I think in previous governments, we embarked on the support for northern manufactured products and northern value adding, that we did it looking at the bigger picture. We have to look at this in the big picture. We have to find a way of diversifying our economy. It is always possible for somebody to make a onetime deal that is cheaper, less expensive. You can go and buy a tank or go buy a window or whatever that is less expensive somewhere else.

In the big picture, looking at the benefits in the northern economy, I am convinced that the support for diversifying our economy is worth it. I would have to see the figures to know that it is costing \$40,000 more to build a house using northern manufactured products.

The honourable Member, Mr. Dent, and I visited the fibreglass tank manufacturing facility recently. We were told by the owners that the price of fibre glass tanks is now cheaper in the North than it was several years ago before we had a northern manufacturer. When we did not have northern competition, we were taken advantage of by southern people who could sell us everything. Now we can buy tanks cheaper. We do not notice that in the price because people do not recall what the prices were five or six years ago. I can tell you that happens when we set up our own competitive businesses. We have to look at it in the big picture. Thank you, Mr. Speaker.

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

Supplementary to Question 135-14(3): Premium Paid Due to Manufacturing Incentive Policies

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, the Minister did not answer my question. My question was do your policies protect the citizens of the Northwest Territories from the extra costs they have to pay for these services? That was my question, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Lafferty. The honourable Minister responsible for the Department of Resources, Wildlife and Economic Development, Mr. Handley.

Further Return to Question 135-14(3): Premium Paid Due to Manufacturing Incentive Policies

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, no, the policy does not explicitly protect the homeowner from additional costs they might have to pay because we do not know what to compare that to. I am sure anybody can go to the Home Depot in Edmonton and buy something cheaper than they could in the North. There is no way for us to provide that kind of protection. Thank you, Mr. Speaker.

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

Supplementary to Question 135-14(3): Premium Paid Due to Manufacturing Incentive Policies

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, is the Minister willing to look into this so we can protect all of the citizens of the Northwest Territories from the extra cost they have to pay when we are building their homes or for anything under the social envelope in the purchasing departments? Thank you.

MR. SPEAKER: Thank you, Mr. Lafferty. The Minister responsible for the Department of Resources, Wildlife and Economic Development, Mr. Handley.

Further Return to Question Question 135-14(3): Premium Paid Due to Manufacturing Incentive Policies

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, that is certainly something we can take into consideration as we do the review of the Business Incentive Policy. We do not want to see northern people having to suffer inordinate amounts just because of the policy. Yes, we can do that.

MR. SPEAKER: Thank you, Mr. Handley. The time for question period is over. Item 7, written questions. The honourable Member for Mackenzie Delta, Mr. Krutko.

ITEM 7: WRITTEN QUESTIONS

Written Question 5-14(3): Support For Northern Manufacturers in Interjurisdictional Ventures

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, I have a written question to the Minister responsible for the Northwest Territories Housing Corporation. Northwest Territories Business Incentive Policy in support for northern manufacturers acknowledges the government's initiatives in other jurisdictions, such as Alaska, to increase trade investment. We need to ensure northern businesses are accessing and encouraged to participate in those inter-jurisdictional ventures. Can the Minister:

1. Provide a list of northern suppliers and manufacturers, including sub-contractors, that were used in the recent sale of a seniors' complex in Alaska.
2. Discuss the need for enforcement and accountability programs that are in place to ensure northern manufacturers and suppliers and support services will be used in future trade transactions in other jurisdictions.
3. Provide me with a contract report that will provide:
 - a) a total value of contracts;
 - b) a list of northern businesses that were used in the contracts; and
 - c) the amount of revenue generated from each of the listed northern businesses using contractors for every transaction made by the Northwest Territories Housing Corporation outside of the Northwest Territories in the past five years.
4. Provide me with information showing whether or not the government's Business Incentive Policy infringes upon the North American Free Trade Agreement.

MR. SPEAKER: Thank you, Mr. Krutko. Item 7, written questions. The honourable Member for Great Slave, Mr. Braden.

Written Question 6-14(3): Information Regarding Douglas Anderson

MR. BRADEN: Thank you, Mr. Speaker. I have a written question today for the Minister responsible for the Department of Health and Social Services. One of my constituents, Douglas Anderson, is trying to obtain information about the reason he was taken from his family and into the care of the government when he was a young person living with his family in Eskimo Point, or Arviat in Nunavut as it is known today. I should note the department has already provided certain information under the Access to Information Act. In spite of this, Mr. Anderson still believes some key information is not available regarding the reasons he was taken from his family.

My written question is: will the Minister of Health and Social Services have any further information or reports concerning the reasons Mr. Anderson was taken from his family and into the care of the government, particularly as noted in, but not limited to correspondence of January 12, 2000, from the department to Mr. Anderson? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Braden. Item 7, written questions. The honourable Member for Yellowknife South, Mr. Bell.

Written Question 7-14(3): Palliative Care

MR. BELL: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Honourable Jane Groenewegen, Minister of Health and Social Services. Further to my oral questions in committee of the whole regarding palliative care in the North, I am requesting a response in addressing the following written questions:

1. Recognizing the demand for palliative care facilities and the need for alternative care will surely increase over the years, I would be interested in receiving the statistics relating to the number of deaths per year due to a terminal illness and deaths resulting from palliative care patients.
2. Could you provide a breakdown as to whether the deaths occurred within a hospital, other facilities or a home setting? If these figures are readily available for the past five years, I believe they would confirm an increased need for palliative care services, especially for seniors.
3. A cost analysis for palliative care for the terminally ill, including a breakdown of the hours of care required to provide service by physicians and nurses, as well as the additional costs incurred for other hospital services.
4. What is the number of current hospital beds allocated at Stanton to accommodate the needs of the terminally ill or those requiring palliative care?

Thank you for addressing the above questions. I look forward to your timely response so I may reply to my constituent regarding these issues. Thank you.

MR. SPEAKER: Thank you, Mr. Bell. Item 7, written questions. The honourable Member for Frame Lake, Mr. Dent.

Written Question 8-14(3): Fibreglass Water and Sewer Tanks

MR. DENT: Thank you, Mr. Speaker. I have some written questions for the Minister responsible for the Northwest Territories Housing Corporation, although the Minister for Resources, Wildlife and Economic Development may have already provided an answer.

1. What was the average price the Corporation paid for fibreglass water and sewer tanks F.O.B. Yellowknife for the years 1985 through 1989; and
2. What was the average price the Corporation paid for fibreglass water and sewer tanks F.O.B. Yellowknife for the years 1995 through 1999?

Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to opening address. Item 10, petitions. Item 11, reports of standing and special committees. Item 12, reports of committees on the review of bills. Item 13, tabling of documents. The honourable Member for Weledeh, Mr. Handley.

ITEM 13: TABLING OF DOCUMENTS

Tabled Document 26-14(3): GNWT Business Plans 2000-2003

HON. JOE HANDLEY: Thank you, Mr. Speaker. I have two documents to table today. Mr. Speaker, I wish to table the following document entitled Government of the Northwest Territories Departmental Business Plans 2000-2003.

Tabled Document 27-14(3): GNWT Results Report 1998-99

As well, Mr. Speaker, I wish to table the following document entitled Government of the Northwest Territories Results Report 1998-99. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. Item 13, tabling of documents. The honourable Member for Hay River South, Mrs. Groenewegen.

Tabled Document 28-14(3): It Takes a Community: A Report to the Northwest Territories Department of Health and Social Services on Child Welfare Services in the Northwest Territories

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I wish to table the following document entitled It Takes a Community: A Report to the Northwest Territories Department of Health and Social Services on Child Welfare Services in the Northwest Territories. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Item 13, tabling of documents.

Tabled Document 29-14(3): Summary of Indemnities and Expenses for Fiscal Year Ended March 31, 2000 for Members of 13th Assembly

I wish to table the summary of indemnities and expenses for the fiscal year ended March 31, 2000 for the Members of the

13th Legislative Assembly for the period ended April 1, 1999 to December 6, 2000.

Tabled Document 30-14(3): Annual Report of Members' Indemnities and Expenses for Fiscal Year Ended March 31, 2000 for Members of 14th Assembly

In accordance with section 35 of the Legislative Assembly and Executive Council Act, I wish to table the Annual Report respecting Members' indemnities and expenses for the fiscal year ended March 31, 2000 for the Members of the 14th Legislative Assembly. This report covers the period from December 7, 1999 to March 31, 2000.

Tabled Document 31-14(3): Declarations Made by Members Setting Out Their Place of Residence

In accordance with section 19 of the regulations made pursuant to the Legislative Assembly and Executive Council Act, I wish to table the declarations made by Members setting out their place of residence.

Tabled Document 32-14(3): Modernizing Our Electoral System: Report of the Chief Electoral Officer of the Northwest Territories

In accordance with section 164 of the Elections Act, I have the pleasure of tabling the report of the Chief Electoral Officer of the Northwest Territories entitled Modernizing our Electoral System, on the conduct of the 1999 general election of the 14th Legislative Assembly.

Item 13, tabling of documents. Item 14, notices of motion. The honourable Member for Yellowknife South, Mr. Bell.

ITEM 14: NOTICES OF MOTION

Motion 6-14(3): Development of a Comprehensive Literacy Strategy

MR. BELL: Thank you, Mr. Speaker. Mr. Speaker, I give notice that on Friday, July 7, 2000, I will move the following motion. Now therefore I move, seconded by the honourable Member for Deh Cho, that the government immediately undertake the development of a comprehensive literacy strategy for the Northwest Territories.

And further, that the development of the strategy be a cooperative effort of all departments, particularly those in the social envelope, with the Department of Education, Culture and Employment as the lead department. Furthermore, that the literacy strategy be directly linked to the aboriginal languages strategy currently under development, specifically in relation to the preservation of aboriginal languages in both the written and oral forms.

Furthermore, that the strategy address the need to measure and increase literacy levels in all official languages in the Northwest Territories. And furthermore, that the active involvement of applicable agencies, appropriate non-government organizations, literacy practitioners, aboriginal organizations and communities are engaged in the development and implementation of the strategy.

Furthermore, that a key component of the strategy be a mechanism to address the need for multi-year funding of the literacy program delivery groups and organizations. And

furthermore, that the strategy include an effective, accountability framework to provide timely and accurate results measurement and evaluation. Furthermore, the strategy framework be completed and presented to the Standing Committee on Accountability and Oversight for review no later than November 30, 2000. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Bell. Item 14, notices of motion. The honourable Member for Tu Nedhe, Mr. Nitah.

Motion 7-14(3): Extended Adjournment

MR. NITAH: Mahsi, Mr. Speaker. Mr. Speaker, I give notice that on Friday, July 7, 2000, I will move the following motion. I move, seconded by the honourable Member for Weledeh, notwithstanding Rule 4, that when this House adjourns on Friday, July 7, 2000, it shall be adjourned until Tuesday, October 31, 2000. And further, that anytime prior to October 31, 2000, if the Speaker is satisfied after consultation with the Executive Council and Members of the Legislative Assembly, that the public interest requires the House should meet at an earlier time during the adjournment, the Speaker may give notice and thereupon the House shall meet at the time stated in such notice and shall transact its business as it has been duly adjourned until that time. Mahsi, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Nitah. Item 14, notices of motion. Item 15, notices of motions for first reading of bills. Item 16, motions. Item 17, first reading of bills. Item 18, second reading of bills. The honourable Member for Hay River South, Mrs. Groenewegen.

ITEM 18: SECOND READING OF BILLS

Bill 10-14(3): An Act to Amend the Adoption Act

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I move, seconded by the honourable Member for Nahendeh, that Bill 10, An Act to Amend the Adoption Act, be read for the second time.

Mr. Speaker, this bill amends the Adoption Act to:

- provide for the appointment of a deputy director of adoptions and a deputy registrar of the adoption registry;
- enable the director of adoptions to withdraw his or her approval of a proposed placement or of an applicant prior to the placement of a child;
- require adoption workers to endeavour to provide information to a person who places a child for adoption before the person consents to the adoption;
- require that the director of adoptions be notified when a child is placed in the permanent custody of the director of child and family services for protection reasons and the plan of care for the child does not preclude placement for adoption so that an adoption worker may explain the adoption registry to relevant persons and take their personal histories;
- require that copies of court documents, except those ordered sealed by the court, are provided to the director of adoptions and deposited with the adoption registry when an adoption order is made;

- provide that the registrar may request copies of court documents or information from the court file and deposit them with the adoption registry;
- provide that the records and microfilm of the records of the Superintendent of Child Welfare must be placed with the adoption registry so that registry information may be compiled from the records and disclosed to the natural parent or the adopted person in specified circumstances;
- include a transitional provision which deems the director to be the Superintendent of Child Welfare and an adoption worker to be a child welfare worker in respect of those adoptions which are governed by the Child Welfare Act;
- include a transitional provision to enable an adoption worker to explain the adoption registry to relevant persons and to take their personal histories where a permanent custody order has been made under part 1 of the Child and Family Services Act or any predecessor act and the child is placed for adoption under this act; and
- make minor corrections or clarifications in a number of provisions.

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, please signify. Thank you. All those opposed? The motion is carried. Bill 10 has had second reading. Accordingly, the bill stands referred to a committee. Item 18, second reading of bills. Item 19, consideration in committee of the whole of bills and other matters. Bill 1, Bill 4, Bill 5, Bill 6, Committee Report 1-14(3), Committee Report 2-14(3), Committee Report 3-14(3), and by the authority given 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, with Mr. Lafferty in the Chair.

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

CHAIRMAN (Mr. Lafferty): I would like to call the committee to order. We have a number of items to deal with. What is the wish of the committee? Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I would like to recommend the committee resume consideration of Bill 1 and concurrently Committee Report 1-14(3), Committee Report 2-14(3), Committee Report 3-14(3), specifically to start by considering the budget for the Department of Transportation, followed by the Northwest Territories Housing Corporation and perhaps Aboriginal Affairs.

CHAIRMAN (Mr. Lafferty): Thank you. Does the committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Mr. Steen, do you have any opening comments?

HON. VINCE STEEN: Yes, Mr. Chairman. Members of the committee, it is my pleasure to be here today to review the Department of Transportation's appropriation for 2000-2001.

The budget we are reviewing today is a modest plan that demands the Department of Transportation manage carefully within the tight limits of the government's present financial position. The department is requesting a total budget of \$68,496,000 consisting of \$46,670,000 for operations and maintenance of the transportation system and \$21,826,000 for capital acquisitions.

The department plans to deliver its mandate to operate the territorial system of public transportation infrastructure safely and reliably; our airports, ferries and highways. The department's proposed appropriation for 2000-2001 stays pretty much the same as its 1999-2000 budget. There are no significant increases nor any significant reductions. With the stable budget proposed here, the people of the Northwest Territories can count on the department to maintain the transportation programs and services they rely on and expect.

As set out in the document, Towards a Better Tomorrow, it is this government's intention to lay the groundwork in the Northwest Territories for a more stable and prosperous future for all Northerners.

The recent expansion in the Northwest Territories' resource industries has placed greater demands on the territorial highway system. To keep pace with this heavier, industrial traffic, the Department of Transportation has planned capital improvements for Highways No. 3, No. 4, No. 7 and No. 8 where the impacts of the increased traffic have been heaviest.

The reconstruction of Highway No. 3 should progress by another 8 kilometres this year at a cost of \$6 million. The department is involved in provincial-territorial discussions to apportion the \$600 million National Highway Program announced by the federal government earlier this year. The new federal money for highways will be applied to accelerate the reconstruction of Highway No. 3.

In anticipation of continuing oil and gas industry development in the Liard Valley, approximately \$500,000 is scheduled for grade stabilization and surface improvements on the first 50 kilometres of Highway No. 7 from the British Columbia border north to Fort Liard.

On Highway No. 8, the \$2 million reconstruction program for 2000-01 includes the installation of a new bridge at Campbell Creek south of Inuvik. The bridge replaces two large diameter culvert pipes and should prove more habitat-friendly for fish stocks in the stream.

This year, the Department of Transportation intends to continue with its bridge program on the Mackenzie Valley winter road into the Sahtu. The completion of the Ochre River bridge at a cost of \$960,000, by allowing the winter road to open earlier, should extend the winter road season by as much as a week. The longer operating season is important not only to the Sahtu communities but also for the oil and gas exploration programs in the region.

The Non-Renewable Resource Strategy maps out an investment program that would help bring our non-renewable natural resources into production, expand the territorial economy and reduce our financial dependence on the Government of Canada. Improved surface transportation access to our resources is, of course, central to realizing this economic potential. The Non-Renewable Resource Strategy incorporates much of the work the Department of

Transportation has done on the technical feasibility and economic cost-benefits of new highways anti-transportation corridors. The completion of the Mackenzie Valley Highway from Wrigley to Tuktoyaktuk and improved access to the Slave Geologic Province are two of the strategy's principal recommendations for stimulating strong economic growth.

Mr. Chairman, these are the principal highlights of the Department of Transportation's program for 2000-2001. In line with the government's financial position, this is a modest budget. The few capital projects I have mentioned are important, but I know from the Members' comments here in this House, there is so much more that could and should be done to preserve and maintain our past investments in the territorial transportation system. We all look forward to better economic times that would let us catch up with some of the work we have had to put aside in these leaner years.

With that, Mr. Chairman, I conclude my remarks. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Steen. Does the chairperson of the Standing Committee on Governance and Economic and Development have any comments? Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. Just a quick correction, I am not the chairperson of this committee. My honourable colleague, Mr. Roland, is. The committee report on the Department of Transportation:

General

The mandate of the Department of Transportation is to provide safe, accessible and reliable movement of people and goods to serve the social, economic and political needs and aspirations of the people of the Northwest Territories.

The Standing Committee on Governance and Economic Development reviewed the 2000-2003 business plans and draft main estimates for the Department of Transportation on Wednesday, May 31, 2000. The committee noted a \$2,942,000, or 4 percent decrease in total operations, or O and M expenditures between the 1999-2000 main estimates and the 2000-2001 draft main estimates. This projected decrease in O and M expenditures may be greater than it appears, as it may be offset by the transfer of capital assets valued under \$50,000 from capital expenditures as required by the new tangible capital assets reporting process. The committee also noted a \$9,334,000 or 30 percent decrease in total capital expenditures between the department's 1999-2000 main estimates and the 2000-2001 draft main estimates. Committee members also noted a decrease of six staff positions for an overall two percent decrease in the number of staff since the presentation of the 1999-2000 main estimates.

The committee's main concern is the government's ability to maintain and expand our transportation infrastructure despite continuing reductions in funding. Eventually the committee concluded public safety will be compromised. Access to resources and linkages between communities with southern markets require an extensive and well-maintained transportation system.

Furthermore, if any reductions in funding are to be made, they should be implemented equitably across the board. This recommendation was also made in the committee's review of the 2000-2001 interim appropriations, which stated that if any funding cuts are considered in any programs or services within

government, they should be made equally across the board.

Expenditure Reductions; Highway Strategy and Federal Funding

The committee concluded that our transportation system could no longer incorporate further cuts in expenditures. Further reductions will lead to increased repair and replacement costs in the future as well as compromising public safety in the immediate and long term.

The committee pointed out that the federal National Highway Programs that will be initiated in 2002-2003 might provide funding for major highways. Should it be based on the current transportation funding formulas, the territorial government will have to match funds with the new federal funding. The territorial government is in a difficult fiscal position and new monies will remain difficult to procure. The committee stated that this government should not be penalized for developing our highway system, and furthermore, the committee is concerned that the federal program will not provide funding for secondary highway systems. The committee urged the government to lobby the federal government vigorously to ensure that any new funding formulas include adequate funding for all major highways, including secondary systems, to ensure our road system remains safe and reliable.

The Standing Committee on Governance and Economic Development recommends that the government not make any further reductions in funding for the NWT transportation system and further, that the government increase pressure on the federal government for additional funding for the NWT transportation system.

Winter Roads, Community Access Roads and Ferries

Winter roads are an important component of our highway system. These roads provide increased and cost-effective access to resources. Committee members encourage the department to look for options to increase the window for winter road usage. The department agreed.

The committee noted that the Community Access Roads Program has been totally allocated. This program not only provides seasonal employment but expands a community's road system to include recreation, cultural and heritage sites. This program is an important component of a community's ability to attract increased tourist dollars. The department agreed and replied that funding for next year is available upon application.

Committee members noted that in many cases, ferries are not only facing low water levels but also increasing operational costs due to more stringent regulatory regimes. The use of ferries in some operations may no longer represent good value for money. Increased expenditure requirements combined with a reduced window of usage may eventually see bridges as a more cost-effective alternative. The committee remains open to bridge and other proposals that will contribute to a more efficient, effective and economical transportation system.

Public Safety

Committee members are concerned about the number of impaired driving and accident statistics on our highway system. As funding reductions appear to be the norm for at least the short term, safety on our highway system may be further

minimized. The department agreed and is preparing a legislative proposal to more effectively address the number of impaired and reckless driving incidents. This concludes the committee's report on the department. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Nitah. I would like to ask the Minister if he wishes to bring in witnesses.

HON. VINCE STEEN: Yes, Mr. Chairman, I would.

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

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): I would like to ask the Sergeant-at-Arms to bring in the witnesses. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. Mr. Chairman, we are scheduled for a break at 12:30 p.m. I recommend the Minister bring in his witnesses after the break at 1:30 p.m. for general comments. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. What is the wish of the committee?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): We will break now and return at 1:30 p.m.

-- Break

CHAIRMAN (Mr. Lafferty): I will call the committee to order. Would the Minister like to call in any witnesses?

HON. VINCE STEEN: Yes, Mr. Chairman, Thank you.

CHAIRMAN (Mr. Lafferty): Sergeant-at-Arms, would you please escort the witnesses in. Mr. Minister, please introduce your witnesses for the record.

HON. VINCE STEEN: Thank you, Mr. Chairman. On my right is Ms. Lynn Cook, director of corporate services, and on my left is Doug Howard, the assistant deputy minister.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Steen. General comments on the departmental estimates. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I noted from the Minister's opening comments that the department is planning the reconstruction of another eight kilometres on Highway No. 3 along with work on other highways. I would just like to say that I think this is an important highway to continue some work on. There is an expectation that work will be done on every highway in the Northwest Territories. I know that this highway, because of its traffic, is a very big concern to my constituents because of the safety. I have had, over the years, particularly in the last year, a large number of phone calls from constituents who are concerned about the safety of themselves and other people travelling that highway. I know right now as things stand, we are looking at a ten year program to redevelop the highway. I think that is way too long. We really must find a way to get some federal investment in that highway so it can happen much more quickly. I know the Minister talked about new federal money in his opening comments as something that they are going to be going after. There is only \$600 million in the National Highways Program.

I remember attending a meeting earlier this year at which a department of highways official informed us that the estimate for bringing Highways No. 1 and No. 3 was about \$250 million. Could the Minister confirm that that is the approximate amount that it would take to bring those two highways to national standards?

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Dent. Minister Steen.

HON. VINCE STEEN: Yes, Mr. Chairman. I have been given the figure of \$249 million, which includes the bridge.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I am wondering if the Minister can also separate the amounts out. How much was for the highway and how much was for the bridge?

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Dent. Minister Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. I will ask my assistant deputy minister, Doug Howard, to respond to that.

CHAIRMAN (Mr. Lafferty): Mr. Howard.

MR. HOWARD: Thank you, Mr. Chairman. The department's current estimates for the bridge are in the order of \$60 million.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. As I said, so we are about \$249 million away from having a highway of national standards. We are spending this year, on the Highway No. 3 portion only, \$6 million. It is going to take an awfully long time to attain national standards on that highway. I am hoping that the Minister will make sure that he really works to bring the story to his colleagues across Canada to demonstrate that our need is significant. I have no doubt that there are similar needs, particularly in northern parts of provinces and the other northern territories. Perhaps, not only should we be lobbying for a significant portion of the \$600 million, but I would like to hear that the Minister will work with other transportation Ministers to put on the table for First Ministers meetings the issue of the National Highway Program and whether or not the monies are adequate for that. I think we need to see an awful lot more than \$600 million.

This money typically turns into construction jobs that Northerners can fill, or people, wherever the money is being spent. This is an important economic initiative and I would like to see its profile raised. Will the Minister commit to working with his colleagues across Canada to do that?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. As a Minister, I have committed to that already in the House, but I can reaffirm that at this point. Just for the information of the Members, Mr. Chairman, what we see to complete Highway No. 3 reconstruction, is a \$66 million figure out of the \$249 million. We suggested to the feds that we would cost-share that with them at \$33 million apiece, and we would consider that our share of the \$600 million highway infrastructure money. It works out to 5.5 percent, that we would be getting out of the \$600 million. In my recent meeting with Minister David

Collenette, he gave me strong suggestions that the formula may not be necessarily based on per capita per kilometre, but rather on needs.

Because our highways are the only highways left out of the national highway system that is in need of hard top, we definitely qualify in the need category. He also suggested that he will be working towards putting another \$1.2 billion in that program. By the time it comes into play, there might be \$1.8 billion in that National Highway Infrastructure Program. Our percentage of that may, in fact, be what we need to complete Highway No. 3. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I know from a few years of watching the Minister when he was a Member of the House, particularly on the Ordinary Member's side, that he had a reputation for being tenacious. Some would say like a dog with a bone with some meat on it. I would encourage the Minister to adopt that same tenacity that we used to see in here when he goes after the feds on this issue, because we really need to see that money. I do not see any way to pull the money out of thin air or another area of our budget. I am hoping that he will really go after the feds and make sure that we get our fair share of the federal dollars and that it happens fairly soon. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I appreciate the comment. I think that what I am trying to do here is to avoid giving people the wrong impression that we may, in fact, be receiving this funding. I really cannot put words in the federal Minister's mouth. However, I did leave quite optimistic that we were going to get more than our share of that funding. He was very supportive of developing the roads outside of rural areas, and particularly in the North. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. One other area that I hope the Minister will follow up on. I remember reading a speech that Minister Nault, the Minister responsible for DIAND, made in which he made it sound like his department was prepared to invest in road infrastructure if there were significant community involvement. I would hope that the Minister would work to try and bring the communities at either end of that stretch of highway into the fold and see about making an approach to the Minister to see if there might not be a few dollars that we might see from DIAND to put into this highway.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, the department received a lot of support from the communities through our committees that we had established in order to address our Northwest Territories Highway Strategy. In meeting with the communities up and down the valley, plus in the North Slave, there was strong support for highway systems and development of highways. Even from the communities' perspectives in terms of the communities' abilities to get involved and construct their portion of the highway, rather than the highway being constructed from one end working to the other, the suggestion all along the valley that the construction would take place in the areas of the communities. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I am sure that the Minister knows the gist of my comments that are coming second time around. It is not going to be unique. I have two issues I would just like to touch on. One is Highway No. 5, and the other is access to the Slave geological province. Mr. Chairman, it would be remotely heartening if Highway No. 5 even got on the capital plan, knowing how capital plans change from year to year. Except for prior year's cost, where there was some money spent a number of years back. I know the Minister's situation with finances, but I want to very clearly put it on the record that it still is a concern for Fort Smith and the South Slave. While my colleague Mr. Dent says they are only spending \$6 million on Highway No. 3, we would be tickled pink to get \$300,000 per year to get some work done. If Mr. Dent is willing to share that, I would be more than willing to support the Minister moving \$300,000 a year to Highway No. 5.

The other issue is the issue of access to the Slave geological province. I am interested to know if there is a position by the department and government as to which route they are interested in taking? It seems to me there are quiet improvements to Highway No. 4, or Ingraham Trail, and it is going to reach the point where there is so much money invested that the government will say that we are committed to this particular route because we have invested so much money. Whereas I know that the people in the North Slave and the Dogrib region are very interested in having a road through their territory that would hook up all their communities as well as provide access to the mines, it would be there a long time after the mines closed down, giving us a significant added benefit of having a number of communities on all weather road access.

So those are my two issues. I do want to acknowledge the commitment and upgrade that is going on to the airport terminal in Fort Smith. It is much appreciated. When the Minister of Transportation hits the lotto for highways, we will be there with our little cap in hand, looking for a few shekels to put towards Highway No. 5 chip-sealing. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Miltenberger. Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I sympathize with the Member, in that his highway is not being addressed at this point in time with chip sealing. I am optimistic that we are going to find some funding in the near future that we could use towards expanding our capital. I am also encouraged by the report from the committee that they do not feel that this department should bear any more cuts in our capital programs because we are, in fact, starting to suffer as to our ability to maintain what we have and bring it up to national standards.

In the past, Highway No. 5 was addressed with some hard topping, as the funding was available. It is just unfortunate that the funding is very reduced now. Remarkably, as I have been told, up to 50 percent reductions in the last four to eight years. We are, in fact, barely operating as a department in our ability to bring our existing highways up to standards. We definitely need new funding sources.

As far as the Slave geological province and whether or not Highway No. 4 will become part of the resources as suggested, we have no decisions on that yet. It is included in the

Northwest Territories Highway Strategy and that has not been accepted or presented to Cabinet yet. We are expecting that sometime this fall, when the department will have all the information in from the committees and from the different areas. There have been no decisions made yet at this point, where the highway will take off towards the Slave geological province. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Miltenberger. General comments. Mr. Bell.

MR. BELL: Thank you, Mr. Chairman. I have some general comments with regard to the department, specifically with Highway No. 3, and I appreciate that the Minister is looking for additional funding and is optimistic that we may soon see a larger portion or, at least a portion of what would be \$1.8 billion, instead of a reduced amount for highway infrastructure. That is good news. I think we sorely need it.

I am, obviously, most familiar with the problems surrounding Highway No. 3, and that is the highway that I am most concerned about. There are two real issues for me and my constituents. The first one has to be safety. I have driven that road many times in the past. Many of my constituents also drive the road. I feel that it is not safe. Obviously, it is not up to national standards. I do not even think that is a question in anybody's mind, but after bad weather conditions, I think it is downright treacherous.

I think it is only a matter of time before we see further accidents on the road and that is terrible. I think we have to do whatever we can to prevent that. Given that, I understand that this government does not have any more money to put towards roads and the money is going to have to come from the federal government. We have to do whatever we can to lobby the federal government, on whatever basis necessary to get some more money to upgrade the infrastructure we now have.

I think the argument with the federal government is going to be that we do not want to put a price on safety and we do not think governments can put a price on safety, but we see it all the time. Governments do. The federal government has and will continue to do that. Obviously, if cost was no object, we would have our road and it would be safe. So there is a price, but I think we have to argue to the federal government that tourism is suffering as a result of the condition of that road, as is industry. I think that that is what they are very concerned about. Right now, they get all the royalties from all the mineral development in the North and obviously it is going to be very lucrative in the future. I think they should be interested in ensuring that road is up to standard so that it can be effectively used by industry. That is sort of backwards logic. We would like to see control and devolution of the authority and get the resources ourselves, but in the meanwhile, I think we have to lobby them hard in this area and explain that industry will suffer as a result of that road.

In one of the accidents last year where a tank truck flipped off the road, there was some indication that the driver was sort of forced off the road, or had to go off the road as he passed another truck in that area. And also some discussion that at certain points in that road, two semi-trailer trucks cannot actually physically meet without one of them going off the road. That is a scary thing to think about. If that indeed is true, then that is something that we have to look at immediately, because I think the results of two trucks meeting at a point in that road,

where it is impossible for them to pass, could be catastrophic. I think that has to be immediately addressed.

So, although I do not believe we can put a price on safety, I believe the reality is that the government will. I would like to see them move quickly to spend some money to upgrade all of our roads, but certainly the ones that will affect industry are going to get the attention first, and I think that that is a reality.

With the department's action this last year to lower the speed limit to 70 km per hour on the road, I think that is an indication that they understood the conditions of the road were brutal. This was an attempt to address the safety issue. There were some people who suggested that maybe they would not address safety issues because people would then be motivated to pass these larger vehicles on what is a treacherous road certainly to pass on.

So I think the government had the best intentions. I am not sure what the verdict was. I guess there were no serious accidents, so we can take it to mean it was effective.

I do not know if that is a solution in the future. I do not know if we need to lower the speed on development and lower the speed for tourists and other things. I think we need to fix the road and I know the Minister will continue to lobby hard to get us the money we need and I want to urge him to continue in that manner. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, in my opening comments, I referred to the amount of money that we asked for, for operations and maintenance. We believe that this funding will allow us to address any operations and maintenance needs that are identified on the existing highways and that includes increased traffic for oil and gas development or mining development. The demands they put on the highway results in us having to do further maintenance.

Relative to Highway No. 3, we may in fact have to do more maintenance on this highway, due to the truck traffic, while we are going through the process of reconstructing. So over the years, we may have to increase our maintenance cost on this particular stretch of highway, but we would not have the capability of addressing any needs that are identified on the highway to allow for safe passage on those highways.

My department has advised me over the last couple of days that there is nowhere on Highway No. 3 where two trucks cannot pass safely. The measurements we have taken are the minimum measurements. Two or three sections on that highway are eight metres. That is the minimum standard for the travel portion of the highway. This does not count shoulders.

Now, if we get areas that are below the standard, we would take steps to bring it back up while we are waiting for the reconstruction program to catch up. We definitely can say that we do not have an area on Highway No. 3 where two trucks cannot safely pass.

As far as our ability to address the needs on any of the highway systems, it is basically the same thing, Mr. Chairman. All of our highways are being impacted by more and more traffic on these highways and weather conditions that take their toll. We cannot always catch up right away to respond to

weather conditions that have created potholes, but that is to be expected.

In particular, if the highways are calcium, they are soft and are more subject to rain. They are also slippery. It is at those times that the driving conditions are no longer safe, if you go at speeds that you cannot control the vehicles. Therefore, we always fall back on the saying that your speed should be limited by your ability to control the vehicle, subject to the condition of the highway that you are driving on. It is not based on what is posted. It is based on your ability to control the vehicle in the conditions that you are experiencing.

So we keep telling the public that you have to adjust your speed. In the case of last winter, where we found it may be a need to reduce the speed of the trucks, this was in response to the amount of truck traffic, plus people complaining that they were, in fact, having problems navigating the highways with the speed of the trucks. So we put speed limits in place for trucks. These are measures that we will take in order to keep highways passable and safe.

At this point in time, we have not had to shut any highways down, but that is not to say that we will not do it if we feel they are not safe and passable. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Bell.

MR. BELL: Thank you. I thank the Minister for that response. I do have a bit of a follow up.

At kilometre 55 in the road, roughly half way between here and Rae, the road winds a bit and there is water on both sides of the roads. It has been suggested to me by several constituents in the past and people in industry that at certain times in the last couple of years, because of weather conditions as Mr. Steen alluded to, the road does tend to erode at the shoulders. There have been times when two trailer trucks could not pass at certain points in that road. I am wondering if the Minister can tell me, to his knowledge, that at anytime in the last couple of years, have there been impassable parts and stretches of that road for two semis to meet, which would basically cause an accident regardless of whether they were going five kilometres per hour or 105 kilometres per hour? Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I have been advised that there was never a situation like that.

CHAIRMAN (Mr. Lafferty): Thank you. General comments, Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. One of the concerns I have, especially realizing that this government has some 3,620 kilometres of road to maintain, we are only talking here of Highway No. 3, which is 330 kilometres of road. Yet the majority of the money that is in this budget, is concentrated on that particular road.

So I would like to know exactly, what happens to the other 3,300 kilometres of road that we have? Is there money there to ensure that those will continue to be maintained and brought up to the certain standards that Highway No. 3 and the people from Yellowknife have been asking for? People have to realize that the Northwest Territories is unique and we have population

spread out in over half a million square miles of land. It seems like there is some greed here with regard to the amount of money that is being requested for one particular highway, some 300 kilometres, yet we do not hear anything in regard to who is taking care of the other 3,300 kilometres of road.

So we are just concentrating on less than ten percent of the major road systems in the Northwest Territories. I think, for myself, that I feel that this government is overextending itself on the amount of money being put into one particular highway system. Sooner or later, we are going to pay for the upgrades that are going to be needed to improve the other 3,300 kilometres of winter roads and we are talking about the problems we are seeing with contractors going into the different communities because of the seasonal conditions, the crossings at river crossings, in regards to ice roads. We have the community access road program that is 273 kilometres of road there that we are also maintaining and then, on top of that, we have the all-weather roads of some 20,000 kilometres.

For myself, I feel that if you figure out in the budget how much money is spent on the paving project on Highway No. 3, and the highway construction, you are talking about almost \$9 million out of the department's budget.

I feel that we have to be fair to all other highways in the Northwest Territories. We hear about concerns, especially in the requests from the oil and gas industry and the problems they have run into trying to improve that industry in the Sahtu. For them to get a rig in to drill in the Sahtu, with the seasonal conditions of the road, it costs them about \$1 million to drill a well in the Northwest Territories compared to \$60,000 in Alberta.

A lot of that cost is transportation. We are trying to entice the industry, but we have to realize there are developments happening in the Liard area, in the Beaufort Sea. There will be wear and tear on all of these other highway systems. I for one, feel very offended that there are no real increases in that area. If anything, there have been major decreases in the area of dust control on Highway No. 8, which has dropped almost \$80,000 from what it was last year. That was an initiative that was taken to try and improve the roads, yet we are cutting money where we could be making improvements.

Sure, \$80,000 may not sound like much when you are talking about \$8 million for 100 kilometres of road to be upgraded. The other concern that I have is because of this highway money from the federal government, it could jeopardize the revenue that we can put into increasing the federal government dollar allocation, especially if it is utilized with the old process where it was dollar for dollar. For every dollar we put in, the federal government put in a dollar. We are already maxed out at \$8 million for Highway No. 3. Where is the additional money going to come from to offset the money we are going to get from the federal government?

That is a concern I have raised in committee and one I continue to raise because what I see is that we have put too many resources into one particular highway system which could jeopardize our ability to access federal dollars. We do not have the ability within the Department of Transportation to find the extra revenues in the system that have already been allocated for other road systems.

So, can the Minister tell me if the department has looked at that and what are they doing to ensure there are more dollars fairly

allocated between the eight highway systems as opposed to just concentrating on one?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, the Member is correct in that we have a lot more highway than solely the kilometres of Highway No. 3. We have 2,200 kilometres of highway that we have to maintain. I think, as the committee goes through the budget, you will see where we are addressing our dollars to try and spread them out over all the 2,200 kilometres of highway, plus our winter roads.

You are going to see where we have addressed money for Highway No. 3, Highway No. 1, Highway No. 7, and Highway No. 8. Now, you will also see in there where we have addressed dollars towards a winter road bridge at Ochre River in an attempt to extend the winter road season.

I think it is important, Mr. Chairman, that I point out that we do not believe we are cutting ourselves short on maintenance dollars. We believe we have allowed each region to have sufficient funds to carry out their maintenance. Where we are short of money is for reconstruction, bringing highways up to standards and for hard topping or chip-sealing.

As a department, we have been attempting to do between 15 and 20 kilometres of reconstruction per year. This includes some reconstruction on Highway No. 8. Even this year, even though we had to cut back our capital, we still kept \$2 million for Highway No. 8 reconstruction programs. That includes the bridge. Those are the things I mentioned in my opening comments.

In reference to whether or not the department will be able to find the dollars to meet the National Infrastructure Program funds, we suggested that the \$33 million the federal government could fund towards the Highway No. 3 reconstruction program would in fact be spread over five or six years. That would allow us to use our existing funding to do twice as much. You could say that we have cut reconstruction from ten years down to five years.

We did not suggest that would be any shorter of a period than now, although there is pressure to have it reduced to three years. At this point in time, we were only suggesting a five year reconstruction program. I hope that answers the Member's comments, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you, Minister Steen. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Another area that I had concerns with was the Aklavik air terminal building that has been identified in the budget. The concern I have is we are just renovating an old building. Other communities with similar structures have had the majority of them replaced, the latest being up in Holman Island where they replaced it at a cost of almost \$600,000. In the case of Aklavik, the building was built the same year as the one in Holman Island, back in 1973 or 1977. It is almost 30 years old.

In the Delta, where we have problems with permafrost, this building is on pilings that now have to be replaced and is not part of this discussion. Because of the cost of renovations, does the Minister have an idea of what the cost will be in the future to have to replace the pilings on this building or do

another upgrade? Would it not be cheaper to just build a new facility now rather than having to do these retrofits to improve this structure?

I know for a fact, I have seen reports, where there are problems with the electrical systems, the structure, and in the report they do call for a replacement of the building. The decision of the department in this budget is to just do a retrofit. I would like to ask the Minister if he will consider reevaluating this facility and possibly go for a complete replacement instead of retrofitting it? Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko. Minister Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, if the committee does not mind, perhaps the Member could pose that question when we reach that activity and I could have Mr. Howard respond to that particular question under airport activity.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Steen. What is the wish of the committee? The Minister would like to answer the question later when we are doing the detail. We are on general comments right now. Mr. Krutko, the Minister wishes to answer it later.

MR. KRUTKO: Agreed.

CHAIRMAN (Mr. Lafferty): Thank you. General comments, Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. I would like to take a few minutes to make a comment about issues that are important to us. I want to talk about how to get the money from the federal government. Not that I have the answer, but I wanted to focus on that issue.

I listened with a great deal of interest when the Member for Frame Lake described past conduct of the Minister in the House. I am hoping that he will show as much dogged determination to keep going after the federal government for money. I hope that the Minister does not mind when I try to emulate his behaviour and act like a dog with a bone with meat on it.

Mr. Chairman, I think that the need for more money on our highway system, not just Highway No. 3 but all of the North, is very important. I do not think I need to go any further on that. I also believe that there is a real issue of safety on Highway No. 3 just because of the sheer volume of traffic that is on the road, especially during the winter road season, when there are hundreds of trucks going there, trying to meet their operations deadlines. I would not want to be responsible if there were ever major casualties on that road.

Mr. Chairman, I know that the Minister and a lot of Ministers in this government are relying heavily on assistance that we may be getting from the federal government. Given what has been said in this House in the last two weeks by various Ministers, I am not sure if we should be relying so much on that source.

I am beginning to think, for example, about the lack of money coming forward for the clean-up of the Giant Mine site and the renegeing of the commitment that the federal government had on the Protected Areas Strategy. Also, Minister Collenette's speech which had all of the municipal officials up in arms, his

philosophy about funding infrastructure, and so on. Those are only three of the latest things that cause me to be concerned.

I am not entirely comfortable or optimistic that we are going to be able to get any money. Also, given the fact that the federal government has announced a major economic development strategy for the Atlantic provinces they are going to be pumping a lot of money into that region, and yet in this part of the world, we have a lot of private companies investing upwards of a billion dollars and the federal government will not give us one penny to build the roads or train the people to take advantage of the industry.

My frustration at the lack of action by the federal government is endless. Mr. Chairman, I have to ask the Minister if in fact he has been aggressive in pursuing this option. I have not heard it or seen it in this House. I have not seen him saying anything publicly. I would like to ask the Minister for a diary of what he has done as the Minister of Transportation to get money from the federal government in the last six months.

CHAIRMAN (Mr. Krutko): The Minister responsible for Transportation, Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, as I indicated before, both now and in the past, the department has been fairly aggressive in trying to encourage the federal government to come forward with a plan that would address the needs that we have to bring our portion of the national highway system up to standards.

We have met with our federal counterparts and we have met with Mr. Collenette on more than one occasion. My department officials have been in touch with federal officials on the same issue. We have met with them trying to work out a formula. Now that we have convinced the federal government to put money towards the national highway system, we are working on how that money is going to be distributed and feel that we have a very strong point in that we have a portion of the national highway system that is not up to standards. We do use the fact that it is subject to closure due to freeze up and breakup. We are using all the avenues that we can. I set my limits at parking at Mr. Collenette's door. I do not think that is going to be that effective. I suppose you could say there are certain limits to what the federal Minister can do to respond because he does have an area that is bigger than the Northwest Territories. He does have political pressure that is larger than just us. I am not disappointed with the responses I have received from Mr. Collenette.

On the other hand, like the Member, I do not want to put all my eggs in a basket that I am going to get money from the federal government. We are operating right now on our existing funds. We are trying to address the needs of Highway No. 3 over a ten-year period because we do not have any other capital. I cannot reduce my capital in the other areas in order to meet Highway No. 3. There are needs territorial wide. I have the support of the committee, I believe, in that there should not be any more reductions of capital in the department. I am very encouraged with that and I am hoping that the rest of the government departments will be able to function without having to cut any more of our capital in order to address the social programs. It is not a decision made just by this department. It is made with Cabinet. It is made with committee's involvement and made in the Legislature. We do try to meet the needs that are identified. We are trying the best we can with the money we

have. I do not know what the Member could expect out of the department over what we are doing. We are trying our best. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. I think that it should be made very clear that I appreciate every single dollar that the department spends on Highway No. 3. I have not for one second asked that money be taken from elsewhere. I would caution the Minister to be very careful for not blaming and making up partisanship here where it is not necessary. I think it is really the reason why I am encouraging the Minister to go elsewhere. I have not for one second suggested that we take it from somewhere else. I understand that we have a lot more needs than the resources we have. I know that Highway No. 3 gets the bulk of that. The thing is, Mr. Chairman, I am also concerned about the ten percent cut on capital spending for the government. It affects many departments. It affects the job creation capabilities in the Territories. That is not what I am saying.

This is why I want to support and push the Minister to look for money elsewhere. There are compelling arguments to be made. Mr. Chairman, the Minister suggested in a very matter-of-fact way that next year we may be facing a possibility of closing down the highway just because it may be too dangerous. On top of that, we have no bridge there. We have a ferry system that shuts down this capital. It is a capital city, where at least 50 percent of the population lives. It may be necessary for all 19 of us to park ourselves outside of Minister Collenette's door or the Prime Minister's door. We cannot matter-of-factly, nonchalantly say if the road becomes too dangerous we reduce the speed and give all sorts of speed limits for different size trucks, and do the best we can. I understand that we have to make the best of what we have, but at the same time we have to look at other options.

My next question, Mr. Chairman, I know for a fact that the Minister and the department have been advised of many other possibilities. For example, when the DIAND Minister was up here he suggested to us that he may be able to do something if we were to get a proposal. Members have suggested to him other possibilities, like the Department of Industry, in training money with HRDC. They give away \$1 billion in grants and aboriginal funding mechanisms with the federal government.

We have no benefit with any of the industry and economic development money available to every other single place in Canada. There is a compelling case to make. I just think that if I was the Minister of Transportation, not that I am trying to be, but what options do you have? You get asked questions all day long about it, so I would have to look at all possibilities. Mr. Chairman, I would like to know, has he considered any other funding options and what came of it? I did not get his diary for the last six months, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Thank you, Ms. Lee. Mr. Minister, Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, the department has considered options for funding and it is not just on the short-term or through programs that we have going right now. I feel there is a good possibility and I am still optimistic that we could get a favourable response on, and that is the Non-Renewable Resource Strategy, Mr. Chairman. In there is funding identified by the department for the highway

needs all the way down the Dempster, down the Mackenzie Valley, and also Highways No. 1, No. 2, and No. 7.

We have good potential there if we can encourage the federal government to adopt that program and fund it. I am optimistic that there is going to be a favourable response. Until the response comes I am going to keep hoping that it is going to work. The Member is correct in that there are pockets of money here and there for training, but I believe that the whole Non-Renewable Resource Strategy identified all those potential funds and training programs. Yes, we have in a sense considered other options. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. McLeod.

MR. MCLEOD: Thank you, Mr. Chairman. I have heard the Minister on several occasions today and over the last couple of months indicate that if someone would give him the money he could do a lot more. Given the fiscal reality of the day I do not think we are going to be getting any new monies. I am not satisfied that all options out there have been looked at. In this day, with the shortage of money, we have to be fairly creative. I want to ask the Minister, because I know for a fact that there have been submissions in terms of a construction of a bridge and I know of two proposals that were submitted in the last term. I have been contacted by one of the organizations that submitted a proposal to the 13th Assembly and there has been no answer, no response at all.

It was my understanding that these submissions were made with no cost being incurred to the territorial government. I would like to know if he is aware of those submissions that were made to the Department of Transportation.

CHAIRMAN (Mr. Krutko): The Minister responsible for Transportation, Mr. Steen.

HON. VINCE STEEN: Mr. Chairman, I am not aware of anyone offering us a bridge.

CHAIRMAN (Mr. Krutko): Mr. McLeod.

MR. MCLEOD: Thank you, Mr. Chairman. If the Minister would take the time to look back at the submissions made to the 13th Assembly he will find that there were two submissions made. There is a company in Fort Providence that, on July the 8th, is making a presentation to the community to discuss the possibility of constructing a bridge. I cannot understand why the Minister is not aware of it when everyone else seems to be talking about a bridge, he does not seem to know. My question, since he is not aware of it, would he be willing to construct a bridge? Would he take that into consideration if the proposal was fiscally sound so that it did not incur a cost to the territorial government?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. VINCE STEEN: Mr. Chairman, my department says that they have heard of the proposal but they have not received any proposal. But we would be open to all options and all offers.

CHAIRMAN (Mr. Krutko): Mr. McLeod.

MR. MCLEOD: Thank you, that is good to hear. I have heard the Premier indicate that there is a real desire to increase the exploration season for oil companies by constructing a number of small bridges in the Sahtu area and in the areas north of

here. It really makes a lot of sense, but I was just wondering if the Minister has ever looked at trying to increase, by the same token, the shipping season along the Mackenzie for barging. I have noticed through my life in the community of Fort Providence that once the ice on the Mackenzie goes, it is another month before the tugboats can get out of Hay River because of the ice that is on the lake. The season does not usually start until the end of June, when the ice has gone out in mid-May. We probably could get another month or so of shipping if we had looked at relocating the barging headquarters or putting a launching facility in the community of Fort Providence, or at least in the area. I would like to ask the Minister if he has looked at that kind of a scenario?

CHAIRMAN (Mr. Krutko): The Minister of Transportation, Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I will ask Mr. Howard to respond.

CHAIRMAN (Mr. Krutko): Mr. Howard.

MR. HOWARD: Thank you, Mr. Chairman. Specifically, to my knowledge, we have not looked at a barging operation starting out of Fort Providence. What I do know is that a barging company tries to take advantage of early shipments up and down the Mackenzie River before the lake ice is free. The overall transportation strategy that was done in the early to mid-1990s did look at transportation on the river system. One of the options that was looked at there was the possibility of a barging service starting out of Fort Providence. There really has been no interest, to my knowledge, expressed by the private sector that carries out that kind of business. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Howard. Mr. McLeod.

MR. MCLEOD: The reason I bring up the barging relocation is because of my next question. It kind of ties in but it is also another option that I have looked at and many other people in my riding have looked at. It is looking at extending the rail link that goes to Enterprise and turning it north so that it would go to the south side of the Mackenzie River. It would make a lot of sense, in my opinion, and would save wear and tear on the highway system, although that would probably be the extent of what we could look at because we do not have a bridge yet. I am just curious if the Minister has had any discussions with any of the rail companies and if he has even considered extending the rail link north to the south side of Fort Providence.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I have not met any of the rail people since I have been the Minister, but Mr. Howard may have some information.

CHAIRMAN (Mr. Krutko): Mr. Howard.

MR. HOWARD: Mr. Chairman, I really cannot add to that. We did have some pretty significant discussion with Rail Link, the new owner of the rail line from Grimshaw north to Hay River. That was in terms of the service only to Hay River and to the marine terminal at Hay River. To my knowledge there has been no discussion of extending the rail system beyond the Hay River-Enterprise corridor.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Howard. Mr. McLeod.

MR. MCLEOD: Thank you, Mr. Chairman. I certainly want to encourage the Minister and his department to start looking at new and different options. It seems like we are stuck in the same rut. We are talking about the same issues over and over and getting the same response that there is no money, when in fact, there are many different initiatives we could look at.

Under the environmental concerns, I want to raise the issue again that I raised in the House regarding the ice bridge at Fort Providence. It is more and more becoming an area for a potential disaster. We had a close call this year. There is a need for highway patrol and enforcement in that area. I had asked the question to the Minister and he had indicated he would look at that seriously. I want to remind the Minister that we have on average 13 to 15 accidents on the highway with the bison and we do not have any highway patrol there to enforce the speed limits.

Has the Minister given some thought to the idea of having a highway patrol officer located in the community of Fort Providence?

CHAIRMAN (Mr. Krutko): Thank you, Mr. McLeod. Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, at the time the Member brought the question up, I passed it on to the department. I think the department has a plan in place. I will ask Mr. Howard to respond to that.

CHAIRMAN (Mr. Krutko): Mr. Howard.

MR. HOWARD: Thank you, Mr. Chairman. The Member's request was heard by the department. We are in the midst of an entire functional review of our motor vehicles division. It looks at all aspects of not only enforcement on our highway system, but the other areas of the division's business, the registry system, driver's licenses, license plates and so forth. We are looking at how we specifically deliver our enforcement program in the division. We hope to have that review totally complete by early September. We should be able to make a final decision on that basis sometime this fall.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Howard. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. For the record, Mr. Chairman, I would also like to speak about chip-sealing Highway No. 6 in Fort Resolution. I have asked the Minister and his department staff on a number of occasions, at a personal level in his office, in committee meetings, and in the House, so for the record, I would like to ask the Minister again in committee of the whole, can the department look at chip-sealing Highway No. 6? Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Nitah. Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I appreciate the persistence of the Member. As with Highway No. 5, Highway No. 7, and Highway No. 8, I have to say the same to every Member. The department is looking on an annual basis at the needs of the highways. We then see if we have the funds to address and improve the conditions of the highways over and above what they already are.

We just do not have the funds. We would like to address all the needs, but we just do not have the funds. Highway No. 6, I have been told by the department, although it is not anywhere near what we would like it to be, it is passable and serviceable. That is all I can tell the Member. I do not have any capital dollars I can spend on his section of the highway. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Steen. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. Mr. Chairman, the Minister used a word I would like to repeat, serviceable. Starting July 20, the population of Fort Resolution is expected to quadruple. Many of those individuals will be driving into the community. I would like to get some kind of commitment that the Minister is going to ensure that highway is given a good once-over prior to that date and maintenance for the rest of the month, in terms of dust control, et cetera. Can the Minister give me that commitment?

CHAIRMAN (Mr. Krutko): Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I could commit to that. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Steen. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. Knowing the fiscal situation of this government, the lack of financial resources of the department, there is not going to be chip-seal on that highway for a long time. I requested the department have a good look at certain portions of the road where the road is lower than the lake level, to look at some trenching to be done so the water can naturally flow. Can the Minister have a look at that? That will save a lot of dollars down the road in maintenance. It is a safety issue. Once we do have the money, we are almost ready to start chip-sealing in those portions. Has the Minister considered that and come up with any kind of decision on that? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, the department will take the Member's comments and suggestions into consideration. If we can use any of this information, we will definitely make use of it. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Steen. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. I appreciate that. I appreciate that the department is going to have a look at it and I appreciate the commitment by the Minister. I would like to turn my attention to Highway No. 3.

The Member responsible for Highway No. 3 is not in the House, but I am sure she will hear about this. It is a safety issue. It does not matter whose constituents ride that road. If it is a safety issue, I think we have to deal with it. I have ridden that road on a number of occasions and it is rough. If people's lives are in danger, then we should address that. I am speaking particularly of the non-construction zone of Highway No. 3 between here and the end of construction. It is rough. Some areas are narrow and not passable. I think the people travelling that road, people predominantly from Rae-Edzo, Yellowknife and people from Fort Providence, a number of my constituents, use that road and are doing more in filling those potholes with the rubber from their tires and the broken glass from the

windshields than the whole department is doing in maintenance.

I do not think that is right. I think the department should take an active role in maintaining that road while construction is still going on. The road is still being used at the same rate it was before. Just because there is construction going on further towards Rae does not mean they cannot maintain the section of road that is not under construction.

I think the Minister should assist the individuals who are maintaining the road with their rubber and whatnot by driving down the road and having a good look for himself, so he does not have to be advised by his department all the time when he is answering questions. He could give a personal reference to it. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Nitah. Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, the department takes the Member's comments. They are noted. We will try and respond to the Member's concerns as to the ability to maintain Highway No. 3 in a safe condition. We believe it is safe. That is what the highway report says. The highways are in a safe driving condition.

Mr. Chairman, I would like to say here that we are considering other options for funding. At some point in time, we are hoping that some of these options will come forward and pay off. At this point in time, we cannot put forward any one as a suggestion, because there are none of them that are firmed up in such a way we could put it forward as a plan or strategy.

We do meet with people. We do consider proposals put forward to us. This is not just on a one-time basis. This is on an ongoing basis. Mr. Chairman, I hope the Members will continue to support the department in obtaining funds for our capital needs. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. Is this government the people's government or is it the department's government?

He keeps saying the department is fine. The Members, on behalf of their constituents, keep saying the roads are not fine. There is a safety issue here. You cannot put a dollar figure on one human life. I would not like to see anybody crash and burn on that highway. If that were the case, then some heads have to roll here. Before that happens, I think the department should address the safety issue of that highway. I recommend the Minister drive down that highway so he has a good look at it for himself.

At the same time, he can help out the many residents who are filling those potholes with rubber and glass. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Nitah. Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I have done my share of driving that highway. I can assure the Member of that. As I have said in the past, we would not have that highway open if we figured it was not safe. We have standards to measure safety and we go by those standards.

I am not saying the Members are incorrect in saying the highway is not safe. It is a matter of opinion. That is the point of the whole thing. The department feels it is safe and we are doing everything we can to keep it safe. I do not know what else I can do to convince the Assembly that the highway is safe. There is the option that if Members feel the highway is not safe, they can request we close it. I really do not have any more money to put into improving that highway in any quick way.

We believe it is safe. We believe the money we have identified here in this budget for operations and maintenance will keep it safe while we are reconstructing. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Steen. Mr. Lafferty.

MR. LAFFERTY: Thank you, Mr. Chairman. I have a number of questions. I usually do for Highway No. 3 and highways in general. Listening to his comments, I see a place where he explains where some of the funds were going for the highways, but then he did not explain how much money and what they were going to be doing on Highway No. 4. If the Minister could explain that, please?

CHAIRMAN (Mr. Krutko): Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I am prepared to respond to the question, but perhaps we should wait until we reach the activity.

CHAIRMAN (Mr. Krutko): Is that acceptable, Mr. Lafferty?

MR. LAFFERTY: Thank you, Mr. Chairman. In his comments he mentioned that they would like to increase the roads to resources. He also talked about the Great Slave geological province. I have been lobbying for the Highway No. 3 acceleration, along with the MLAs from Yellowknife. Looking towards the monies they are putting towards Highway No. 3 and Highway No. 4, I wonder if one day the government is going to come back and say Highway No. 4 is going to be the road to resources. I think this government has the capability to make a long range plan and to tell the Legislative Assembly where the road to resources is going to be.

They have already had a study done. It has been in their hands for a number of years now. Maybe I am wasting my time in support of Highway No. 3. Maybe I should concentrate on connecting my communities along the way to the road to resources. This government has done these studies and the studies cost us money, but they still cannot tell us where the road to resources is going to lead from.

The communities in my region want a road to go from Rae-Edzo to the road to resources. According to the study it would be the cheapest route, the shortest, and make traffic safer on Highway No. 3. The volume of traffic will be less. The volume of traffic will be less on Highway No. 4. You will not have to spend on those million dollar corners any more. I am just wondering if the Minister and his department have a plan for the road to resources, then I can lobby which highway I should be going for. Maybe I should spend my time supporting other Members with their concerns over chip-seal and everything until the department makes up its mind on where the road to resources will go. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, in my time I have run into a number of roads that have been called roads to resources. In 1966 when Highway No. 4 was being built, it was the road to resources under the Conservative government. Then the Dempster Highway became the road to resources. I do not know where the next road to resources is going to be. We have not decided that as a government.

We have done studies. We have interviewed people. We have had reports written and as I said earlier, we are prepared to release that report after we have taken it to Cabinet this fall and come back to the House with exactly what we feel would be a strategy. It would not just be the road to resources included in the strategy, the strategy would include the development of all the highway routes in the Territory. I am not suggesting that it will be Highway No. 4 or down by Rae-Edzo that will be the start of the road to resources. I have not decided that yet, at this point.

CHAIRMAN (Mr. Krutko): Mr. Lafferty.

MR. LAFFERTY: I am sure they have not decided but they must have the ability of developing long-range plans. They have given us plans before. I have seen five-year plans where they have allocated money for Highway No. 4. They are putting 50 percent of the budget of Highway No. 3 into Highway No. 4. They are taking a major chunk of money for Highway No. 4. I am just wondering if they have a hidden agenda somewhere where they are not telling us and putting money towards it? If they are I would not be supporting Highways No. 3 or No. 4 as much as I have been. I would rather have chip-seal in other communities so I can go shopping there instead. Thank you.

CHAIRMAN (Mr. Krutko): Just a reminder to the Members that you should not be imputing motives in regard to what you think is right, wrong, or different. Just to be fair to the Members, to make you aware, you should not be suggesting that people are being misleading. Mr. Minister.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, the department has identified funding in the future for Highway No. 4. This is in response to the amount of traffic on that highway in the wintertime. It is not a question of whether that is the road to resources. It is in response to the number of trucks going down that road right now. From there they take the winter road north. We have no control over that. Those trucks will go where the demand is. We are trying to respond by putting funds into Highway No. 4 to keep it safe and passable. That is the whole purpose of it. We are not suggesting that that is going to be the road to resources, we are just responding to traffic volume. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Lafferty.

MR. LAFFERTY: Thank you. Just going back to the maintenance of all the highways in the Territories, the Minister did say to one of my colleagues that if they have the funds to make it safe they will make it safe. My understanding is that they already have funds for their operations and maintenance. Why do they need more funds to make it safe? They should be putting more effort into where it is not safe and doing the job, because they already have the funds. I do not understand what he meant when he told my colleague that. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister, can you clarify?

HON. VINCE STEEN: Mr. Chairman, I was referring to sections of the highway that may need immediate response due to weather conditions, due to washouts, whatever. We do have operations and maintenance funding and we can respond to those kinds of situations.

CHAIRMAN (Mr. Krutko): Mr. Lafferty.

MR. LAFFERTY: Did the Minister say they have the funds or they do not have the funds?

CHAIRMAN (Mr. Krutko): Clarification. Mr. Steen.

HON. VINCE STEEN: Mr. Chairman, I have said that in the operations and maintenance funding that we have identified in this budget, we believe that it will allow us to have enough funding to respond to those kinds of situations. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Lafferty.

MR. LAFFERTY: Just one last one. I would like to say I am very grateful to drive on some sections that are pretty safe, but some other Members have suggested that when that accident happened on Highway No. 3, that section of the road was measured at that time and, at that date, the width of the road was not wide enough for two vehicles to meet.

That was during the winter when winter maintenance was happening. There were drifts on both sides making the road narrower than it was supposed to be. Members did not really touch on it. That was the reason. I drive that road every day. I was there right after that accident. I was there when the police were measuring that road. I think you can get the facts from the police. They might have it. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. VINCE STEEN: Mr. Chairman, there was a report released at the time of the accident and there is no reference to the fact that the highway was not safe. Just for the Member's information, that section of highway is measured at ten metres on the travelled portion of the highway. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, in the area of transportation and more in the area of highways, this is a concern that I raised in committee when we found out that during the interim appropriation that the department had cut \$500,000 out of the Dempster Highway Widening Project, as it was called at that time. On my return to my community, hearing a lot of the concerns about the lack of work and what is going on, and the information that they were hearing was that work was being delayed because the widening project included every capital project along the Dempster Highway. It was not just the widening project that is continuing on the highway.

One was a concern that the information being provided was missing some critical pieces when it comes to the actual dollars being spent in the area. On review of this, the main estimates, and in the committee, the Minister confirmed that \$500,000 coming out of the Dempster Highway Widening Project was in fact a lot of the other projects in the Dempster Highway or Highway No. 8, as it would be called. The concern is with this area, in fact, when they were talking about reducing capital areas they selected a number of highway sites where this was

happening. All except for Highway No. 3, which remained on the capital plan with the budget allocated.

It brings concern to our end of the Northwest Territories even though we do not have 15,000 people there. There is going to be a large increase in the traffic as this year goes by with the seismic work that is going to happen with the development that is under way. We are cutting back in other areas of Dempster Highway repairs and capital improvements are a very big concern to myself and the residents. We have heard a lot of discussion around here about the lack of dollars and so on, but I must agree with what Mr. Krutko raised earlier. There has to be an evening out of that. If it is government policy to make expenditures in a way that includes population, traffic volumes and so on, we might as well just shut down some areas of the Territory. It is just lack of volume.

I understand that there is a need for that because the more traffic you have and the heavier the traffic, there is going to be some wear and tear, but all the talk about Highway No. 3 -- I have heard from individuals the distance or the time it takes them to drive from here to the ferry crossing at the speed they would be going, it just does not match up with this concern of safety. Some people are absolutely moving down that highway well above the posted speed limits. I had the opportunity to ride with the Minister back from Providence and I must say at that time the highway was in pretty good shape from the standards I am accustomed to on the Dempster Highway. An example, Mr. Chairman, on a recent trip home coming home to the airport on a nice clear day, coming down for a landing, being able to see the Dempster Highway out of the left side of the plane and seeing traffic which was miles away, and the dust clouds they left behind them. Probably 40 miles away I could still see a vehicle moving down the road because of the dust cloud. That, to me, is a dangerous situation, especially when you have inter-community travel, as well as trade, and then the tourists coming down the highway. Those tourists going back down the other way, the message that they are going to give is do not bother to go down that highway unless you want your windshield taken out, or extra flat tires, or if you want to be dusting out your camper for the next year.

I come from the side of Mr. Krutko and request that the department look at some of its initiatives and try to be more balanced in the area of funds. When we look at Highway No. 3, it is clear that there is \$6 million for that project of straightening it, widening it, paving it on top, but when we look at Inuvik, the Dempster Highway and then find out, in fact, that it is every project along that way. It is troubling to know that we are getting two different definitions here and then to find out the capital project for the bridge at the Campbell Creek, which is new, and I believe is being pushed by the federal Department of Fisheries and Oceans. It is interesting to see that they are pushing that. That, too, will come out of what was \$2 million or \$2.5 million at one point. So, in fact, even less money is going for the widening of that project. I urge the department, along with my colleague, Mr. Krutko, that there needs to be a clear definition, guidelines, and some balance to how this is done. Thank you.

CHAIRMAN (Mr. Krutko): The Minister responsible for Transportation, Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. I take the Member's comments quite seriously in suggesting that we try and use some kind of balance in how we spend our capital

dollars across the territory. I do not think our department was in any way trying to purposely reduce the dollars that are applied to Highway No. 8, it is just the need that we have for those capital dollars in other areas and the fact that we were asked to reduce our expenditures last year, left us no choice but to cut some projects. We tried to cut all the projects equally. We are not trying to send a message here that we are cutting projects through other processes.

When we reach the expenditures on Highway No. 8 under highway activities, I could show the Member what programs were being undertaken in past years for the money that was identified for Highway No. 8. It was not just simply widening the road. That money was spent for more than just the widening of the highway on Highway No. 8. Rather than get into details now, we could do that when we reach that activity.

If it is any consolation to the Member, I am sure he is aware that for the future, we have Highway No. 8 back to the previous expenditure levels of \$2.5 million for next year. At this point in time, there is no plan to reduce that. As a matter of fact, like everywhere else, if we have the ability, we will increase that. That is what is in the budget at this point in time. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. I guess the only other concern I would have in that area is development. We see development going up as well, that somehow we could try to work with that and identify that. When you are talking about the road base, the base of the road itself is starting to show through the top surface. That is going to require major work to bring it back up to level. Most people driving the Dempster figure the resurfacing ends up in the bush. We are slowly widening the highway, but it is through the spray of gravel over into the bush section. The road continues to get lower than when it was first built.

I know from my own experience working with the department for a short time that there is a lot of pressure put on the department to try to come up with a balance and building infrastructure. Everybody knows the importance of infrastructure. Once you have a decent highway system, development can follow on its heels fairly quickly. I agree with other Members that we need to stop the bleeding through this department and try and shore it up somehow. Knowing our fiscal situation, Mr. Chairman, I do not think that is very likely in the near future, unless "Moneybags" Handley can come up with a homerun. Thank you.

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

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I did not respond to one of the other points the Member made earlier regarding dust control on Highway No. 8. I support, as I did last year, that if we have any surplus funding through operations and maintenance or capital that we would put it towards dust control on the highways, because it does help to maintain the highway surfaces. It does help safety-wise. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Steen. We are dealing with the Department of Transportation, general comments.

SOME HON. MEMBERS: Detail.

CHAIRMAN (Mr. Krutko): Detail. We are on page 10-9, corporate services, operations expense, total operations expense, \$6,474,000. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Can we get information as to where we would see an adjustment for the pension area? Most departments have accounted for it under an increase in compensation benefits, I believe. Is it going to be found under each division on their own? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I will direct the question to Ms. Cook.

CHAIRMAN (Mr. Krutko): Ms. Cook.

MS. COOK: Thank you, Mr. Chairman. The increase in the cost of benefits is shown in corporate services under employee benefits. It is centralized.

CHAIRMAN (Mr. Krutko): Thank you. Mr. Roland, did you get that?

MR. ROLAND: Thank you, Mr. Chairman. So in the \$5,112,000, that increase in the pension adjustments is included in there? Thank you.

CHAIRMAN (Mr. Krutko): Ms. Cook.

MS. COOK: That is correct.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, that leads to my next question. The revised main estimates for 1999-2000 show a figure of \$5.7 million. Have we seen a drop in corporate services and then a corresponding increase? Can we get that information? Thank you.

CHAIRMAN (Mr. Krutko): Ms. Cook.

MS. COOK: Thank you, Mr. Chairman. Mr. Chairman, during the planning stages, we made an internal transfer of a portion of the highways function from corporate services, highways to the highways function itself. That was the portion of the highways function that relates to the planning group that actually does the planning for highways. They had all shown up within a corporate function, but they really are part of the highways function itself, so we made that change. It is about \$1.5 million.

CHAIRMAN (Mr. Krutko): Thank you, Ms. Cook. Corporate services, operation expense, total operations expense, \$6,474,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Thank you. Under airports, operations expense, total operations expense, \$18,749,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Thank you. Page 6-15, highways, operations expense, total operations expense, \$34,947,000. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, I have some questions for the Minister about a tender that was issued earlier this year, and subsequently re-issued. It has to do with highway painting. The first time the tender was issued, there was only one respondent. It was a northern firm. This contract has for four or five years gone almost exclusively to southern firms. Earlier today, we had some discussion in this House about the importance of supporting northern business. The Minister of Resources, Wildlife and Economic Development did confirm that his department spends an awful lot of money supporting the development of northern business.

I would think that if we have a philosophy that we want to encourage northern business, we would do what we could to try and get northern businesses involved in being successful in contracts.

In this instance, Mr. Chairman, even though there was only one tenderer, the tender was rejected by the department and re-tendered. I know I have talked to people who are familiar with contracting practices in this government and have been told that it is not unusual when there is a single tenderer, if there is something that is open to interpretation or if the tender is missing one line or something, it would not be unusual for the department or the contracting authority to approach the tenderer and ask them to either supply the number or work with them to finalize the price.

Clearly there was not a lot of interest if we only had the one tenderer. However, in this case, after the tender price had been published, the department chose to go back out for tenders. I suspect that we are going to be looking at a southern firm doing the job here.

Why would the department, in an instance like that, not follow a practice that has been followed quite often, and approach the individual tenderer and ask to have the number supplied that was missing from the tender document? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, in this particular instance, I was not approached. It had not reached my level. The issue was dealt with at the deputy minister level or management level. There were no politics involved in the decision, as far as I know. It was strictly based on our policies. I can ask Mr. Howard to explain what the department did and leave it at that, because at this point in time, there were no politics or a need for a political decision. It was a decision based on business. I am quite sensitive to how my departments operate, both Public Works and Services and Transportation. Whether or not I get involved as the Minister, I am still well aware of what happened in the 13th Assembly. I play the game very straight. Unless I am asked politically to get involved, I do not get involved. I will ask the assistant deputy minister to reply to the Member as to what the department had done in this situation.

CHAIRMAN (Mr. Krutko): Mr. Howard.

MR. HOWARD: Thank you, Mr. Chairman. Mr. Chairman, in the case of this particular tender, I would agree with the Member. Normally, when bids are received, and in cases where there is only a single bid, if there is a minor omission or some confusion about a fact or two within the submission, the department would probably go back.

Unfortunately, in this case, the bidder actually missed a major part of the tender requirements. The tender requirements requested unit prices on six items. The bidder did not produce any unit prices at all. He gave us a total contract price. The tender required he include a list of subcontractors. We were aware, because of the knowledge we have of this particular contractor, that he would have to have subcontractors. He had not included any list of subcontractors. We would not have known, for instance, he could have been suggesting a southern subcontractor because he provided no information at all. He did not provide any plant and equipment list, which was a specific requirement in the tender. Again, we asked for that very specifically because we know there are very few northern bidders who actually have the equipment and plant necessary to do the work. He did not include that. He did not include a schedule for the completion of the work.

So this was not a question of a minor remission or a slight deviation from the requirements of the tender document. In this case, major parts of the bids were missing and we had no alternative under the contract regulations, but to consider the tender non-responsive on that basis. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Let us work backwards from this then. On the schedule, could the Minister or deputy minister confirm that in the tender, the schedule was listed as work must be done between August 16th and September 3rd.

CHAIRMAN (Mr. Krutko): Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. I think this question was directed to Mr. Howard.

CHAIRMAN (Mr. Krutko): Mr. Howard.

MR. HOWARD: Mr. Chairman, I do not have those details at hand. I do not believe, however, that the exact dates for the work completion were included in the tender, although they may have been.

CHAIRMAN (Mr. Krutko): Excuse me, could just restate that last section. Your microphone was turned off before you concluded your comment.

MR. HOWARD: I do not believe that the actual dates for the beginning and end of the completion of work were included in the tender request. What was included there, is that the contractor provide a schedule for the work.

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

MR. DENT: Thank you, Mr. Chairman. In fact, I believe that you will find that the date was given before which the work could not start and a date was given by which the work must be completed and the total elapsed time in there was about three weeks.

So that three week period, this contractor felt, was the schedule and as long as he had supplied the bid, he was agreeing to meet that schedule, because the dates were stipulated. A period of three weeks to do all of the highways. If he had needed four weeks, he would have asked for an extension.

Given a total price, how often does this government go and ask for unit prices if they have not been shown on contracts, or in bids? It is actually not uncommon for that to happen, to ask a contractor who they are intending to use for a sub or their equipment list? This may have been an opportunity for northern business to see if they could get into this business to purchase the equipment or at least, find a way to get the equipment to ensure that they could get the contract in the future and perhaps save us significant monies.

I see I am running out of time, Mr. Chairman, so really I would like to go back to the Minister. The Minister's response was that he is afraid to get involved in interfering in the contracts because of what happened in the 13th Assembly. If there is no room for ministerial involvement in this government, then we probably do not need Ministers. We should just have deputy ministers. In fact, I think that it is the responsibility of the Ministers to provide political direction to their departments and I would ask this Minister to demonstrate the leadership and follow through on the sort of commitment that Mr. Handley spoke about, as was needed here, to support northern businesses by ensuring that he instructs his department, in the future, to keep in mind the importance of northern business when they are looking at bids.

In situations like this, where they have only one bidder, then I think that they should, perhaps, talk to the bidder about getting the information that might be missing, so that we can encourage the development of northern business rather than continuing to send business south. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I do not believe I said I was afraid to get involved. I said that I was sensitive to the issues and to what happened to the departments in the 13th Assembly. In response to whether or not there is a need for Ministers and for Ministers to get involved politically, I believe, Mr. Chairman, that we have, as a government, established policies whereby our managers manage and our deputy ministers make decisions based on those policies.

Now, there was no reason at this point in time, according to the circumstances given to me, for me to interfere. There were policies written. We have to abide by those policies, otherwise we are asked why we did not abide by them, and we have to question why we have them if we are not going to abide by them.

So I believe that the department was following the business guidelines. They were following the policies and simply made a decision based on those policies. There was no requirement for me to get involved as the Minister. Nobody asked for my involvement. That is my response to the Member, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I just have one issue that I neglected to touch on earlier and that is the issue of accountability. It is an issue that I have raised with all Ministers coming before the Legislature for money. In light of the fact that the department has a \$68 million budget and in light of the comments made a few days back in the House by the Minister, that there are no clear, measurable ways by which to make government Ministers or deputy ministers accountable

for not meeting targets, I would just like the Minister to speak to the issue. As Minister responsible for the Departments of Transportation and Public Works and Services, what is his concept of accountability as he sits before the House with his department, with a budget and a business plan, and he will be doing the same again with another department in a little while. Is he accountable to this Legislature as Minister? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I have no problem advising the Member that I am accountable for every pothole out there. That is the message that we get. We always seem to be held responsible for things that do not work, but we are never given any credit for those things that do work.

To make a long answer short, yes, I agree with the Member that I am responsible for the department. I am responsible for how they spend these dollars and I think I have said in the past, that in the end, the Minister is responsible.

My department officials have, I believe, a very fair and effective system of accountability, from the guy down on the street right up to the top and it seems to be working. We do not have any situations yet where we have a problem of accountability. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I would like to thank the Minister for his comments, though I could barely hear him over the sad violins in the background.

So let me tell him here that, once again, I recognize the work that is being done in the capital plan with the airport terminals and I think he has a fine crew of people on the highways in Fort Smith and in the South Slave. Just so he does not feel totally whipped and unappreciated.

-- Laughter

There is recognition, though there is never enough.

The only reason I raise that issue is because of the Premier's comments in this House and the confusing and unclear debate surrounding accountability. So I wanted to, as I have with every Minister, get that clarification and I thank the Minister for his comments. Thank you.

CHAIRMAN (Mr. Krutko): Just a comment. Is anybody else hearing violins in here? There might be something wrong with our headsets.

We are on highways, 10-15.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Operations expense. Total operations expense, \$34,947,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Ferries, 10-19, ferries operations expense, total operations expense, \$4,907,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Community marine operations, expense, total operations expense, \$215,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Compensation benefits, \$13,000. Obviously, this is a shared position with another part of the department or is this seasonal staff? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Steen.

HON. VINCE STEEN: Mr. Chairman, I will ask Ms. Lynn Cook to respond to that.

CHAIRMAN (Mr. Krutko): The director of corporate services, Ms. Cook.

MS. COOK: Thank you, Mr. Chairman. That is casual salaries for people that are hired from time to time to assist with projects.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Just under other expenses, what would that entail? Is that where communities would apply for some funding to put in community docks, that sort of thing? Thank you.

CHAIRMAN (Mr. Krutko): Ms. Cook.

MS. COOK: Thank you, Mr. Chairman. Other expenses would include cost for developing studies, planning studies to assist in community marine projects.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Who would be able to access the money for studies?

CHAIRMAN (Mr. Krutko): Ms. Cook.

MS. COOK: Generally speaking, that would be money that would be spent by the department in response to requests for community marine funding.

CHAIRMAN (Mr. Krutko): Community marine operations, expense, total operations expense, \$215,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Community marine operations, grants and contributions. Contributions, total grants and contributions, \$80,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Community local access roads, operations expense, total operations expense, \$568,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Community local access roads, grants and contributions. Contributions, total grants and contributions, \$380,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: In the committee, the department said that this year's amount has already been applied for so the whole \$380,000 has actually been applied for by communities? Is it already taken up? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Howard is prepared to answer that.

CHAIRMAN (Mr. Krutko): Mr. Howard.

MR. HOWARD: Thank you, Mr. Chairman. Yes, for the 2000-2001 fiscal year, the total of the \$380,000 available for contributions has been allocated to projects in various communities.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. If, for whatever reason, communities that right now have been approved and that come through and get their project off the ground, can other communities put an application in or do you have a list of them there, ready to go? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Howard.

MR. HOWARD: Yes, the answer to that is correct. If a community chooses to submit a request for contribution agreement now and another community is unable to spend the resources that are available, the department would consider funding a project from a community that has not yet got a project in.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. That is it in this area.

CHAIRMAN (Mr. Krutko): Community local access roads, grants and contributions, total grants and contributions, \$380,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Motor vehicles program, operations expense, total operations expense, \$2,636,000. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. I know under this program activity the responsibility for legislation, acts and codes comes in. We heard, a few days ago, the Minister outlined the initiative that the department has undertaken with a number of stakeholders in the North to revise the Motor Vehicles Act, especially in the area of avoidance of substance abuse and people who get behind the wheel.

The area I would like to ask the Minister about stems from the responsibility under this act only for motor vehicles. We in the North have disturbingly high incidents of accidents involving alcohol and other substances in boats, on ATVs and snowmachines.

I wanted to ask the Minister what kind of initiatives might be in the works to toughen up those standards and help reduce the very disturbing level of accidents. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, we do have a proposal for legislation before the committee. For more specifics, to be specific on what we plan to do here, I will ask Mr. Howard to respond to that.

CHAIRMAN (Mr. Krutko): Mr. Howard.

MR. HOWARD: Thank you, Mr. Chairman. The department does have a partnership arrangement with the Canadian Coast Guard and others in relation to drinking and boating. That is largely a public awareness program, whereby there is a partnership with the Coast Guard, the SADD groups here in Yellowknife, and hopefully more in the future. We will combine the drinking and driving initiative with the drinking and boating initiative.

The drinking and boating initiative is a matter that is legislated under federal regulations. The Coast Guard would be responsible for enforcement of drinking and boating. They are solidly behind this. We are working with them and they are working hard to incorporate the two programs. We feel we are closely aware of the number of boating accidents that are alcohol related. We feel this is a very important venture. We will continue to partner with those parties. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. In part, that answers the question. How about the area of ATVs and snowmachines? If I am correct, they are not technically covered under the Motor Vehicles Act. Can the department advise in that particular area? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I believe the area of snowmachines and all highway vehicles in general will be addressed under new legislation proposals we have. We are trying to address what we see as a fair increase in impaired driving instances. We are trying to bring our legislation up to national standards in reference to stricter legislation which would allow us to impound vehicles and on the spot suspensions. We may even have longer and heavier fines and prison terms. We are trying to bring all our legislation in line with what they have in the provinces. That way, we would then be able to say we do have legislation that would be acceptable standards on a national level.

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

MR. BRADEN: Thank you, Mr. Chairman. Mr. Chairman, I appreciate the answer. On another topic, I have a brief comment. It is where the Minister made an interesting point about recognition for things that occasionally are done well. Through your department and your colleagues, I believe it is the Ministers of Education and Health and Social Services, this government is making a contribution to somewhere in the neighbourhood of \$30,000 to the conference that the Northwest Territories chapter of SADD is organizing in March. I applaud this. I think we all do. I am looking forward to further results from the commitment Mr. Allen made to contact his counterparts in other parts of Canada to solicit their support and see the strongest possible participation of Canada's youth in this initiative. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, the department feels that under motor vehicles programs, we should take part. We actually encourage organizations like MADD and SADD to assist us in public awareness programs, any program that will reduce impaired driving. We are looking forward to this conference taking place that the SADD organization is involved in. I encourage my department to continue to work with the group to have a successful campaign there. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Steen. We are on page 10-31, motor vehicles program, operations expense, total operations expense, \$2,636,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Thank you. Information item, active positions.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Thank you. Detail of work performed on behalf of others, information item.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Thank you. Revenues, recoveries and transfer payments, another information item.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Thank you. We will move back to page 10-7, department summary. Mr. Roland.

Committee Motion 19-14(3): Recommendation That the GNWT Not Make Any Further Reductions in Funding to the Northwest Territories Transportation System (Carried)

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I have a committee motion.

I MOVE that this committee recommends that the government not make any further reductions in funding for the Northwest Territories transportation system;

AND FURTHER that the government increases pressure on the federal government for additional funding for the Northwest Territories transportation system. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Roland. The motion is being circulated. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried.

Page 10-7, department summary, operations expense, total operations expense, \$68,496,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Thank you. Capital acquisition, page 16 of capital, Department of Transportation, capital acquisition plan, ferries, \$263,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Thank you. Under highways, \$15,383,000. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Just under the highways section of the capital, once again, the point I made earlier is that we see here you have a number of locations where you have reference to Highway No. 3, reconstruction and paving, in three different locations here. When it comes to Highway No. 8, it is just reconstruction and one allotment for that amount. I understand we have two different sections here of work, Highway No. 3, kilometre 243 to 330, reconstruction and paving, Highway No. 3, kilometres 154 to 243, reconstruction and paving. Then Highway No. 3, kilometre 0 to 154, reconstruction and paving. Is that all related? Certain sections, one from the other? They are all adjoining here. Can we have further explanation of that? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I believe they are all related in the reconstruction and paving program, but I will have Mr. Howard explain the differences that are actually taking place and the type of activity.

CHAIRMAN (Mr. Krutko): Mr. Howard.

MR. HOWARD: Mr. Chairman, those projects have been identified in the department's capital plan for a number of years now. It was a matter of convenience. In the initial years of reconstruction of Highway No. 3, Members may recall that we were doing work at both ends.

So, we started with a project that went from the junction of Highway No. 1 and No. 3 to about midpoint between Providence and Edzo. We are doing work at both ends and we did not do any work, really, on anything towards Yellowknife from that midpoint between Rae and Providence.

The second section was the part of the highway that was from Yellowknife to Rae and, again, we started, as you can see, to do a little bit of work at both ends.

So it was a matter of convenience that we included the breakout of the projects, in that manner, because it was, really, three separate sections of Highway No. 3 that we were doing work on at any one time. You will see that kilometres 0 to 154, which has been completed in hard surface for some time, is still included in the five year plan and that is because the chip-seal has to be rehabbed periodically as well. So that is basically a periodic surface rehab after the reconstruction is complete.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. So between kilometres 0 to 154 reconstruction, this year is \$1.5 million. Is that, as you say, just a resurfacing, chip-seal? Further definition, Mr. Chairman?

CHAIRMAN (Mr. Krutko): Mr. Howard.

MR. HOWARD: Thank you, Mr. Chairman. Yes, that project is entirely chip-seal repair and that project itself is based on an annual spring inspection of the condition of the chip-seal on all of the parts of the highway that have been reconstructed. Some of that money will be spent on Highway No. 3, I think, in the vicinity of Chan Lake. Some more of the money will actually be spent in some minor repairs south of the lake. It will be on Highway No. 1. Some more of that work will be spent in the Yellowknife area on the area right near the Legislative

Assembly, I believe. Last year, that project funded the re-chipping of the road at Edzo and so forth.

So it is based on the spring inspection, what the needs are. We allocate money to the points where the chip needs repairing.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. You mention that in some cases that some of this money will go into Highway No. 1. Why would it not then go under the Highway No. 1 section, because you have a couple of areas here of Highway No. 1, reconstruction paving, second stage paving. So why would it not be allocated in that area? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Howard.

MR. HOWARD: Thank you, Mr. Chairman. There is no real easy answer for that. We have stuck to the project names that we established a number of years ago. We have talked about, in the next business planning cycle, rationalizing the project names, but we have not done anything about that yet.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. As well, this might have been asked earlier, but what is the life of resurfacing? When you first complete the repaving and reconstruction and the hard top is down, what is that life? And then, what is the life of the chip-seal?

CHAIRMAN (Mr. Krutko): Mr. Howard.

MR. HOWARD: Thank you, Mr. Chairman. There is a high degree of variability. Asphalt should be expected to last at least ten years, perhaps longer. Chip-seal, on the other hand, will not last nearly so long as asphalt, but it depends on the base and whether there has been any embankment failures. It depends on erosion on the shoulders, it depends on many, many factors. So, really, what you have in the chip-seal replacement repair project is a result of the spring inspection of the system.

Our folks go out and have a look to see where the chip-seal is breaking up or where there are grade failures, where there are problems, and they allocate the money on that basis, but normally, we would hope that the chip-seal is going to last at least six years.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Just on, again, with this 2001 highways, kilometres 0 to 154, you have \$1.5 million for this fiscal year, in 2002-2003, it is another \$1.5 million, and then again, 2004-2005. Is this an ongoing maintenance requirement? Is that the reason why it is broken out this way? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Howard.

MR. HOWARD: Thank you, Mr. Chairman. Yes, that is correct.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: So the same, Mr. Chairman, would be for the Highway No. 3 kilometres 154 to 243, because they alternate years actually, Mr. Chairman. If we were to look at that 2001-

2002 as \$1.5 million, 2003-2004 as \$1.5 million, is it the same process here? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Howard.

MR. HOWARD: Thank you, Mr. Chairman. Yes, that is correct and we would hope to rationalize that over the next business planning cycle and turn that into a direct program rather than to allocate it to specific sections of highway.

CHAIRMAN (Mr. Krutko): We are on page 17 on the main estimates. Acquisitions. We are under highways, \$15,383,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Airports.

CHAIRMAN (Mr. Lafferty): Any questions on airports. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, I had a question to the Minister earlier, he suggested I do it under detail. In regards to the Aklavik air terminal under airports, the original cost for replacement of the facility was \$572,000, but in the budget I see that there is a cost for some \$200,000. Yet you can look at other airports being replaced, which is within the \$500,000 range. I used the Holman Island air terminal replacement, which took place last year, which is a similar building as what they have in Aklavik, and that building has the same history, which was built back in the 1970s, which is almost 30 years old.

Yet, in the case of Holman, they did a total replacement, but in the case of Aklavik, it is just a retrofit of the existing building. With the increased traffic and also with the oil and gas industry, you are going to see more demand on that airport and the facility and I am not too sure that the department took that into account when they decided this.

I would like to ask the Minister, have you considered doing a complete replacement rather than having to do a retrofit now and then an upgrade again later, which would probably cost more in the long run? Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. I would like to thank the Member for holding off on his question until we reached the activity. The department did consider whether we should replace the building or whether we should do renovations at this time. I will ask Mr. Howard to expand on that statement. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Howard.

MR. HOWARD: I will go back, very briefly, in history. The Member pointed out earlier that the building was built at the same time as the air terminal building in Holman. I believe both of those buildings were put up by Transport Canada in 1982. Effectively, they are identical buildings, and I think Sachs Harbour actually was built a year after or maybe two years after the Aklavik building. Again, the same kind of building.

When we looked at the projects in all three communities, and we have done work in Sachs Harbour to renovate and expand the building and, as the Member points out, we have replaced the building in Holman. Now Aklavik is in the program. We

looked at replacements for all three initially. The first thing we do when we look at a building replacement is to look at traffic forecast needs.

The next thing we do is we look at the remaining life of the existing building and make a determination of whether the forecast needs, in terms of traffic and the remaining life, require replacement or whether they require rehabilitation and expansion.

In the case of Holman we determined, in terms of need, that the building was far too small to meet the passenger traffic that was flowing through the building. To expand the existing building in Holman to the degree that it needed to be expanded, was going to cost us considerably more than to start with a new building to meet the same requirement. That did not mean that the existing building in Holman did not have remaining life and, in fact, that building has since been relocated to town and will probably serve the town for another purpose for many years to come.

In the case of Aklavik, we did the same thing. We looked at the forecasted passenger movements through the airport and we heard nothing to tell us that there was going to be any immediate growth. We looked at the current traffic flow through the terminal and subject to the requirements at peak periods, over Christmas holidays and special events, the building was not being stretched to its capacity.

We then had Public Works go and do a full structural, mechanical and technical assessment of the building, and based on the fact that the building had a design life of 40 years, initially, it was only 18 years old. Based on the fact that Public Works' reports said that, with some modest investment, we could expect to get another ten to 15 years out of the building, at a cost of \$250,000 to \$300,000.

The decision was pretty clear to us. The community was involved in the discussions with Public Works and our regional staff and then we recognized that the community would certainly prefer a new building over renovation of the existing building, but we are convinced for the price of under \$300,000, we are going to get another ten years of life out of that building.

The renovation process will involve similar renovations to those that were done in Aklavik, where we will provide for barrier free access washrooms, which will actually provide a bit of an expansion in the public area and the baggage handling area.

So the position the department has taken, rather than spend something like the million dollars plus that we actually spent in the end in Holman to replace the building, we are better off to invest \$300,000, meet the current and forecasted needs, and provide the community with a good terminal that will last them another ten years or so. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. I have some doubts about your statistics because, especially in Aklavik, you have two or three scheduled services going there daily and also, you have double the population of Holman Island in Aklavik. So population-wise, it is twice its size and also traffic-wise, it is probably three or four times as much traffic per day compared to what you get in Holman Island.

The other areas, I do not know if you took into your account, but with the oil and gas developments, they are looking at some 1600 jobs that are going to be needed for those developments and a large portion of that, I see, coming out of Aklavik, which will increase the activity and the usage of that airport.

The other question that I raised earlier is the whole foundation of that building, because of the concerns that have been raised in the past with pilings and what not in that structure, and I have seen reports that have been done, in which they have done an assessment of that building and the electrical and having to bring it up to code and what not. The cost exceeded the question about having to replace it, because once you do any renovation on that building, you will have to bring it up to code in a lot aspects, where the cost of that is unforeseen and when you do that, it does cost you a lot more in the long run.

So, for myself, I believe there is a need for a bigger building. Statistically, your argument does not fly, with using Holman as comparable to Aklavik. So I am saying again, that I think there is a requirement that is greater in Aklavik, in regards to the size of the facility that is there now. A lot of times, I have flown into Aklavik, where you cannot even get into the building. You have to stand outside in the wintertime and wait for the plane to show up.

If you say that from the records of traffic going in and out of that building, I am wondering, you are not getting any records because the thing has always been closed. Especially with the conditions in the Arctic, you should, at least, have some arrangement that you do have accessibility to the building, especially for people that do travel in and out.

There, again, I have concerns in that area, especially where I see traffic increasing with the oil and gas industry and also that the population of Aklavik is somewhere in the area of 900 people. Where are we going to be in ten years?

Your statistics are based on 1984. I think you are probably talking about half the size of the population that is there now. Because of the time it was built, based on that statistic, I think your department should make an attempt to replace this building, knowing there will be a major increase in activity in that area and the demand for that is going to be greater than possibly anywhere else in the Delta. The community in the Delta that is the most isolated is Aklavik.

Again, I will ask the Minister if he will consider replacing this building in consideration of the other factors?

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko. Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, I will commit to reviewing the project with the Member and with the community. We will have another look at the needs of the community and we will take into consideration the oil and gas activity that is taking place in the Beaufort Delta as well. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Steen. Page 18, capital acquisition plan. Page 19, airports continued, \$6,100,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Thank you. Page 22, community marine, \$80,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Total department, \$21,826,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Does the committee agree the review of the Department of Transportation is concluded?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): I would like to thank the Minister and his witnesses. We will now take a short break.

-- Break

CHAIRMAN (Mr. Krutko): I will call the committee to order. We are reviewing the Northwest Territories Housing Corporation main estimates, 2000-2001. I would like to ask the Minister responsible for the department if he has any opening comments. Mr. Minister.

HON. ROGER ALLEN: Yes, I do Mr. Chairman, thank you. Mr. Chairman, as you and all Members of this House are aware, working in partnership with our communities is a key element of Towards a Better Tomorrow.

Mr. Chairman, the Northwest Territories Housing Corporation is committed to working in partnership with communities to assist them to become accountable for their own choices in housing. By working together, all community residents are provided with opportunities for homes that support a healthy, secure, independent and wholesome lifestyle.

The mandate of the Corporation is to assist communities to assume the role of providing housing to their residents and to sustain northern economic development. This is achieved by providing mentorship and support to our communities in the areas of technical services, research, financial support, information sharing, training as well as economic development.

Mr. Chairman, I am asking this Legislature to approve the Government of the Northwest Territories contribution to the Corporation of \$43 million. Approximately \$16 million of this will go to assist residents to become homeowners or to upgrade their homes.

For example, Mr. Chairman, this year the Corporation has budgeted \$7.4 million for its Independent Housing Program, which helps low income families who are able to run a home but may not meet other requirements for a traditional bank mortgage. Over four and a half million has been budgeted for the Expanded Downpayment Assistance Program, which provides assistance to families who can get a bank mortgage. Last year, this program had a budget of more than \$2.7 million, which resulted in clients being able to access more than \$3.2 million of bank financing.

Senior citizens who need repairs or renovations to their homes can benefit from the Senior Citizens' Home Repair Program, which has over a million dollars budgeted.

Further, Mr. Chairman, \$2.3 million from the GNWT will go towards the building public housing for senior citizens. Also this year, the Corporation will use over \$4.2 million to assist local

housing organizations upgrade, repair or, in some cases, replace public housing units.

Last year, Mr. Chairman, these programs assisted more than 350 NWT families to improve their housing situation. This means over 1,000 of our residents saw their living conditions improve through these three programs:

- Independent Housing Program
- Expanded Downpayment Assistance Program
- Senior Citizen's Home Repair Program

The remaining portion of the GNWT's contribution will be used for the operation of the Corporation and local housing organizations, which operate the more than 2,200 public housing units across the NWT. These 2,200 units house over 6,000 of our residents, Mr. Chairman.

I recently tabled the Housing Corporation's 2000 Housing Needs Survey. This survey provides the Corporation with statistical information on housing needs in each of our communities. The staff of the Corporation is using this information to revise existing programs and to develop new programs or initiatives that are best suited to improve the housing situation in all of our communities.

The 2000 Housing Needs Survey shows that 20 percent of the families in the NWT are in need of some form of housing assistance. This figure, while well above the national rate, represents a decline in housing need, down from 22 percent in 1996. The total withdrawal of federal funding for new social housing has put a severe strain on the Corporation's ability to meet the housing needs of our residents.

By increasing the number of homes and repairing and renovating existing homes, the Corporation helps to address the other important social problems that children and families face. Overcrowded and inadequate housing contributes to numerous social and health problems. By providing better housing the costs of health care, income support, policing and penitentiary services are lowered. This supports the goal of healthy Northerners in Towards a Better Tomorrow.

By using the information from the Housing Needs Survey and by working in partnership with our communities, economical and innovative solutions are being developed that meet community needs.

Mr. Chairman, as part of this effort to work in partnership with communities, the Corporation is developing four-year capital plans to improve the housing conditions. Also, the Corporation has begun work to move program delivery closer to the communities. Two new district offices are being created. The Western Arctic district has been divided in two, creating the new Sahtu district and the Beaufort Delta district. In the south, the South Slave district has been split creating the new district of Nahendeh. These new districts offices are located in Norman Wells and Fort Simpson.

This concludes my remarks, Mr. Chairman, except to say how important it is to have a single agency dedicated solely to improving housing conditions for all of our constituents. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Does the

chairman of the committee overseeing this department have any comments on the committee's review of the department's main estimates? Mr. Miltenberger.

MR. MILTENBERGER: Yes, I do. Thank you, Mr. Chairman.

General

The NWT Housing Corporation works with the local housing authorities and other concerned citizens and non-governmental organizations to achieve acceptable results in the provision of housing in the Northwest Territories. The Housing Corporation aims to ensure there is adequate social housing available for those who need it and that there are affordable housing options available for those who can look after their own needs. The Housing Corporation also supports NWT based construction and manufacturing with high aboriginal participation.

The Standing Committee on Social Programs met on May 30th, 2000, to review the draft 2000-2003 Business Plans and the draft 2000-2001 Main Estimates of the Northwest Territories Housing Corporation.

Committee members were generally satisfied with the business plan of the NWT Housing Corporation. Committee members realize that the Corporation is doing what it can with the reduced federal social housing funding that it receives.

Seniors' Housing Strategy

The committee was surprised to see a strategy referenced that was obviously used to formulate the business plan of which the members were not previously aware. Committee members can understand how the transition between Assemblies and the amount of work that we have expected our employees to accomplish in getting ready for the budgetary cycle of the first year of our mandate could have led to this oversight. However, committee members strongly believe that if a strategy or new government position is going to be used to formulate a departmental business plan, the committee should have ample opportunity to review and comment on the strategy prior to its use as a policy base.

Committee members also believe that there is a need to integrate programs and services for seniors. This is particularly true of the departments in the social envelope. The result will be access that is simplified and streamlined. This government has appointed a Minister responsible for Seniors. The committee is of the opinion that this appointment is a first step in meeting the needs of NWT seniors. However, committee members believe that with the increasing seniors population much more needs to be done.

The committee appreciated being provided with a copy of the strategy subsequent to meeting with the Minister and his officials. Committee members reserve the right to comment on the Seniors' Housing Strategy following detailed committee review.

The committee recommends that when a department or corporation plans to use a new strategy or policy they have developed in formulating a business plan, that the strategy or policy should be provided to the committee in advance of the budget review;

And further, that the committee be given every opportunity to comment on new strategies and initiatives prior to their use as a basis for setting government policy.

In addition, the committee recommends that the departments in the social envelope form an inter-departmental working group under the leadership of the Minister responsible for Seniors;

And further, that this working group should conduct a study and provide recommendations on how the Government of the Northwest Territories can better streamline and integrate the services that are offered to seniors;

And furthermore that the Minister report on the findings and recommendations of this interdepartmental working group to the Standing Committee on Social Programs within one calendar year.

Harmonization Between Income Support (ECE) and Social Housing

Both programs contain provisions that discourage people from seeking active employment. There is no incentive for a person on income support and living in social housing paying \$32 per month to take a lower paying job when he or she is no better off because of higher rent and loss of income support.

Members of the Standing Committee on Social Programs are pleased that this long-outstanding issue between the NWT Housing Corporation and the Department of Education, Culture and Employment is scheduled to go in front of Cabinet. Committee members look forward to a briefing on the Harmonization Plan in the near future.

Committee members' major concern with the Harmonization Plan was that the Corporation realizes that it is vitally important an effective communication strategy be an integral part of the Harmonization Plan. Any time that this government changes the way in which it delivers its core services, it is imperative that these changes be communicated to the clients in a timely and appropriate manner.

Committee members were pleased to hear that a communication strategy is part of the Harmonization Plan and look forward to reviewing that component of the Harmonization Plan.

Extended Downpayment Assistance Program and Mortgages

Committee members are aware that in some communities the potential for loan defaults exists under the Extended Downpayment Assistance Program (EDAP). A client's circumstances of life can change for the worse, resulting in loan defaults to the lending institution.

Committee members have heard of Housing Corporation officials assisting EDAP clients refinance with the bank and even cases where the Housing Corporation has lowered the mortgage payments for the EDAP client by increasing the amount that the Corporation finances through the EDAP Program.

However, it was confusing to committee members to then hear from the Minister and his officials during the business plan review that there was nothing the Housing Corporation could do to help clients in a loan default situation. This does not

agree with what members have heard happening in some districts. The attitude that it is a matter between the bank and the EDAP client may not be an appropriate approach.

It appears to committee members that there is no clear policy to guide the Housing Corporation in providing assistance to an EDAP client who's in danger of defaulting on their mortgage with a lending institution. Given that, in all likelihood, an EDAP client who defaults on a mortgage will end up in social housing, the Corporation should have a policy to guide their approach to these individuals. It appears from information provided by the Corporation that the problem is not as severe as some members believed. Nonetheless, members believe that there is a need for a definitive policy.

Reduced Canada Mortgage and Housing Corporation Funding

Committee members are well aware that the current level of CMHC funding will be sunsetted on a sliding scale over the next 38 years. Members of the committee share the Minister's concern that this will have an extremely detrimental effect on the ability of the Corporation to deliver new public housing and to maintain the existing housing stocks.

Members of the Standing Committee were pleased to hear that the federal Minister has agreed to meet with his provincial and territorial counterparts for the first time in a number of years. We must take advantage of this opportunity to lobby for the restoration of social housing funding from the federal government.

The committee strongly recommends the Minister's continued cooperation with other Canadian jurisdictions that were also adversely affected by the federal government's withdrawal from the provision of public housing funding to make sure that the Northwest Territories receives its fair share of any restored funding.

Committee members also share the Minister's concern that because the Government of the Northwest Territories assumed the responsibility for aboriginal housing in the Northwest Territories, the Northwest Territories is not eligible for any federal housing funding that targets treaty aboriginal people.

The committee recommends that the Minister continue to lobby his federal counterparts to ensure that the Northwest Territories receives a fair share of housing funding that targets aboriginal housing, such as the On-Reserve Housing Program.

At this time I would like to ask Mr. Dent to conclude the remainder of this report. Thank you.

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

MR. DENT: Thank you, Mr. Chairman.

NWT Development Corporation and RWED Housing Market Development Strategy

Committee members are very interested in seeing the results of the proposed strategy between the Housing Corporation, the NWT Development Corporation and the Department of Resources, Wildlife and Economic Development. The committee understands that this joint strategy is aimed at developing private housing markets in communities that can sustain a viable housing market.

It is apparent to committee members that caution must be exercised in the development of a housing market creation strategy. There is a danger of creating an artificial market and thus the strategy becoming another "hidden government subsidy". Care will have to be taken to ensure that this does not occur.

Balancing Affordability and Economic Diversification

Committee members held a wide-ranging discussion on the need to balance economic diversification against the desperate requirement for social housing in our smaller communities.

In the near future, the committee notes that block funding may be an imminent part of self-government agreements. As a consequence, it becomes incumbent upon the government and the NWT Housing Corporation to develop a policy that balances the need for northern spending and support for northern manufacturing against the desire to acquire the greatest amount of goods and services at the lowest prices.

Committee members hope that the deputy minister's working group on Procurement Policy can possibly provide direction for the Northwest Territories Housing Corporation in the years ahead. Committee members look forward to the report of the working group.

Energy Conservation Strategy

Members of the Standing Committee on Social Programs were puzzled with the exclusion of an Energy Conservation Strategy in this business plan. The committee notes that an Energy Conservation Strategy was an integral part of the previous two business plans. It was further noted that, the Housing Corporation, in its presentation, provided information that projected skyrocketing energy costs. Members could not reconcile the Housing Corporation's decision to abandon an Energy Conservation Strategy with present fiscal pressures on the Corporation.

Members were pleased that the Minister agreed with the committee's position that the Northwest Territories Housing Corporation needs an Energy Conservation Strategy. Committee members look forward to reviewing this strategy in the next business planning cycle in October 2000.

Targets, Goals and Base-line Information

As with other departments that the Standing Committee on Social Programs reviewed during this budget cycle, there is disappointment on the part of committee members with the lack of clear targets and goals for the Corporation.

Committee members pointed out that the Housing Corporation had goals and targets that were attained. However, the committee notes that these goals and targets were not appropriately reported in the business plan. Examples included the Corporation's plan for dealing with the building-piling crisis in the Inuvik area and the plans for decreasing core need in the communities.

Committee members believe that the discussions held with the Minister and his officials led to greater understanding on the part of the Corporation as to the quantity and quality of information that the committee expects to see when setting goals and targets.

Committee members did appreciate the department assigning measurable targets to their goals in correspondence received by the committee subsequent to the discussions with the Minister and his officials. Committee members look forward to the next business plan for the Northwest Territories Housing Corporation reflecting that understanding.

Action Plan For the Housing Corporation Versus Core Needs

Members were pleased to see that the Housing Corporation had developed a four-year delivery plan that covered capital acquisitions. However, members could ascertain no reason why these delivery plans could not be included in the business plan instead of being provided to the Committee as part of an overhead presentation. Committee members are concerned that vital information that should be provided to the general public is not available by virtue of its non-inclusion in the official business plan. This is an issue for other departments as well and the Accountability and Oversight Committee will be making a recommendation concerning this issue.

Members of the Standing Committee on Social Programs could find no direct correlation between the four-year action plan and the core needs identified in the 2000 Housing Needs Survey.

If committee members are to believe that progress is being made in meeting the core needs in the communities there has to be a direct linkage between these two documents.

The discussion between the committee and the Minister and his officials focused on how information on repairs and new construction could be presented to the committee. Currently, the information is hidden in the grants to the local housing organizations. Members of the committee were pleased to hear that the activities of the local housing organizations are laid out in business plans that the LHOs provide to the Housing Corporation. Members look forward to the next business plan cycle and receiving this information presented and linked to the community core needs. The committee thanks the Minister for this commitment.

The committee did appreciate that, subsequent to the commitment by the Minister, the committee received copies of the capital plan and the pages from the 2000 Housing Needs Survey that identified core need in the communities. This still does not address the committee's concern of whether the Corporation is reducing core need in the communities. The committee members feel that they need to know how many units are being repaired and replaced in the communities in each year and how this affects the overall core need in the community. The information provided by the Corporation does not accomplish this. Members hope that the Corporation will be able to provide this information in the next business planning cycle.

Quality of Information in Business Plan and Main Estimates

Members appreciated the effort that the Housing Corporation put into ensuring that all of the additional information requested by the standing committee was provided.

Members were also impressed with the quality of information that the Corporation included in its affirmative action report. Committee members were also pleased with the success that

the Northwest Territories Housing Corporation has realized in achieving affirmative action parity.

Mr. Chairman, this concludes the report of the standing committee.

CHAIRMAN (Mr. Krutko): Will the Minister responsible for the Housing Corporation call any witnesses?

HON. ROGER ALLEN: Yes, Mr. Chairman.

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

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Sergeant-at-Arms, can you please escort the witnesses in?

Mr. Minister, for the record, can you introduce your witnesses, please?

HON. ROGER ALLEN: Thank you, Mr. Chairman. On my immediate left, Tom Beaulieu, president of the Northwest Territories Housing Corporation. To my right, Mr. Jeff Anderson, chief financial officer.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Welcome witnesses. We are dealing with the Northwest Territories Housing Corporation. General comments. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. In the area of the programs that are available to residents, has there been any flexibility built into how, for example, seniors can access any funding?

I was aware of a situation that arose in my community. A senior commented to me that the government will put him into a seniors home and pay for the cost of that home, but if he wanted to go into an independent situation, he would have a very difficult time. I believe there was some help given to him, but it took a bit of work, when it comes to people who are not right within that community boundary. For example, if there still can be productive living on the land and doing some trapping and hunting and so on. So is there flexibility in the system that can deal with the situations that come up of this nature? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, we are trying to adjust some of our program content to meet basic needs of people who want to still remain productive on the land. So it is going to take a little time before we can really develop a thorough program which addresses basic needs. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. As well, we know there has been a call for seniors' units in the majority of the communities of the Northwest Territories. Under the existing program, with the Department of Health and Social Services, there are only eight units a year that can be allocated to seniors' facilities.

Has there been any work done in that area to create seniors' units that we would have more independent seniors being able to have. Part of it is to buy into it. I will use the example of the

Inuvik elders or seniors group that have been working on a facility. They are willing to put in some of their own cash. So has there been areas looked at in trying to make this a possibility? Thank you.

CHAIRMAN (Mr. Krutko): The Minister responsible for the Northwest Territories Housing Corporation. Mr. Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. There are several steps we have taken since I took over the portfolio. First of all, we have developed a Seniors' Housing Strategy that would look at developing 91 units over the course of the next four years. That is over and above the eight that are designated through the seniors' portfolio. Our intention here is to meet the demands of seniors independent housing as part of the public housing unit stock. That is our approach. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. I am very interested in hearing more about this area. Is there something coming forward in the near future that Members will be able to have a look at? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. ROGER ALLEN: Yes, Mr. Chairman, we do have a Seniors' Housing Strategy in print. We identified a number of areas such as the community requests, our continual liaison with community seniors across the Territories. We feel that we are going to be able to meet some of those objectives that they outlined.

There are a number of other areas that have been taken under consideration and discussed with the various seniors across the Territories. I feel we have a narrow look at meeting some of those seniors housing needs. Thank you.

CHAIRMAN (Mr. Krutko): General comments. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I just have some questions about programs. Could the Minister tell me how much the Housing Corporation was paying per month when it was in operation for the homes for the homeless?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. ROGER ALLEN: Thank you, Mr. Chairman. May I redirect that question to the president of the Housing Corporation? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. We had a lease agreement with the homeowner. We were paying \$4,080 per month for the unit.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Since that unit was shut down, I do not believe there has been anything in operation in town for homeless people. I know that a number of social agencies in town had put together a proposal that was put before this government. The Housing Corporation, the Department of Education, Culture and Employment, and the Department of Health and Social Services were asked for

assistance in putting together a program that would deal with transition housing and hard to house people.

Since there has been no response to that program and I know that, for instance, the YWCA is interested in offering assistance right now to people who are living out at Long Lake at the campground and are looking for housing.

Would the Housing Corporation consider providing the same sort of funding to the YWCA to help them get into that program and in a building that they now are operating?

CHAIRMAN (Mr. Krutko): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Again, I would like to refer the question to the Housing Corporation president.

CHAIRMAN (Mr. Krutko): Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. The Housing Corporation is continuing to look at the information that we have received from the federal government on the homeless strategy. So far, we are having difficulty getting information from the federal government as to how that program is to be delivered, what type of cost sharing arrangement is required in the program, and who from the department if any would be expected to cost share the homeless program.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. At one point, the Housing Corporation obviously took on some responsibility for homeless people in Yellowknife. It did not wait for cost shared dollars from the federal government. I am just asking that you continue that approach. There is a significant problem out there and it is there today. We have families that are right now without a place to live.

Will the Housing Corporation, at least as an interim measure, look at dealing with an agency such as the YWCA to see if they are prepared to make arrangements to try and deal with some of these people who are right now in crisis?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Mr. Chairman, thank you. We are prepared to commit to continue to support the homeless on an interim basis until we can come together with the other two participating departments to come to a more concrete plan and involve those supporting agencies. Thank you.

MR. CHAIRMAN (Mr. Lafferty): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I appreciate the Minister's commitment and I will make sure that his office is contacted forthwith to start the process. Thank you.

MR. CHAIRMAN (Mr. Lafferty): General comments. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I have one issue I would like to address with the Minister as coming forth with his budget for \$43 million and change. The issue is that of accountability, which we have discussed at length in this House over the past number of weeks. I would like the Minister's comment and position on the issue of accountability, as Minister, for this budget and for the business plan of the

Housing Corporation. How does he see his role in that process? Thank you.

MR. CHAIRMAN (Mr. Lafferty): Minister Allen.

HON. ROGER ALLEN: Thank you. In response to the Member's question, Mr. Chairman, we have worked very closely with our senior officials from the Housing Corporation to identify in terms of housing needs, in terms of involving the Ordinary Members in the number of programs that we deliver to the communities. I feel that our budget reflects a very subtle budget. I do not see us having any forced growth. I could ask Mr. Beaulieu if he has any further comments on the financial aspects of the budget and the technical aspects.

I believe from a ministerial point of view, we have stayed within the perimeters of our budgetary estimates. With the ongoing process of trying to find suitable solutions to our ongoing housing shortages across the Territory, I feel that we have met some of those issues under our mandate. Thank you.

MR. CHAIRMAN (Mr. Lafferty): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, I am interested in a clear statement by the Minister about ministerial accountability for the department, the strategies, the targets, the business plan and budget. In light of the comment, as I have indicated a number of times already in the House, by the Premier that there is no clear measurable way in which to make this government, Ministers and deputy ministers, accountable for not meeting targets.

All the Ministers who have preceded him have stated quite clearly that in fact they are accountable for their budgets for their department to this House and that is why they are at the table. I was wondering if the Minister of the Housing Corporation could speak to that issue as well, in terms of his accountability. Thank you.

MR. CHAIRMAN (Mr. Lafferty): Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I was quite certain that I had given the Member an answer here. I do believe that we have conformed to the basic principles here in trying to address the budgets. I am not sure what the Member is trying to achieve further than what I am answering. Thank you.

MR. CHAIRMAN (Mr. Lafferty): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. At the risk of beating a dead dog, as my colleague, Mr. Nitah, would say, what I was hoping for was basically an "I" statement from the Minister. That, as the Minister, yes, he is accountable for his budget and business plan and the department as it appears before this Legislative Assembly. That was the short version of what I was hoping to hear the Minister say.

I did get some helpful information, but it was in the plural of we and the reality is that it is not his officials that speak. It is the Minister. That was the point I was trying to get on the record here, so that it is clear for every department and every Minister that has appeared before us. Thank you.

MR. CHAIRMAN (Mr. Lafferty): Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I always like to feel part of a collective group and I often refer to myself as we, because I do represent a large group of people. For the record, I will be accountable for this department. Thank you.

MR. CHAIRMAN (Mr. Lafferty): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I apologize, I did not realize the Minister was speaking in the royal we. It is clear now, so I can appreciate the we. We are not amused.

Mr. Chairman, one question on some of the motions that are going to be coming up, but as a department, as a Corporation that has a significant role to play in the delivery of services to seniors, I would like it if the Minister could comment briefly on how he intends to bring together services for seniors in a more integrated, streamlined way. A way that recognizes the need for one-stop-shopping for seniors. Also, a way that recognizes the fact that statistics and demographics show, they are a burgeoning part of our population that is only going to increase. Thank you.

MR. CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I will try to answer part of the question and turn it over to my colleague here, the president of the Housing Corporation.

The drive to address senior housing problems was pretty well documented through our travels. We see a great increase in seniors retiring in communities such as Hay River and Fort Smith, the garden capital of the Northwest Territories. Also, predictions that we need to work with the senior societies across the Northwest Territories, so they have input into how they want their seniors' homes developed, so they can continue to live in peace and quiet and with some security. That is the ethics behind our reason for travelling to the communities.

On the technical side, to answer that question further, I would ask if Mr. Beaulieu would have something further to add.

MR. CHAIRMAN (Mr. Lafferty): Thank you. Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. The strategy for the Housing Corporation to address seniors' needs is necessitated by the results of the needs survey, which indicate that seniors are in the highest need group. 32 percent of all seniors households in the Northwest Territories have some form of housing need compared to 28 percent of single people and as a group in total including families, which is 20 percent.

We are interested in working with other departments and various community organizations and various seniors societies in trying to develop a housing strategy to address the more serious needs in communities where the needs are greatest.

MR. CHAIRMAN (Mr. Lafferty): Thank you. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, I would like at this point to acknowledge the role that the Housing Corporation has played in my community. Especially in light of the comments from the Minister of Transportation, which clearly reminded me that Ministers like to hear a kind word occasionally.

I do acknowledge the work and the involvement of the Minister coming to the community and riding of Thebacha and the work done by his staff, both at the headquarters level, at the district level, at the community level. It is much appreciated, dealing with all the community issues that were raised when he was there.

On that note, I would like to ask the Minister or president, could he just outline for me, the schedule that is in place to deal with the air circulation at the Sunset Chalet? I was home on July 1st and I was talking to some of the residents there. They indicated there was nothing underway yet and that it was dreadfully hot and there were still some problems. I was wondering what the construction schedule is. Thank you.

MR. CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Mr. Chairman, we do not have any further information to provide today, but we will continue to work on the solution before the Sunset Chalet. We will communicate that back to the Member. Thank you.

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

MR. KRUTKO: Thank you, Mr. Chairman. One of the areas you hear a lot of concerns from is people that require access housing and the whole question about the insurance and workmanship of a lot of these buildings. The question about having insurance in place to protect the occupants when they move into the house. There is some question about the liability of the contractors that construct these buildings, that they do have some insurance. That the companies that have taken on these buildings are liable to make sure that they do not have problems right off the start.

So I would like to ask the department, what are you doing to ensure that the new homeowners that acquired houses from this government through the access program, are protected so that they do not find themselves buying a unit and then, down the road, realizing that there is electrical problems or there is problems with the heating system or that there is major construction faults in the way it was constructed?

So is there anything in place or has the department looked at a way to assist homeowners to deal with the question about insurance on who is liable for these units once you move into them? Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I will again call upon Mr. Beaulieu to respond to that question.

CHAIRMAN (Mr. Lafferty): Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. The Housing Corporation has a one-year warranty after completion of the project where money is held back from the contract for one year in case issues, such as those mentioned by the Member, crop up. After one year, the warranty is considered to be complete and paid out. So if the issues do not appear within one year, then it is a process of individual access clients having to apply for assistance through the district offices.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Why is there such a short time frame? Usually, any construction takes at least two or three years just for the foundation to set. Knowing that you are dealing with permafrost and different conditions in the north, why is there such a short time frame? Why not three or five years?

CHAIRMAN (Mr. Lafferty): Mr. Beaulieu.

MR. BEAULIEU: Mr. Chairman, because of the contract that is in place with the builders, we do not like to hold payment to the contractor for an indefinite period of time. We felt that most deficiencies that are going to become apparent will become apparent within the first year. It would be one full year of a four season cycle.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. My other concern is the area that has been raised in this House about the policies this government has in place, the Business Incentive Policy and Manufacturer's Directive.

In regard to the whole intent of these different policies, we have negotiated contracts. We have sole-sourced contracts. We have the different contracting policies that are in place to benefit northerners and to ensure they develop or try to sustain businesses in the North.

However, what we see happening is that there are, in some cases, no real consistent implementation of these different policies that this government has. I would like to ask the Minister, why is it that groups, such as the Manufacturer's Directives we have met with, which state they have businesses they have set up regarding fiberglass tanks to that of major construction that they have put in place. In my riding, there is a group going into portable sawmills, that is another Manufacturer's Directive, yet, these people are taking a chance to develop an industry and hire local people, which is the whole intention of the policy.

I find it hard to understand why this Housing Corporation is not following that policy to the fullest, because of what we have seen, where you still see a lot of material coming north from the south, when I believe a lot of that construction material could be produced right here in the North.

So I would like to ask the Minister, what are you doing to ensure that those policies are being carried out? What happens if someone is not following that policy within a department?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Mr. Chairman, I just want to reconfirm what I stated in question period. We are following the Business Incentive Policy and IMD. The Business Incentive Policy, as well as the Intra-Manufacturers' Directive, which basically is a subset guideline to the Business Incentive Policy.

We have maximized all our efforts to meet those objectives in support of northern manufacturers. I believe the Member is speaking a bit about new products, such as developing a new source of lumber supply in the Territory. I believe there is another policy that governs that. So I believe in terms of our obligations, we have met them and are maximizing the purchase of northern manufactured products. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko.

MR. KRUTKO: Thank you. Does the Minister have a breakdown of exactly how much money is spent in the manufacturers industry at this time?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Mr. Chairman, I can only speak to how it applies to the Northwest Territories Housing Corporation. The Corporation follows the policy established by the government, which is administered by another department. In our programs, we have, at least, met all those requirements to provide or purchase northern manufactured products. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you. Yes, it is great to say you have met them, but let us see them in statistics. Do you have documentation showing exactly how much money this government spends on buying manufactured products? Also, how much money is being used in this construction industry for northern contractors to build and construct these buildings? How much money is spent on wages and paid to people within the communities to build these buildings? Do you have any information that is on paper, so we can see it? It is great to say it, but let us see it on paper.

CHAIRMAN (Mr. Lafferty): Thank you, Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I had risen in the House during question period. I committed to providing that information. Once we calculate it and put it in some format, we will table it in the House. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you. Does the Minister, or any of his staff, have any idea of how much money has been spent in this season for that particular thing? How many contracts have gone out and how many units is this government going to be constructing that will be using manufactured equipment and local contractors?

CHAIRMAN (Mr. Lafferty): Minister Allen.

HON. ROGER ALLEN: One moment, Mr. Chairman. Thank you again for your patience.

Just to confirm some of the rough estimates to date this year, this fiscal year, the Northwest Territories Housing Corporation purchased approximately \$6,174,600.36, which basically represents 99.12 percent of northern purchase from the northern manufacturers and northern suppliers. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In regard to your definition of northern suppliers, are you talking about Igloo Building Supplies, Beaver Lumber, and all these major supplying companies?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Mr. Chairman. Yes, it is totally northern suppliers.

CHAIRMAN (Mr. Lafferty): Thank you. General comments? Mr. Bell.

MR. BELL: Thank you, Mr. Chairman. I have some general comments about the department and I think I would like to start in the area of seniors' housing and echo the sentiments of my colleagues, who have said we are waiting yearly to see how the Seniors' Housing Strategy will play out.

I think living in one of the larger centers, we are going to see the effect that a lack of senior housing is going to have. As we all know, we are a magnet community. We are going to draw a lot of people to this and other larger communities. A lot of people who require services require housing and we have also heard from the president of the Housing Corporation that seniors core need is something like 32 percent. I think this is rather high, so we know we have got some seniors housing needs to address.

We will be waiting to see how the housing strategy proposes to do this. I think the problem is going to be accelerated, given the changing demographics and the trends toward an aging population. I am interested in hearing how the Minister proposes to deal first with this concern that we have, especially in magnet communities that we will not have the housing and the services to keep up and how his strategy will address this. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Mr. Chairman, I am going to refer to Jeff Anderson, our chief financial officer, to respond to that specific question.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Anderson.

MR. ANDERSON: Thank you, Mr. Chairman. The Northwest Territories Housing Corporation currently has 231 owned seniors units across the Northwest Territories and eight leased units, for a total of 239.

In the development of our four-year plan, that we are putting in place right now, we are going to put in another 30 units this year. We are fast tracking some of these units because of the extreme need that we have for seniors' housing.

We also have another 94 seniors' facility units, which make up Yellowknife Avens Manor, Avens Court. Hay River and Fort Smith also have some facilities. There is an additional 94 on top of that. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Bell.

MR. BELL: Thank you for those housing unit numbers. I am wondering, can you talk a little more generally to the idea? It is one thing to allocate housing units by community and by population, but it is another thing to realize that many seniors may be forced to move to some of the larger regional centers to get the level of medical care they need. It makes sense, possibly as they age, to have available housing for them not only in their own community, but also in some of the larger centres. They do need specialized services. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Again, I refer the question to the President of the Housing Corporation. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Beaulieu.

MR. BEAULIEU: Mr. Chairman, the Corporation has looked at the regional centres as well when we had developed the Seniors Housing Strategy. We have plans to locate some of the new public housing units targeted towards seniors in Hay River, Fort Smith, Inuvik, and Yellowknife.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Bell.

MR. BELL: Thank you. Yesterday and today, I had some questions for the Minister of Health and Social Services in the area of palliative care. I was concerned that other jurisdictions in the country are doing something to address this need. Typically, they are setting up hospice type arrangements for people who are in the last months of their lives and also providing somewhere for their families to spend their last months with them, so people are not dying alone.

I am wondering if the Minister can talk about whether or not he has looked into the possibility of hospices in any of the communities that might also house families and help us make this shift from only having hospital beds, which are very expensive for people who are in their last months, to apartment situations where nurses could visit them, probably close to health facilities. I am wondering if they have looked at any hospice setups. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Specific to the question of hospice care, no, we have not. In terms of extended care, we still communicate with the Minister responsible for Seniors and also the Minister of Health and Social Services. We have been through busy periods. We have not had time to really discuss all of the particular details as it applies to that. We can ensure the Member that, as we continue to communicate with other Members of the Legislative Assembly, we will raise that as an important point. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Bell.

MR. BELL: I want to thank the Minister for that. Given the Minister of Health and Social Services' very positive comments yesterday, I was eager to hear how other departments would coordinate with Health and Social Services in looking for a solution to this problem. I hope the Minister will agree to take this matter up with Mrs. Groenewegen and see if some arrangement can be arrived at and if this can be made somewhat of a priority.

I want to move to one other matter now, if I could, Mr. Chairman. Again, this is the area of northern manufacturing. I would like to ask the Minister, in some of the programs that the department has, specifically the Extended Downpayment Program or the Independent Housing Unit Program or other programs where the department is involved in either guaranteeing loans or providing downpayment assistance, can the Minister explain how a Northern Manufacturing Directive is secured when these types of programs are undertaken? Thank you.

CHAIRMAN (Mr. Lafferty): Minister Allen.

HON. ROGER ALLEN: Just bear with me one moment please, Mr. Chairman.

Just to point out some key areas in regard to the question, the Business Incentive Policy is applied when the funding from the Northwest Territories Housing Corporation is more than 51 percent for EDAP. The Business Incentive Policy applies to the independent housing program, the emergency repair program, the senior citizens home repair program, and the sale of housing packages program. That is where the Business Incentive Policy is applied.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Bell.

MR. BELL: Thank you, Mr. Chairman. Just some clarification, I think I heard the Minister say in 51 percent of the situations. So if the department is putting up 51 percent or more of the funding, then the Business Incentive Policy and the Northern Manufacturers' Directive come into effect. If it is 50 percent or less government money, then the Business Incentive Policy is not invoked. Is that correct?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. That is correct. That is in accordance with the Business Incentive Policy. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Bell.

MR. BELL: Obviously, this is not a question for this Minister. I was wondering, if all of the departments follow a similar tact, where if the majority of funding is not the department's responsibility, then they do not require the Business Incentive Policy to be followed. I can probably take that up with the Minister of Resources, Wildlife and Economic Development.

It strikes me as strange that if on a \$100,000 house, the government is putting up \$49,000 worth of funding, the Business Incentive Policy does not kick in. Homeowners using the government money are not required to follow the Business Incentive Policy. I am wondering if the Minister can say a little bit about how they decided that 51 percent was the cut-off. Is this something explicitly in the Business Incentive Policy or is this something specific to the Housing Corporation? Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Again, my understanding of the Business Incentive Policy in the way it is applied throughout the Housing Corporation programs that is administered under the Business Incentive Policy. Perhaps, I can ask the president of the Housing Corporation to make some further comments to that. He is more familiar with the process. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. We apply the Business Incentive Policy which has the interim manufactures directive incorporated. In all cases, for the majority of our expenditures, where an individual getting EDAP assistance that is less than 51 percent only, then we do not require the client to apply the Business Incentive Policy, because the clients are paying for the majority of the unit and they felt they wanted the option to shop around for the best price they could get.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Bell.

MR. BELL: Thank you. I can certainly respect that clients would want to shop around for the best price, but it seems a little strange to me that we would provide government money and not require that a government policy be followed, whether 51 percent is the cut off or not.

I did not quite pick it up, but for confirmation, is this your interpretation of how the Business Incentive Policy is to be applied to the Housing Corporation specifically? Is this 51 percent explicitly laid out in the government-wide Business Incentive Policy?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, it is laid out in the government policy.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Bell.

MR. BELL: Thank you. So departments are not free to interpret this as they see it fitting their situations. Basically, this is handed down from above and there is really no discretion to be utilized. It is pretty cut and dry what you can and cannot do. The Business Incentive Policy suggests that if government money, 51 percent or more, is being used, then that kicks in?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I missed the thrust of the question. If I may ask the Member to repeat it? Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Bell, can you please repeat your question?

MR. BELL: Thank you. I was just trying to get further clarification that this is not an interpretation specific to the Housing Corporation. This is government-wide in the letter of the policy. There is no real room for interpretation here. It specifically lays out 51 percent and the Housing Corporation, if it chose to, could not change this and make it 75 percent or 25 percent. There is no room really to move on this. Is that the case?

CHAIRMAN (Mr. Lafferty): Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. From my understanding of the interpretation of the policy in terms of the Housing Corporation, there can be changes made and it can be made more flexible. But again, we are trying to stay within the guidelines established under the Business Incentive Policy. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. General comments. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. I have one question regarding the opening statement that the Minister made. Before I go into that, I just want to remind the Minister and the department, I believe that when the government sets a policy, I do not think there should be discretion on which the government civil servants can use their own discretion.

I understand all circumstances are different, so you have to work with the facts of each case. I believe the policy is there for the employees to follow, so the clients know what they are

dealing with. If there is a problem with the policy, the course of action should be to change the policy, not those who are supposed to implement those policies and follow those policies, changing them or adjusting to fit their condition.

I also believe that if the government is providing money to people to help them buy houses, that government should have the right to attach some conditions to say that if we are funding 50 percent of this project, we require you to buy local. That is not just in Yellowknife, you see it in every single community.

I do not believe that is always the case. The costs here aren't always higher. I think that is the biggest stereotype that the manufacturers and northern businesses have to fight. You will see that when you go talk to the northern business people. They are often very competitive and they know the northern conditions and they know what the northern requirements are.

I just cannot say enough about the importance of the department following that policy. If there is something wrong with that policy, the government should change it, but as long as the policy is there, it is for everyone to follow.

My question, Mr. Chairman, is a small question that arises out of listening to the Minister's opening statement. It is in particular the last paragraph of his statement which peaked my curiosity and interest. In the last paragraph, the Minister says:

"This conclude my remarks, Mr. Chairman, except to say how important it is to have a single agency dedicated solely to improving housing conditions for all of our constituents."

I find that interesting, in light of the fact that it comes on the heel of the previous paragraph where he talks about four regional offices that have been created. Now I am interested in this paragraph because I think it is a vision statement of some sort. The Minister is saying what is important to him or it is sort of dangling for me to ask questions. I do not know if the paragraph was meant to inform us or to challenge us to think about what he is saying. Perhaps, the Minister just wanted an opportunity to elaborate so that he did not have to write another ten pages explaining why. I just want to give the Minister a chance to explain what he meant by that.

CHAIRMAN (Mr. Lafferty): Mr. Minister.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I believe the opening sentence of my presentation really reflects what we are trying to achieve here, Towards a Better Tomorrow. When we talk about working closer with the communities, we have to have a mechanism where we are able to get quicker, faster access to the people to help them meet their basic needs.

In our case, we are finding that there is a severe need for more affordable, more suitable and better housing conditions. The idea behind putting two new offices in place is really not new. We did have sub-offices in those two communities. We are just strengthening it by putting them in, turning them into a district office where they can have easier access to programs, easier access to the staff and the logistics. That is the emphasis of the statement. Thank you.

CHAIRMAN (Mr. Lafferty): Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. I do not believe the Minister answered my question about what he meant by the last sentence, except to say how important it is to have a single agency dedicated solely to improving housing conditions. What did he mean by that? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. ROGER ALLEN: Thank you, Mr. Chairman. In trying to give a more definitive answer, I am going to call upon Jeff Anderson to respond to that question. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Anderson.

MR. ANDERSON: Thank you. I believe the rationale for putting that in there is that because social housing is such a critical problem, particularly in the smaller communities across the Northwest Territories, when you have one agency that deals with a programming side, the technical side and your delivery of the programs that you offer, it adds a lot of efficiency to meeting the needs of the local residents.

The Housing Corporation was originally established in 1974. Prior to that, several different departments had the responsibility of working together to meet these needs. It was not working at that time and that is why one of the decisions was made to set up a Housing Corporation to show that the government is focused on dealing with these problems. That is the essence of that statement. Thank you.

CHAIRMAN (Mr. Krutko): Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. I understand what Mr. Anderson just said to mean that the Minister's vision for the appropriation is status quo. I need to ask the Minister if that is a sentiment he agrees with? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I find no better way of trying to explain it. Just to ascertain our position, I believe we are just trying to reinforce the false statement made by Mr. Anderson.

CHAIRMAN (Mr. Krutko): Ms. Lee.

MS. LEE: I think I have made my point there. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I would just like to address for a minute the Corporation's program for independent housing programs. I am sure that, although they are spending millions of dollars in this area, like every other department they could spend a lot more money. I am sure the people who do receive help from the Corporation in getting into a house and helping with a mortgage are very appreciative of the fact. I understand the Housing Corporation has a certain criteria and standards that have to be met whenever they are putting money into helping individuals into housing programs.

I understand that one of the criteria they require before somebody can access funding through the Corporation for a certain unit, is that unit meets Canada Mortgage and Housing Corporation standards. I would like to ask the department, what exactly does that mean to them?

When they say that a building has to meet Canada Mortgage and Housing Corporation standards, what exactly does it mean? I know from being involved in the construction business for awhile, whenever you are building a house, you have to deal with by-laws and manufacturer's standards that say it has to meet Canada Mortgage and Housing Corporation approval. It is pretty rigid. If the inspector comes around and looks at it and says it is not Canada Mortgage and Housing Corporation approved or it does not meet the standards, then forget about building it because they will put a stop order on your work right away.

I am just wondering if in fact the Corporation does have that standard, that criteria in their program. If it does, who do they have that tells them that a building meets Canada Mortgage and Housing Corporation standards? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Allen.

HON. ROGER ALLEN: Mr. Chairman, if I can refer the question to the president of the Housing Corporation.

CHAIRMAN (Mr. Krutko): Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. The Canada Mortgage and Housing Corporation requirements or standards are put into the units at the point when the units are designed. The design people at the Corporation follow the regulations that are put out by Canada Mortgage and Housing Corporation at that time.

CHAIRMAN (Mr. Krutko): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. Could the Minister tell me if that requirement for Canada Mortgage and Housing Corporation approval also applies to an existing home for which a person is accessing funding through the program to purchase?

I am not talking about a new construction, but I am talking about an existing home. Is it inspected? Is there criteria that the house has to meet, such as the Canada Mortgage and Housing Corporation standards, before the Corporation will put money into it? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Again, I refer the question to the president of the Housing Corporation, who is more familiar with the essence of the question. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. On the purchase of existing units, there is an assumption that units are built in accordance with a Canada Mortgage and Housing Corporation Standard or they would not be able to get beyond the design phase in most of the communities where units are built. When we buy units that are pre-manufactured or pre-built in the south, we require that those units have a Canadian Standard Association sticker on it to insure they meet that standard.

CHAIRMAN (Mr. Krutko): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I am kind of wondering why they have that criteria in place that they have to meet Canada Mortgage and Housing Corporation standards? Does the Corporation have engineers that, when they say a building is Canada Mortgage and Housing Corporation approved or built to Canada Mortgage and Housing Corporation standards, then the Corporation goes on that basis that they are making a good investment into a house?

I know of one situation in particular that was given Canada Mortgage and Housing Corporation approval, that was built to Canada Mortgage and Housing Corporation standards. People that buy houses and access the corporation funding are not necessary design or construction engineers and if a situation happens where the Corporation gives its stamp of approval on a house and puts funding into it, then this is to assist a homeowner that has to go out and get a mortgage on top of that. Seeing as the house is approved by Canada Mortgage and Housing Corporation standards, the bank also goes along with that because they know the Corporation is already given its approval that it has met Canada Mortgage and Housing Corporation standards so the bank is comfortable with lending money.

Who is responsible when a situation like that happens? When it is determined that it is not Canada Mortgage and Housing Corporation standard by a long shot?

CHAIRMAN (Mr. Krutko): Mr. Anderson.

MR. ANDERSON: Thank you, Mr. Chairman. The main goal in this area is really health and safety. When clients decide to buy homes, the Corporation is more than prepared to assist them in assessing that unit up front to make sure that it meets the code.

In cases where we are doing repairs to units, there are situations where scope work is developed and then once you pull the interior walls apart, for example, there are electrical problems. Those things should be added in to the mix to increase the scope work to bring the unit up to speed.

But the Corporation is more than willing to work with clients, to help provide technical services to assist them in assessing houses that they wish to purchase. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I still have not received the answer to the question that I am looking for, as far as why Canada Mortgage and Housing Corporation? Why is Canada Mortgage and Housing Corporation criteria in there? If it is not, if they need that standard before they lend money, and then it is determined after that it is not, then who is responsible? Is it the engineer that said, "Yes, the building meets Canada Mortgage and Housing Corporation standards"? Is it the homeowner? Is it buyer beware? Is the Corporation just going through the motions of saying we need Canada Mortgage and Housing Corporation approval? If we do, then I would suggest that you need an engineer that is qualified to say, "Yes, this building meets Canada Mortgage and Housing Corporation standards and you are making a good investment and so are the people who are buying it".

What I really want to know is, why is that criteria in there? If it is in there, then why is it there? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. It seems like the Member was at one time referring to Canada Mortgage and Housing Corporation as a construction standard to build houses and look at the technical aspects of a house.

The question has gone to Canada Mortgage and Housing Corporation from what I understand. Canada Mortgage and Housing Corporation insures the loan of a purchase of a house, and that is protection for the bank on the loan. It is not Canada Mortgage and Housing Corporation protecting the technical reliability of the unit. The technical reliability of the unit is the responsibility of the purchaser to get an engineer to ensure that it meets the standards required so that the house is not falling apart soon after it is purchased.

CHAIRMAN (Mr. Krutko): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I know that I have dealt with building houses before that had to meet standards by Canada Mortgage and Housing Corporation. They do not vary much from that. When a Canada Mortgage and Housing Corporation inspector comes by and they make sure that it meets Canada Mortgage and Housing Corporation standards, they are pretty thorough. You do not go beyond that stage that you are at if it is not meeting those criteria. That goes on throughout the whole building process. I am wondering why the Corporation would even have that criteria in there if they do not have a building inspector that is qualified to do that and if they can just go ahead and say, "Yes, it meets Canada Mortgage and Housing Corporation standards, and go ahead." Then it is determined very shortly after that that in fact it does not. By now, an individual has already taken out a \$90,000 mortgage or \$100,000 mortgage and their house is falling apart under them. Canada Mortgage and Housing Corporation is involved and they have criteria involved. Somewhere along the line, I think somebody should be responsible.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. ROGER ALLEN: Thank you, Mr. Chairman. It is a difficult question to respond to, but again I will call upon Mr. Beaulieu to see if he can lend some technical advice on this specific matter. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Lafferty.

MR. LAFFERTY: Thank you, Mr. Chairman. I just have a question about seniors housing and palliative care together. The Minister did say that there is going to be an increase in seniors in a few years to come. I am just wondering if they have a long range plan to make sure that there are facilities for long-term care and palliative care for some of the senior facilities that they have in the Northwest Territories. Thank you.

CHAIRMAN (Mr. Delorey): Mr. Minister.

HON. ROGER ALLEN: No, I expressed that same issue to the Member for Yellowknife South, that we were not involved in extended care facilities. We are strictly looking at senior independent housing and also looking at seniors' housing as part of the public housing units. I believe that is under another department's jurisdiction and we did not want to border on that. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Lafferty.

MR. LAFFERTY: Just following up on some of the questions this morning on the Business Incentive Policy, I did not support the Business Incentive Policy in certain areas in the social envelope in purchasing only. What are the statistics that you have in building homes for the homeowners where, as you said, if there is not 51 per cent, the Business Incentive Policy does not kick in? Do you have stats that show how many homes are built with the Business Incentive Policy and how many are built without the Business Incentive Policy? This is not with northern manufacturers. This is just the purchase of materials. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. ROGER ALLEN: Well, Mr. Chairman, I do not believe that we have the specific information at the moment. We would like to respond back to the Member here with the specific answer if he could provide us with a written question. We will provide the answer as soon as we can. Thanks.

CHAIRMAN (Mr. Krutko): Sorry, we are in committee of the whole. We do not have written questions. If you can get that information before we conclude. I will ask Mr. Lafferty if he has another question on that, just for clarification. Mr. McLeod.

MR. MCLEOD: Thank you, Mr. Chairman. My comments are on the housing situation that seems to be happening across the board and all the smaller aboriginal communities. Over the last while, it seems we have not been able to provide housing to a lot of the people in the communities.

For example, in Fort Providence, I know for a fact that we had upwards of 25 people apply for houses last year. We could only provide two. They had to be IHP houses because nobody qualifies for the Expanded Downpayment Assistance Program houses. That program does not seem to work in the smaller communities.

As the land claims groups and the aboriginal groups in the regional organizations are demanding more and more jurisdiction and more authority, placing more demands on this government to run their own programs, I think we are going to see a lot more requests to look at the block funding type arrangements where they can provide their own houses. The way that we have designed this whole department to provide houses proves to be very costly.

Houses that are probably only worth \$80,000 on the real market end up, because of the Business Incentive Policy and other factors, coming out to \$150,000. Nobody can afford the house and if they can, it becomes very expensive on a monthly basis. We all know that the housing program is being funded on a reduced or declining scale.

Down the road, the money is going to become even scarcer than it is. While we all live in the communities that are facing housing shortages, we have people with nine, ten and sometimes more in the house. We cannot deal with the issues that are out there facing us, such as healing and education.

I can see the aboriginal governments demanding more control over their block funding so they can provide their own type of management and try to meet the demand that is out there and not be restricted by the different formulas and guidelines this department has right now.

I wanted to ask the Minister if there have been any requests by any of the aboriginal governments to run their own housing programs.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I am pleased to advise that throughout our travels into the small, rural communities throughout the Northwest Territories, block funding is normally brought up in joint partnerships in the discussions. They can provide suitable and affordable housing, much more cheaper than we can as a Corporation. We have been dealing with them on a one-to-one basis. It depends on which communities that have entertained that idea. Thank you.

CHAIRMAN (Mr. Krutko): Mr. McLeod.

MR. MCLEOD: My final question is, would there be some consideration, for example, if the Deh Cho First Nations wanted to assume management of all their own housing programs. Would there be some consideration for transfer of funding over to them in a block type transfer?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. ROGER ALLEN: So far we have only dealt with community transfers. We have not really dealt with the political area at the moment. That is an ongoing process. It is very early in our term. We hope to achieve more equitable results as time goes on. Thank you.

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

-- Break

CHAIRMAN (Mr. Lafferty): I will call the committee back to order. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In regard to a follow-up question regarding aboriginal housing, has the department considered the possibility of getting out of the area of aboriginal housing and leaving that to the Department of Aboriginal Affairs or have the federal government deliver that program directly with First Nations governments in the Northwest Territories, so they may have a better chance of accessing these federal dollars?

As it sits right now, it says that the Northwest Territories is not eligible for any federal funds targeted for aboriginal peoples. Has the department considered that an option so aboriginal groups can access federal dollars for First Nations housing?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I am just going to answer part of the question and then I will call Mr. Beaulieu to respond to the technical aspects of the question.

We have been in discussions with one particular community, Hay River Reserve, in regard to the question of aboriginal housing. At this point we do not see any progress made, but we are going to be discussing further housing issues with my provincial counterparts and with the federal Minister of Housing in September. I am just going to ask Mr. Beaulieu if he can enlighten the Member a little further on the program content. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. In relation to aboriginal housing or on-reserve housing, the federal government has a \$250 million On-Reserve Housing Program across southern Canada. We have discussed the possibility of them providing housing under that program North of 60. Up to this point we have been advised that the funding for any aboriginal housing that normally flows through the Department of Indian Affairs is part of the funding that goes to the GNWT and the funding that is provided directly from Canada Mortgage and Housing Corporation. We look forward to trying to seek assistance from the Department of Aboriginal Affairs to see if it is possible to obtain some assistance through that program.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Does the department know what the process is in the Yukon? I believe that in the Yukon, the First Nations administer their own housing programs through their self-government agreements or housing, from what I understand.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Mr. Chairman, back in March, when I was over there for the Arctic Winter Games I had a meeting scheduled with the Minister responsible for the Yukon Housing Corporation. Unfortunately, he could not make it. We did not have a chance to get a chance to discuss how they were administering their housing programs in the Yukon Territory. No, we are not familiar with all the specific details so we cannot adequately answer the Member's question. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, in an earlier question, I asked the Minister for some information on how money is being spent in regards to the Business Incentive Policy and their Manufacturer's Directive. The Minister mentioned a bunch of numbers. Can I get a copy of that information so that I can have that information available to me?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Mr. Chairman. Yes, we will provide that as soon as we can.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Can I receive that before we conclude this department?

CHAIRMAN (Mr. Lafferty): Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. We will get a copy delivered to the Member. Thank you.

CHAIRMAN (Mr. Lafferty): Any further questions, Mr. Krutko?

MR. KRUTKO: Thank you, Mr. Chairman. Can the Minister tell me how much is our percentage or interest in the projects in Alaska? Is that a 50-50 arrangement, or how much of that percentage do we have in those projects in Alaska? Especially, the seniors units that were built in Alaska.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Mr. Chairman, I have been advised that 100 percent of the funding is provided by the Alaska projects. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. That was not my question. My question was what percent of the partnership arrangement is ours in Alaska, since you said that we have a partner in regard to the project in Alaska. I would like to know what the arrangement is that we have regarding this partnership?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Basically, we are just the contractor for the projects. That is the extent of our involvement. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In regard to being the contractor, what was your profit margin based on? Was it the management contract or was it actually the construction of the facility?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. The profits were based on the contract that we signed with the various groups in Alaska, minus the costs to deliver the projects to Alaska to a completed stage.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In regard to a question of the policy not being implemented in Alaska, the Minister stated earlier this afternoon that you do not have actual control of the contract, but you have the contract. I was not too clear with what the Minister said, because you are not in charge of the actual dollars in the contract, but now it is a contract. A contract means that you are going to build something within a specific price. I am wondering how is it that we are not able to use the Business Incentive Policy or the manufacturers' policy, yet we have a contract. What was the reasoning for not being able to do it in regards to having a contract?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Beaulieu.

MR. BEAULIEU: The Business Incentive Policy was not applied because it is a policy that compares northern and local businesses with southern businesses. In all cases where we have done any work in Alaska, we have gone with 100 percent northern preference and we have only invited companies within the Northwest Territories to bid on the jobs.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In regard to the question of bidding on the jobs, from what I hear from the manufacturers and the companies that wanted to bid on the jobs, the actual purchase of the materials was in southern Canada and brought through the Northwest Territories. If that is the case, why is it that we could not actually supply all these materials from the Northwest Territories, instead of having to bring it in through Alberta?

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko. Mr. Allen.

HON. ROGER ALLEN: Mr. Chairman. Again, I would ask Mr. Beaulieu to respond to that technical question.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Beaulieu.

MR. BEAULIEU: When we dealt with the Alaska projects, like I said, we dealt with companies that were registered in the Northwest Territories and also in one specific project, the seniors five-plex in Stebbins. We dealt with companies within the Northwest Territories that also had a license to work in Alaska.

Those companies, from what we understand from the information we have, also bought their materials from another northern company. As far as the interim manufacturers directive goal or the supply of northern manufacturer products, in all cases where applicable, we provided or supplied northern manufactured products directly on the project.

In cases where there was no necessity for northern manufactured products, an example would be in communities where there was a utilidor system, there is no need for tankage. Therefore, we did not require northern manufactured tankage.

CHAIRMAN (Mr. Lafferty): Thank you. General comments. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In regard to a question raised by Members of Yellowknife and Fort Smith, I think the Minister stated that a lot of our elders are moving to the larger centres like Yellowknife and Fort Smith.

I know for a fact, a lot of families want to ensure that their elders stay in the aboriginal communities and they do not want to see them leave their communities, even to go to Inuvik.

So I would like to ask the Minister, what is he doing to ensure that the seniors, especially from the aboriginal communities, stay within their communities and not have to go to these regional centres to access seniors' facilities? What are we doing to enhance the facilities for seniors in our communities?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. That is one of the first tasks we undertook when we got assigned the portfolio, to deal with seniors, because they thought it was culturally unacceptable to be moved. So we then came upon the task of evaluating the needs assessments in relation to the according survey and again, just for confirmation here, in a number of small communities, we will be developing 91 new senior independent units in the course of the next four years.

We feel that should address the seniors core needs in housing. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Does that include all 33 communities in the Northwest Territories or are these just strictly in the larger centres?

CHAIRMAN (Mr. Lafferty): Mr. Allen.

HON. ROGER ALLEN: Mr. Chairman, for the record and for the Members' interest, I am going to just give an example here.

In Fort Good Hope in the year 2000-2001, we will be constructing eight new units in Fort Good Hope, four units in Tulita, four units in Paulatuk, four units in Tsiigehtchic, for a total of 20 units.

Aside from that, next year we will be developing five units in Dettah and another 11 units in Tuktoyaktuk. So those are some of the examples of where the units will be constructed. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. The Minister did not answer my question. My question is will they be going into all 33 communities in the Northwest Territories?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Allen.

HON. ROGER ALLEN: Mr. Chairman, my apologies. I misunderstood the question. Yes, we will be traveling to all the communities in Northwest Territories to assess what the community needs are.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, I meant actual building construction of seniors homes in all of our communities in the Northwest Territories. Will there be community structure of these facilities in each community in the Northwest Territories? Will the 33 communities have this type of construction in them?

CHAIRMAN (Mr. Lafferty): Mr. Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I believe we are, now, on the same wavelength. No, not all communities need seniors' housing, so we are just addressing those who are in need. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Can the Minister tell me if there is any communities in my riding, the Mackenzie Delta, which do not need seniors' units?

CHAIRMAN (Mr. Lafferty): Mr. Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. From our knowledge, we know Tsiigehtchic needed four units. We have decided to construct those four units this summer. Aklavik and Fort McPherson informed us they did not need further seniors' units. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In regard to the statistics that basically the elderly population is probably one of the fastest growing populations in our communities and in light of the, two communities, Aklavik and Fort McPherson, being two of the largest communities in my riding, the facility in Fort McPherson, the elders unit, is pretty run down. It has been quite a few years since it has been constructed and in Aklavik they have the level three unit, which is sort of a health care unit for seniors. You mentioned the 90 units and 20 are going to be built within the next year. When will the communities have an

opportunity to access these units if, right now, you have already seemed to have made up your mind on which communities will get them and which ones will not?

Again, it is a question about improving the quality of life of seniors because the unit in Fort McPherson, a lot the seniors do not want to go there because of the condition of the building. There has always been a request to have that replaced and put something in its place. So I would like to know, when will the communities have the ability or the opportunity to put forth a proposal or a submission on what they figure their needs are and what the needs of the department is?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I can assure the Member that we can reexamine the needs in Fort McPherson. I am not too sure about Aklavik because that is a dual-type of facility there and it looks like it is now, from my understanding, not fully utilized. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Just getting back to the Alaska situation. Can the Minister make available the contract that they have in regard to the agreement in Alaska?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. We will make that available to the Member. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Has the department considered making any new inroads with the federal government? It does not seem like there is any new funding coming by way of the Canada Mortgage and Housing Corporation. Also, a large portion of the debt that this government is carrying is because of the Housing Corporation and the obligations we have taken on with the transfer of housing from CMHC.

Has the Minister made any attempt or is there any possibility of new arrangements being made with the federal government? Are we finding new initiatives that we can try in regards to how we can access social housing, since you mentioned that aboriginal housing was one area we could have gone to.

For some reason, we have been rejected. I, for one, feel that there again, aboriginal First Nations should have the right or the ability to get into the business of housing their own people. I know for a fact that in other areas of Canada, such as the Metis settlements in Alberta, they administer their own housing programs. You have the self-government agreements in the Yukon as well where they administer housing.

I am just wondering, when will this government seriously try to find new ways or new initiatives to either not totally get out of housing, but give up those areas where groups, such as First Nations governments, will probably have a better chance of delivering those programs and services for their First Nations people?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Our priority is to meet with the federal Minister in September and try to secure further ongoing funding. The question of aboriginal housing and on-reserve housing presents a different problem that to us may be an ongoing effort. I think, in the meantime, just to try to shed some light on our efforts here in dealing with our housing situation in the Northwest Territories, that we are trying to work with the communities as an alternative to find more ways of dealing with it. Also, making some new initiatives and just developing some new ideas where we could work in partnership with the communities. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, I was not part of the social committee, but I would like more information regarding the Northwest Territories Development Corporation and Raven Resource House Marketing Development Strategy. I know for a fact that the Minister and people within the department have gone to Alberta and northern Alberta to look at different sawmill operations. Is this in conjunction to see how we can access cheaper lumber in the Northwest Territories? Can the department elaborate on exactly what is in this market development strategy? How soon will this strategy be made available to us so we can have an opportunity to review it and debate it?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Mr. Chairman, I would like to speak to the first part of the Member's question, regarding to development of some sort of homeownership or home housing market in non-tax-based municipalities. That was sort of a joint effort between the Department of Resources, Wildlife and Economic Development, the Credit Corporation and the Northwest Territories Housing Corporation, to see if we can develop a housing market in those housing market communities. That is an ongoing process.

Hopefully, there will be more work done on it and we can come to some sort of an idea later on in this year.

When we did go to northern Alberta, but it was just to give the Members of the Legislative Assembly and ourselves, an idea of how we could look at some efficiencies in improving the quality or even look at developing some methods of building homeownership in the Northwest Territories. That was the intent of that trip. It gave us a good idea of some of the things we should look at in terms of affordable housing and more suitable housing. I think we have found some new ideas. It is just a matter of time to try to put together a plan to implement it. Thank you.

CHAIRMAN (Mr. Lafferty): General comments? Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. I think we all know the importance of housing to all the people in the world. I think here, in the Northwest Territories, it is especially true in the smaller, predominantly aboriginal communities. The overcrowding issue is still a big concern. That was a concern ten, 20 years ago and it still is today. It leads to family breakups. It leads to people not completing their education. There is no comfort level and without comfort level, you cannot go beyond.

Knowing that it effects the education system, it effects all our social programs, social envelope programs, health and social services, income support, et cetera. It seems like it stems from the lack of housing. When you take the Business Incentive Policy and you have to apply the Business Incentive Policy, when you purchase materials to build houses, that takes away from those programs.

My understanding is if you buy packages in the North, it costs twice as much as when you buy in the south. Because of the Business Incentive Policy, you have to pay that much more. If you could just exclude the Business Incentive Policy from the Housing Corporation for the purchase of building material, my understanding is you could be building four or five more units per year in the Northwest Territories. I am just wondering if that is the case, according to the numbers that the Housing Corporation developed. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Do we take that as a comment or is that a question? Mr. Chairman, we are not in a position to answer that at the moment. We are still trying to work within the context of the document Towards a Better Tomorrow and it comes with a whole range of issues outside of the Business Incentive Policy, outside of the partnerships arrangements. So it is premature for me to try to present an answer at this time. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. I am a full supporter of northern purchases, using the Business Incentive Policy in other areas, but when it takes away from the people that I represent in the predominantly aboriginal communities of the Northwest Territories, I have to disagree with that policy. That is just for the record.

I would also like to ask, for the record, if the Minister would consider, in conjunction with the Minister responsible for the Department of Health and Social Services, to look at coming up with housing needs for people from the communities that have to stay near hospitals, near access to doctors that we do not have in the communities because of the doctor shortage not only in the Northwest Territories, but throughout North America. We need to develop plans like that.

To come up with plans depends on the numbers that they find to have homes in regional centers where there are hospitals for individuals that have to stay in a community to be housed there along with their family members. Most of the individuals would be elders and they would need somebody to take care of them. There are usually family members that are willing to do that. It does not have to be stand alone houses. It could be a program that could be applied to rental of apartments, whatever it takes. I would just like to get the commitment from the Minister on record that he will work with the Minister of Health and Social Services in creating a plan such as this. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, I can inform the Member that we will accommodate that request. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Nitah.

MR. NITAH: Detail, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): What is the wish of the committee?

SOME HON. MEMBERS: Detail.

CHAIRMAN (Mr. Lafferty): Page 8-9, Northwest Territories Housing Corporation, operations expense, total operations expense, \$43,371,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 8-11, corporate summary, information item.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Information item, executive.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Information item, policy, programs and informatics.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Information item, finance and administration.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 8-18, information item, finance.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 8-20, information item, debt repayment.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Information item, human resources, page 8-22.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Information item, operations, page 8-24.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Information item, operations, grants and contributions, page 8-26.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Information item, district operations, page 8-28.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Information item, district operations, page 8-30. Mr. Krutko.

MR. KRUTKO: In regard to district operations, because there has been a change, especially in the Inuvik region where now they have relocated people to establishing an office in the Sahtu, can the Minister tell me, is the office in Inuvik, which

serves the Beaufort-Delta region, going to be fully staffed to the numbers that were there previously?

CHAIRMAN (Mr. Lafferty): Minister Allen.

HON. ROGER ALLEN: I will ask Mr. Beaulieu to respond to that question.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Beaulieu.

MR. BEAULIEU: The only changes to the office in Inuvik was to move the one position that was working in the Inuvik office that was mostly supporting the Sahtu. It was a vacant position that was transferred down.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. I know for a fact that there has been vacancies in the Inuvik office and I would like to ask the Minister if he has filled all the vacancies within that office?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, as of the latest information we have, all the positions are filled in Inuvik, as far as I am aware.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In regard to servicing the communities, you have community liaison officers in which there seems to be a bit of turnover in that area. The communities would like to have more say or input into the service in the communities. Do you allow the communities or the housing association within our communities to have a say on who is going to serve the communities from the regional offices, in regard to the community liaison officers who go into the communities for program evaluations or explain the different programs to homeowners?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. No, that is the responsibility of the district director who oversees the regional operations. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In regards to the process for evaluating or interviewing these people, do these communities have any say or are they involved in the interview process to ensure that they have input from the communities? Those people are there to serve the communities, not the district office. Are there any attempts made by the district office to ensure community involvement in the hiring practices for people who will be working directly with the communities?

CHAIRMAN (Mr. Lafferty): Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. No, not at this time. There is no community input into the hiring process. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Will the department consider such an idea?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I believe that we could address that easily. I believe that it allows us some flexibility in dealing with the communities on that issue. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Is there a process for accountability or evaluation or reviews done on the different district area offices to ensure that they are operating as they are supposed to?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Anderson.

MR. ANDERSON: Thank you, Mr. Chairman. Yes, the Corporation is in the process of establishing a district controllership function that will be responsible to provide functional support to the district offices. In that process, this position will be going out and travelling to the regions and to the communities to assess efficiency, effectiveness, and economy. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Are there any evaluations done at the regional offices or within the regions to see exactly what units the corporation has and what shape they are in? How often do you have to do renovations or upgrades on the different facilities to see when you need to replace them?

One thing that you do not see in this budget that you used to see in previous years, was whether a housing unit was going into a particular community. It was listed for each community that was going to get it, how many units and what the cost of that unit is. With regard to how this budget is laid out, you do not see that. Is there any way of tracking or evaluating the different assets that are in the different regions or the districts, so when you make the decision, you can see where the money should go or if an elders' facility should be built or more money needed for improvements? That you are able to track it?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Again, I will ask Mr. Beaulieu to respond to that question.

CHAIRMAN (Mr. Lafferty): Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. We have a maintenance management operating system in place at the Housing Corporation, which gives us a condition rating of each of the 2,256 units that we have on the inventory. We are aware of the condition rating of each unit and whether or not a unit has reached a point where it could be written off. We attempt to utilize our maintenance dollars and renovation dollars to ensure that the unit is maintained, so it is not written off.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In regard to the local housing authorities, what is the process for them to say that they are not satisfied with the service that they are being provided or that they have a complaint about a particular officer to say that their issues are not being addressed? Do you have

a particular process for appeal? Who do they go to? Do they go directly to the Minister, especially if they have a problem at the regional or district office?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: I will direct the question to the president of the Housing Corporation. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. Our relationship with the local housing organization is one of a partnership agreement or management agreement. They lay out the accountabilities and the responsibilities of the Northwest Territories Housing Corporation and the local housing organizations. If there are any issues with the regional offices, the local housing organizations have the option to come to the office of the President to bring those issues forward.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. With regard to the local housing organizations, I have heard a lot from the people in my riding, saying that they are not satisfied with reasons for being evicted or not being able to access a unit. They say that there is no real appeal process in place. You are appealing to the same people who evicted you.

So I am just wondering, has the Minister or the department looked at whether there is a process, at the regional or district area, where people can go to file their complaints? Or is it a grievance between the LHO and say a tenant? Is there such a process?

You know, here in Yellowknife, you have the tenants association and different organizations that help people if there is a dispute between the landlord and the tenants. Does the department has something like that in place? Are you contemplating putting some legislation in for us, so we have some protection for tenants also?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. Currently, the Northwest Territories rental officer hears the appeals on evictions between the local housing organizations and the tenants. Also, recently under the harmonization between ourselves and the Department of Education, Culture and Employment, there is a recommendation that the appeal process used for the income support program also be utilized for appealing rental issues in relation to the LHOs.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Do the people within the communities know that they have the right to appeal to the Northwest Territories rental's office? Is it posted in the community? Is there any forum that is used to make the public aware that there is this process? You do have a right to appeal if you are evicted or rejected from applying or requiring a unit?

CHAIRMAN (Mr. Lafferty): Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. I am not sure of what type of advertising the rental officer uses. However, in order for an individual who is facing an eviction, in order for that

process to be carried through, the LHO has to contact the rental officer and an actual hearing is held. At that point, the tenant has an opportunity to put their case forward to the rental officer. Ultimately, they will end up putting their case forward to the rental officer.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko. Detail. District operation and information item.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 8-31, information item, capital acquisition plan.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Information item, contributions to local housing organizations, that was page 8-32.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 8-35, information item.

Page 8-34, information item, contribution to local housing organizations. Mr. Krutko.

MR. KRUTKO: My document only goes up to 8-28.

CHAIRMAN (Mr. Lafferty): At this time, I would like to call a five minute break. Agreed?

SOME HON. MEMBERS: Agreed.

-- Break

CHAIRMAN (Mr. Lafferty): I will call the committee to order. I will return to page 8-28 since the Members' version detail book was missing some pages. Information item on page 8-28, operations.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 8-30, information item, district operations, grants and contributions.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Information item, capital acquisition plan, page 8-31. Mr. Krutko.

MR. KRUTKO: In regards to the seniors' units that the Minister mentioned, where are they in the list, especially the one for Tsiigehtchic?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Mr. Chairman, it is not on the list because the decision had not been made by the time this was published. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. If this is an expenditure of this government, should it be coming forth as an amendment to this budget? It is an actual expenditure within this fiscal year. There should be an actual amendment made to the capital acquisition plan, identifying that that is an expenditure that will take place within 2000-2001. I would like

to ask the Minister, will that be inserted into this budget so it is identified on this budget as an actual expenditure?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Anderson.

MR. ANDERSON: Thank you, Mr. Chairman. We just recently got approval through Cabinet for that project. It was originally going to be a lease and now we have started negotiations to get that facility built. We will be transferring money over to here from the grants and contributions for that community so an amendment will be coming forward to the Minister on that.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, the concern that I have is that this is an expenditure that will take place within the life of this budget. Because it is an actual expense, it either has to be written into this document or else it will come through in a supplementary in the next couple of months. There have been changes made to the budget as we reviewed it, which had additions made written into the budget identifying the actual project and the amount. It will have a bearing on the total of the department. I am not too sure, but if you talk to the Minister of Finance, why was that not inserted, or will it be inserted before the budget has been passed as a whole?

CHAIRMAN (Mr. Lafferty): Mr. Anderson.

MR. ANDERSON: Thank you, Mr. Chairman. How the Northwest Territories Housing Corporation reports these types of expenditures is that we have two different types. One are assets that we build through the rental portfolio that we capitalize on our books and that is part of the capital acquisition plan. Then we also have projects for resale, which includes all of our homeownership programs, where we sell them to clients and take back subsidized mortgages. This project will have no impact on the budget for the Corporation. What it means is a transfer of the \$500,000 from the grants and contributions to the capital acquisition plan. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. On an issue such as this, can you identify all the different items for the different units? That is the concern I have. If it is coming out of a specific amount like you mentioned, the homeownership program for \$13,350,000, is that where it is going to come out of?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Anderson.

MR. ANDERSON: Yes. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Information item, district operations, page 8-30.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Information item, capital acquisition plan, page 8-31. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Does the department track the units that have been going into the different communities versus if it is fairly distributed? I know for a fact that, in the last number of years, there have been a lot of units that have been going into the Sahtu and Nahendeh area and there is less construction in other areas. Do you have an

actual way of tracking an average percentage of units being constructed?

Let us say 90 percent of the units are going into one riding and nothing going into another. I know that does not sound fair, but for the last number of years that is how it has looked on the books. We have noticed that in the interim appropriation where some units have come forth even before the business plans. Is there a way that you can track exactly how many of these units go into a particular riding or region, so the Members can have an idea of the last number of years? When was the last time a unit was constructed in your riding, so that you can say, "Well, when are you going to construct a unit in the different ridings." I am wondering if you can get that information so that we can track exactly how much expenditure has taken place for the last couple of years?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Anderson.

MR. ANDERSON: Thank you, Mr. Chairman. Yes, we have a list that identifies the total expenditures by community over the last four years and that is one of the indicators that we use to determine how to come up with our allocation process. It is one of the indicators that we use when we allocate future resources. The Corporation, as it was mentioned earlier, is also working on a four-year plan that will identify what resources are going to each community. That should be finalized shortly.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Can the Minister and his department have that information available for the Members so that we can have an opportunity to look at it before we come back here in the fall? If we have any questions, we can raise it then.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, we will provide that detailed information to the Member and to other Members who are interested. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Capital acquisition plan.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Thank you. Page 8-32, contributions to local housing organizations.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 8-35, information item, active positions.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 8-36, information item, lease commitments and infrastructure.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 8-37, pro forma income statements.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): We will return to page 8-37. Northwest Territories Housing Corporation, department summary. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, I have two motions I would like to make.

Committee Motion 20-14(3) Recommendation For Continued Cooperation With Other Jurisdictions Regarding the Provision of Any Restored Public Housing Funding (Carried)

I MOVE that this committee strongly recommends the Minister's continued cooperation with other Canadian jurisdictions that were also adversely affected by the federal government's withdrawal from the provision of the public housing funding, to make sure that the Northwest Territories receives its fair share of any restored funding.

CHAIRMAN (Mr. Lafferty): The motion is in order. The motion has been circulated. To the motion? Question has been called. All those for the motion? All those opposed? Abstentions? The motion is carried. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman.

Committee Motion 21-14(3) Recommendation For Continued Lobby Efforts to Access Aboriginal Housing Funding

I MOVE that this committee recommends that the Minister continue to lobby his federal counterparts to ensure that the Northwest Territories receives a fair share of housing funding that targets aboriginal funding, such as the on-reserve housing program. Thank you.

CHAIRMAN (Mr. Lafferty): The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. Thank you.

Department summary, operations expense, total operations expense, \$43,371,000. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In regard to grants and contributions, there has been almost a \$3.5 million decrease from the previous years. Can the Minister explain where that \$3.5 million cut took place?

CHAIRMAN (Mr. Lafferty): Mr. Anderson.

MR. ANDERSON: Thank you, Mr. Chairman. In 1999-2000, the Northwest Territories Housing Corporation returned \$4.5 million back to the Government of the Northwest Territories and we, as part of that process, received supplementary estimate for \$3.6 million for capital projects, \$2.5 million for the MDAT program and IHP program and some other capital programs. We received funding to do some projects there. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In regard to the money that was paid on the Downpayment Assistant Program, do you have a breakdown of where those expenditures took place? Where did the majority of that budget go, to which communities?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Anderson.

MR. ANDERSON: Thank you, Mr. Chairman. Yes, the majority of that funding did go to the larger centres. It was available in all communities, but the take up was significantly higher in Yellowknife and the other larger centres. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Do you have an actual cash breakdown of the amounts that were spent in the different areas for this project?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Anderson.

MR. ANDERSON: Thank you, Mr. Chairman. Yes, the Corporation went as far as getting a third party to evaluate the results of the program and, I believe, that was provided to the Members about six months ago. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. The reason I ask is that it was great for the real estate companies, but it was not great for the smaller communities. The smaller communities, where your income is a lot lower and you do not have the accessibility to banks or financial institutions or real estate companies that you do not get the same benefit or the same service that was provided at the larger centres.

So I think that, in regard to the evaluation of this program, I, personally, did not agree with it because I felt that it would have been misused. Also, it was a benefit to the larger centres, like you mentioned, but it did not benefit the smaller communities in any way, shape or form. So that is why I have a problem.

Can you clarify the area point that you made where you transferred money back to the Government of the Northwest Territories, where they gave you \$3.6 million? Can you clarify exactly what you mean by that?

CHAIRMAN (Mr. Lafferty): Mr. Anderson.

MR. ANDERSON: Thank you, Mr. Chairman. The Housing Corporation was in a position where we were generating operations and maintenance surpluses that were accumulating over several years. What we did was paid that surplus back to the Government of the NWT and then they provided us with \$3.6 million of it back through our capital program delivery. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Krutko.

MR. KRUTKO: Sounds like a heck of a good deal. You get a surplus, and then they take it back and they give you a bonus.

-- Laughter

CHAIRMAN (Mr. Lafferty): I will call the detail again. The department summary, operations expense, total operations expense, \$43,371,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Northwest Territories Housing Corporation is now concluded. Is everyone agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Mr. Dent.

MR. DENT: Mr. Chairman, this is to do with all of the committees in the social envelope. The Standing Committee on Social Programs would like to propose a couple of other motions. Mr. Chairman,

Committee Motion 22-14(3): Recommendation to Form an Interdepartmental Working Group to Study Processes For Streamlining and Integrating Services Offered to Seniors (Carried)

I MOVE that this committee recommends that the departments in the Social Envelope form an interdepartmental working group, under the leadership of the Minister responsible for Seniors.

AND FURTHER, that this working group should conduct a study and provide recommendations on how the Government of the NWT can better streamline and integrate the services that are offered to seniors.

AND FURTHERMORE, that the Minister report on the findings and recommendations of this interdepartmental working group to the Standing Committee on Social Programs within one calendar year.

CHAIRMAN (Mr. Lafferty): The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried.

Thank you, Mr. Dent.

Committee Motion 23-14(3): Recommendation That New Business Plan Strategies or Policies be Provided in Advance to Committees (Carried)

MR. DENT: Thank you, Mr. Chairman. The second motion for the committee is;

I MOVE that this committee recommends that when a department of corporation plans to use a new strategy or policy, they have developed in formulating a business plan, that the strategy or policy should be provided to the committee in advance of the budget review.

AND FURTHER, that the standing committee be given every opportunity to comment on new strategies and initiatives, prior to their use as a basis for setting government policy. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried.

I would like to thank the Minister and his staff. What is the wish of the committee, Mr. Dent?

MR. DENT: Mr. Chairman, I would like to recommend that committee consideration of Bill 1, and committee reports 1, 2, and 3, specifically now to consider the budget for the Department of Aboriginal Affairs.

CHAIRMAN (Mr. Lafferty): Thank you. I would now, before we continue, I would like to recognize Joy Stewart and Rich Groenewegen in the visitors' gallery.

-- Applause

We will now proceed with Aboriginal Affairs. Do you wish to make any comments, Minister Jim Antoine?

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

Mr. Chairman, thank you for the opportunity to present today the Ministry of Aboriginal Affairs' 2000-2001 main estimates for the committee's consideration.

The proposed budget is derived from the ministry's business plan which has been developed based on the government and the ministry's goals, strategies and expected outcomes.

Mr. Chairman, completing lands, resources and self-government agreements is critical to achieving this government's vision, priorities and goals as set out in *Towards a Better Tomorrow*. Final agreements from these negotiations will result in a stable economic and political environment and vibrant and stable economic conditions will attract more economic investments. More importantly, it will result in aboriginal people having greater self-determination over their social, cultural and political destiny. These agreements will also create effective partnerships with aboriginal governments. Mr. Chairman, negotiating lands, resources and self-government agreements demand a full commitment from the GNWT in order for this government to achieve its goals.

This ministry's 2000-2001 proposed budget is \$4,732,000 in salaries and other operations and maintenance and \$75,000 in capital. The total number of active positions is 34, an increase of six positions over the 1999-2000 main estimates.

The 2000-2001 operations and maintenance budget of \$4,732,000 is broken down as follows:

- \$3,112,000 for compensation and benefits
- \$360,000 for grants and contributions
- \$1,215,000 for other expenses, and
- \$45,000 for amortization expense.

In addition to the operations and maintenance budget, the ministry has identified \$75,000 in capital for office renovations to accommodate additional positions. The ministry does not collect any revenue.

The ministry also receives \$375,000 in vote 4/5 from the federal government to implement GNWT obligations created by the Inuvialuit, Gwich'in and Sahtu land claims and \$384,000 from interchange agreements. With the implementation funds, the ministry employs three full-time positions.

Mr. Chairman, this concludes my opening remarks. Mahsi cho.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Antoine. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. The committee's report on the Ministry of Aboriginal Affairs, in the general areas:

The Establishment Policy of the ministry states, "The mandate of the Minister and Ministry is to protect, develop and promote the interests of the territorial government and the residents of the Northwest Territories in the negotiation and implementation of land claims, self-government and treaty entitlement

agreements; in the political and constitutional development of the western Northwest Territories; and develop and maintain mutually beneficial working relations with the Aboriginal leadership."

The Standing Committee on Governance and Economic Development met with the Minister and ministry to review the 2000-2003 business plans and the 2000-2001 main estimates on Tuesday, May 30th, 2000. The committee noted a \$1,034,000 or 28 percent increase in total operations or operations and maintenance expenditures between their 1999-2000 main estimates and the 2000-2001 draft main estimates. Committee members also noted a significant increase of six positions, and an overall increase of 21 percent from the 1999-2000 main estimates.

Co-ordination of Negotiations

Within the Government of the Northwest Territories there are many financial and human resources being devoted to the negotiation and implementation of land claims, self-government agreements and constitutional development talks. The Department of the Executive has added the Intergovernmental Forum Secretariat to coordinate the GNWT participation in aboriginal, territorial and federal government discussions such as devolution, resource revenue sharing, oil and gas developments, and the fiscal relationship with Ottawa, and, as well, northern control over northern resources. Another section added to the Executive, Intergovernmental Affairs, assists the preparation of strategies to address territorial, national and international issues. The Department of Municipal and Community Affairs has increased their participation in self-government talks. The Departments of Resources, Wildlife and Economic Development and Health and Social Services also are involved in the negotiations.

The Standing Committee on Governance and Economic Development has grave concerns that with the increased departmental involvement in self-government, land claims, devolution and resource revenue sharing that there is a definite inefficient use of government funds. These funds could be better spent on infrastructure or other essential programs and services.

Further to the significant cost of the pockets of government involved in negotiations, the committee is uneasy with the lack of clear lines of authority. The roles of the Intergovernmental Forum Secretariat, Intergovernmental Affairs, various Government of the Northwest Territories departments and the Ministry of Aboriginal Affairs need to be established. This is further addressed in the committee's comments on the Department of the Executive.

Negotiating Tables

Members of the committee expressed discontent with progress made at the negotiation tables. The committee was informed that other parties often hinder progress and negotiations may stop for long periods of time. Further, the ministry has difficulty obtaining skilled staff to fill vacant negotiator positions. The committee notes that while the ministry is requesting additional positions, it also endorses the secondment of some of its staff to other governments, departments, or organizations. Positions that are identified, but are not filled, will result in lapsed funding. The Minister agreed and explained that this is the last increase in positions for Aboriginal Affairs and decreases in the number of positions will become the norm as more tables reach

their conclusion.

The Minister supplied an overview of the status of each negotiating table and offered to provide a more detailed briefing to the committee.

Budget

The budget for the ministry continues to grow. Two new negotiation tables, the Deh Cho First Nation and the Akaitcho First Nation, have been added, bringing the total to seven active negotiation processes. The Minister assured the committee that the ministry would get smaller as more claims are settled, however the ministry will retain responsibility for implementation of the agreements.

Members noted that \$751,000 was spent on travel, most of which happens in the south, and questioned as to why so many of the negotiations occurred outside the Northwest Territories, away from the beneficiaries. The ministry responded that the other two parties in the negotiations, the federal government and the aboriginal organization, request the negotiations to occur in the south.

The Standing Committee on Governance and Economic Development recommends that the Ministry of Aboriginal Affairs continue to press for negotiations to take place in the North, closer to the beneficiaries.

The committee also observed that the ministry had requested funding for positions at the Akaitcho table. The framework agreement for that table will not be signed until July, resulting in a possible lapse of funds at the end of the fiscal year.

Thank you, Mr. Chairman. That completes the report.

CHAIRMAN (Mr. Lafferty): Thank you. At this time I would like to ask the Minister if he wishes to bring witnesses to the table.

HON. JIM ANTOINE: Yes.

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

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Sergeant-at-Arms, could you please escort in the witnesses?

For the record, can the Minister introduce his staff, please?

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, to my left, deputy minister of Aboriginal Affairs, Mr. Charles Overvold, and manager of planning and analysis, Veronica Puskas, to my right. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. General comments. Detail. On page 2-61, Aboriginal Affairs, operations expense, total operations expense, \$4,732,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-63. Aboriginal Affairs, grants and contributions, grants, \$300,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Contributions, \$60,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Total grants and contributions, \$360,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-64, detail of work done on behalf of third parties.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Page 2-67, active positions, information item.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Going back to page 2-59, Aboriginal Affairs, program summary, operations expense, total operations expense, \$4,732,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. I have a committee motion.

Committee Motion 24-14(3): Recommendation That Aboriginal Affairs Press For Negotiations to Take Place in the North (Carried)

I MOVE that this committee recommends that the Ministry of Aboriginal Affairs continue to press for negotiations to take place in the North closer to the beneficiaries. Thank you.

CHAIRMAN (Mr. Lafferty): The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. Does the committee agree that consideration of the Department of Aboriginal Affairs is concluded?

SOME HON. MEMBERS: Agreed.

MR. CHAIRMAN (Mr. Lafferty): I am sorry. We skipped one page. Capital acquisitions, Aboriginal Affairs, directorate, \$75,000. Agreed?

SOME HON. MEMBERS: Agreed.

MR. CHAIRMAN (Mr. Lafferty): Total department, \$75,000. Agreed?

SOME HON. MEMBERS: Agreed.

MR. CHAIRMAN (Mr. Lafferty): Does the committee agree that Aboriginal Affairs is concluded?

SOME HON. MEMBERS: Agreed.

MR. CHAIRMAN (Mr. Lafferty): Thank you, Minister Antoine. Mr. Miltenberger.

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

CHAIRMAN (Mr. Lafferty): There is a motion on the floor to report progress. The motion is not debatable. All those in

favour? All those opposed? The motion is carried. I will rise and report progress.

MR. SPEAKER: The House will now come back to order. Item 20, report of committee of the whole. The Chair recognizes Mr. Lafferty.

ITEM 20: REPORT OF COMMITTEE OF THE WHOLE

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 1, Appropriation Act 2000-2001 and Committee Report 2-14(3) and Committee Report 3-14(3) and would like to report progress with six motions being adopted. Mr. Speaker, I move the report of the committee of the whole be concurred with. Thank you.

MR. SPEAKER: Thank you, Mr. Lafferty. Do we have a seconder? The Chair recognizes the honourable Member for Hay River South, Mrs. Groenewegen. All those in favour? All those opposed? The motion is carried. Item 21, third reading of bills. Item 22, orders of the day. Mr. Clerk.

ITEM 22: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Speaker, meetings tomorrow at 9:00 a.m. of the Standing Committee on Accountability and Oversight and at 12:30 p.m. of the Caucus.

Orders of the day for Thursday, July 6, 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. Petitions
11. Reports of Standing and Special Committees
12. Reports of Committees on the Review of Bills
13. Tabling of Documents
14. Notices of Motion
15. Notices of Motion for First Reading of Bills
16. Motions
17. First Reading of Bills
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and Other Matters

- Bill 1, Appropriation Act, 2000-2001
- Bill 4, An Act to Amend the Workers' Compensation Act
- Bill 5, An Act to Amend the Workers' Compensation Act, No. 2
- Bill 6, An Act to Amend the Nursing Profession Act
- 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

20. Report of Committee of the Whole
21. Third Reading of Bills
22. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. By the authority given to the Speaker by Motion 4-14(3), this House stands adjourned until Thursday, July 6, 2000 at 10:00 a.m.

-- ADJOURNMENT

The House adjourned at 8:00 p.m.

