



# **NORTHWEST TERRITORIES LEGISLATIVE ASSEMBLY**

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## **HANSARD**

**Monday, February 26, 2001**

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**The Honourable Tony Whitford, Speaker**



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**YELLOWKNIFE, NORTHWEST TERRITORIES**

**MONDAY, FEBRUARY 26, 2001**

**Members Present**

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

**ITEM 1: PRAYER**

-- Prayer

**SPEAKER (Hon. Tony Whitford):** Thank you, Mr. Braden. Bonjour, mes amis. Déclarations de ministres. Item 2, Ministers' statements. The honourable Minister responsible for Justice, Minister Antoine.

**ITEM 2: MINISTERS' STATEMENTS**

**Minister's Statement 60-14(3): Progress of Human Rights Act Process**

**HON. JIM ANTOINE:** Mr. Speaker, I am pleased to provide this House with an update on the proposed Human Rights Act for the Northwest Territories.

As you remember, the proposed act was tabled for consultation purposes last November. Since that time, the department staff have met with interested groups and many individuals have provided their comments on the project.

The three main features in the proposed act are:

- A Human Rights Commission;
- Greater protection for human rights; and,
- An easy process for dealing with complaints.

The proposed act builds on the Fair Practices Act, which is the human rights legislation we have now. It would offer protection against more types of discrimination than the current legislation. It would also apply in more situations than the Fair Practices Act.

Another major change is the proposed Human Rights Commission. Right now, the Department of Justice administers a fair practices office. Complaints are dealt with by lawyers who provide services part time under contract. A Human Rights Commission would be independent of the government. It would investigate complaints, promote human rights in the Northwest Territories and provide advice to the government.

Our consultation with the public is continuing, Mr. Speaker. A brochure that explains the proposed act in clear language is being printed right now. We expect to have the finished product by early March. The brochure will be distributed in territorial newspapers. It will also be sent out in the mail to all Northwest Territories community governments, aboriginal organizations and other organizations that have an interest in human rights issues.

The brochure sets out a description of the proposed Human Rights Act. It describes the changes from the Fair Practices

Act. It also invites people and groups to get in touch with the department for more information, if they have comments or if they would like to meet with staff and talk about the proposed act.

We will also be holding a series of public meetings for people to discuss the proposed act. We are in the process of hiring a consultant to run these meetings. The point is to give northern people many opportunities to voice their opinions on this legislation.

The department plans to meet with people and organizations until the end of May. After that, the proposed Human Rights Act will be revised based on the consultations. I expect that a bill could be ready for introduction in the fall.

In closing, Mr. Speaker, I would like to thank those who have already taken part in the consultation. I would also like to encourage everyone to get involved in this process and help us create a Human Rights Act for the Northwest Territories. Mahsi, Mr. Speaker.

-- Applause

**MR. SPEAKER:** Mahsi, Mr. Antoine. Déclarations de ministres. Item 2, Ministers' statements. The honourable Minister responsible for the Financial Management Board, Mr. Handley.

**Minister's Statement 61-14(3): Code of Conduct Respecting Conflicts of Interest and Oath of Office and Secrecy**

**HON. JOE HANDLEY:** Mr. Speaker, I am pleased to announce that later today I will be tabling the code of conduct respecting conflict of interest for employees of the public service, a new policy recently approved by the Financial Management Board.

In a time when government is being called upon to demonstrate greater accountability, it is important to clarify for our employees and the public the high standards of professionalism that guide the public service.

In developing the code, the Government of the Northwest Territories consulted with a number of stakeholders, particularly our own employees, the Union of Northern Workers and the Northwest Territories Teachers Association.

Feedback from employees was a key component in developing the code. As an employer, we sought to create a document that is understandable and fair to employees as individuals while preserving the integrity necessary for the proper functioning of our organization. Our consultation process with employees included mailing a copy of the proposed code to every employee with an invitation to provide feedback. We received a number of excellent suggestions, comments and concerns

which were then researched and, where possible, integrated into the final version.

This code sets out disclosure requirements and guidelines respecting conflicts of interest for Government of the Northwest Territories public service employees both during and after the termination of their employment. It also outlines what steps employees should take to ensure that they do not place themselves in a situation of real or perceived conflict and provides mechanisms for determining whether a conflict of interest exists and, if so, for dealing with it. The guidelines are clear, concise and all in one place which will ensure a common understanding of the rule and expectations by both the government and our employees.

Employees will have the assistance of their supervisors to understand and interpret this code, as they would with any policy of the government. In addition, an ethics counsellor will be retained under a contract administered by the secretary to Cabinet to make rulings relative to a number of code provisions.

As part of the implementation process, each employee will have the opportunity to participate in an information session to review the code and its requirements. These sessions will be organized for employees in all government departments and agencies. In addition, each employee will be provided a copy of the code.

Mr. Speaker, the GNWT is entrusted with the protection for the public interest in many significant areas. It is therefore essential that the high standards traditionally demanded of and adhered to by our employees be recognized, documented and understood. This code of conduct will do this and further, it will help ensure continued public confidence in the impartiality and integrity of our public service. Thank you, Mr. Speaker.

-- Applause

**MR. SPEAKER:** Thank you, Minister Handley. Item 2, Ministers' statements. Déclarations de ministres. The honourable Minister responsible for Transportation, Mr. Steen.

#### **Minister's Statement 62-14(3): Opening of the Colville Lake - Fort Good Hope Winter Road**

**HON. VINCE STEEN:** Thank you, Mr. Speaker. Mr. Speaker, I am pleased today to inform the House that on Friday afternoon, February 23, 2001, the Department of Transportation officially opened the new winter road linking the communities of Fort Good Hope and Colville Lake. This newest section of winter road is the first addition to the winter road system since it reached Fort Good Hope from Norman Wells in 1985. With this latest addition of 165 kilometres, the territorial winter road system now has a total length of 1,469 kilometres.

Mr. Speaker, the construction of this new winter road has been a good example of local initiative and cooperation amongst community groups and between communities as well as substantial material and financial contributions from private sector companies.

I want to congratulate Chief Richard Kochon and band manager Joseph Kochon of the Behdzi Ahda First Nation of Colville Lake for taking the lead in this project from the original proposal through to Friday's opening. The Behdzi Ahda First

Nation was awarded a contract for \$195,000 to build the road and has acted as the department's principal contracting agent throughout. The project included the coordination of crews working at either end from Colville Lake and Fort Good Hope to speed the work along.

The success of the project required the positive cooperation and contributions of Chief Delphine Pierrot of the K'asho Got'ine Charter Community Council, as well as the Ayoní Key Land Corporation, the Yamogo Land Corporation and the Fort Good Hope Metis Local No. 54 Land Corporation.

The opening of the Colville Lake - Fort Good Hope winter road was also a remarkable first for the constructive and generous participation of the two exploration companies working this winter road in the area; Paramount Resources and Canadian National Resources, both of Calgary, Alberta. The two companies agreed to contribute approximately \$100,000 each towards the construction of the road, either in actual money or the equivalent dollar value in equipment and labour. With the private sector's substantial participation, the department was able to carry out twice the work it had expected to accomplish in preparing and improving the right-of-way in the first year of the road's operation.

Once again, I would like to congratulate all those who were involved in building this successful new extension to the Northwest Territories' winter road system. Weather permitting, the Colville Lake - Fort Good Hope winter road will remain open until Saturday, March 31, 2001. Thank you, Mr. Speaker.

-- Applause

**MR. SPEAKER:** Thank you, Minister Steen. Déclarations de ministres. Item 2, Ministers' statements. The honourable Minister responsible for Resources, Wildlife and Economic Development, Mr. Handley.

#### **Minister's Statement 63-14(3): Economic Changes in the Mackenzie Delta**

**HON. JOE HANDLEY:** Mr. Speaker, yesterday over 60 representatives from the media, oil and gas industry, aboriginal governments, municipal governments and this Legislature met in Inuvik to celebrate the onset of drilling at the Petro Canada-Akita Well at Swimming Point and the return of the oil and gas industry to the Mackenzie Delta. There is good reason to celebrate. This winter, the oil and gas industry has hired 800 people and is spending \$160 million in the Mackenzie Delta.

Over dinner, my colleagues, the Honourable Vince Steen, Mr. Dent, Mr. Roland, Mr. Miltenberger, Mr. Krutko and Mr. Bell heard about the differences between this economic boom and 25 years ago. Mr. Speaker, there is no doubt that change has taken place and the oil and gas industry is working in true partnership with aboriginal governments, our government and communities. Together, they are expanding the traditional range of benefits from employment and business development to training, equity participation and community development.

Mr. Speaker, I also saw evidence that the tourism industry is growing. An Oilman's Curling Bonspiel was held for the first time in 15 years while we were there and brought in people from Calgary and Edmonton. As well, when we landed, the airport was full of red jacketed, Fulda representatives. Fulda is a German company that is promoting its tires by hosting an

adventure competition that traveled along the Dempster Highway and ended in Tuktoyaktuk. I believe that the international media coverage of this event and the experiences of the competitors, especially with our exceptional winter weather, will result in increased tourism for this area.

As the Minister of Resources, Wildlife and Economic Development, I was very encouraged with what I saw and heard in Inuvik. The department will continue to work with its many partners to ensure that the economic activities in the Mackenzie Delta continue to grow and provide maximum benefits to northern residents and businesses.

-- Applause

**MR. SPEAKER:** Thank you, Minister Handley. Item 2, Ministers' statements. Item 3, Members' statements. Déclarations de députés. The honourable Member for Frame Lake, Mr. Dent.

### ITEM 3: MEMBERS' STATEMENTS

#### Member's Statement on Eligibility for Fuel Cost Rebate

**MR. DENT:** Thank you, Mr. Speaker. Mr. Speaker, I rise today to speak about the fuel rebate. Last week, the Minister of Finance said, and I quote from unedited Hansard, "The reasons for having a flat rate are to keep the administration simple and efficient for us to administer." Mr. Speaker, the Minister also said that we need to get assistance to the people of the North who need it most and get it there quickly and there has to be a cut-off somewhere.

Mr. Speaker, I think we would all agree when we are talking about a subsidy or rebate for homeowners and renters for fuel that there will have to be a cut-off somewhere. However, Mr. Speaker, if we had a sliding scale for this support, we could assist more families and, Mr. Speaker, we could do it for no bigger cost.

Yes, some families would receive less than others, but we would at least provide some help to more than the 3,300 families now being targeted. Mr. Speaker, that is almost 25 percent of the households in the Territories.

Mr. Speaker, last week I questioned the Minister responsible for the Housing Corporation about programs administered by that department and he confirmed that the Housing Corporation does administer programs on an income-tested basis. The amount of support varies by community and by household income. Mr. Speaker, the administration would not be more difficult than what the Housing Corporation now provides if we were to administer this new fuel subsidy by the same methods. It would take only a simple chart if a person applied for a rebate and demonstrated that their income was between "x" dollars and "y" dollars, then they would qualify for a subsidy amount of a certain amount of dollars.

Later today, I am going to ask the Minister of Finance which side he is on. Is he going to be on the side of fairness for Northerners or for ease of administration for government employees? Mr. Speaker, I hope he comes down solidly on the side of fairness for Northerners. Thank you, Mr. Speaker.

-- Applause

**MR. SPEAKER:** Thank you, Mr. Dent. Déclarations de députés. Item 3, Members' statements. The honourable Member for Range Lake, Ms. Lee.

#### Member's Statement on Eligibility for Fuel Cost Rebate

**MS. LEE:** Thank you, Mr. Speaker. Mr. Speaker, I would like to make a statement today on the feedback I have been receiving from my constituents on the recently announced fuel rebate. Mr. Speaker, we all know that there is never enough money in government to go around for everyone's needs. For that reason, we were very grateful to hear that the government is going to put some money back into our pockets to help us deal with the rising fuel costs. So for those who are eligible to receive this assistance, this is very good news.

However, the question is how many people would actually be eligible for this assistance and I can advise you, Mr. Speaker, that on the basis of a cut-off at the combined household income of \$72,500, almost no one from my riding of Range Lake would qualify for this rebate. This income cut-off basically nullifies any benefit that could come from it, because most families could not afford a mortgage for Yellowknife houses at that combined income.

This is unfair criteria because we all pay for the high cost of fuel, at the pumps as well as heating fuel. This does not depend on how much money we make. Mr. Speaker, Yellowknifers should not be penalized over and over again for the high housing prices in our city. We pay high housing prices and high fuel prices like everyone else, so we should all have a share of the rebate.

Mr. Speaker, I appreciate the Minister of Finance has great pressure on him for his use of the government dollar, but I would urge the Minister to reconsider the cut-off income level of this rebate so as to open the room a little wider for average income families in Yellowknife.

At the same time, I would request that the Minister consider dropping the rate of Northwest Territories fuel tax by a minimal amount to ease the cost at the pumps. This would benefit every user fairly and equally, whether they be business or resident consumers.

Another option may be to consider an across-the-board tax credit so that every resident in the Northwest Territories who pays taxes and consumes fuel can receive badly needed relief. Thank you, Mr. Speaker.

-- Applause

**MR. SPEAKER:** Thank you, Ms. Lee. Item 2, Members' statements. The honourable Member for Thebacha, Mr. Miltenberger.

#### Member's Statement on Maximizing Employment in the Arts and Crafts Sector

**MR. MILTENBERGER:** Thank you, Mr. Speaker. Mr. Speaker, today I would like to briefly talk about a sector of our economy that has not received much attention as of late with all the talk of diamonds, oil and gas and hydro. That is the arts and crafts sector of our economy.

Mr. Speaker, very clearly this is acknowledged as an important part of our economy, but it has laboured in obscurity, outshone by the glitter of diamonds and oil and gas and hydro. It is a sector of our economy that needs attention. It is struggling.

Mr. Speaker, when we looked at maximizing northern employment, one of the questions I will have for the Minister is how does this tie in and effect the arts and crafts sector of our economy? What kind of discussions will be held with the Department of Resources, Wildlife and Economic Development to make sure that there is a combined and joint coordinated effort to try to support this key and critical sector?

Mr. Speaker, the NWT Arts Council, for example, since division has laboured with a static budget of \$140,000 trying to address the requests from dozens upon dozens of struggling artists and those in the craft area. Mr. Speaker, over two years, they have had 130 applications and over \$1.5 million worth of requests, but a meagre \$280,000 over two years to address the concerns and try to support this struggling sector of our economy.

So later today, I will be asking the Minister of Education, Culture and Employment to demonstrate in this House what is being done to assist this area of our economy that everybody acknowledges is critical in the traditional values it portrays, and the need to have an expanded, strong and vibrant arts and crafts community. When question period comes, I hope the Minister can demonstrate that in fact they are acknowledged and they are working in this area, and they will be able to tell us how they are doing that. Thank you, Mr. Speaker.

-- Applause

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

#### **Member's Statement on Concerns Regarding Student Financial Assistance Delivery**

**MR. LAFFERTY:** Thank you, Mr. Speaker. Mr. Speaker, at the end of January I had the opportunity to meet with North Slave students who are attending Aurora College in Fort Smith. I had the opportunity to hear their experiences, to learn of the various programs that they are enrolled in, and to discuss the challenges they face in getting a formal education.

One of the common frustrations that many students have is with the student financial assistance. The biggest frustration the students I spoke to have with SFA is the lack of communication that occurs between themselves and the department. They find they were given a person to contact within the department, and yet when they tried to contact this person, the contact person was on holidays. Answering machines were the most common and most frustrating contact that they had with the department when they were trying to find out about the status of their applications.

Some students returned to college without even knowing if they were going to receive funding or not. They paid their own way down with the hope that things would be sorted out. I am sure that there is a more organized way to operate.

Various MLAs and students brought many of the same concerns I just heard to the attention of the Minister in the fall.

At the appropriate time, I will have questions for the Minister of Education. Thank you, Mr. Speaker.

-- Applause

**MR. SPEAKER:** Mahsi, Mr. Lafferty. Déclarations de députés. Item 3, Members' statements. The honourable Member for Deh Cho, Mr. McLeod.

#### **Member's Statement on Training Programs for the Oil and Gas Industry**

**MR. MCLEOD:** Thank you, Mr. Speaker. My statement today concerns training and education for jobs in the oil and gas industry, and I would like to point out some of these issues surrounding this topic.

First of all, there are no college programs for oil and gas training in the Northwest Territories. There are only safety programs being offered. There is no community-based training. People currently have to go south for oil and gas training, and there has been no new funding for oil and gas training this year. The \$500,000 that has been committed is essentially the same as last year -- this at a time when \$22 million has been committed to support the diamond industry.

Mr. Speaker, it is my fear that the window of opportunity will have passed us by the time the Government of the Northwest Territories establishes meaningful northern training programs that will help Northerners get jobs in the oil and gas sector. Residents of the Deh Cho need quality training now in order to be prepared for oil and gas exploration. When exploration happens, it happens quickly, and it may then be too late to provide proper training programs. We will then witness an influx of workers from southern Canada, while our northern work force struggles to find low paying jobs in the industry.

Mr. Speaker, surely money cannot be an issue here. Look at how much money was poured into the diamond industry by this government in a short period of time. Contrast that amount with the small amount of funding allocated to oil and gas training and preparation. We have been waiting for renewal of oil and gas exploration activity and development in the North for over 20 years. Now that the activity is here, it seems that this government intends to sit by idly and renege on its responsibilities for the provision of meaningful training opportunities for northern residents.

Mr. Speaker, it is essential that this government take a creative and immediate role in providing resources for training people for upcoming jobs in the oil and gas sector. We cannot afford to wait for the federal government to fund our plans. We must allocate funds ourselves before the opportunity is lost. Thank you, Mr. Speaker.

-- Applause

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

#### **Member's Statement on Report on Tuberculosis Control in the Northwest Territories**

**MR. KRUTKO:** Thank you, Mr. Speaker. Mr. Speaker, it has been very noticeable that the Minister of Health has been before us all this week defending her department's budget. As

a Member of this House, I do not apologize for the many questions that I have been asking the Minister concerning her department. They are very serious issues that we were speaking about. They are concerns that touch each and every one of my constituents deeply and meaningfully.

As the Minister knows, the recent report, Tuberculosis Controls in the Northwest Territories, was profoundly connected directly to my constituents. Recent news reports and the results of the TB report all point towards a worsening problem that is in our many communities.

Mr. Speaker, I will be questioning the Minister later concerning the report. The report contains 26 recommendations and points towards more need for training, awareness and resources to deal with this alarming health problem in our communities.

Today, Mr. Speaker, I will bring to the attention the alarming statement contained in the highlights of the TB report which notes that "It is unacceptable that the rates of TB in parts of the Northwest Territories are 10 times the rate in the rest of Canada." Mr. Speaker, I will repeat the fact again. In some parts of the Northwest Territories, the rate of TB is 10 times the rate of the rest of Canada.

Mr. Speaker, Dr. Fanning, the consultant who wrote the report, points out that TB is a common disease that has affected other countries world-wide today. The disease has a 90 percent rate of being curable. At that rate, Mr. Speaker, I think that ourselves as a government have to realize that there is no reason in the Northwest Territories that people should be dying of a disease that is curable.

Mr. Speaker, with that, I will be asking the Minister of Health questions with regard to this report. Thank you.

-- Applause

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

#### **Member's Statement on Eligibility for Fuel Cost Rebate**

**MR. BELL:** Thank you, Mr. Speaker. I, like several of my colleagues here today, want to continue to make the case for equitable fuel rebates.

Mr. Speaker, I really think we need a fair program. We have heard it argued that graduated rebates might be one way to achieve this, and they be inversely related to income. I think the idea here, Mr. Speaker, would be that those who need the help most are going to get the most help. The government's program as we have seen it so far, the existing criteria, some of them seem to make sense. For instance, you must be paying for home heating oil or propane without other subsidization in order to qualify. They have told us that this does not include the recent federal rebate. That is reassuring, Mr. Speaker.

However, your employer cannot be offsetting the cost of home heating fuel either. How will our government tell, Mr. Speaker? Are we going to look at federal government employees receiving isolation pay which offsets the cost of living and decide that, indirectly, this is a subsidy?

Mr. Speaker, we also know that renters are going to receive a \$150 benefit, but what if their rent has remained stable over the past year? Many people are into one-year leases. Will this end up being a fair and equitable program? Mr. Speaker, our government seems very concerned that we have a program to administer and a cheap program to administer. However, I think that if that was the only criteria, certainly the Finance Minister would just write cheques to every man, woman and child in the Northwest Territories. Certainly simplicity is important, but not as important as getting the money to those who need it. We have to remember this, Mr. Speaker.

Mr. Allen indicated last week that the Housing Corporation already collects enough information to implement graduated returns, but in the interest of speed, I presume, a simple pass or fail test is being set up at \$70,000 or so per year, per household.

Mr. Speaker, only 25 percent of households in the Northwest Territories will qualify for rebates, but I can assure you that more than 25 percent of Northerners are struggling to make ends meet this winter, due in large part to the cost of fuel. Make no mistake, Mr. Speaker, a fuel rebate is a worthwhile initiative, but let us not turn our backs on 75 percent of the households in the Northwest Territories.

I think the Minister is going to have to decide what is most important to him, Mr. Speaker, as Mr. Dent has indicated. Does he just want to quickly put out a million dollars to get government critics and media off his back, or does he want to set up an equitable rebate program? Time will tell, Mr. Speaker. Thank you.

-- Applause

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

#### **Member's Statement on Programs in Support of Senior Citizens**

**MR. DELOREY:** Thank you, Mr. Speaker. Mr. Speaker, I rise today to address an issue that is critical to the well-being of every resident in the Northwest Territories. This is an issue that I have addressed in this House in the past, but one that I feel cannot get too much attention.

Mr. Speaker, I wish to speak to the issue of our seniors and the critical lack of funding they face. Mr. Speaker, our elders are a very valuable resource to us in every sense. They possess a wealth of information for our young people to learn from and our elders are only too happy to impart their vast knowledge of a wide variety of subjects to our future generations.

Mr. Speaker, I feel strongly that our government is not fulfilling its responsibility with regard to seniors. Mr. Speaker, our seniors population, age 65 and older, in Hay River in 1999 was 189 residents. The population projections by the Bureau of Statistics estimates that our seniors population in Hay River will grow to 341 by the year 2018. Mr. Speaker, this is almost a 200 percent increase. In addition, Mr. Speaker, the overall seniors population in the Northwest Territories is expected to increase by 134 percent by the year 2019.

Mr. Speaker, we as a government have appointed a Minister responsible for Seniors, but have not provided any direct

funding for this portfolio. Mr. Speaker, I question how we are to effect change if we are not providing the means to do so. Mr. Speaker, we have to provide for our ageing population and set in place a plan of action for future generations. Mr. Speaker, I suggest the time for action is now. Thank you, Mr. Speaker.

-- Applause

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

#### **Member's Statement on Fetal Alcohol Syndrome and Fetal Alcohol Effect**

**MR. BRADEN:** Thank you, Mr. Speaker. Fetal alcohol effect and fetal alcohol syndrome are, I believe, the most daunting and challenging situations that this government faces not only today, but I think it will be something that will become of even greater consequence for us in the future.

As I have started to learn more and more about this situation as a newer MLA, it struck me as something where I did not even know where to start to begin to look at this, to find out where we might be able to make a difference.

Today, Mr. Speaker, in Fort Simpson, there are a number of people who are getting together and showing just the kind of leadership that I need as an MLA to try to make a difference. Parents and community and school leaders are getting together to start to learn more, to talk about fetal alcohol effect and fetal alcohol syndrome, to get over some of the conditions of denial, of guilt that might be associated with this. They are learning how to cope, how to make their communities, institutions and homes better places to deal with this kind of thing.

I hope Members of this Assembly will join me in wishing them luck. We will be looking to them for leadership and I wish them all well. Thank you.

-- Applause

**MR. SPEAKER:** Thank you, Mr. Braden. Item 3, Members' statements. The honourable Member for Nahendeh, Mr. Antoine.

#### **Member's Statement on Passing of Elder Gabe Cazon**

**HON. JIM ANTOINE:** Mahsi, Mr. Speaker. Mr. Speaker, I rise today on a sad note. Gabe Cazon, one of our elders in Fort Simpson, passed away last week. I attended the funeral in Fort Simpson on Saturday. Gabe was a quiet man and very much respected among the Dene. He was 77 years old. He leaves behind his wife Marie, two sons, Gilbert and Michael, his daughters, Phoebe, Florene, and Jane, and numerous grandchildren.

He leaves behind a legacy among the Dene in the Deh Cho area. He was very much respected. I also have a great respect for this good and decent man who leaves behind an immense knowledge of his lifetime that he leaves with his family and grandchildren. He lived close to the land. He leaves his family and his land. He loved his family very much, and his land. He raised his family the best he could on the land. He also took many other people who were less fortunate with him in the

summer time along the Mackenzie River and in the winter to his camp at Notonna Lake.

Mr. Speaker, as I reflect on the life of Gabe, I cannot help but think of all of the other elders who have passed away recently, not only in my communities, but in other communities. We are losing a lot of our elders. We are losing oral history and we are losing a good sense of good people as they pass away.

In my line of work, I meet many elders. As with Gabe Cazon, when I meet them, they always have a smile and always have good things to say. We know now in this life that we encounter daily hardships. When you are younger, you tend to complain about it. It is not good enough, and we make big issues out of it. The elders, they do not seem to reflect that. They have some goodness around them and they are happy to see you when you meet them.

Mr. Speaker, I would like to ask for an extension in my Member's statement.

**MR. SPEAKER:** Thank you. The honourable Member is seeking unanimous consent to continue with his Member's statement. Are there any nays? There being no nays, Mr. Antoine, you may continue.

**HON. JIM ANTOINE:** Thank you again, Mr. Speaker. Mr. Speaker, like I was saying, the elders, if you meet many of them, they do not show the hardships that they have encountered or are facing. Instead, they talk about good things and they make you feel good. I someday would like to be like that. I think many people in the North would like to be like that. That is how our elders are.

It reminds me of the lessons that I learned growing up among the elders. In my language, they say that (translation not available). If you are Dene, there is no such thing as cannot and nothing is impossible. You try to find a solution for any problem that faces you.

I think this may be why the people in our communities, you wonder how they would have lived 100 years ago or 80 years ago, what kind of hardships they may have encountered. Today, with our modern appliances and modern conveniences, we seem to be complaining a heck of a lot more than they have in the past. I think we should learn from our elders that we should make do with what we have and we should all try to be the best we can with what we have and try to figure it out for the people here in the North. Mahsi. Thank you.

-- Applause

**MR. SPEAKER:** Mahsi, Mr. Antoine. The condolences of the Assembly go to the family of Mr. Cazon. Item 3, Members' statements. The honourable Member for Hay River South, Mrs. Groenewegen.

#### **Member's Statement on Weekend Activities**

**HON. JANE GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, most of what we do here in the House is covered by the media to some extent. Something that is not covered by the media is how I spent my weekend, so I thought I would take the opportunity today in my Member's statement to just talk about the weekend that I had as I left to go home last Friday.

When I got home, I was able to attend the annual banquet of the Hay River Chamber of Commerce and see the swearing in of the new president. I would like to congratulate Doreen Farrents, who is the new president of the Hay River Chamber of Commerce and also thank Duane Morgan, who is the outgoing president, and who will serve as past president and will continue, I am sure, to be a good support to the chamber.

There was a new chamber executive and board of directors sworn in that was about half men and half women. That is very progressive for Hay River, because I remember a time when I was the only woman on the executive there serving as president for a few years.

At this function, Guy Turvey received the Alf Manson Citizen of the Year Award. Mr. Turvey is a very respected, very deserving recipient of this. He has been an educator and principal and volunteer-extraordinaire in the community for many, many years. So that was good to be able to take that in.

Mr. Speaker, as I had a chance to chat with the mayor on the weekend as well, I want to say that Hay River also seems to have turned a page in terms of partnerships, working with surrounding communities, leadership working together. I am very pleased with the positive outlook and approach that is being taken to the issues in Hay River.

I also had the opportunity to cook a meal in my home and entertain friends on Saturday night and have them over. I had an opportunity to get up on Sunday morning and, as usual, go to church with my family. I heard a very good sermon on Sunday from Corinthians on love. I will keep that in mind throughout the next few days here in the Legislature.

-- Laughter

That is the thing I love about going to church. It puts everything into perspective, right? Also, on Sunday afternoon, I had an opportunity to help my little girl with her science project. When I said good-bye to her Sunday night, she was very happy and enthusiastic that she had launched the work on her science project that she had due this week. I just had a great weekend. Thank you, Mr. Speaker.

-- Applause

**MR. SPEAKER:** Thank you, Madam Groenewegen. It sounds like a very relaxing weekend for you. Item 3, Members' statements. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. The honourable Member for Range Lake, Ms. Lee.

#### ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

**MS. LEE:** Thank you, Mr. Speaker. Mr. Speaker, further to my statement on Friday, I am pleased to recognize two visitors from South Korea in the gallery. They represent a company that specializes in sky and star watching. They are here to document and photograph our aurora for public consumption. I am happy to report that they have been here since Thursday and they have been able to see the beautiful Aurora every single night. They are here until Tuesday. They are Mr. Sangku Kim and Mr. ByungHo Jeong from South Korea. Thank you, Mr. Speaker.

-- Applause

**MR. SPEAKER:** Welcome to the Legislative Assembly and to the North. Item 5, recognition of visitors in the gallery. Item 6, oral questions. The honourable Member for Hay River North, Mr. Delorey.

#### ITEM 6: ORAL QUESTIONS

##### Question 385-14(3): Affordable Housing for Seniors

**MR. DELOREY:** Thank you, Mr. Speaker. Mr. Speaker, as I indicated in my Member's statement, our seniors population in Hay River is expected to grow by almost 200 percent by the year 2018. One issue that our seniors are currently faced with and will most certainly be faced with in the coming years is the issue of affordable housing. I will put this open to the Minister responsible for Seniors or Housing, whichever they feel is the most applicable. Would the Minister please elaborate as to what the department is doing to provide housing in the near future for our aging population? Thank you, Mr. Speaker.

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

##### Return to Question 385-14(3): Affordable Housing for Seniors

**HON. ROGER ALLEN:** Thank you, Mr. Speaker. I apologize for being a little delayed in my response here. We do have in our action plan to provide a seniors-plex in Hay River. I believe it is in the fiscal year 2003-04. Thank you.

**MR. SPEAKER:** Thank you, Minister Allen. Supplementary, Mr. Delorey.

##### Supplementary to Question 385-14(3): Affordable Housing for Seniors

**MR. DELOREY:** Thank you, Mr. Speaker. Could the department inform us what long-term plans they have in place to address the projected demand for seniors housing over the next several years? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Delorey. The honourable Minister responsible for the NWT Housing Corporation, Mr. Allen.

##### Further Return to Question 385-14(3): Affordable Housing for Seniors

**HON. ROGER ALLEN:** Thank you, Mr. Speaker. Mr. Speaker, yes, I can inform the Member that we have been in consultation with the senior's society of Hay River. They have been working very hard to define their needs in accordance with our housing needs survey, particularly the seniors' needs. We have been working with them on a continual basis and we will continue to do so to meet those ever-growing needs. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Minister Allen. Supplementary, Mr. Delorey.

##### Supplementary to Question 385-14(3): Affordable Housing for Seniors

**MR. DELOREY:** Thank you, Mr. Speaker. Mr. Speaker, the senior's society has recently submitted a proposal to build a 28-unit complex for independent living in Hay River, pending

municipal approval. Would the Minister please indicate to this House if the Government of the Northwest Territories would be willing to partner with the Hay River Seniors Society in the building of an independent living complex? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Delorey. The honourable Minister responsible for the NWT Housing Corporation, Mr. Allen.

#### **Further Return to Question 385-14(3): Affordable Housing for Seniors**

**HON. ROGER ALLEN:** Thank you, Mr. Speaker. Mr. Speaker, the tentative arrangement has been to help the senior's society work in achieving those goals. However, we do have some limited funds and we have earmarked a certain number of dollars towards that project by way of a combination of arrangements that we are trying to help them solidify and that should be probably realized in the next year or so. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Minister Allen. Final supplementary, Mr. Delorey.

#### **Supplementary to Question 385-14(3): Affordable Housing for Seniors**

**MR. DELOREY:** Thank you, Mr. Speaker. Mr. Speaker, there is a constant lack of funding for programs and services for seniors. Does the government have any long-term plans to maybe look at increasing financial help they give to seniors in the Northwest Territories in the long-term? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Delorey. The honourable Minister responsible for the NWT Housing Corporation, Mr. Allen.

#### **Further Return to Question 385-14(3): Affordable Housing for Seniors**

**HON. ROGER ALLEN:** Thank you, Mr. Speaker. Specific to the housing needs and according to the housing needs survey conducted in the year 2000, we have continually worked with all seniors across the Northwest Territories. It varies from community to community, but in the large urban centres, Mr. Speaker, we have been awarding a certain number of units to complement their ever-growing needs. Thank you.

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

#### **Question 386-14(3): Oil and Gas Employment Training**

**MR. MCLEOD:** Thank you, Mr. Speaker. My question is to the Minister responsible for Education, Culture and Employment. I would like to ask the Minister to explain what activities are being undertaken to prepare northern residents for employment opportunities in the oil and gas exploration sector. Thank you, Mr. Speaker.

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

#### **Return to Question 386-14(3): Oil and Gas Employment Training**

**HON. JAKE OOTES:** Thank you, Mr. Speaker. We work in conjunction with Aurora College. The college delivered a number of programs over the past several months. As well, we provided funding to various regions directly to fund certain activities regionally and we did so on a budget of \$500,000, part of which went to the college and part of which went for short-term training. For example, in the Deh Cho, we spent \$100,000 and in the Inuvik region we spent \$100,000. This is in addition to the college training programs, Mr. Speaker. Thank you.

**MR. SPEAKER:** Thank you, Minister Ootes. Supplementary, Mr. McLeod.

#### **Supplementary to Question 386-14(3): Oil and Gas Employment Training**

**MR. MCLEOD:** Thank you, Mr. Speaker. Can the Minister inform the Members of this House what progress has been made in convincing the federal government of Canada to fund the Human Resource Strategy for the non-renewable resource sector?

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

#### **Further Return to Question 386-14(3): Oil and Gas Employment Training**

**HON. JAKE OOTES:** Thank you, Mr. Speaker. Yes, it is a very important element that we continue to pursue. We are continuing our discussions with the federal Minister of Indian and Northern Affairs as well as the Human Resources Development Minister, Ms. Jane Stewart. I should also state, Mr. Speaker, that in Mr. Handley's visit yesterday to Inuvik, he had the opportunity to meet with three individuals who represented the college, the director of the college as well as Akita Drilling and CAPP, Canadian Arctic Petroleum Producers. There are some interesting developments that hopefully can be formulated to move forward on this. It is an initiative they are working on. We do not have the details of that that we can release yet, but we are continuing work in that end. As well, if I may, Mr. Speaker, we work closely with the training group that is in existence. It has been very active in the Inuvik area on oil and gas training. I met with them several weeks ago. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Minister Ootes. Supplementary, Mr. McLeod.

#### **Supplementary to Question 386-14(3): Oil and Gas Employment Training**

**MR. MCLEOD:** Mr. Speaker, I would like to ask the Minister to identify for this Assembly what alternative plans for oil and gas training are in place should the federal funding not be approved in the next 12 months?

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

### Further Return to Question 386-14(3): Oil and Gas Employment Training

**HON. JAKE OOTES:** Thank you, Mr. Speaker. Yes, that is a good comment and question. With regard to our ongoing work, we are working on a number of areas. As I said, we are laying the foundation for a number of programs. Literacy is one, which is an area that many of our people need in order to advance forward in any type of job, be it oil and gas or other areas.

Additionally, Mr. Speaker, we are working on maximizing northern employment. In that area as well, we do not have all of the areas worked out, but we are working on possibilities there to work on specific areas. Also, we are suggesting to communities and to organizations that if they wish to put forward proposals where they can partner with organizations and aboriginal groups, we would welcome those initiatives, Mr. Speaker. Thank you.

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

### Supplementary to Question 386-14(3): Oil and Gas Employment Training

**MR. MCLEOD:** Thank you, Mr. Speaker. Outside of basic safety programs, I would like to ask the Minister if he could indicate the number of Northerners who have successfully gained employment positions in the field of oil and gas over the last two years as a direct result of training programs established by his department. Thank you, Mr. Speaker.

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

### Further Return to Question 386-14(3): Oil and Gas Employment Training

**HON. JAKE OOTES:** Thank you, Mr. Speaker. That is a question that I cannot answer here. I will get the information for the Member to the best of our abilities. I am not sure that we can answer it in full, but certainly we will attempt to get as much information for the Member on that particular question as we can. Thank you.

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

### Question 387-14(3): Sliding Scale for Fuel Rebate

**MR. DENT:** Thank you, Mr. Speaker. Mr. Speaker, my questions are for Minister Handley today. Last week, Mr. Speaker, the Minister made it sound difficult to administer a sliding scale program for the fuel subsidy. I asked the Minister responsible for the Housing Corporation about it and he confirmed that all of their programs are income tested and that the assistance is now provided on a sliding scale by community.

When I asked Minister Allen if they could administer the rebate program on a sliding scale, he did not say it would be difficult. He said, and I quote:

"The Housing Corporation is responsible for the administration of the program.

There is a policy side of it that has been determined."

Mr. Speaker, I would like to ask if the Minister of Finance will reconsider the policy side of this fuel rebate program and develop a sliding scale for the fuel rebate. Thank you, Mr. Speaker.

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

### Return to Question 387-14(3): Sliding Scale for Fuel Rebate

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. Mr. Speaker, certainly it is more difficult to administer, track, and audit income statements and so on, the more we spread this program out. The important thing to me, Mr. Speaker, is not so much how much work it is going to create, but how fast we can get these rebate cheques out to people. I know people right now who are behind in their payments and are on cash deliveries from the fuel companies who need help right now. I want to get these cheques out right away, so I want to keep this rebate program fairly simple. I do not want to complicate it by adding in new curves any more than we can.

Having said that, Minister Allen and I are looking at it. If there is a way of doing it, then we will take it into consideration. If the Member has suggestions, I would be happy to hear what those suggestions might be more specifically. We are only talking about a \$320 rebate here. Is it worth changing the whole system and making it a sliding scale, and giving someone who is earning \$100,000 a \$50 cheque? Is it worth it? Where do we draw the line on the sliding scale? Thank you, Mr. Speaker.

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

### Supplementary to Question 387-14(3): Sliding Scale for Fuel Rebate

**MR. DENT:** Thank you, Mr. Speaker. Later today, I would be happy to provide the Minister with my recommendations. Would the Minister explain a bit further what he meant when he talked about the need to audit income statements and this making the program more complex? Are we not going to require people to apply for this program demonstrating their household income on that application form?

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

### Further Return to Question 387-14(3): Sliding Scale for Fuel Rebate

**HON. JOE HANDLEY:** Yes, Mr. Speaker, I was pleased with the answer the Member gave to my question. Mr. Speaker, I certainly do appreciate any suggestions he may have in that area. In terms of auditing, yes, we are going to have to audit all of the statements that are provided to us of household income. The more we spread this out and the higher the income level we generate or make this available for, then the more and more work we have to do.

As it is, I think we are doing somewhere over 3,000 households we estimate who are paying for fuel, have lower incomes and who will be filing applications. We will have to audit theirs. If we

expand this to cover 6,000 households, it doubles the amount of work that we have. Thank you, Mr. Speaker.

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

**Supplementary to Question 387-14(3): Sliding Scale for Fuel Rebate**

**MR. DENT:** Thank you, Mr. Speaker. Mr. Speaker, it has been suggested that the program could be started as early as the first week in March. Can the Minister tell me if the plan is to have the application forms out next week for this program?

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

**Further Return to Question 387-14(3): Sliding Scale for Fuel Rebate**

**HON. JOE HANDLEY:** Mr. Speaker, yes. Minister Allen, through the Housing Corporation, is working on getting the application forms out. We expect to be able to do that next week. We realize people are anxious, lower income people in particular are anxious to get some help. We want to expedite that as much as we can. Thank you, Mr. Speaker.

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

**Supplementary to Question 387-14(3): Sliding Scale for Fuel Rebate**

**MR. DENT:** Thank you, Mr. Speaker. Would it perhaps be possible on a sliding scale to ensure that those who claim to have a lower household income were assigned a higher priority in getting their cheques out fast, and that would be one way to accomplish the sliding scale?

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

**Further Return to Question 387-14(3): Sliding Scale for Fuel Rebate**

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. Mr. Speaker, I think the way it will likely work -- and again this is a question Mr. Allen is probably much more familiar with than I am -- is that the people who believe they are eligible will make an application to the housing associations. Those applications will come in as people submit them, but we will have no ideas which ones will come in, whether they are from low-income families or whether they are from people near the top of the threshold.

I believe our intention is to process as much as we can as fast as we can. Certainly if there is a big stack of them on someone's desk, I would hope that we are able to ask those most in need. How this is done will be determined largely on how people put in their applications. Thank you.

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

**Question 388-14(3): Supporting the Arts and Crafts Industry**

**MR. MILTENBERGER:** Thank you, Mr. Speaker. Mr. Speaker, my questions are addressed to the Minister responsible for Education, Culture and Employment in regard to the arts and craft sector I talked about in my Member's statement.

Could the Minister indicate to this House what work is being done to try to improve and enhance the support provided to the whole area of arts and crafts as it falls under his mandate under the culture component of Education, Culture and Employment? Thank you.

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

**Return to Question 388-14(3): Supporting the Arts and Crafts Industry**

**HON. JAKE OOTES:** Thank you, Mr. Speaker. We have a number of programs, of course, in the area of arts and crafts as well as support for the performing arts and so forth. We have the heritage funding for the Heritage Centre, the museum in Fort Smith, for example, and in Norman Wells, and cultural organization contributions that we provide cultural contributions to various organizations such as the Dene Cultural Institute.

Mr. Speaker, the amount of funding is always a struggle in this particular area and it is certainly one area that I am personally interested in. To date, in all honesty, I have to state that we have not been successful in order to obtain further funding in this particular area to expand the particular programs that we have. Thank you.

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

**Supplementary to Question 388-14(3): Supporting the Arts and Crafts Industry**

**MR. MILTENBERGER:** Thank you, Mr. Speaker. Mr. Speaker, could the Minister indicate whether he has had any discussions with his colleague, the Minister responsible for RWED, in terms of trying to coordinate the work being done to support the arts and crafts sector and industry, not just from a cultural point of view, but from an employment point of view? Thank you.

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

**Further Return to Question 388-14(3): Supporting the Arts and Crafts Industry**

**HON. JAKE OOTES:** Thank you, Mr. Speaker. On a ministerial level, we are speaking very broadly about all sectors of potential employment in the Territories, which includes arts and crafts. That has not been overlooked. However, we do not have any details on that particular area yet, Mr. Speaker. On the administrative end, I know our people, my officials and I, meet with the officials from the Department of Resources, Wildlife and Economic Development from time to time, if not consistently. Certainly on our level, speaking on the maximizing employment area, arts and crafts is one area that is part of the overall outlook. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ootes. Supplementary, Mr. Dent. Sorry, Mr. Miltenberger.

**Supplementary to Question 388-14(3): Supporting the Arts and Crafts Industry**

**MR. MILTENBERGER:** Thank you, Mr. Speaker. I know we are hard to tell apart.

-- Laughter

Mr. Speaker, my supplementary question to the Minister is in regard to Maximizing Northern Employment. Will Maximizing Northern Employment clearly deal with the issue of the arts and crafts sector as well as the other broad areas of hydro, oil and gas and diamonds? It has been identified as very critical to the northern economy. Thank you.

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

**Further Return to Question 388-14(3): Supporting the Arts and Crafts Industry**

**HON. JAKE OOTES:** Thank you, Mr. Speaker. Mr. Speaker, it is early days yet for all the details for us to have addressed, but certainly it is part of our discussions, like many areas are part of our discussions, including employment in government, private sector, all potential areas from the government finance officers, for aboriginal groups, et cetera. Thank you.

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

**Supplementary to Question 388-14(3): Supporting the Arts and Crafts Industry**

**MR. MILTENBERGER:** Thank you, Mr. Speaker. Mr. Speaker, the Maximizing Northern Employment Initiative is going to have money attached to it. If we accept the fact that the arts and craft sector is critical to the northern economy, will the Minister seriously look at enhancing the funding of NWT Arts Council from its \$140,000 that it has laboured with for the last two years to give them enough money to be able to do some meaningful support for the arts community? Thank you.

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

**Further Return to Question 388-14(3): Supporting the Arts and Crafts Industry**

**HON. JAKE OOTES:** Thank you, Mr. Speaker. We would have to prioritize where we would put our funding, Mr. Speaker. I do not disagree with the Member that the amount of funding received by the Arts Council certainly has limitations, but there are other areas as well. Performing art contributions are not that great, either, as it is for community radio stations and for cultural institutes. We would have to prioritize that, Mr. Speaker. Thank you.

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

**Question 389-14(3): Keeping College Students Informed**

**MR. LAFFERTY:** Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister responsible for Education, Culture and Employment. As I mentioned in my Member's statement, I recently met with constituents who are attending college in Fort Smith. They shared concerns they have with a lack of communication that occurs between themselves and SFA. I would like to ask the Minister, what steps is the department taking to ensure that students are kept up-to-date on the status of their application? Thank you, Mr. Speaker.

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

**Return to Question 389-14(3): Keeping College Students Informed**

**HON. JAKE OOTES:** Thank you, Mr. Speaker. We all recall, of course, the difficulties encountered during the fall enrollment period. We have been working as a department very steadily and diligently on ensuring that improvements are made on the processes that are in place. We have made good progress in a number of areas, Mr. Speaker.

For example, the application form has been simplified. In the next round, it will be a more simplified application form. With the student guide, there were comments on it being too large. We are ensuring that is reduced. Staff training is another area. I think that certainly is an area. They are the frontline people with the students. We have expended a considerable amount of effort and time to ensure the staff at the career offices are updated and are familiar with the processes and familiar with the methodology with accessing the computer system.

We are working on student modifications as well, to ensure that it is timely and that it is done consistently to the students on areas that they are interested in. Thank you, Mr. Speaker.

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

**Supplementary to Question 389-14(3): Keeping College Students Informed**

**MR. LAFFERTY:** Thank you, Mr. Speaker. Can the Minister ensure that staff are not away during the critical times, such as before each semester? Thank you, Mr. Speaker.

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

**Further Return to Question 389-14(3): Keeping College Students Informed**

**HON. JAKE OOTES:** Thank you, Mr. Speaker. That is a very good point, Mr. Speaker. That did occur. It was very unfortunate. It occurred this last semester. What transpired, Mr. Speaker, is that we had our "Joe days" at Christmas time. Everyone was off. The "Donnie days".

-- Laughter

After that, when the staff were to be back for the first week, you may recall we had a considerably bad flu outbreak. It really left us short-handed, which we have to work on to ensure that does not occur. It did create some difficulties for the students. I readily acknowledge that and I want to thank the Member for bringing that forward. Unfortunately, it was a difficult situation all the way around. Thank you.

**MR. SPEAKER:** Thank you, Minister Ootes. Colleagues, I would like to take this opportunity to recognize in the gallery a former Member of the Legislative Assembly of the Northwest Territories, representing the High Arctic at the time, Mr. Ludy Pudluk.

-- Applause

Mr. Pudluk was a Minister as well as the Deputy Speaker and a long-serving Member. He was the Dean of the Legislative Assembly for 20 years, I am told. As well, Mr. Pudluk is the provider of our polar bear that is here on display in our Chamber. Welcome back home, Ludy.

-- Applause

**MR. SPEAKER:** Item 6, oral questions. The honourable Member for Yellowknife South, Mr. Bell.

#### **Question 390-14(3): Fuel Rebate Proposal**

**MR. BELL:** Thank you, Mr. Speaker. Mr. Speaker, my question is for Minister Handley, again about the fuel rebate. He asked for suggestions as to how something might be administered. We put our department of finance over here together to do some work and we have quickly come up with a proposal we are wondering if he would consider: less than \$50,000 income, \$320; \$50,000 to \$60,000, \$250; \$60,000 to \$70,000, \$200; \$70,000 to \$80,000, \$150; \$80,000 to \$90,000, \$100; over \$90,000, nothing, Mr. Speaker. I am wondering if he will consider that.

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

#### **Return to Question 390-14(3): Fuel Rebate Proposal**

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. Certainly I will consider any suggestions the Members give me. Thank you.

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

#### **Supplementary to Question 390-14(3): Fuel Rebate Proposal**

**MR. BELL:** Thank you, Mr. Speaker. I think he said he would consider it. I am not quite sure. I think the underlying philosophy was that homeowners and renters who were paying more to heat their homes this year would get a subsidy. Is that in fact the case? You have to be paying more this year to heat your home?

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

#### **Further Return to Question 390-14(3): Fuel Rebate Proposal**

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. Mr. Speaker, yes. One of the criteria is that you have to show that you have purchased fuel for your home. You also have to sign a statement that you have not received a subsidy from somewhere else, your employer or wherever, to cover the price of the fuel. Thank you, Mr. Speaker.

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

#### **Supplementary to Question 390-14(3): Fuel Rebate Proposal**

**MR. BELL:** Thank you, Mr. Speaker. I am a little confused. If I am renting an apartment and I pay \$900 a month, but that \$900 is not broken out, how will I determine how much of that is being paid for fuel and if in fact I am directly paying for fuel? Thank you, Mr. Speaker.

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

#### **Further Return to Question 390-14(3): Fuel Rebate Proposal**

**HON. JOE HANDLEY:** Mr. Speaker, I am sorry if I was a little bit confusing on that statement. People who are living in detached homes or homes where they have their own heating system, they have to show us proof that they purchase fuel. In the case of people who live in apartment buildings or buildings where there is one central heating system for the whole building and they do not have fuel bills for their apartment, there we have made an assumption that rents have gone up in the Northwest Territories. We know that most rents have. There may be some exceptions.

Accordingly, we have made a provision for a one-time rebate of \$150 for individuals living in those kind of apartment units. They do not have to show us that they actually paid for fuel or that they even had a rent increase. We are making an assumption though that the rents have generally gone up in the last year as a result of heating costs borne by the landlords. Thank you.

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

#### **Final Supplementary to Question 390-14(3): Fuel Rebate Proposal**

**MR. BELL:** Thank you, Mr. Speaker. While that might be the case, I know there are many people who are tied into long-term leases and have not seen their rents go up, so would the Minister at least acknowledge that we may in fact miss some folks this way?

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

#### **Further Return to Question 390-14(3): Fuel Rebate Proposal**

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. I do not think that we will miss any people on that count because the

individual apartment dwellers do not have to show us that their rent went up nor do they have to show us that they paid for fuel. They simply have to show us that they meet the core need income threshold or the scale we are using to determine eligible incomes. So we should not be missing anyone there, Mr. Speaker. Thank you.

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

**Question 391-14(3): Report on Tuberculosis in the NWT**

**MR. KRUTKO:** Thank you, Mr. Speaker. Mr. Speaker, my question is in line with a statement I made earlier with regard to the report on tuberculosis control in the Northwest Territories, in which it states there are unaccepted rates of tuberculosis in parts of the Northwest Territories. The rates are 10 times the rates of the rest of Canada. In light of that, we all know that this is another report, and a lot of good recommendations have come out of it. I think it is important that as a government, we bring forth these recommendations and activate them.

I would like to ask exactly what plans the Minister of Health and Social Services has in her department's response to the findings of the report on tuberculosis in the Northwest Territories, and what actions will be taken with respect to the 26 recommendations? Thank you.

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

**Return to Question 391-14(3): Report on Tuberculosis in the NWT**

**HON. JANE GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, I would like to thank the Member for his question about this. Mr. Krutko indicated in his Member's statement that he was not apologetic for asking questions in this House. I believe that is good. That is the way it should be. I am glad the Members are as interested in health as they have demonstrated.

Mr. Speaker, I have just received the report from Dr. Fanning and Dr. Mulharen, who looked into this issue of tuberculosis. I have asked our chief medical health officer to carefully review the report and develop a response to each of the recommendations. It will be important to also consult with the health and social services boards because they are very critical players and partners in implementing whatever response we come up with. Thank you.

**MR. SPEAKER:** Thank you, Madam Minister. Supplementary, Mr. Krutko.

**Supplementary to Question 391-14(3): Report on Tuberculosis in the NWT**

**MR. KRUTKO:** Thank you, Mr. Speaker. Mr. Speaker, can the Minister tell the House how soon can she move on a couple of these recommendations and bring it back to this House?

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

**Further Return to Question 391-14(3): Report on Tuberculosis in the NWT**

**HON. JANE GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, as I indicated at the press conference on Friday, I expect this work to be completed by the first week in March so that I can announce what steps the department will be able to take to strengthen the NWT tuberculosis program before the closing of this session of the Legislative Assembly. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Madam Minister. Supplementary, Mr. Krutko.

**Supplementary to Question 391-14(3): Report on Tuberculosis in the NWT**

**MR. KRUTKO:** Thank you, Mr. Speaker. Mr. Speaker, some of the recommendations or concerns that came out of the report were the areas of making people more aware of the disease, identifying that we need more resources in the area, and also better training for frontline workers. Could the Minister state exactly what is she going to do to activate those three particular items which are key to the report?

**MR. SPEAKER:** Thank you, Mr. Krutko. The honourable Minister responsible for Health and Social Services, Madam Groenewegen.

**Further Return to Question 391-14(3): Report on Tuberculosis in the NWT**

**HON. JANE GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, the Member is correct. The areas of awareness, training and resourcing for the NWT tuberculosis program are three of the most critical areas which almost all of the recommendations can be grouped into. At this time, Mr. Speaker, I do not have the specific actions that will be taken to respond to these. I do believe that already, just from our press conference and the media coverage and some of the things that have taken place since this report was undertaken, it has raised the public awareness, which is very important, about this disease still being in existence here in the North. Thank you.

**MR. SPEAKER:** Thank you, Madam Minister. Final supplementary, Mr. Krutko.

**Supplementary to Question 391-14(3): Report on Tuberculosis in the NWT**

**MR. KRUTKO:** Thank you, Mr. Speaker. Could the Minister assure this House that she will take action ASAP to ensure that we do offer tuberculosis testing to people who have symptoms of this disease, such as long-term coughing and what not, and also ensure that we do testing in the schools for tuberculosis where there have been cases? Thank you.

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

**Further Return to Question 391-14(3): Report on Tuberculosis in the NWT**

**HON. JANE GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, I do believe it would be safe to say that in response to these 26 recommendations, we will be strengthening all of the

various areas -- everything from screening, surveillance, testing, training and ensuring that health care practitioners who come into the North from the south who may not be as aware of tuberculosis, receive orientation with our materials, our manuals and our procedures. I think it would be safe to say, not knowing the exact response, that those areas will be covered. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Madam Minister. Item 6, oral questions. The honourable Member for Range Lake, Ms. Lee.

#### **Question 392-14(3): Fuel Rebate Inequities**

**MS. LEE:** Thank you, Mr. Speaker. Mr. Speaker, my question today has to do with the fuel rebate as well. Mr. Speaker, I do not know how to ask this question, and I might sound convoluted, but I just want to take off from what my colleague for Yellowknife South was pursuing, which has to do with the fact that the way the policy is laid out now, a tenant in a house could be eligible for this allowance, even though he or she did have a rent raise. However, the house-owner would not get anything if he or she had a family income of more than \$72,500.

This goes again to an inequitable situation of this rebate, and I wonder if the Minister would reconsider that situation. Thank you, Mr. Speaker.

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

#### **Return to Question 392-14(3): Fuel Rebate Inequities**

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. Certainly that is an issue that we have had to consider because we do not want to be paying two fuel rebates for the same house simply because someone has a room rented in that building. We have, and will include in the conditions, some definition that says that people have to be staying in an apartment or suite that is legally registered with the municipality and so on. I do not have the full definition in front of me, but there will be a definition of what sort of circumstances that people will be eligible within.

Someone living as a boarder in a house where the owner has already put in an application for a rebate would not be eligible. Thank you.

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

#### **Supplementary to Question 392-14(3): Fuel Rebate Inequities**

**MS. LEE:** Thank you, Mr. Speaker. My concern has to do with the fact that the owner of that house, because that owner makes more than \$72,500 in the case of Yellowknife, he or she will be eligible for nothing, even though he or she is paying for the fuel. Whereas the tenant, who may not have experienced a rise in their rent and who is not responsible for paying for the fuel, he or she may be getting a GST rebate from the federal government and this rebate on top of that. I do not want to deprive anyone from getting that sort of money, but would he not consider this an unfair situation and it is worth revisiting? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Ms. Lee. The honourable Minister responsible for Finance, Mr. Handley. It sounds like an opinion, but you may answer it if you wish.

#### **Return to Question 392-14(3): Fuel Rebate Inequities**

**HON. JOE HANDLEY:** Mr. Speaker, I think we are beginning to get into some of the debate on how complex what seems to be a very simple program to help people who are most in need of some help with their rising fuel costs can become if we begin to try to cover every possible circumstance. It really does become a complex exercise. We complicate it even more when we start adding in sliding scales and so on. So we have to be careful that we do not take what is a good program, complicate it so much by trying to cover every possible situation, try to cover everybody and make it so that it will take us months to ever get this thing administered.

The objective is to get some money out quickly to those people who are having a tough time and difficulty paying their rent. I want to get those cheques out to those people fast. I care about the working poor. We want to help them out. Ms. Lee raises a good point and it is one we have looked at. Yes, we may miss some people, but to perfect the system for all circumstances is really tough, Mr. Speaker. Thank you.

**MR. SPEAKER:** Thank you, Minister Handley. Supplementary, Ms. Lee.

#### **Supplementary to Question 392-14(3): Fuel Rebate Inequities**

**MS. LEE:** Thank you, Mr. Speaker. Mr. Speaker, I too want to express my appreciation to the government for doing something to alleviate this problem. However, I think that we have to be careful to give the money to those who are paying the bills. Mr. Speaker, may I ask the Minister, in examining how many households will be eligible for this policy, did he look into how many households in Yellowknife would be eligible for this? Thank you, Mr. Speaker.

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

#### **Further Return to Question 392-14(3): Fuel Rebate Inequities**

**HON. JOE HANDLEY:** Mr. Speaker, I do not have information on exactly how many households in Yellowknife would be eligible. The Housing Corporation probably has some pretty good estimates of that, but I do not have a breakdown by community. Thank you.

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

#### **Supplementary to Question 392-14(3): Fuel Rebate Inequities**

**MS. LEE:** Thank you, Mr. Speaker. I believe another Minister in this House has indicated that there will be about 3,300 households in the Northwest Territories that will be eligible for this. May I have information from the Minister as to what is the best guess about how many households in Yellowknife will be eligible?

**MR. SPEAKER:** Thank you, Ms. Lee. The Minister sounded like he answered the question already. I will allow the Minister to take a stab at it if he wishes. Mr. Handley.

**Further Return to Question 392-14(3): Fuel Rebate Inequities**

**HON. JOE HANDLEY:** Mr. Speaker, as I said, I do not have the numbers in Yellowknife. We may be able to work out an estimate of what it is going to be. Again, it is going to be a pretty rough estimate at this point. There is a lot of factors to take into consideration when we start looking at Yellowknife, in particular. It is much easier in the small communities where much of our housing is subsidized through the Housing Corporation programs or people are in public housing and so on. Yellowknife is going to be difficult. The estimate of something over 3,000 is largely based on income levels and the number of people living in independent or private dwellings, but again it is an estimate. Thank you.

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

**Question 393-14(3): Independent Ethics Counsellor**

**MR. DENT:** Thank you, Mr. Speaker. Mr. Speaker, I have a question for Minister Handley relating to his statement today about the code of conduct. Mr. Speaker, I would agree with Minister Handley that it is about time that we had guidelines that are clear and concise and all in one place, so that everybody knows what is expected of them, but I am a little surprised by one aspect of his statement that I had not heard of before.

I know these guidelines have been under development for quite some time, but given what we have heard about ethics counsellors in relation to the federal government, in particular the Prime Minister, I am wondering where did the idea for having an ethics counsellor come from? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Dent. The Minister responsible for the Financial Management Board Secretariat, Mr. Handley.

**Return to Question 393-14(3): Independent Ethics Counsellor**

**HON. JOE HANDLEY:** Mr. Speaker, the notion of having an independent ethics counsellor is an idea that came out as a result of consultations. I expect it came largely from employees who feel a need to have access to someone who is going to be able to give them independent advice in situations where they may be in conflict. Thank you.

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

**Supplementary to Question 393-14(3): Independent Ethics Counsellor**

**MR. DENT:** Thank you, Mr. Speaker. Mr. Speaker, it sounds like we are setting up another position. Was any consideration given to, rather than having a counsellor, perhaps to asking the conflict commissioner to provide the same advice?

**MR. SPEAKER:** Thank you, Mr. Dent. The honourable Minister responsible for the Financial Management Board Secretariat, Mr. Handley.

**Further Return to Question 393-14(3): Independent Ethics Counsellor**

**HON. JOE HANDLEY:** Mr. Speaker, this is not another government position. This will be a contracted service that is independent of government. Mr. Speaker, the intention is to have this person as a counsellor who can provide advice. There was no thought of considering placing this under the present conflict commissioner for the Legislative Assembly. Thank you.

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

**Supplementary to Question 393-14(3): Independent Ethics Counsellor**

**MR. DENT:** Thank you, Mr. Speaker. Mr. Speaker, we have a number of contractors who work for this Assembly who provide independent advice. I would point out that the problem in the Prime Minister's situation was the advice was not seen as independent. How can an ethics counsellor be seen to be giving independent advice when their contract is administered by the secretary to Cabinet?

**MR. SPEAKER:** Thank you, Mr. Dent. The honourable Minister responsible for the Financial Management Board Secretariat, Mr. Handley.

**Further Return to Question 393-14(3): Independent Ethics Counsellor**

**HON. JOE HANDLEY:** Mr. Speaker, the conflict counsellor position will be an independent contract with someone outside of government. While the contract has to be administered by someone, I believe this is going to be done at arm's length. We are not going to be having the conflict counsellor reporting to the chairman of the Financial Management Board or the Minister of Public Service on every ruling he makes.

The important thing here is we have someone who is available to employees in the North and can provide them with advice on situations that they are running into. Thank you.

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

**Supplementary to Question 393-14(3): Independent Ethics Counsellor**

**MR. DENT:** Thank you, Mr. Speaker. Mr. Speaker, any contract that is administered by one person rather than reporting to a public body like the Legislative Assembly is in danger of being tampered with. Will the government reconsider this and look at creating a position that would report to the Legislative Assembly rather than to the secretary of Cabinet?

**AN HON. MEMBER:** Hear, hear!

**MR. SPEAKER:** Thank you, Mr. Dent. The honourable Minister responsible for the Financial Management Board Secretariat, Mr. Handley.

**Further Return to Question 393-14(3): Independent Ethics Counsellor**

**HON. JOE HANDLEY:** Mr. Speaker, we have not yet entered into a contract with anyone to do this job. Certainly any advice that Members have, I am willing to consider it. I do not know the merits of the Member's suggestion at this point. To me, it is very important that we have a Northerner who is providing this advice. We need someone who is accessible and someone who understands the North. Thank you.

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

**Question 394-14(3): Department's Role in Water Quality**

**MR. KRUTKO:** Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister responsible for Public Works. It is with regard to a question I asked last week on compliance and the water quality guidelines for the community of Tsiigehtchic. I asked the Minister responsible what the Department of Public Works is doing to rectify the situation. The Minister kept saying that it is the responsibility of MACA to clarify this. So I would like to ask the Minister responsible for Public Works and Services, what role does the Department of Public Works and Services play with regard to the water guideline order? The letter was written to your department. I would like to know why the letter was sent to your department and you are saying the responsibility is with Municipal and Community Affairs.

**MR. SPEAKER:** Thank you, Mr. Krutko. The honourable Minister responsible for the Department of Public Works, Minister Steen.

**Return to Question 394-14(3): Department's Role in Water Quality**

**HON. VINCE STEEN:** Thank you, Mr. Speaker. Mr. Speaker, if I could explain a little background here, Health and Social Services established the guidelines for water quality. That I believe is in consultation with the standards set by Health Canada. Public Works actually does the water testing in the communities. We advise MACA what facilities they would need in order to meet the standards set by Health Canada and Health and Social Services. Therefore, we are involved, either taking the water samples directly or having the community do it for us through their staff.

In this specific case of Tsiigehtchic, we were advised that the water quality did not meet standards, in particular, standards for colour. Therefore, Public Works advises MACA that in order to meet the standards, we would have to improve the filtering system. Money to improve the filtering system comes from MACA. Public Works would do the work if we received the money from MACA.

**MR. SPEAKER:** Thank you, Minister Steen. Supplementary, Mr. Krutko.

**Supplementary to Question 394-14(3): Department's Role in Water Quality**

**MR. KRUTKO:** Thank you, Mr. Speaker. It comes back to the whole area of compliance. Since the compliance order was written to the Department of Public Works, the whole area of

rectifying the problem with the colouring of water is the responsibility of Public Works. You are the agency that is overseeing it. So what are you doing to ensure that the compliance is lifted and it stays within your department, that it does not go back to MACA? It is pretty clear that you are responsible for that. What are you doing to live up to that compliance as a department?

**MR. SPEAKER:** Thank you, Mr. Krutko. The honourable Minister responsible for the Department of Public Works and Services, Minister Steen.

**Further Return to Question 394-14(3): Department's Role in Water Quality**

**HON. VINCE STEEN:** Thank you, Mr. Speaker. Mr. Speaker, I believe I answered the Member's question last week. I am going to respond in a similar manner. Public Works does not have program funding. We do the water testing. We do the quality testing. When we receive letters such as we did, we then take that to MACA and we make MACA aware that we have a problem here. In order to meet the standards, we would have to put into place better filtering systems. That is what Public Works does and that is what Public Works has been doing. We passed this particular concern to MACA as well as the community, so they are both aware of the situation. Public Works itself has no money to do anything about the water problem. Thank you.

**MR. SPEAKER:** Thank you, Minister Steen. Supplementary, Mr. Krutko.

**Supplementary to Question 394-14(3): Department's Role in Water Quality**

**MR. KRUTKO:** Thank you, Mr. Speaker. From the Minister's statement, basically what you are saying is your department is not liable for any interventions of the Waters Act. As the department, you feel that you are not responsible or liable in any way for not living up to the conditions that are set within the water guidelines. Who is?

**MR. SPEAKER:** Thank you, Mr. Krutko. The honourable Minister responsible for the Department of Public Works and Services, Minister Steen.

**Further Return to Question 394-14(3): Department's Role in Water Quality**

**HON. VINCE STEEN:** Mr. Speaker, that is a question I cannot answer. I do not know who is liable, but it is definitely not Public Works. We definitely have nothing to do with the colour of the water. The colour of the water is what is there in the lake. In order to improve the colour, what we have been told by the environmental health officer is that we would have to improve the filtering system. That is what we have come up with and that is what we passed on to MACA. MACA has to come up with money to improve the filtering system to meet the standards set. So Public Works, unless we are doing poor quality work, I do not understand where Public Works would come into a situation where we are liable.

**MR. SPEAKER:** Thank you, Minister Steen. Supplementary, Mr. Krutko.

**Supplementary to Question 394-14(3): Department's Role in Water Quality**

**MR. KRUTKO:** Thank you, Mr. Speaker. The letter was clear. It was sent to the superintendent of Public Works at the Inuvik regional office, which is the lead agent on the water treatment operation at Tsiigehtchic. For the record, is the Department of Public Works liable for the operation of that water facility in Tsiigehtchic?

**MR. SPEAKER:** Thank you, Mr. Krutko. The honourable Minister responsible for the Department of Public Works and Services, Minister Steen.

**Further Return to Question 394-14(3): Department's Role in Water Quality**

**HON. VINCE STEEN:** Thank you, Mr. Speaker. Mr. Speaker, I will take the question as notice.

**MR. SPEAKER:** That supplementary has been taken as notice. Item 6, oral questions. 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. The honourable Member for Mackenzie Delta, Mr. Krutko.

**MR. KRUTKO:** Thank you, Mr. Speaker. I would like to seek unanimous consent to go back to item 12, reports of committees on the review of bills.

**MR. SPEAKER:** You are on the right one, Mr. Krutko. It is item 12, reports of committees on the review of bills. Mr. Krutko.

**ITEM 12: REPORTS OF COMMITTEES ON THE REVIEW OF BILLS**

**Bill 16: An Act to Amend the Motor Vehicles Act**

**MR. KRUTKO:** Thank you, Mr. Speaker. Mr. Speaker, I wish to report to the Assembly that the Standing Committee on Governance and Economic Development has reviewed Bill 16, An Act to Amend the Motor Vehicles Act, and wishes to report that Bill 16 is now ready for committee of the whole as amended and reprinted.

**MR. SPEAKER:** Thank you, Mr. Krutko. 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 109-14(3): Code of Conduct Respecting Conflict of Interest and Oath of Office and Secrecy**

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. Mr. Speaker, I wish to table the following document entitled Code of Conduct Respecting Conflict of Interest and Oath of Office and Secrecy for Employees of the Government of the Northwest Territories, February 2001. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Handley. Item 13, tabling of documents. Item 14, notices of motion. Item 15, notices of motion for first reading of bills. Item 16, motions. The honourable Member for Frame Lake, Mr. Dent.

**ITEM 16: MOTIONS**

**Motion 17-14(3): Referral of Tabled Document 48-14(3), Access to Information and Protection of Privacy Commissioner's Annual Report, 1999-2000, to the Standing Committee on Accountability and Oversight**

**MR. DENT:** Thank you, Mr. Speaker. Mr. Speaker, just to make a note that the seconder on this motion will be changed today from the seconder that was made note of in the notice. Mr. Speaker,

WHEREAS the annual report of the Access to Information and Protection of Privacy Commissioner for 1999-2000 has been tabled in this House;

AND WHEREAS the report contains recommendations for amendments to the Access to Information and Protection of Privacy Act and prescriptions for public policy;

AND WHEREAS this report requires detailed consideration by the Legislative Assembly;

NOW THEREFORE I MOVE, seconded by the honourable Member for Thebacha, that Tabled Document 48-14(3), Access to Information and Protection of Privacy Commissioner's Annual Report 1999-2000 be referred to the Standing Committee on Accountability and Oversight;

AND FURTHER, that the Standing Committee on Accountability and Oversight report its findings and recommendations to the Legislative Assembly no later than October 31, 2001. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Dent. The motion is in order. To the motion. Question has been called. All those in favour? Thank you. All those opposed? Thank you. The motion is carried. Item 16, motions. Item 17, first reading of bills. Item 18, second reading of bills. Item 19, consideration in committee of the whole of bills and other matters, Bill 19, Committee Report 5-14(3), Committee Report 6-14(3), Committee Report 7-14(3) with Mr. Krutko in the chair.

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

**CHAIRMAN (Mr. Krutko):** Welcome to committee of the whole. We are dealing with Bill 19, Committee Report 5-14(3), Committee Report 6-14(3), Committee Report 7-14(3). What is the wish of the committee? Mr. Dent.

**MR. DENT:** Thank you, Mr. Chairman. Mr. Chairman, I would like to recommend the committee consider the four documents you just mentioned concurrently, specifically to conclude Health and Social Services, then move into Transportation and perhaps Education, Culture and Employment following that.

**CHAIRMAN (Mr. Krutko):** Does the committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Krutko):** Does the committee agree to proceed with the Department of Health and Social Services?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Krutko):** I would like to ask the Minister if she would like to bring in any witnesses. Madam Minister.

**HON. JANE GROENEWEGEN:** Thank you, Mr. Chairman. Yes, I would like to bring them in.

**CHAIRMAN (Mr. Krutko):** Does the committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Krutko):** Sergeant-at-Arms, could you escort the witnesses in? Is the Minister prepared to go forth without your witnesses?

**HON. JANE GROENEWEGEN:** Yes, thank you, Mr. Chairman. I am prepared to proceed.

**CHAIRMAN (Mr. Krutko):** Thank you, Madam Minister. We are under capital, page 9, primary and acute care, capital, \$16,899,000. Mr. McLeod.

**MR. MCLEOD:** Thank you, Mr. Chairman. Mr. Chairman, I would like to get clarification. There is something I believe needs to be clarified here regarding the Fort Resolution heating plant upgrade, and then it lists Fort Providence and vice versa under the Fort Providence heating plant upgrade. I would like to know which budget is for which?

**CHAIRMAN (Mr. Krutko):** Madam Minister.

**HON. JANE GROENEWEGEN:** I am sorry, but which page is Mr. McLeod referring to?

**CHAIRMAN (Mr. Krutko):** Page 9, under capital. It is almost at the back. Capital acquisition plan, page 9. I would suggest that we take a break now and wait for your witnesses, then resume. Agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Krutko):** We will take a short break and begin shortly.

-- Break

**CHAIRMAN (Mr. Krutko):** I will call the committee to order. Would the Minister like to have her witnesses join her.

**HON. JANE GROENEWEGEN:** Mr. Chairman. I would like the witnesses to join me, please.

**CHAIRMAN (Mr. Krutko):** Does the committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Krutko):** Sergeant-at-Arms, would you escort the witnesses in? For the record, Madam Minister, could you introduce your witnesses?

**HON. JANE GROENEWEGEN:** Thank you, Mr. Chairman. I have Ms. Penny Ballantyne, deputy minister of Health and Social Services, and Mr. Warren St. Germaine, director of financial and management services. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Krutko):** Welcome, witnesses. We are on capital acquisition plan, page 9, primary and acute care, \$16,899,000. There was a question asked earlier by Mr. McLeod. Mr. McLeod, could you ask the question again please?

**MR. MCLEOD:** Thank you, Mr. Chairman. I would like to get clarification on page 9 regarding the heating plant upgrade. We have one listed for Fort Resolution, one for Fort Providence, one for the year 2001-2002, and another one for 2004-2005. It is not clear as to which is which. When you look at the communities, it says Fort Resolution heating plant and it is listed for the community of Fort Providence, and vice versa for Fort Providence.

**CHAIRMAN (Mr. Krutko):** Mr. St. Germaine.

**MR. ST. GERMAINE:** Thank you, Mr. Chairman. There is a typographical error. The activity and project description is correct. For 2001-2002, there is a heating plant upgrade project in Fort Resolution. In the year 2004-2005, there is a heating plant upgrade scheduled for Fort Providence. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Krutko):** Thank you for that clarification. Does that suffice, Mr. McLeod? Okay. Capital acquisition plan, primary and acute care, \$16,899,000. Agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Krutko):** Page 10, community health programs, total community health programs, \$1,763,000. Agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Krutko):** Total department, \$90,912,000. Agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Krutko):** Page 6-7, departmental summary, operations and expenses, total operations and expenses, \$182,811,000. Agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Krutko):** With that, I would like to thank the Minister and her witnesses. That concludes the Department of Health and Social Services. Thank you.

The next department on the list is the Department of Transportation. I would like to ask the Minister responsible for Transportation if he has any opening comments. Mr. Steen.

**HON. VINCE STEEN:** Thank you, Mr. Chairman. Yes, I have opening remarks for the committee, Mr. Chairman.

Mr. Chairman, members of the committee, it is my pleasure to be here this afternoon to consider the Department of Transportation's Main Estimates for 2001-2002.

Mr. Chairman, the report of the Economic Strategy Panel, Common Ground, the Non-Renewable Resource Development Strategy, and the Department of Transportation's Investing in Highways for People and the Economy all emphasize the necessity of seeking federal and private sector investments and contributions in order that we can build the new transportation infrastructure that is needed to develop a strong territorial economy. While we pursue this funding, we will continue to invest in these strategies to the greatest extent possible.

Mr. Chairman, as we examine the Department of Transportation's Main Estimates for 2001-2002, I think it is worthwhile to point out the extent of federal and third party contributions contained in the department's budget and that help to make our territorial appropriation go that much further in operating and building the territorial transportation system.

The Department of Transportation operates 17 community aerodrome radio stations, CARS, on behalf of Nav Canada. Funding received from Nav Canada goes principally to wages, salaries and training for observer-communicators at our community airports. Nav Canada pays the department \$3.5 million annually for delivering the CARS program.

The main estimates identify \$11 million in capital improvements planned for our airports in 2001-2002. These include runway improvements at Sachs Harbour, Inuvik and Tulita and territorial terminal improvements at Aklavik, Fort Simpson, Tulita and Wha Ti. Some of that budget comes from Transport Canada's airport capital assistance program.

Public Works Canada delivers the Canadian Coast Guard's capital projects on federal docks, wharves, breakwaters and landings across most of Canada. In the Northwest Territories, however, the Coast Guard's marine infrastructure program is effectively delivered by the Department of Transportation with a contribution of \$500,000 annually.

This year, the Executive Council approved \$195,000 for the construction of a winter road to Colville Lake so that the community could participate beneficially in the oil and gas exploration programs taking place nearby. Two exploration companies agreed to contribute to the project, enabling the department to double the amount of work on the road it could have done with territorial money alone.

In fiscal year 2001-2002, the department will install seven bridges on the Mackenzie Valley winter road as part of the bridges acceleration program agreed to this past December with the federal Department of Indian Affairs and Northern Development. The federal contribution of \$3.8 million represents two-thirds of the cost of the project.

In a recent meeting with Transport Canada Minister David Collenette, I was told we would soon be advised of the Northwest Territories share of the \$600 million National Transportation Investment Strategy announced by the federal Ministers of Finance and Transport last year. The Department of Transportation will invest whatever funding is received towards Highway No. 3 and Highway No. 1.

Mr. Chairman, the members of the committee should know that the Department of Transportation is constantly looking for new sources of transportation funding to enhance its programs and make its budget go further. In this, we have been remarkably successful. Individually, the individual items may seem small. Considered together, they are an important piece of the department's budget.

Mr. Chairman, as the Minister of Transportation, I am very pleased with the Highway Investment Strategy that the Minister of Finance announced in his budget address. The investment strategy will make possible badly needed capital improvements across the territorial highway system. The investment strategy proposes to add \$100 million of new money to the Department of Transportation's highway construction program over the next four years. As the Finance Minister pointed out, the territorial

economy is on the verge of expansion on an unprecedented scale, yet our highway infrastructure was never built to a standard to support that level of economic activity. Over the next four years, the investment strategy will go a long way towards improving the standards of our roads.

In the first year of the program, the department's construction budget will increase by a relatively modest \$10.6 million to \$22.3 million. This will double the present pace of reconstruction on Highways No. 3 and No. 8. In years two, three and four, the construction program is projected to exceed \$40 million a year. By the end of the fourth year, the department will have completed three times the amount of highway construction it would have at present budget levels.

When the program is finished, Highway No. 1 from the Liard River at Fort Simpson to the junction with Highway No. 7 will have a chip-sealed surface. The reconstruction and paving of Highways No. 1 and No. 3 that began in 1989 at the Alberta border will be complete to Yellowknife.

-- Applause

Highway No. 4 will be reconstructed and paved from the junction with Highway No. 3 to the Detah access road. The entire length of Highway No. 5 from its junction with Highway No. 2 at Hay River all the way to Fort Smith will have an asphalt surface. Similarly, Highway No. 6 will have a continuous asphalt surface to Fort Resolution. Highway No. 7 will have pavement from the British Columbia border to Fort Liard, as well as selected improvements to meet the needs of resource traffic. On Highway No. 8, selected locations along its length will be improved to meet the heavier traffic demands of the resource industry activity in the Beaufort-Mackenzie Delta region.

Mr. Chairman, in four years' time, the investment strategy will have dramatically improved the quality of the territorial public highway system. Not only will our roads be in better physical condition to carry the increased traffic of the resource industry, the highway system will be in a safety condition.

In announcing the investment strategy, the Finance Minister also talked about how we intend to pay for a \$100 million expansion in highway construction. Later this year, this government will introduce a commercial traffic highway toll that will raise approximately \$15 million a year in toll revenue. The toll revenues will be paid into a dedicated highway investment fund rather than the government's general revenue account. In this way, the toll revenues collected from commercial traffic using the highway system will go directly to paying for the investment strategy's highway improvements.

Mr. Chairman, at this stage, the details of the commercial highway traffic tolls are being worked out. The toll will require legislative authority. I expect the Standing Committee on Governance and Economic Development will have a legislative proposal to examine in May and I will be in a position to answer detailed questions at that time.

Mr. Chairman, the department is requesting a total operating budget of \$70,140,000. Under capital acquisitions, this plan is to invest \$39.139 million in highways, airports, ferry, marine and motor vehicle infrastructure.

Mr. Chairman, transportation plays an essential role in the long-term development of the territorial economy and I welcome the

committee's comments and questions on the department's budget. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Krutko):** Thank you, Mr. Minister. Does the committee responsible for reviewing the department under consideration have any comment on the department's estimates?

**MR. BRADEN:** Thank you, Mr. Chairman.

### Department of Transportation

The mandate of the Minister and the Department of Transportation is to plan, design, construct or reconstruct, acquire, operate and maintain public transportation infrastructure in the Northwest Territories. Public infrastructure includes community airports, docks and the highway system, pursuant to the devolved authorities and/or memoranda of understanding between the Government of the Northwest Territories and the federal government. The department is also responsible for the regulation and licensing of vehicles and individuals operating vehicles in the Northwest Territories. To fulfil their responsibilities, the department is organized into the following ongoing activities; corporate services, ferries, highways, airports, motor vehicles, community access roads, and community marine.

The Standing Committee on Governance and Economic Development met with the Minister of the Department of Transportation and his staff on Wednesday, January 24, 2001, to review the department's 2001-2002 main estimates.

The committee noted a \$2,135,000 increase in operations expense from the department's 2001-2004 business plan. This variance can be attributed to an upward adjustment in the department's amortization estimates of \$996,000 and an increase in compensation and benefits of \$1,139,000 arising from the recent UNW collective agreement. Upon further examination, Mr. Chairman, the committee reports an \$11,496,000 increase in the department's capital acquisition plan from their business plan. Revenue projections have increased by \$129,000. The increase is for work done on behalf of Transport Canada for monitoring and enforcement of standards under the National Safety Code with respect to commercial motor vehicles. The department's revenues already include most fees proposed by the department under the program and functional review. Fee increases have been made for motor vehicle licenses, registration and other fees, airport landing fees, and airport leases/rental. There were no proposed changes to the Department of Transportation's human resources from the 2001-2004 business plan.

### Transportation Strategy

Under the area of transportation strategy, Mr. Chairman, the Minister and his department informed the committee that the government is proposing a user fee for commercial traffic on our highway system. This proposed fee would generate funding that will be directed specifically for the maintenance, development and expansion of our highway infrastructure. A proposed fee of five cents per tonne per kilometre (payload charge) will apply to commercial transportation on territorial highways. A user fee as opposed to a tax will not affect our formula funding agreement with Ottawa. Under the current funding agreement, an increase in our tax revenues would incur an almost proportionate reduction in federal funding

transfers. A user fee would avoid this costly readjustment in our federal grant funding. This investment plan would increase highway spending by \$100 million over a four-year period. Expenditures will be funded by a highway user-toll on commercial trucking that will raise \$15 million annually. Additional investment needs will be leveraged with the projected revenue stream into short and long-term borrowing. Revenues will go to a dedicated highway investment trust fund.

The committee expressed concern, Mr. Chairman, that this proposed user fee would negatively impact upon our cost of living, which is already expensive. Compounded by increasing fuel prices and our remoteness, our cost of living will be substantially higher than our southern neighbours. Committee members commented that a user fee would merely be passed on to the consumer, northern residents, businesses and government. The department replied that the government will give a cost-of-living tax credit for NWT residents to offset increased transportation costs that would be passed on to northern residents and businesses by transportation companies.

The committee stated that a safe and reliable transportation system is an important key to sustained economic growth. Furthermore, a transportation system that would provide supplies to communities safely, cost effectively, economically and efficiently, while providing access to minerals, oil and gas would be on target.

The committee commented that if the government is able to mitigate the costs of highway construction with minimal impact upon northern residents, then its Members are in support of this initiative. In recognition of the overall impact of this initiative, the committee referred this issue to the Standing Committee on Accountability and Oversight to allow further study by all regular Members.

### Program and Functional Review Fees

Under the program and functional review fees, Mr. Chairman, the committee remains concerned about the impact of proposed increases to airport landing fees, general terminal fees and airport leases. These increased fees will ultimately be passed on to the consumer. The consumer is already impacted by proposed department fee increases for motor vehicle licensing, registration, reinstatement and other motor vehicle administrative fee increases.

Committee members remarked, Mr. Chairman, that the proposed fee increases may end up proportionately worse for the transportation sector and the consumer due to increasing fuel prices. Although the committee members can appreciate the department's efforts to attempt full cost recovery on our facilities, such as airports, the committee questioned if this initiative is realistic especially in light of our small economies of scale. Committee members noted that these transportation fee increases did not draw as much attention as the proposed hotel room tax.

The committee concluded that the territorial government's proposed program and functional review increases will have a significant impact across the North, affecting most northern residents and businesses. As a result, Mr. Chairman, committee members have decided to engage all regular Members in this discussion and referred the matter to the Standing Committee on Accountability and Oversight.

### **Bid Process**

The committee stated that there should be a balance between the use of tendered and negotiated contracts, Mr. Chairman. Nevertheless, committee members acknowledge that negotiated contracts will continue to play an important role in allowing aboriginal companies to develop the necessary skills, training and work experience to allow them to be more competitive. This matter was also mentioned in the committee's review of the department's 2001-2004 business plan. Further, if a movement away from negotiated contracts is considered, the standing committee would like assurances that proper criteria be adopted to ensure proper skills and training are in place.

### **Highway Safety**

Under highway safety, Mr. Chairman, the committee expressed concern to the Minister on the issue of highway safety, specifically emergency response protocols and effective highway patrol. The Minister replied that the department and the departments of Justice, and Municipal and Community Affairs, and the RCMP have worked on developing emergency response protocols. He added that a toll-free number has been established for highway emergencies and this number has been identified in brochures in stops and businesses along the highways.

The department informed the committee that for occupational safety reasons, the Department of Transportation will no longer patrol non-commercial traffic on our highway system. Department officers do not have the training or the equipment to effectively handle dangerous confrontations. The committee has been informed by the department that it has worked with the RCMP to increase their presence on our highway system.

Mr. Chairman, for the balance of this report, I would like to hand this over to my colleague, and the deputy chair of the committee, Ms. Lee.

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

**MS. LEE:** Thank you, Mr. Chairman. I would like to continue on with the report.

### **Airport Maintenance and Fire Safety**

The department informed the committee that Transport Canada is introducing regulations to reinstate fire fighting staff and equipment at the regional airports. All regional airports outside of Yellowknife will now require an upgrade.

The committee and the department concurred that it will be some time before the required equipment upgrades can be completed as most regional airports in the country will require similar equipment purchases. Further, personnel will have to be hired and this is also in the face of recruitment issues at other Canadian regional airports.

The committee expressed concern that it would be some time before our regional airports will meet the proposed federal standards. Committee members suggested that fire fighting duties at the airport might be assumed by community fire fighting facilities. However, the department replied that response times established by Transport Canada is very tight and it is unlikely that community fire fighting facilities, equipment and staff would be able to meet those requirements.

Finally, airports represent a critical transportation link for many communities in the North. The committee stated that the department should review fire fighting capabilities at all community level airports as well. Committee members encourage the Minister to work with other departments to ensure that fire fighting and airport maintenance equipment at all airports is adequate.

### **Recruitment and Retention**

The committee encouraged the department to make efforts to maintain and recruit expertise. This issue has been an ongoing committee concern. Qualified staff are required to maintain and deliver many essential programs and services. However, given better competitive packages from the private sector, a strong southern economy and fiscal restraint, the recruitment and retention of qualified staff will continue to be a significant concern of this department and government.

Committee members and the department were concerned that many senior staff at the Department of Transportation will soon retire. Middle management is capable of replacing the senior staff, however the problem arises with the replacement of some middle management and entry level positions with new graduates, especially in light of our current recruitment and retention problems.

The committee added that some positions might be filled by summer students, who may be fully qualified later to replace some department positions. Committee members were assured that the department plans to hire between 20 and 25 summer students this calendar year.

### **Lupin Ice Road**

The Minister suggested that the Government of the Northwest Territories take over the Lupin ice road from Echo Bay Mines after their license expires. The department supported their argument by stating that a Nunavut company currently constructs the ice road and any benefits accrued will stay in Nunavut. Control of the ice road, according to the Minister, will ensure benefits go to the NWT. The department added that control would also result in equal access for all residents.

The committee replied that although they can appreciate the economic benefits and equal access, they questioned whether the regulatory hurdles and potential liabilities arising from its ownership are worth it.

Committee members also pointed out that global warming would have an increasingly detrimental effect upon the ice road resulting in a shorter season and sporadic closures throughout the winter. Furthermore, if the power grid is extended to the mine site, the need for an ice road would be diminished as most of the cargo is fuel. The committee suggested that the government revisit its intent to take over the ice road.

### **Small Boat Safety**

Finally, Mr. Chairman, the Small Boat Safety Program provides water safety information, courses and education for all recreational boaters and school children in the North. The committee was concerned about reductions to the territorial government's small boat safety program. Committee members had also expressed this same concern during review of the department's 2001-2004 business plan. At that time, the

department had replied that it was working with the federal government to get the program out to more people.

The department updated the committee that responsibility for small boat safety will be a federal responsibility under the Canadian Coast Guard effective April 1, 2001.

The department will continue to be an active partner in this program. The department added that no O and M expenditures would occur without prior discussions with the Department of Fisheries and Oceans and the Canadian Coast Guard. That concludes the committee's report for the budget for the Department of Transportation, Mr. Chairman.

**CHAIRMAN (Mr. Lafferty):** Thank you. Is it the Minister's wish to bring in witnesses?

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

**CHAIRMAN (Mr. Lafferty):** Can the Sergeant-at-Arms escort the witnesses in, please? Can the Minister please introduce his witnesses?

**HON. VINCE STEEN:** Mr. Chairman, on my left is the deputy minister of Transportation, Mr. Peter Vician, and on my right is Mr. Masood Hassam, the director of transportation planning.

**CHAIRMAN (Mr. Lafferty):** Thank you. General comments. I have Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. I would like to make my general comments on the Minister's opening statement. This is my first opportunity to express my support for the investment on the Highway Strategy.

Mr. Chairman, I do not know if you are aware, but I have had an ad on the local cable network asking people to respond to the budget. I have stated in my Members' statement as well that I have been talking to people to get feedback on what they thought of this. I have not been hearing too much negative input. Those who I talked to, where I had explained what this proposal was about as much as I knew, I think there is a general sense out there that people are willing to do their part to see that this highway -- at least the highway from Rae Edzo to Yellowknife -- will be paved much sooner than is planned.

Mr. Chairman, for that reason, I want to state very clearly here that I support the Minister and the Cabinet for being very bold and courageous in coming up with this idea to build Highway No. 3 and all other roads quicker than planned.

Mr. Chairman, subject to the details on the financing and more information that we may get from the economic impact on individual residents which we did not receive full information on, I think the greatest thing about this is that we will no longer talk about why Highway No. 3 or other highways cannot be built. We will have to now talk about why things cannot be done and why everything has to be in the negative because we do not have money from the federal government on resource revenue, or because we do not have devolution, because we do not have money from non-renewable resources, because we just do not have the money after we pay for the hospitals and schools, and everything else -- that there is no money for highways.

Mr. Chairman, I think everyone here knows that the government's capital budget has been steadily decreasing for

the last ten years. It is now less than ten percent of our budget. I think it is even as low as eight percent of our capital budget. I do not think that our road system could handle that sort of deterioration without any infusion of new capital into our infrastructure. Highway No. 3, right from the border to Yellowknife, is becoming almost dangerous because of the additional loads that are being carried by necessity because of the resource development that is happening. I believe that is also the case for many other parts of the highway system. For that reason, I have to support this, Mr. Chairman.

I like this proposal for a number of other reasons also. I like the fact that it is dealing with all of the highway system and not just Highway No. 3. It purports to improve all highways considerably within a very short period of time than was ever thought possible. I like this because I no longer have to badger the Minister in the House about when would he get the money for Highway No. 3. I was running out of different ways of asking that question, and I am sure that the Minister was tired of answering the same question.

Mr. Chairman, I like the fact that Highway No. 3 will be built within three years instead of the 11 years that is currently planned. I could not really ask for any more money for Highway No. 3 because I knew that a lot of money was already going for Highway No. 3 out of the whole budget for transportation.

Mr. Chairman, I also like this because the money will go where it is collected most, not perfect, but I am glad that Highway No. 3 and the users of Highway No. 3 will pay all of the costs and beyond, and pay for some of the costs of building other parts of the road. I think that should eliminate anybody speaking about how Yellowknife gets everything at the expense of other regions. I think this will show that Yellowknife will carry its share plus more for the others.

Mr. Chairman, I like the fact that there is no question of clawback on this funding because it is a trust fund and the money will be a fee and a toll and not a tax. There is no question about whether or not the federal government would penalize us and jeopardize our financial status when it goes into a re-negotiation three years from now. This money will stay and the money will go towards the highway.

Mr. Chairman, I like this because once the roads are paved and chip sealed in some parts, we could build money to build the bridge over the Mackenzie River. There will be an ongoing mechanism in place to build our war chest to make sure that there is enough money to build on our capital situation.

Mr. Chairman, I know that almost all Members out of Yellowknife during the election had as their campaign slogan the acceleration of the reconstruction of Highway No. 3. I believe that this is the best chance we have to contemplate building this road in a sooner time period than the 11 years currently contemplated, which is absolutely unacceptable.

I also like this proposal because once this road is paved we will then finally be connected to the rest of the world and the rest of the country, and will no longer be the last capital city in the country not connected by a paved highway and by the trail that it is now. I believe that it will really encourage rubber-tire traffic and it will encourage all sorts of other development. Once a certain period of paying has passed, I think it will contribute to decreasing the cost of living in the North because we would be very much part of the mainstream.

Mr. Chairman, I hope that the Minister does not mind that I took most of the 10 minutes to talk about how much I like this proposal. Of course, I am constantly listening to my constituents to get feedback on what they think of it, but I really want to applaud the government and the Minister for being bold and coming out with a strategy about what we can do instead of what we cannot do. Thank you, Mr. Chairman.

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

**MR. BELL:** Thank you, Mr. Chairman. I hate to follow up Ms. Lee's comments with some more sobering comments of my own, but I do have some concerns about the very same proposal.

Although I also support an infusion of money into our transportation infrastructure, I think that it is important that we carefully analyze and assess exactly how we are going to go about doing this. I used the analogy in a Member's statement earlier that I think everybody would support putting more money into our transportation infrastructure, but I do not think too many people would support the department coming around household by household, knocking on doors and asking everybody to ante up \$10,000 or \$15,000 a family.

While those numbers may be extreme, I think it is critical that we get a good handle on exactly what kind of money we are talking about. I think the committee indicated their endorsement for this proposal, but they wanted to make sure that the impacts on northern residents were going to be mitigated. I believe they used the word "minimal". I think that is critical. I think when we look at the consumer price index here and realize the cost of living in the North is so high, anything that we do to further increase that I think would be a mistake.

We are asking municipalities, we are asking industry to try to get their employees to live in the North and not to be in a fly-over situation where they live south and work up here, but one of the hard sells we are having is convincing people of that. There are other things that have to be factored in. Quality of life is very important, but costs continually come up. When people look at these comparisons to the cost of living in Edmonton or Calgary or Grande Prairie compared to Hay River, Yellowknife, Inuvik, it is tough for them to swallow. As long as it is easy to fly into these locations, I think it will continue to happen, especially if we further raise the cost of living.

I know the department has done some calculations and looked at what they felt the impact per household of the Northwest Territories would be from this increased toll. I am not sure what the average size of a family is in the Northwest Territories, but I believe the department used a family of three. They also took a look at an average consumption of groceries and fuel per family, but there are a lot of other expenditures made by families that they were not able to calculate and they admit this, but I think they are significant.

I think that you will see that when you go here locally to the building supply store to buy two-by-fours and you buy the materials to build a new house, we could be talking about a significant amount of money on the price of building a new home in the North. I think these are big-ticket items that people will look at and compare these figures from now and then. I think if the increases are significant, we will hear about them, they will be in the media. This will certainly deter people from moving here.

It is important to also factor in not only groceries and fuel, but as much of our expenditure. We have to get a handle on our entire expenditure picture. If the tax credit can entirely offset this, that is one thing. If it can partially assist Northerners in paying these additional bills or mitigate partially, that is quite another thing. I am reserving any show of support for this until I have a clear picture in my mind exactly what it is going to mean for my constituents and for all Northerners.

Another thing is that it involves, by any estimates, is quite a significant amount of new borrowing. There are a couple of factors that have to be considered here. Certainly we are going to have to raise our borrowing limit. That has been discussed. While I think many of us can see that theoretically this can be self-liquidating if our projects on the amount of tolls we can collect are accurate, if we are way off, if the boom cycle that we are now in really peters out after the next few mines, then I do not know where that leaves us if we do not have the capacity to collect the kinds of tolls we think we will. We have to be careful here.

I think also if we are all convinced that we are on the verge of getting a resource revenue sharing deal with the federal government, that will also put us at ease and maybe make us feel that borrowing this \$40 million is the right thing to do. However, if we have concerns, if we are not convinced, if we do not believe that the federal government is committed to devolution and resource revenue sharing, then I think some of us will further worry about that.

We have heard some good things from Minister Nault about devolution, but we all know there is a bureaucracy in Ottawa that does not seem motivated and cannot seem to understand that this would be a win-win situation. When the Minister indicated that he was not prepared to move DIAND positions to the Northwest Territories from Ottawa, it was a real slap in the face for this level of government. His concern for the families in Ottawa and not wanting to uproot these folks and move them all the way up here, I think that was a message loud and clear to us that maybe we are not as close as we might like to think.

The other thing that I am concerned about with the new borrowing is there are no indications that this toll will not be clawed back in our next revenue sharing arrangement. I think that we are going to do our best, as the Minister of Finance has said, to get an arrangement that works for Northerners and is agreeable and is positive, but there are no guarantees in this kind of thing.

One more concern, Mr. Chairman, I have is with this concept that trucking companies will simply pass the toll on to northern businesses who are not going to be expected to eat this because they will pass it on to consumers. For households, we have a tax credit. For the people we are really after and we are attempting to get royalties from industry, we are assuming that industry will pay the tab and that northern businesses will not be stuck with the bill, but I think there are situations where there are long-term supply arrangements with mines in place.

Northern companies have an agreement for the next five years to provide, for example, widgets at a certain price. The mines may simply say to them, we have a deal for the next five years and when that deal is up, we can renegotiate. So the commercial toll will simply come out of the contribution margin of these northern businesses. I do not think that was ever the intent. I hope this was thought through and I guess we will see

exactly how many of these long-term arrangements are in place.

As I have indicated, Mr. Chairman, I am thrilled to see the department is taking a proactive approach and, as Ms. Lee has indicated, they are trying to stop talking about what we cannot do and they are trying to find new ways to think outside the box a little bit here and get our infrastructure upgraded and we desperately need it. I just need to be convinced that Northerners are not going to be bear the brunt of this because I think that is going to be critical for all of us.

The other thing I wanted to talk about was the program and functional review. Just briefly, I think when you talk about tolls that will increase our cost of living and you talk about airport landing fees, airport-lease rental, there are other things outside this department like the hotel tax proposal. I think the accumulated impact of these new additional levies, taxes and tolls is certainly going to have an effect on life in the North.

I hope we have a clear picture and a clear understanding of just what the total impact of all of these things will be. It is easy to look at each of these things in isolation and say, for instance, a total of this amount of a hotel tax of five percent or an airport landing fee for this amount seems small, but when you add them all up, I think we have a fragile...especially in tourism. I think the market is very fragile. I think these are people who come in here quite often who are very price-sensitive. We are going to have to be careful to make sure that we do not tip the balance.

I think there is sort of a break-even scenario that we have to run to make sure that we are not...we want to raise money, but we have to make sure in trying to do so, we are not keeping tourists from coming here because that certainly would not be very productive.

I would be interested to hear the Minister's thoughts on the cumulative impacts of some of these initiatives in his department specifically under the program and functional review. Thank you.

**CHAIRMAN (MR. DELOREY):** Thank you, Mr. Bell. Mr. Minister, any comments?

**HON. VINCE STEEN:** Thank you, Mr. Chairman. Mr. Chairman, perhaps I could respond to Ms. Lee and Mr. Bell simultaneously.

With regard to comments by the Member, Ms. Lee, the department does appreciate the support she indicated for the proposal. We wish to state though that this support or this initiative is really not just the brainchild of the department. This is the result of many consultations with stakeholders, including the comments by the past committee members as to the declining capital investments of this government into highways. It is simply because we did not have the revenue to do it. So this proposal here is really the result of many people being involved in what exactly we can do to raise revenue on a short-term basis and reinvest the revenue back into where it comes from. This initiative was put through to other Cabinet Members and, as you know, did receive the support of Cabinet before it appears here in our budget. However, I would like to point out that it is not just the department's initiative. Credit goes to everyone for this idea.

There is no doubt that there are going to be some negative aspects to it. People have to pay some price for benefits of an improved highway system. I suppose that you could really look at it as that you either pay the pain of driving on rough highways, or you pay the pain of paying a few cents more per kilometre for improving your highway. So whether it is done through a toll or it is done some other way, you still have to have some way of getting the money into the department so that we can do the job.

We took into consideration the possibilities of clawbacks from the federal government if we increased taxes in any way. So we had to come up with something like this, where it was not subject to clawback. I do not disagree with the Member, Mr. Bell, that in the future, this may be subject to clawback, but for the time being, it is not. It is something that the Minister of Finance is well aware of.

The cost of the toll to local residents of Yellowknife, we were thinking of that as well. We took the concern to the Minister and to Cabinet and it is really the aspect of the discussions on the toll charge and, in particular, a tax credit issue or the clawback issue is really a subject for the Minister of Finance. It should be addressed to the Minister of Finance rather than myself.

I can speak towards the actual plan for what we expect, and maybe the end product, as far as what the toll charge would be. Whether it is five cents per tonne per kilometre or whatever, that is something that we have prepared for and we will be in a position to present to the standing committee in May for future discussions.

We have tried to take a proactive approach to this idea of improving our highway systems. As the Members well know, with our limited budgets in the past and our declining capital funding that the department has been receiving, there is just no way we could even keep up with existing impacts on our highway system. So it is really a kind of boost even to the morale of the department. We feel that if this proposal goes forward, we have the ability to respond to people's concerns. In particular, concerns expressed by the standing committee members in this House. I think that I have pretty well covered the comments that I have heard from the two Members up to now, Mr. Chairman. Thank you.

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

**MR. BELL:** Thank you. I am just wondering if the Minister can touch quickly on the projections that we have used in trying to determine the payback period for the new borrowing, specifically to the \$15 million per year that we think we can collect from tolls, and what the payback period will be for the new borrowing?

I guess that I am interested in finding out, when we run the scenarios, is there a possibility that if development really drops off in five or six years after Diavik and Snap Lake, we could be left with debt that we are going to have a hard time servicing?

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

**HON. VINCE STEEN:** Thank you, Mr. Chairman. Mr. Chairman, the Member has a legitimate concern in whether or not we will be able to address our future ability to pay back. What we have done is our estimates are based on 1999 traffic volume and we should take into consideration that, I believe

the information that I have been given was that at that time, BHP was the only mine that was really operating in the Slave Geological Province in 1999. Diavik was coming on stream. Snap Lake is not on stream yet. So therefore, those did not really reflect in those volumes in 1999.

In fact, they are quite low and conservative estimates of the traffic volume for the future. As we all know, the traffic volumes have tripled since 1999 to accommodate Diavik coming into production and, more than likely, they will keep on for another year, but then they will start slacking off and then possibly another mine will kick in by that time.

The point here is that the department, who put this together, just presented it to Cabinet as a proposal. The proposal to put forward borrowing capabilities is something that should really be addressed to the Minister of Finance, because that is his department that is going to be handling the borrowing and the payback initiative here.

The only part that we could probably respond to is how it would fit into our legislation. However, again, that is something for the future. We have not even started drafting this legislation yet. So if I may suggest, Mr. Chairman, maybe the Member would be better to redirect his question to the Finance Minister when the Finance Minister is dealing with his aspect of the budget.

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

**MR. BELL:** Thank you. I certainly will ask him the same questions and I would agree that Finance will have a large role to play in how we are going to pay this back. However, I think the reason I directed the question to Mr. Steen was to get his feelings on traffic. It was his department that did the calculations, using 1999 as a base-year and, as he indicated, he feels this was sort of a conservative year to take.

However, I think if you took, although it may not have been as booming as things will be in the next two or three years, if you took 1989, for example, what would these numbers look like? I am not asking him to give this kind of information, but I am just not sure 1999 was a really conservative year. If you have been around for the last ten, things were going pretty good in the Slave Geological Province in 1989. That was my reasoning for asking the Minister those specific questions. Thank you.

**CHAIRMAN (Mr. Lafferty):** Thank you, Mr. Bell. Those were comments. Any further comments? Mr. Miltenberger.

**MR. MILTENBERGER:** Thank you, Mr. Chairman. Mr. Chairman, I have two areas of concern that I would like to touch on in my comments. The first one, of course, being the proposed plan for increased infrastructure development. As it is clearly recorded in the Hansard of the Legislative Assembly, the issue of chip-sealing Highway No. 5 has been on the table for a considerable amount of time.

Mr. Chairman, I can indicate that no matter what other capital work we have done in the constituency, be it a \$2 million airport improvement or upgrading the schools, people would say, "That is very nice, but what about chip-sealing Highway No. 5?" So it is a persistent issue for us. Of course, the feedback that I have received so far indicated support for this and on the face of it, I do support the concept, the idea of being able to access money that may become royalties.

I recognize that there is work to be done in terms of the detail. Very clearly for the people in my constituency, the thought of chip-sealing Highway No. 5 is a major one. On that note, for the Minister to clarify for me, when I look at his comments on page 3 on the bottom, the last paragraph, I am confused by the definitions and when I conclude my question, possibly he could clarify them for me. I notice Highway No. 1 from Fort Liard at Fort Simpson to the junction of Highway No. 7 will have a chip-sealed surface. The entire length of Highway No. 5 from its junction with Highway No. 2 at Hay River all the way to Fort Smith will have an asphalt surface. Similarly, Highway No. 6 will have a continuous asphalt surface and Highway No. 7 will have pavement.

I know in the budget address, the Minister of Finance referred to the covering as paving, so I would appreciate some clarification from the Minister on that particular list of definitions or different terms to refer to different types of asphalt covering on the roads.

The other area I would like to touch on, Mr. Chairman, is the whole issue of the move back to fire protection at the airports. I can remember very well when there used to be those services in my constituency and then the federal government changed the rules, got rid of the equipment and the specialized fire truck that used to be in Fort Smith is at BHP. It made its way through a circuitous route from the community, down south and was picked up by BHP. When we were up there a few weeks ago, they had somehow managed to pick it up through the private market in Alberta.

Now we are talking about trying to put those requirements back in, put the onus back on the communities, though it would appear from what we have heard from the committee report that community fire departments may not be able to meet the requirements. So I will save my detailed questions for that particular issue to the time when we come across it in doing the main estimates, but I would like to note that it is a concern to me, the reinstatement of that requirement by the federal government.

I would hope the federal government is not going to institute rigorous new requirements and no funds and leave us as a community and as a Territory trying to pick up the pieces because of their decision-making having brought us full circle in less than five years in that particular area.

Mr. Chairman, that basically concludes my general comments. I would just appreciate if the Minister would clarify his comments on page 3 of the differing definitions of asphalt surfaces. Thank you.

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

**HON. VINCE STEEN:** Thank you, Mr. Chairman. Mr. Chairman, I am told that asphalt, chip-sealing or other forms of hard top are really all hard top. If there is associated cost with this, perhaps I could direct the question to Mr. Vician, who is probably more informed on that than I am.

Also with regard to the firefighting at airports and the effects of the new Transport Canada legislation on us, I will have Mr. Vician respond to that as well. We could have just as well responded later when we are dealing with the airport section, but we will do it now if the Member wants. Mr. Vician.

**CHAIRMAN (MR. DELOREY):** Thank you. Mr. Vician.

**MR. VICIAN:** Thank you, Mr. Chairman. With regard to the Minister's remarks in his opening address, the terminology of chip-seal surface, asphalt surface, pavement surface is all the same. The terminology is used synonymously to reflect basically a pavement surface that motorists come to know as hard top, as the Minister says. The application of that surface can vary depending on the construction technique.

In some of the sections we have considered under the Highway Investment Strategy, Mr. Chairman, the process would be in some areas to reconstruct the base, the gravel portion directly below the asphalt surface to make sure it can hold the pavement. In some cases, the application of the asphalt or pavement surface directly on the existing surface and in the case of Highway No. 5, the highway to Fort Smith, the majority of that highway has the capacity to be prepared quickly and surfaced with an asphalt product. There are some areas that would require more of a structural reconstruction just to ensure the pavement will stay after it is applied. That is the intention.

For most that are familiar with the highway system, the majority of the highway system today is chip-sealed, Mr. Chairman, as the Member indicated in his original question. Hopefully that helps answer that.

In regard to the second issue of aircraft emergency intervention service at airports, the federal government has proposed through federal regulation to reinstitute emergency response, firefighting response, at some airports in Canada. This firefighting response is currently in the regulatory process, has gone through a Gazette 1 stage, is subject to the Minister's review of the responses to the Gazette 1 regulatory response. We anticipate to hear from the federal government and the Minister of Transport Canada with regard to the next version of the actual regulation. There has been indication that the regulation we reviewed would see some amendment, which included some exclusions and some assessment of the nature and type of equipment and personnel that would be applied at the airports.

With regard to the specifics in the Northwest Territories, we are looking at five airports today that would have to be upgraded from the current situation. Those are Fort Smith, Norman Wells, Fort Simpson, Inuvik and Hay River. The current department estimate to provide that service is \$2 million in terms of capital, plus an ongoing investment of about \$425,000 annually in O and M costs.

One of the issues coming before the Minister currently is the timing of the requirement to comply with the new regulation. At this point, we do not anticipate compliance being required for approximately two years. That would give time and, one of the big concerns being equipment acquisitions across the country, it would give enough time for suppliers and purchasers to manage the overwhelming demand for this new type of equipment across the country.

The federal Minister of Transport has increased the budget for the Airport Capital Assistance Program, which is a national program of funding airport safety improvements, from \$35 million annually to \$38 million annually on the basis that the additional funding would be used and dedicated to this new regulation. Of course, we have yet to see any of that funding or the final terms of the regulation. Thank you, Mr. Chairman.

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

**MR. MILTENBERGER:** Thank you, Mr. Chairman. Is it anticipated that the federal dollars will cover the full cost to get all this new capital equipment in these five communities or is Transportation going to have to come up with money of their own as well? Thank you.

**CHAIRMAN (Mr. Lafferty):** Thank you. Mr. Vician.

**MR. VICIAN:** Mr. Chairman, the federal government has indicated the ACAP funding would provide for the capital investment necessary for those airports. However, the federal government has also stated it did not anticipate funding any of the operations and maintenance costs in the future. Thank you, Mr. Chairman.

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

**MR. MILTENBERGER:** Thank you, Mr. Chairman. So very clearly as with most capital projects, the capital dollars are important, but the big dollars are the O and M. Have they done an analysis of the number of new PYs? Are there new jobs? Is there new training as well to go with the equipment and new other facilities, or are the existing staff just going to be able to be trained to start providing service once again? Thank you.

**CHAIRMAN (Mr. Lafferty):** Thank you. Mr. Vician.

**MR. VICIAN:** Mr. Chairman, the assessment being currently done is with regard to the implications of the proposed regulations. When the new regulations come out, we will be able to adjust that assessment and determine the actual impact on personnel and the actual cost to the department at the airport operations. At this point in time, our current assessment is that existing staff at the airport, and I refer to existing staff at the airport, would be trained and brought up to the requirement of the regulation. This is because the response times are very strict and the capacity to have off-site personnel respond to the regulation would not permit that. As well, the training would be limited to what we consider to be almost a first level fire response. It would not be to the degree that you would have, for instance, at the Yellowknife Airport. We would not have a large foam truck and that type of fire training. It would be more to respond to what we consider off aircraft fires. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lafferty):** Thank you. General comments. Mr. Delorey.

**MR. DELOREY:** Thank you, Mr. Chairman. I will try and keep my comments fairly short. I would like to say that since I have been in the Legislature, we have heard an awful lot about the lack of money that this department has to do the job that they have to do with maintaining, let alone building, new highways.

One of the things we have heard a lot about is Highway No. 3. I think that Highway No. 3 drives the whole process. I know that of all the questions that have been asked in this House about completing that highway have always met with some opposition from various locations. The department was caught as to how they were going to fast-track this process. Obviously, they have found a way to get around it by satisfying other areas as well as Highway No. 3.

I think there are a lot of questions that remain to be answered about how they are doing this. When Mr. Handley talks about one million dollars for tourism being an awful lot of money,

raising \$15 million through tolls on the highway is an awful lot of money. Borrowing \$100 million and paying it back is a lot of money as well. I think that to borrow it through a user-pay system leaves a lot of unknowns out there, and to a certain extent, there may be some gambling involved. We could probably say that in certain areas, our education system or our health system is badly in need of an overhaul as our highways are.

I live in Hay River, and it has been suggested to me that we have a nice highway all the way into Hay River. I kind of look at it from a different perspective than maybe somebody in Fort Smith or somebody in Yellowknife. That is true. I have stated that in this House before, that we are fortunate in Hay River to have a nice highway coming all the way into the community.

I would also like to say that is probably part of the reason that I went to Hay River, is because of the location. When the capital was moved to Yellowknife, that probably would not have been my choice either to put the capital where it is, where it is not accessible by land for at least two months of the year and sometimes ever longer. However, so be it. Money drove it in those days and money is driving it today.

I also wonder if the capital was not where it is, whether there would be such a push to finish highways to resources as what there is right now. Part of the gamble in the money that has to be paid back is that we still do not know how it is going to affect the clawback. We do not have that answer yet. We certainly do not have the answer on the accumulated affect that it is going to have on the residents to put out a carrot or whatever that you are going to pay back residents for a little bit of cost of fuel, or give them \$300 or \$150 back. It is a help, and it maybe entices some people to vote for it.

I know that anybody who has seen their propane or electrical bills just about double this winter will tell you that \$150 will not go very far towards eliminating the year-round impact that it is having on them. They have not heard all the impacts yet that are coming down, apart from the highway user fees that are going to get trickled back to the consumer.

I would suggest that in the chart that was put out as to what the impact on Hay River residents will be as compared to other residents, that might be a little bit misleading also. I would suspect that a pound of butter will go up the same amount in Hay River as it will in Yellowknife when everything is said and done. It might be a part of Hay River paying as much for getting less, so I do not see it as being a non-concern for Hay River residents.

We heard very loud and clear when we went around doing consultation on the hotel tax that people are very reluctant to see more fees coming their way and having to pay more. We heard it loud and clear many times that the cost of living in the North is already high and we are in a very weak competitive position to try to attract more people here, more workers and more residents. It looks greener when you look at the other side of the border and to go down for the services you are getting and the price you have to pay for them.

I think there is a lot of work that has to be done there and a lot of certainties that have to be cleared up before I can support this on behalf of residents to see what the impact is going to be.

There is also an area that concerns me about the amount of work that the department is planning on doing in such a short period of time, as to how much northern businesses and northern workers are going to benefit from the work that is going to be done here. I do not know how much work, equipment and employees we can supply to get all this work done in that short a period of time. Are Northerners going to get as much benefit out of all this work as is possible? I guess that remains to be seen.

Those are mostly the areas where I have concerns; the amount of work for Northerners and the amount of impact that this is going to have on our residents themselves. I certainly think that it is going to be a much bigger impact than what is being put forth. Although I agree that we have to improve our highway system and once they are in place they will be beneficial to everybody, I still think that we are doing some of the work for the federal government and making it a lot easier for them to say no to us when we are out there trying to get extra money from the federal government. If they can push us and get us to raise our own revenues and tax our own people, I do not see them doing anything different. I think that is probably the way it will be and we are probably setting the stage for that. Those are some of my concerns. Thank you, Mr. Chairman.

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

**HON. VINCE STEEN:** Thank you, Mr. Chairman. Mr. Chairman, the Member's concerns regarding the NWT construction industry's ability to respond to our need for capital improvements on the highway is not really our concern, as it shows that in the past, our expenditures were in fact at the same level historically as we are proposing now. As a matter of fact, I believe that in the mid-1990s, we were spending a similar amount of capital funds on Highway No. 3. Interestingly enough, as we approach Yellowknife and the expensive sections of the highway, our capital funding was falling dramatically because we did not have the funding here. It was not a question of the ability of our construction industry to meet our needs. It was really a question of our ability to come up with capital revenue. I do not think we will see a problem where we get such major projects that our local contractors cannot handle the job.

We are hoping, and I think that is a legitimate expectation, that the contractors would in fact be able to respond. If not, they would be willing to expand because this is not a short-term proposal here where we are just talking about one or two years of major capital expenditures. We are spreading this over a number of years.

There is no doubt, as the Member suggests, that everyone is going to have to pay the cost. It is really a situation of public expectations of level of service versus cost of service. That is what we are getting into here. In order to meet the demands that the public is placing on us, we have to do something on collecting revenue in order to cover these costs. Some people may look at this as short-term resource revenue sharing with the federal government because in fact the money or revenue that we would be receiving through the toll in the mining or oil and gas industry would have been revenue that would have been heading to the federal government as royalties or taxes. We are just taking first crack at that revenue before it ends up in the federal governments coffers.

So should we in fact in the future have resource sharing? Future governments could consider at that time whether they want to continue with the toll charge. So that is basically the plan at this time. I know the question of Hay River and what effects it will have on Hay River, even though Hay River for one thing, is right at the border. So the impact there, as far as the cost per kilometre, is going to be very different than what it costs, for instance, in Fort Good Hope or Yellowknife. Definitely.

Even right now, if you go to Hay River, everything is cheaper there than it is in Yellowknife. I know that. I have had the opportunity of making expenditures there. I find that hotels, cost of living, meals in general are quite different from the cost that I was paying myself in Yellowknife. So I did appreciate the low cost of living in Hay River.

**CHAIRMAN (Mr. Lafferty):** Thank you. General comments. Mr. Braden.

**MR. BRADEN:** Thank you, Mr. Chairman. Something that has already been mentioned in relation to other departments is cumulative impacts of fees, costs and taxes that the government imposes on people in order to deliver services. This budget is no exception. However, to a degree perhaps greater than most, there are several areas of new or progressing costs in the area of government services, Mr. Chairman, that seem kind of alike.

Of course, the one that stands out the most, although it is not technically before this committee or Assembly to approve, would be the toll on highways which, in direct or indirect ways, would be an expense that people would have to deal with. However, we are also looking at this government wanting to bring in a five percent hotel tax. This is at the same time as we are all facing rapidly changing prices for energy of all kinds, automotive fuels, heating fuels and electricity bills.

So in that area and in general comments, Mr. Chairman, I would try to bring some attention to what is going on within this budget. The Department of Transportation bills its share of this. So a lot of attention, as I say, has been focused on the highway toll, but I think it is worth highlighting, and we will get to it in a greater level of detail later on.

In the area of airport fees, motor licensing fees, and a number of small areas there that, according to the budget documents, would see an additional \$800,000 or \$900,000 collected, Mr. Chairman, if these are to be approved. Again, I would contrast those increases to the cost of travelling and the cost of getting around the North to the hotel tax, which will raise around the same amount of money but has received many times the attention that these changes would.

It is also a bit of a concern, Mr. Chairman, that in the same fiscal year, the government is proposing bringing one new layer of fees in and expanding another one, which largely comes from the same pocket and that is the traveller around the Northwest Territories.

So it is a cumulative impact that concerns me, Mr. Chairman. It is something that I am trying to hold to, to something that I said when I was campaigning and that was that I would be very, very careful and conservative about anything that was going to come along that would increase the cost of living in the

Northwest Territories if this government had some control over it. So that is where I am finding a concern.

The other area that I just wanted to double-check was that the government is bringing in \$10.6 million this year on the Highway Improvement Strategy, as the first of four years, in the total of about \$100 million. So we are being asked to approve that. I guess I am also reminded, Mr. Chairman, that something we are not being asked to approve, we do not have the bills yet or nearly enough information, is the toll itself. So while we can talk about as much as we support or like or are concerned with the toll itself and the impact on our economy, it is not before us in this budget.

We will have to wait until I think June at the earliest, as the Minister has indicated, planning a legislative proposal that would come forward to committee by May. Perhaps then we will look to actually vote on it in June. So on one hand here, we are being asked to approve the start of a very major expenditure, while we still have to deal in the future with how it is going to be paid for.

So having pointed that out, and I think that I have my ducks lined up on that, I am already on record in this Assembly, Mr. Chairman, as saying that I support the overall budget, and especially this initiative, as investment that the Northwest Territories needs right now. Let us not pull back. Let us not hesitate at this time. This is indeed what we need to see here.

With that, Mr. Chairman, that concludes my general comments. I look forward to getting into detail. Thank you.

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

**HON. VINCE STEEN:** Thank you, Mr. Chairman. Mr. Chairman, as the Member mentioned airport fees, and I believe some other Members mentioned it as well, our increased airport fees proposals. I suppose you could say that we are just bringing our airport fees in line with the rest of the airport fees in the rest of Canada.

As far as reference to the toll charge legislation coming in after the fact, so to speak, we took that into consideration. However, in order to spread our capital expenditures over the four-year period, we had to make certain expenditures in this fiscal year. That is why we have this \$10.5 million in this year's budget, even though the legislation will be before the committee and the House in the next sitting in June. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lafferty):** Thank you. Mr. Braden.

**MR. BRADEN:** Thank you, Mr. Chair. I guess there is one aspect of a comment the Minister just had. It could also apply to a lot of other areas of government and that is the situation where the fees and expenses and rentals and things that we are charging in our airports now, even with the increase in here, would perhaps come up to covering about half of the cost. That is something I recall from some of our briefings. So we are not even at the stage where we are collecting all of the expense of running these facilities and we are lagging behind even what our equivalent airports, for their size and traffic volume, collect in parts of southern Canada.

Be that as it may, if there is still this gap between us and southern Canada, to me, that is not sufficient justification to say, "There is some room for us to move. Let us go after it." I

think we still have to be very mindful, Mr. Chairman, of our economies of scale, of the great differences that exist in so many other fundamental parts of our economy. We are very different than southern Canada when it comes to ratios, when it comes to economies of scale, the ability of our people to pay for these services on what other Canadians might consider quite a conventional basis. Our poor little government here, Mr. Chairman, just does not have the same conventional access to revenues and discretion that other governments have.

So I guess what I am saying, Mr. Chairman, is where there might be differences between us and southern Canada on costs and recoveries, let us consider very carefully how we are going to go about moving into that area. Our differences in certain other areas are so great that some of these things just do not wash with me. Thank you.

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

**HON. VINCE STEEN:** Mr. Chairman, just for the committee's information, we are nowhere near a cost-recovery basis and we are not trying to reach there either. Also, this increased fee is not reflected on capital expenditures from airports either. So this is not a program to collect capital expenditure funding. If we are going to be a self-reliant Territory, so to speak, we are suggesting we are going to be the first "have" Territory, it would not hurt that we indicate to the federal government that we can pay our own way. This is just a move, I believe, towards that eventually, and being self-reliant and not counting on the federal government for their transfers every year. Thank you.

**CHAIRMAN (Mr. Lafferty):** Thank you. General comments. Mr. Dent.

**MR. DENT:** Thank you, Mr. Chairman. Mr. Chairman, I know that after the budget speech, I talked to constituents and they were generally very excited about the fact that they are going to see the quick completion of the highway infrastructure in the Northwest Territories. So I found from my constituents that people were generally supportive of the plan to speed up the paving of the highway. I am certainly concerned about the method in which we are going to do it. I will reserve my indication of final support until I see the legislative proposal later on that the Minister has spoken about.

We have a long list of things that we have to make sure are covered before I can be fully satisfied that we are dealing with all of the concerns. I know that Minister Steen already suggested to other Members that the Minister of Finance would be more appropriate to answer some of those concerns, but I think I would like to lay some of them out so at least they are on the table from me. As we get through this, hopefully we will be able to address them so that I can assure my constituents that this is in fact the right way to go.

I know that first of all, we are going to have to negotiate an increase in our borrowing limit before we can do it. I think we are going to have some discussion about whether or not that is the right way to do things. The feds may feel that as we lose part of the Power Corporation debt that our borrowing limit should be decreased, given that a good portion of our borrowing limit now is tied to Power Corporation debt, which is seen as self-liquidating. I think there may be room to look at tolls as being the same sort of debt though on highways. They do provide a form of self-liquidation. It is certainly something to look at.

Really it is going to come down to what is the impact going to be on my constituents and all the people in the North. The impact on individuals is still really difficult to figure out. I understand that right now we have a large number of trucks traveling the highway for large corporations and we would, therefore, collect most of the money in tolls from those trucks. I think this is a great idea. It is a good idea to get the money from, in effect, the companies that are developing the North and wearing out the highways for the most part. They should be paying for the construction. The question is going to then be, will the credit really offset the cost to the individual and to small business in the North? That is something that I am going to have to wait and see the legislative proposal before I know whether or not it can work.

As other Members have talked about, when you borrow \$100 million, you have to wonder about how long it is going to take to pay it back. I think we have all seen the value of resources go up and down. I have been in the North almost 28 or 30 years now and I have seen all sorts of cycles up and down for resources. I have seen the traffic on that highway go up and down in direct proportion to what is happening in the resource sector in the North.

So it is going to be an issue of how long are we counting on getting that \$15 million, and is it really a conservative estimate that we have made in terms of the amount of traffic? Have we really estimated the cost on the individual that the tolls will add? Have we thought about other causes? For instance, if there were other causes that might reduce traffic, after all three diamond mines are built, if the price of gold stays low, if we do not have any other prospects for diamond mines and perhaps we see hydro lines from the Snare system into the diamond mines, then we may not see as many fuel loads going into those diamond mines. So if you do not have construction and you do not have a lot of fuel going in, is the whole cost of paying back these loans then going to be on the backs of the private citizen and small business in the Northwest Territories?

We have a lot of questions to answer. I think the initiative is certainly worth pursuing further, and I am encouraged that we are thinking a bit outside the box and looking for approaches like this, but I think we have a long ways to go before we can say for sure we have the answer yet.

With those comments, I have one area of questioning that has been touched on by other Members. Mr. Braden was just recently alluding to it. In the Minister's opening comments, he talks about transportation constantly looking for new sources of funding to enhance its programs. I was quite taken by the one sentence in here that says, "In this, we have been remarkably successful." I am not sure that a lot of my constituents would consider success the raising of fees, but that would appear to be what you are talking about here in your opening comments. Part of the problem is some Members on the Governance and Economic Development Committee may have an understanding of what it is we are talking about in terms of fee increases, but I am not sure the general public does. There is nowhere in the budget book that points out what sorts of fee increases we are going to see.

Could I ask the Minister, is he prepared to table a complete listing of all of the fee increases contained in this budget we are looking at, so that we can have that for our discussion today and so that it can be made available to the public?

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Dent. Mr. Steen

**HON. VINCE STEEN:** Thank you, Mr. Chairman. Mr. Chairman, the Member has pointed out a number of legitimate concerns with regard to putting this toll in place, the life of the toll and the amount of money that would be collected from the toll over time, and comparing that to the non-renewable resource activity. However, I think we have some fairly strong indicators from the non-renewable sector that they are going to be around for a while. The diamond mines are showing a life of 15 to 18 years based on the present finds. There are more diamond mines coming on stream.

The oil and gas activity has already basically committed itself to x number of years activity in the Beaufort and in the Mackenzie Valley. We do have some strong indicators as to how long the non-renewable sector is going to be around.

The second thing we should take into consideration is that the gold mines have been basically dealing with falling prices now for the last five or six years. We have been subsidizing them even. It is nothing new that we have turned around and started getting some of our subsidy back. I think it is just common sense that we do things like this. When the price goes up, they will be back and we will have something in place to collect back from them if we do not have a non-renewable resource sharing ability by then.

I am sorry, I did not write down the last part of your question. Could the Member repeat himself, Mr. Chairman?

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Minister. Mr. Dent.

**MR. DENT:** Thank you, Mr. Chairman. I was just pointing out that a number of Members have been asking questions about the impact of fee increases on our constituents. Unfortunately, nowhere in the budget book does it list what the fee increases are that are included in this budget.

I would like to ask the Minister if he would be prepared to provide a copy of all of the fee increases which are included in the budget in one table, so that we could have it easily available to demonstrate to the public what we are talking about in the Department of Transportation in terms of fee increases in this next year's budget. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Dent. Mr. Minister.

**HON. VINCE STEEN:** Thank you, Mr. Chairman. Yes, we could do that. I have been advised that we could have that for the Members in the House tomorrow.

While we are on this topic, just one other comment to respond to, and that is what effect the toll charges will have on the residents in Yellowknife in particular. The Member did reference the fact that the legislation is still to be put in place. We still have to debate the legislation, and I believe that at that time, we could take into consideration a proposal to exempt certain types of traffic if we have to and if the Legislative Assembly feels that is the way to go. The whole thing is subject to discussion when the legislation is before the House. Thank you.

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Minister. Mr. McLeod.

**MR. MCLEOD:** Thank you, Mr. Chairman. The Minister has indicated in his opening comments that the Highway Investment Strategy in his budget was developed in response to the number of requests from different Members of this House. When I was made aware that there was a strategy being developed for highways, I felt very confident that some of the communities that I represent would be included as part of the strategy.

After hearing the Minister indicate during question period that his only methodology for selecting roads for repair or for upgrade was based on safety and visibility, I was very convinced that the communities of Kakisa and Hay River Reserve would be receiving upgrades as these roads are narrow, winding and dusty and they have never had very significant upgrades over the last number of years.

I was very surprised when this budget and strategy came out that there were no funds indicated for the Deh Cho, but there were funds there for the paving of certain roads. There were funds for the Ingraham Trail, a road that does not lead to any specific community, and I would not consider taking priority over communities that had a safety factor.

This leaves me questioning the Minister because in his comments over the last year, he has stated several positions that I do not agree with, or he has had a change of heart. Initially, he indicated that Highway No. 3 would not be escalated, even though there were a number of requests put forward. He indicated that he could not escalate this project because the North did not have the capacity to have contractors take on contracts of this nature and this size, so they had to keep it at the level of investment that was indicated previously.

Now he is saying that there is a capacity in the North to do this and we can escalate it. That it is a complete change from Hansard of not even a year ago. I wonder how accurate the information that he is using to determine the priorities for this strategy is.

In his statement on July 7<sup>th</sup> he indicated, when he referenced the Hay River access road, that there was only two injuries, two accidents, no fatalities. That is not true. Over the last ten years, there have been 15 accidents on that road. I wonder if the Minister had taken that into consideration. This is information that his own department provided to me.

When we look at the other statistics, there is a disclaimer on all of the information the department puts out, stating that only 46 percent of the information collected is usable. That really does not give me confidence that we are using the information collected to the best of our ability because we are not getting the total picture. I hear the bureaucrats from his department making comments about the highway traffic levels being low. His own statistics show that the traffic has increased over the last while. I really have a lot of questions regarding the accuracy of his information.

With regard to the introduction of tolls, I have a lot of questions. I have been working with our research department to see if there is indeed a clawback clause and whether it applies to tolls.

We have also heard the Minister of Finance being questioned. I think everybody is fairly confident that over the next three years

until a new formula financing agreement is renegotiated, we will not see a clawback. However, there is no reassurance and he did not give us one, and the research that I have looked at does not indicate that it applies or does not apply. I have a number of questions.

When it comes down to a long-term investment and taking on a \$100 million debt, it really bothers me because the revenues from the introduction of a toll can only be spent in the area of existing projects, as far as I understand. If that is the case, then it certainly leaves us out in the Deh Cho because there is no investment indicated in the strategy, and there is no room for new investment.

In the community of Fort Providence, we have been working quite hard to research the whole aspect of designing and building a bridge. This does not even take that into consideration, nor does it take into consideration the road to resources which, we were told, does not exist, but there is a road for the Great Slave Geological Province indicated. Is that the same thing or is that two different projects? I do not know.

My main concern though in this whole thing with the introduction of tolls, and we have already seen the discussion with the hotel tax, that we are shifting from what we initially started out as trying to renegotiate and opening the door for discussion for the federal government and the submission for the non-renewable strategy. I thought it was something I could live with. Now we have gone away from that and we are looking at introducing new taxes and tolls and that will increase the cost of living in the Territories. As it stands right now, I do not think I can support that initiative unless there are some major changes. I would like to see us maintain pressure on the federal government and open up those discussions rather than the introduction of new taxes and tolls.

So my question is regarding the accuracy of his information, where is he getting his information from? Information that I am looking at from his department certainly does not reflect what he has based his priorities on. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. McLeod. Mr. Minister.

**HON. VINCE STEEN:** Thank you, Mr. Chairman. Mr. Chairman, if I could respond to the Member as he brought the issues up, the access road improvement on the Hay River Reserve. The Member is correct in that the department in the past has indicated that with the capital funding we had at that time, and because the traffic volume on that reserve road was low, we had a low priority for improvements on that road comparable with the rest of the highways in the Territories, taking into consideration the traffic volumes. However, if this proposal that we have put forward to increase capital expenditures and the option of toll charging as a revenue source, if this comes into play, it takes some pressure off of our other capital expenditures.

Although we have identified these capital expenditures in our five-year capital plan, there is the flexibility that with this new revenue, we could see ourselves moving up improvements on the Hay River Reserve. We could do that at an earlier date. I could commit the department will look at what is involved in improving that road. The Members have continuously mentioned it even in the past government. So I could commit to the department doing the engineering aspect of this and looking to see what it needs on this road.

I can also respond to the Member's concern that last year we were saying that contractors did not have the capability to respond to our tenders. In fact, what we were getting indications of at that time, there were no other activities going on in the Territories and our contractors were down to the limits. We were competing with the mines. To some degree, we are still doing that, but the difference is we are suggesting to the contractors that this is not just a one-time thing. This is an ongoing thing where they can do some investing of their own and expand their operation to allow them to be able to put in tenders.

There is also the option of partnerships. There are different options now that were not there before. As far as we are concerned, we are getting indications from the contractors now that they are capable of taking on this work and that is good, because it will help the local economy. It is our intent to try to spread this work locally.

As far as the Providence bridge project, the department is not in any competition with the community to put this bridge up. If the community does find a source of funding other than what we have through Indian Affairs or whoever, and they have a viable toll program that can set the bridge up, we are not interfering. As a matter of fact, we would be open to see how the proposal and how we could involve it in our highway infrastructure, because it would become part of our highway. At this point in time, through the highway investment program that we are talking about here, we are looking at this bridge project being moved up. The capability of taking it on in five years rather than 20 years is there if we can have this project go ahead.

Before that, we could not even look at it. We just did not have the capacity to do it with the funding we have. We should take into consideration that even with revenue sharing, it may be a while before we have the capability of taking on a large project like this bridge.

The last concern the Member expressed is my source of information for his road. I do not argue that he is getting his information from his researcher from the same department that I get it from. What we found is that the RCMP, when they make their reports, sometimes they refer to it as an access road, sometimes they refer to it as the village road. So in fact, there were 14 accidents. Some of them were right in front of people's houses, but they were still listed as being on the access road. So there were 14 accidents. There was one fatality and, Mr. Chairman, I am responding to the Member through an oral question tomorrow. So the rest of the information will be available for the Member tomorrow.

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Minister. Mr. Lafferty.

**MR. LAFFERTY:** Thank you, Mr. Chairman. I will start off with short questions. I have quite a few. I will use up my ten minutes. I will start off with the toll. The Minister has said there will be a highway toll. Everyone will pay a toll. I have some five communities that are going to pay a toll. They are not going to pay a toll, but they will pay the toll in the long run because the freight, the fuel, the power rates will go up, the airfares are going to go up, even the homes they bring in will go up because of the increase, because of the tolls.

You have not identified any infrastructure for these communities, but you expect them to pay the outcome of the

toll, the extra cost that will come along with putting a toll into place. Can you tell me if you have any plans in the future or in the short-term, where you said you had a short-term plan by many people? I am just wondering how many people would it take for a long-term plan?

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Lafferty. Mr. Minister.

**HON. VINCE STEEN:** Mr. Chairman, we do not disagree that everybody will be affected by the toll, whether you are on the highway or off the highway. However, you will be affected at the rate that your commodity, whether it is fuel, whether it is dry goods, are transported on the highway system. Those communities, for instance, that get all their freight and all their fuel down the Mackenzie River will have no effect. It will all come to them the same as it did before. We do not charge for traffic on the river. If it comes by air, we are not charging them for traffic that comes by air. We are charging for commodities that are travelling on our highway system. There is no doubt that the Member's communities will be affected to some degree because some of the commodities travel on our highway system. So there will be an increase.

However, I believe that what the department did was make the government Cabinet aware of the situation. The Finance Minister has come out with a cost-of-living rebate that would offset this cost to some degree. Thank you.

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Steen. Mr. Lafferty.

**MR. LAFFERTY:** Just going back to my colleague, Mr. McLeod, where he was mentioning the infrastructure plans where none of the highways in his system were getting any funds. However, you have identified in the past that the winter road approaches on the Mackenzie River are Highway No. 3, whether they are going to the ferry or they are going to the winter crossing, they are still Highway No. 3. Now you say that there is a lot of money being put into Highway No. 3, but I do not see any money being put into chip-sealing that winter road crossing access.

Now that is one area that we have spoken about in the spring, where gravel contaminates the water when the trucks approach the river. So have you any plans for chip-sealing that area as well?

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Lafferty. Mr. Steen.

**HON. VINCE STEEN:** Well, Mr. Chairman, this is a new one to me. I have never heard of this approach to paving the approach to the winter road. In fact, I believe this is part of the winter road that the Member is talking about. We have no plans in place at this time to pave that section of highway.

The other thing that the Member mentioned earlier was whether or not there will be a charge relative to traffic on winter roads. We have no plans at this time that the toll would apply to traffic on the winter roads. The traffic toll charge would apply to existing highway sections.

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Steen. Mr. Lafferty.

**MR. LAFFERTY:** Thank you, Mr. Chairman. Also, you have identified funds for the Ingraham Trail, where it is a recreational area. However, you have identified 50 percent of Highway No. 3's budget. If I read it right, it says from zero kilometre to 69

kilometres. However, in your statement here, you say it is only to the Detah road. Is this just for the one-year plan and then you are not going any further with that, or are you just saying this so that it is only for this year but you do not have any future plans for further work on Ingraham Trail?

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Lafferty. Mr. Steen.

**HON. VINCE STEEN:** Mr. Chairman, the overall plan for the Ingraham Trail; we are going to hardtop them up to the Detah turn off. From there on, we are going to do improvements all along, all the way to Tibbet Lake. In the four-year plan, we are talking \$25 million.

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Steen. Mr. Lafferty.

**MR. LAFFERTY:** Thank you. I will refer to my colleague again. He was really concerned about the safety for access roads.

I drove the Ingraham Trail yesterday because I knew we would be here today asking questions. The Ingraham Trail road is almost in better shape than Highway No. 3 is right now. If you have driven the Kakisa Road and the Hay River Reserve Road, you will notice the big difference in the safety of those roads; the visibility, the smoothness, the contours, the angles of the corners, the spirals.

I am just wondering, what are your reasons that you have identified the Ingraham Trail over other roads that connect communities, where the Ingraham Trail does not have any community at the end? I know in the past you have said that it was the volume of traffic, but I think that you should have a different way of rating these roads because some are recreation and some are necessity. Thank you.

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Lafferty. Mr. Steen.

**HON. VINCE STEEN:** Mr. Chairman, I think our highway strategy identifies those routes that serve the mines and the heavy industry as well as those routes that serve the oil and gas industry. So we are trying to accommodate all types of traffic on our roads. In dealing with Highway No. 4, the Ingraham Trail, we must keep in mind that this particular stretch of highway is going to be producing a large portion of the toll.

As a matter of fact, the toll is aimed at most of the heavy traffic that is going down that road. It is not aimed at the recreational traffic that goes up to Prelude Lake and it is not aimed at the local traffic that goes to Detah. We are not charging those people. There are also people that live all along that route, Highway No. 4, but we are not aiming any toll charges at those people.

What we are doing is we are trying to accommodate and make the highways safe for those people that use that section of highway and that is the heavy truck traffic. It is the same truck traffic that comes down Highway No. 1 and Highway No. 3 on its way to the mines. So we really are trying to accommodate every different user of our highways. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Steen. Mr. Lafferty.

**MR. LAFFERTY:** Just going back to the tolls, the Minister stated that they use a 1999 traffic volume. If I understand it right, 1999 was still a construction year for BHP. Also, Diavik was active and so was Snap Lake, in the exploration stage. Now, at that time, there were quite a few trucks going up there

already. Now with BHP in their production stage, all they need to do is bring in the fuel and a few goods.

Diavik has upped their construction. Diavik, in a few years once it is constructed, will drop down to around 35 to 40 percent of trucks because they will only be delivering fuel. Snap Lake is going to be underground and it will not need as much. It is a smaller scale production happening there. Traffic volume will not be as high there also.

So I am just wondering, have they miscalculated their traffic volume? Putting a toll in there for the long-run, are we going to end up paying for this by borrowing more money than we can get from tolls that we get on the trucks? Thank you.

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Lafferty. Mr. Steen.

**HON. VINCE STEEN:** Mr. Chairman, I think the Member is voicing the same concerns that were expressed by other Members, and that is the security of our future tolls. All that I can do, Mr. Chairman, is respond to what figures we had for 1999. For instance, we had roughly 4,000 trucks going down to the mines and BHP, Echo Bay, Diavik, Snap Lake were the ones in operation at that time. As the Member has stated, some of them were in the exploration stage rather than the production stage, and it is true.

However, production requires more truck traffic than exploration and this is the case, in particular, while they are setting up. This year, we are talking anywhere between 7,500 to 8,000 truckloads. That is double what we had in 1999. So we feel these are very conservative figures.

If the traffic volume of 1999 is going to produce \$15 million a year, the traffic volume this year will produce double that without having any of that really reflected on the local residents because their traffic did not increase. So this is one other way of looking at it. The more truck traffic there is, the quicker we reach our \$100 million cost mark and the quicker the debt will be wiped out. That is the way I look at it anyway.

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Minister. General comments? Mr. Lafferty.

**MR. LAFFERTY:** Thank you, Mr. Chairman. The Minister referred to industry as the key into putting funds towards the Ingraham Trail. The Minister and department know that at the end of Tibbett Lake where the winter road starts, the trucks go through there. It does not matter what shape they are in. It does not matter what it looks like. If the ice is cracked, they will go on it. The portages are bumpy and rough. They still go on it. I do not see the sense in realigning and putting a lot of money into the Ingraham Trail when it is already in good shape.

I just drove it yesterday, like I said, and not put any funds towards the Hay River Reserve road or Kakisa or even the winter road access...even the Rae access needs a lot of work on it. I know the money was put towards it, but as you said, you have to keep on maintaining what you have. I am sort of puzzled. If these guys can drive on the winter road that is rough already, why are we putting so much money into it when they are going to drive on it anyway? Thank you.

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Lafferty. Mr. Minister.

**HON. VINCE STEEN:** Mr. Chairman, one of the principles that we have been suggesting here for the toll is that those highways that produce the revenue would see the revenue reinstated in the highways. Obviously, it is going to be needed anyway because of the heavy traffic and the effect it has on the surface of the highways. So there is a need to reinstate the money where it comes from.

That is not to say that there is no need for funding for the road the Member mentioned, such as the approach to Rae or the Tulita winter road or the access road on the Hay River Reserve.

The fact of the matter is the traffic volume there does not compare to the traffic volume on Highway No. 4. That is what the problem is. We are trying to reinvest the money where the problems are. We have to take into consideration that there is a lot of traffic down Highway No. 4 related to the tourism for northern lights. That is where all the Japanese people go now to view northern lights, down that highway. That in turn brings a lot of revenue into the city. The city has been writing to the department about their concerns on that particular route. So we are trying to address all these people's concerns and their expressions to us. Most of them are related to safe travel on the highways.

Although the Member may have some point that there is community traffic in other sectors and they are not really being addressed, like I said to the Member for Deh Cho, this does loosen up pressure on our existing capital funding, so they may be in a better position to address these other concerns. Thank you.

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Minister. Mr. Lafferty.

**MR. LAFFERTY:** Thank you, Mr. Chairman. So what I gather is that because past governments put all this infrastructure on Highway No. 4, the government has to continue sucking all the territorial government funds and safety is not a concern. In Mr. McLeod's riding, safety is a concern on those roads. The only reason we are doing this is we have to accommodate industry, tourism -- which is all mostly Yellowknife anyway, the rest of the Territories hardly has any tourism at all -- and because the city is writing to them.

Mr. McLeod has spoken many times in the House about the safety of those roads, but you are going to put the money into the Ingraham Trail because the city is writing to you. Is that what I gather?

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Lafferty. Mr. Minister.

**HON. VINCE STEEN:** Mr. Chairman, I did not get the Member's last comment. I could not make it out. Could he repeat himself please?

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Minister. Mr. Lafferty, could you repeat the question please?

**MR. LAFFERTY:** Thank you, Mr. Chairman. What I said is you are putting money into the Ingraham Trail because the city is writing to you and because industry and tourism is on Highway No. 4 and safety does not seem to be a concern to you for the other access roads in the rest of the Territories. You are putting

funds towards the whim of Yellowknife and industry. Thank you.

**CHAIRMAN (Mr. Delorey):** Thank you, Mr. Lafferty. Mr. Minister.

**HON. VINCE STEEN:** Thank you, Mr. Chairman. Mr. Chairman, the department's major concern is safety and it does not matter on what highway. Safety is always the major concern. As far as the department's plans to invest in Highway No. 4, I indicated to the Members some of the reasons why we are doing this. It is for safety. It is to allow for traveling by the tourist outfits on that highway. It is for safety for the local people who live on that route. It is for the safety of people who go down that route and on into the mines or on into whatever they do from Tibbett Lake on. It is for safety that we plan to do some improvements on that highway. The department has identified that one section of highway as having one of the worst geometric conditions, which definitely needs improving.

**CHAIRMAN (Mr. Delorey):** Mr. Minister, the chair will recognize the clock and rise and report progress. We will continue with the discussion tomorrow. Thank you, Mr. Minister, and your witnesses.

**MR. SPEAKER:** The House will come back to order. Item 20, report of the committee of the whole. The honourable Member for Hay River North, Mr. Delorey.

#### ITEM 20: REPORT OF THE COMMITTEE OF THE WHOLE

**MR. DELOREY:** Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 19, Appropriation Act, 2001-2002 and Committee Report 6-14(3) and would like to report progress. Mr. Speaker, I move that the report of the committee of the whole be concurred with.

**MR. SPEAKER:** Thank you, Mr. Delorey. Do we have a seconder for the motion? The Chair recognizes the honourable Member for Yellowknife South, Mr. Bell, as seconding the motion. To the motion. Question? Is the House prepared for question?

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** All those in favour? Thank you. 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, a meeting of the Standing Committee on Accountability and Oversight at adjournment tonight and again at 9:00 a.m. tomorrow morning, at 10:30 a.m. of the Full Caucus, and at 12:00 p.m. of the Standing Committee on Governance and Economic Development.

Orders of the day for Tuesday, February 27, 2001:

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 Motions for First Reading of Bills
16. Motions
17. First Reading of Bills
  - Bill 20, Supplementary Appropriation Act, No. 2, 2000-2001
  - Bill 21, An Act to Amend the Labour Standards Act
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and Other Matters
  - Bill 19, Appropriation Act, 2001-2002
  - Committee Report 5-14(3), Standing Committee on Accountability and Oversight Report on the 2001-2002 Main Estimates
  - Committee Report 6-14(3), Standing Committee on Governance and Economic Development Report on the 2001-2002 Main Estimates
  - Committee Report 7-14(3), Standing Committee on Social Programs Report on the 2001-2002 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. Accordingly, the House stands adjourned until Tuesday, February 27, 2001 at 1:30 p.m.

-- ADJOURNMENT

The House adjourned at 6:00 p.m.