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YELLOWKNIFE, NORTHWEST TERRITORIES

FRIDAY, MARCH 2, 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, Mr. Nitah, Honourable Jake Ootes, Mr. Roland, Honourable Vince Steen, Honourable Tony Whitford.

ITEM 1: PRAYER

-- Prayer

SPEAKER (Hon. Tony Whitford): Merci pour le prayer, Mr. Allen. Bonjour, mon collègues. Good morning, colleagues. Item 2, Ministers' statements. Déclarations de ministre. The honourable Minister responsible for Resources, Wildlife and Economic Development, Mr. Handley.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 68-14(3): Non-Renewable Resource Development Strategy

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, the Government of the Northwest Territories has finalized our strategy to stimulate comprehensive and coordinated action and investment in non-renewable resource development by federal, territorial and aboriginal governments.

The Non-Renewable Resource Development Strategy was developed at the encouragement of federal Finance Minister Paul Martin. First released in draft form last spring, the strategy underscores the urgency of the need to promote, prepare for and manage non-renewable resource development in the Northwest Territories.

Since the document was first released, our government has sought input from all stakeholders. These comments have been used to continually update and improve the strategy. It is the only comprehensive plan of action for non-renewable resource development that identifies all the issues that need to be addressed, irrespective of which government is responsible. The GNWT has been advocating the use of the Non-Renewable Resource Development Strategy as a coordinating mechanism for discussion, decision making and action.

We have also used the strategy to argue for increased federal investment and to guide our actions and investment in areas of responsibility.

Total federal investment to date has been limited to \$3.8 million in winter road bridge construction. Mr. Speaker, in the context of the \$235 million in required investments that we requested, this is a pittance. It is our hope that the finalization of the strategy will give the federal government the impetus it needs to take action, especially given their continued responsibility for northern development. As well, the federal government needs to move forward aggressively with the territorial and aboriginal governments on devolution and resource revenue sharing.

Mr. Speaker, after almost a year of discussion and consultation, it is time to finalize the Non-Renewable Resource

Development Strategy. Now, we must fully direct our efforts to dealing with the actions outlined in the strategy.

In tabling this final strategy, I wish to reaffirm this government's commitment to continue to invest in the actions outlined in the Non-Renewable Resource Development Strategy to the greatest extent possible. Furthermore, I call upon the federal government to join with us in making investment decisions now and working in partnership with us and aboriginal governments to see the strategy carried out. Thank you.

-- Applause

MR. SPEAKER: Merci, Mr. Handley. Déclarations de ministre. Item 2, Ministers' statements. Déclarations de députés. Item 3, Members' statements. The honourable Member for Deh Cho, Mr. McLeod.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement on Impacts on Fish Stocks in Deh Cho Lakes

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, the fishery at Tathlina and Kakisa Lakes are in trouble. Over the last few years, there has been a noticeable decrease in the pickerel stocks resulting in an increased catch effort. The problem is so bad that all but one commercial fisherman has left the lakes. Even this one commercial fisherman is not catching enough fish to make the effort worthwhile.

In 1979, there was a study done in the fish stocks in Tathlina and Kakisa Lakes. The study resulted in a rise on the quota on Kakisa Lake and the quota at Tathlina Lake was cut in half.

Mr. Speaker, the quota is 20,000 kilograms at both lakes combined. There has been no increase in the quota for 22 years. There has never been a problem in obtaining the quota. Sometimes the quota has been caught in as little as three to four weeks.

Lately, Mr. Speaker, one week of fishing has resulted in two boxes of fish. A large percentage of these fish are not even pickerel. Last summer, the federal Department of Fisheries and Oceans did a study in cooperation with the Kakisa Dene Band on the fish stocks at Kakisa Lake. DFO provided two technicians and made contact with the band to provide boats and assistance. Together, they tested the fish stocks using nets with four different mesh sizes and samplings of various strategic locations on the lake. An analysis on the study is due back towards the end of March.

This summer, DFO intends to do a similar study at Tathlina Lake. Further, the Freshwater Fish Marketing Corporation, in conjunction with DFO, has been taking random samplings from

Tathlina and Kakisa Lakes fish for the past 20 years. With all of these tests, we should have some solid evidence as to when the problem began, if not the cause of the problem.

Mr. Speaker, our northern environment is very fragile. After 22 years of testing, monitoring and abiding by the quotas with no problem, all of a sudden there is a problem we have to look at. We have to look at the effects of logging, global warming, acid rain, oil and gas exploration and other potential hazards to the environment.

Mr. Speaker, not only are the fish at Tathlina and Kakisa Lakes a valuable resource in terms of a commercial fishery, they are a mainstay in the diet of the people of Kakisa. The fish are a valuable resource that we cannot afford to lose. Further, if we are losing the fish, we would have to suspend our common sense not to see that we are losing our lakes. Thank you, Mr. Speaker.

-- Applause

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

Member's Statement on Federal Fuel Subsidy Clawback

MR. BRADEN: Thank you, Mr. Speaker. I am going to interrupt normal programming here and bring you a news bulletin from the real world. It is the real world of the income support client of this government. Mr. Speaker, we are dealing with an issue where Dogrib beneficiaries are having the \$500 impact benefit agreement taken back from them, but now we learn that the income support clients are also having the federal fuel subsidy of \$125 clawed back. This is a non-taxable, one-time gift from the federal government to help low and modest income families, Mr. Speaker, with the rising cost of heating and fuel.

What really hurts, Mr. Speaker, is that some of these clients are receiving no notice whatsoever that this is being clawed back. We have situations where there are families, perhaps two clients trying to look after their families and kids, losing with no notice whatsoever, \$250 off of their monthly payments. One disappointed client has said if it is going to be clawed back, why even give it in the first place?

Mr. Speaker, in Yellowknife, income support recipients receive \$162 a month for food, or \$5.22 a day. Have you ever tried to subsist on this? There are no diapers, no Enfalac, no soap, no cleaning and personal hygiene materials in this food basket. As a result of the clawback of this one-time federal, tax-free home heating fuel payment, some mothers are getting cheques for three bucks this month, Mr. Speaker, three dollars. Others get nothing for food.

SOME HON. MEMBERS: Shame, shame.

MR. BRADEN: Women are crying in the offices of the Salvation Army, the food banks and the Women's Centre. You know, Mr. Speaker, it is amazing to consider inmates in the Yellowknife Correctional Centre get a food, clothing and laundry allowance of up to a maximum of \$150 a month. Some of them are also receiving the federal government's fuel subsidy. Do you think this is being clawed back?

Mr. Speaker, I am going to be having questions for the Minister responsible for Education, Culture and Employment at the appropriate time.

-- Applause

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

Member's Statement on Supplying North Slave Communities

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, there have been public announcements in the paper that the Rae Lakes winter road will be closed on March 15th. Today is March 2nd and the road is not expected to open for another five days. At best, the winter road to Rae Lakes will be open for eight days. More likely, if it opens at all, it will only be for three or four days.

Communities are highly dependent on winter roads. For example, Rae Lakes is going to build a community office complex and all the materials are waiting to be sent up on the winter road. Unless the roof trusses are brought in on the ice road, the project will be delayed for another year. There is no plane big enough to carry the trusses for this complex. As well as the construction materials for the office complex, three houses, fuel and a large quantity of groceries are also to be sent up on the road.

Traditionally, the winter road to Rae Lakes has opened by the end of January and stayed open for six weeks. This has allowed enough time to bring in a substantial amount of goods. Weather patterns are changing and the lack of this valuable transportation route has serious economic and social implications for the community of Rae Lakes. As I have stated many times, we need to adapt to the changing weather conditions. We can no longer rely on winter roads. In this situation, we can be proactive, and for the short term, develop an all-land winter road to Wha Ti and Rae Lakes. Thank you, Mr. Speaker.

-- Applause

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

Member's Statement on a Tale of a National Energy Program

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, earlier this week the Minister of Finance was accused of not having compassion in his heart when he developed the Fuel Rebate Program, and apparently not hearing the concerns that were expressed by Members on this side of this House. Since it is Friday, I thought maybe if the arguments were presented in a fairy story, he might get it.

Once upon a time, Mr. Speaker, in a kingdom not far away, in fact just down the road from reason, the rulers around the governors' table decreed that too much woe had befallen the citizens of the kingdom. Prices had risen too high for heating and motor products. The rulers around the governors' table, being good and considerate rulers, were sensitive to how their subjects, especially those of lower income, suffered.

The rulers around the governors' table desired to deal with their faithful subjects' woes, so announced a program that would help many citizens in the land. In their haste to deliver relief to their faithful subjects, the rulers had undertaken no consultation. They moved with alacrity and named the program the national energy program.

And verily, many residents in the land were pleased, particularly those who lived in an eastern region of the land called Ontario. Low and behold, some of the rulers' faithful subjects, particularly those who lived in the western regions of the land, came to find that they actually suffered more as a result of the program. They cried out to the rulers around the governors' table, whose council was in Ontario, beseeching that the program be changed so as not to hurt them.

The rulers heard these cries for help. They wrung their hands and said they had not meant to harm any of their faithful subjects. They convened around their table, then came out to make a pronouncement. They said, "We hear the cries of our loyal subjects from the west, but we must keep this program for it helps many who are in need. Verily, it helps those who need it most, thus it is mostly good, and another program would be too complex and difficult to administer."

Mr. Speaker, those who found the program harsh, particularly in the western region of the land called Alberta, grew angry at their rulers, who said they heard them, had not truly listened with compassion in their hearts. The people began to assemble and exclaim out their battle cry, and I quote, "Let those eastern illegitimates..."

MR. SPEAKER: Mr. Dent, the time for your statement is over.

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

MR. SPEAKER: Thank you. The honourable Member is seeking unanimous consent to continue his statement. Are there any nays? There being no nays, Mr. Dent, you may give us chapter two.

-- Laughter

MR. DENT: Thank you, Mr. Speaker and honourable Members. As I was saying, the people assembled and exclaimed out their battle cry, "Let those eastern illegitimates freeze in the dark."

SOME HON. MEMBERS: Hear, hear.

MR. DENT: Mr. Speaker, discord and division grew across the land, and finally the people rose up and banished the rulers into exile for a while to contemplate the error of their ways, to practice their listening skills and to learn the value of consultation.

Mr. Speaker, I hope the moral of this fairy tale is not lost on those who set policy for this government's Fuel Rebate Policy. Northern residents expect a program that is fair, not one that has been hastily cobbled together simply because it is easy to administer and can be delivered quickly. Let us take a few extra days to do it right. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Dent. Item 3, Members' statements. The honourable Member for Tu Nedhe, Mr. Nitah.

Member's Statement on Proposed Fuel Rebate Program

MR. NITAH: Mahsi, Mr. Speaker. Mr. Speaker, my statement today is on the proposed fuel rebate. Mr. Speaker, in the haste of putting this together, I do not think the government thought it through.

In Fort Resolution, the fuel rebate income cutoff is \$61,500. If you make more than that, you do not get the rebate. In Lutselk'e, the cutoff is \$69,000. The price of home heating fuel in Lutselk'e is 97 cents, Mr. Speaker. However, the income cutoff for Yellowknife residents who qualify is \$72,500. The home heating fuel cost in Yellowknife is 47 cents. Where is the sense in that?

Mr. Speaker, a lot of people will not qualify for this. People in the communities are short of housing, live together, and the combined income of one household brings them above the cutoff level. Nobody qualifies.

The government should rethink this. In fact, what the government should do with this money they want to spend before the end of this fiscal year is put it into tourism. Tourism needs money. Introduce the hotel tax that is going to penny pinch the people in the Northwest Territories for \$1.3 million. There is about \$1.4 million that the government wants to spend. Let us put it into tourism. People do not see the effects. With this rebate, only a few people in the Northwest Territories qualify. Let us put it into tourism, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Nitah. Declarations de deutes. Item 3, Members' statements. The honourable Member for Mackenzie Delta, Mr. Krutko.

Member's Statement on Programs and Services for Seniors

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, I received a call just lately from an 80-year-old elder who is living in her own home, who is struggling to keep up with the increased rates of diesel fuel and power. I think it is important to realize the cost to fill up your tank with diesel fuel in Fort McPherson is \$700. When you are on a pension, that is unacceptable.

Mr. Speaker, we have put initiatives in place to assist our elders who live in their own homes. We encourage them to continue to live in their own homes. However, with the high cost of power, the high cost of property taxes, and with the cost of fuel in our communities, our elders are finding it unbearable to maintain their own homes and also have a lifestyle where they can live in comfort, knowing they have done their time and they have paid their dues.

Mr. Speaker, this government has put programs in place to assist our elders, yet this 80-year-old elder continues to pay her property taxes. Mr. Speaker, we as a government have to ensure the programs and services we have out there are being administered. We have to make the attempt to find a mechanism so elders do not have to phone their MLAs to find out why they are still paying their property taxes, or why are they not receiving their seniors' fuel subsidy, or why their property taxes have been adjusted or increased, yet they continue to pay out of their pension cheques.

Mr. Speaker, I think it is important that this government streamline our tax systems or subsidized systems, so people do not have to continue year after year to have the confusion of getting a tax notice in the mail, especially our elders. They do not like to be stuck in a situation where they have an outstanding bill or fee, knowing they may not have the money to survive next month. Or they are out of fuel and have no choice but to fill up their tanks, yet it comes out of their pension cheques.

Mr. Speaker, I will be asking the Minister of MACA questions on this matter to see exactly how we are streamlining our subsidy programs for our elders. Thank you.

-- Applause

MR. SPEAKER: Thank you, Mr. Krutko. Declarations de deputes. Item 3, Members' statements. The honourable Member for Thebacha, Mr. Miltenberger.

Member's Statement on Municipal Insurance Premiums

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, last week in this House, I raised the issue of the potential massive increases to municipalities with their general liability insurance. As it has turned out, it has in fact been massive. It has been almost so exponential that obviously the insurance companies, who see an opportunity for some windfall profits using the reason and excuse of Walkerton, have decided to really take a piece out of the hide of the municipalities.

Mr. Speaker, we are talking big dollars. In my community, the increase is almost 70 to 80 percent, almost \$80,000. I understand Yellowknife's rates are going from \$250,000 to almost \$500,000. Every other community is going to have a similar increase.

Mr. Speaker, this is a significant cost. It is over \$1 million for the whole Northwest Territories and all of the communities. This is at a time when there have been fuel increases, there are going to be power increases, there have been fee increases of various kinds. Mr. Speaker, it is unanticipated. I hope Municipal and Community Affairs will be looking at this very seriously.

There are some other far-reaching implications, Mr. Speaker. If, for example, a major player like Yellowknife decides they are going to take their business elsewhere and try to find insurance at a cheaper rate somewhere else, then there is a good possibility that the NWTAM will cease to exist as we know it. It will also mean the current insurance plan will cease to exist as we know it because without Yellowknife as the anchor tenant of the program, I understand there are not enough dollars to keep the plan going.

We are going to have a significant situation. Mr. Speaker, we are also faced with another harsh reality. The harsh reality is that of time. The current insurance plan lapses or concludes at the end of March, which gives us less than a month to work out a satisfactory affordable solution to this very serious problem. Later today when we review the Department of Municipal and Community Affairs, I will be asking the Minister how he intends to put his shoulder to the wheel and work with the communities to try to resolve this very serious problem. Thank you, Mr. Speaker.

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

Member's Statement on Proposed Fuel Rebate Program

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, my Member's statement today was going to be on a different topic, but due to the building interest in the Fuel Subsidy Program, I thought I better make a few comments on behalf of the residents of Hay River. I must admit that whenever the government comes up with an initiative to put money back to the residents of the Northwest Territories, it is pretty hard to be negative about it. I want to compliment the Minister for realizing the fact that the cost of living is going up in the Territories and we do have to help our residents.

I do have some concerns, Mr. Speaker, about the way the subsidy is going to be administered and who is going to be receiving this subsidy. We have set a cutoff in the neighbourhood of \$72,000 for Hay River residents. I have a real concern with that, Mr. Speaker, because \$72,000 is at best a middle-income earner, especially when you are looking at a household. To make a household income of \$72,000, if you are maintaining a home, paying the fuel bills, maybe paying for one or two kids and maintaining a vehicle, that is not a lot of money, Mr. Speaker.

They, as well as everyone else, have to pay the bills every month and they get hit very hard. As a matter of fact, this country is probably built on the backs of middle-income earners. Whenever a tax comes along, they are the ones who get hit the hardest. Whenever subsidies come along, they are the first ones to get cut out of the process.

We have learned a lot, Mr. Speaker, recently about subsidies from the federal government when they put out their fuel subsidy and the way they went about it. They instantly said, "We will use the GST to administer this subsidy." Well, lo and behold, it was a great theory. However, when it hit the public, it did nothing but negative things in the news because the wrong people were getting it.

Here we are going to put out a fuel subsidy. I think we are rushing into who is going to be getting this fuel subsidy and how it is going to be administered. I think we should take a little more time on this one and make sure that when we administer it, we are going to be doing the best we can do with this subsidy.

I learned yesterday, Mr. Speaker, that the fishermen are now going to be getting this subsidy, but there are some questions around how they are going to be getting it. I have some concerns....

MR. SPEAKER: Mr. Delorey, I had terminated your microphone. Please just ask again so it is on the record.

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

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

MR. DELOREY: Thank you, Mr. Speaker. In the last couple of days, I raised some questions about the trappers getting this fuel subsidy and the fishermen not going to be getting it. I learned yesterday that the fishermen are now going to be getting this fuel subsidy. I have also learned that this fuel subsidy could possibly be coming out of the subsidy they had for freight rates, so there are some questions to be answered in that. I will be checking with the fishermen in Hay River this weekend to see how that is affected. Mr. Speaker, I really do believe we should take our time and relook at the administration of this program. Thank you, Mr. Speaker.

-- Applause

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

Member's Statement on Concerns With the Proposed Fuel Rebate Program

MR. BELL: Thank you, Mr. Speaker. I want to comment today on the proposed Fuel Rebate Program. Yesterday, I received a letter from the Minister of Finance telling me I basically had 24 hours to make some comments or suggestions and that was about it. I am going to reiterate some of the things I have said.

We need an equitable program, Mr. Speaker. We mentioned graduated rebates. We think this would help. It would still put the money into the hands of those who need it the most. They would get the most money, Mr. Speaker. Furthermore, unlike the current proposed program, it would not ignore 75 percent of our households.

I also think those paying fuel bills or those who have seen a rent increase should get the rebates. We should not just be putting this money out there with no rhyme or reason as to who should qualify. We are calling it a fuel rebate, Mr. Speaker, but I believe right now, there is a tenuous link at best to fuel prices.

I would like to comment on administration. In the administration package, it asks you to make a declaration that says, "I solemnly swear this is my household income" and furthermore, if you are not telling the truth, Mr. Speaker, it says the application might be rejected or you might have to give the money back.

I know the Finance Minister will say that 99 percent of people are honest. I believe him and I think that is true, but I am wondering why we could not have people include their income tax filing from last year, Mr. Speaker. There will be that small percentage of people who choose to file even though they are over the cutoff.

I had a constituent call me and said, "Listen, I make more money than the cutoff and I do not mind that I will not get the rebate, but I want to know the guy down the street making \$120,000 a year is not going to be getting this," because we do not have the capacity to audit.

Mr. Speaker, I think the Minister has good intentions, but good intentions and a bus pass will get you on the bus, Mr. Speaker. I think this deserves more than a quick and dirty approach. We certainly cannot put up a sign that says free money and expect the program to administer itself. There has to be a direct link to those who have felt fuel price increases this year. Thank you, Mr. Speaker.

-- Applause

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

Member's Statement on Comments on the Proposed Fuel Rebate Program

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, my Member's statement today will also centre around the fuel rebate that is being considered. As a Member of this Assembly, I was given a package yesterday morning to make comments on by noon today, and hopefully have a chance to make some changes. Unfortunately, with our meeting schedules and our late sessions, I have not had the opportunity to put it in writing. Today will be an opportunity during the session to speak to the Minister and hopefully he will take some of the suggestions he is hearing and make the changes.

Mr. Speaker, we are a team here in the Northwest Territories. We have our first line sitting on the other side. Unfortunately, it seems our first line has put together an offensive package in the sense of a forward movement to try to get some goals for the Government of the Northwest Territories. Unfortunately, they have not shared their plan with the defensive line as to how it would work and make sure the people of the Northwest Territories truly benefit.

Mr. Speaker, they are initially setting this up to put it forward. They have put a package together that is simply based on some of the existing programs and services that are delivered by this government. Unfortunately, that package does not fit with what is trying to be done here. I must applaud the Minister. He is trying to do something for the people of the Northwest Territories. He seems to be rushed by year end, as in March 31st, not as a new coming year.

Fuel prices will be just as high in April, Mr. Speaker. I think there is time, as Members have said, to work this out and get the details done properly so we can play as a team, not as opposition, as some would see it.

Mr. Speaker, when the housing numbers are set up, it is based on the cost of construction in a community or the cost of buying a home in a community. That is not quite the same as it would be for buying fuel in the community, as we have heard from Mr. Nitah from Tu Nedhe and the example he used. It is the same in many circumstances.

I think this needs to be reworked and retooled. Hopefully, the Minister is paying attention to the concerns raised and will take some of the suggestions. Thank you.

-- Applause

MR. SPEAKER: Thank you, Mr. Roland. Item 3, Members' statements. The honourable Member for Nunakput, Mr. Steen.

Member's Statement on Inuvialuit Regional Corporation Hockey Tournament

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, today I wish to make a statement on the recent IRC Native Hockey Tournament. This is an annual event sponsored by the Inuvialuit Regional Corporation to encourage teamwork, sportsmanship and competition in the Inuvik region.

This year, the event took place February 22nd to February 25th in Inuvik, and consisted of two divisions. Five teams participated in the B division. They were the Paulatuk Wolverines, the Old Dogs and Youngbloods of Inuvik, the Tuk Red Warriors and for the first time, a team from Holman called the Holman Flyers.

Mr. Speaker, although the Holman Flyers put out an excellent performance, they were defeated in the finals by the Tuk Red Warriors. The score was 9 to 3 in favour of the Tuk team. In the A division, five teams competed as well, and consisted of the Deline Chiefs, the Paulatuk Storm, the Inuvik Huskies, the Posse and the E. Gruben's Transport team from Tuktoyaktuk.

Again, Mr. Speaker, the out-of-town teams made it to the finals with the Deline Chiefs going down in defeat to E. Gruben's Transport from Tuktoyaktuk by a score of 11 to 3.

On behalf of my constituents, I wish to thank the sponsors and all of the athletes who participated. In particular, the Nunakput teams from Tuktoyaktuk, Holman and Paulatuk, who put on such a strong performance. My congratulations to the Tuk team for bringing home the trophies. Thank you, Mr. Speaker.

-- Applause

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

Member's Statement on Workshop on Alcohol and Drug Awareness Education

HON. ROGER ALLEN: Thank you, Mr. Speaker. Mr. Speaker, it certainly is a pleasure to talk about what happened at Ingamo Hall last weekend in terms of using...(inaudible)...workshop, which is appropriate to yesterday's theme.

This workshop was put on by the Red Parlour Squad, an aboriginal rap group from Alberta. The base for this workshop was to provide the delegates with alcohol and drug education and to talk about the importance of creating personal choice. Over 30 delegates attended this very motivational and information workshop and over 150 people attended the group's regional performance.

Mr. Speaker, I truly believe that events such as these allow us to target our young people at an early age to get the message out regarding the negative effects of alcohol and drugs. It is extremely important that we take a proactive approach in dealing with this ever-increasing problem. We have to demonstrate that as individuals we all have the opportunity to make our own personal choices which will make our lives better. I applaud the fine efforts of Ingamo Hall to help us get this important message out to our young people who are adversely affected. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Allen. Item 3, Members' statements. The honourable Member for Range Lake, Ms. Lee.

Member's Statement on Comments on the Proposed Fuel Rebate Program

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I would like to make a couple of comments on the fuel rebate draft policy. Mr.

Speaker, I have had a chance to review it and I just want to give my feedback. Mr. Speaker, I believe that we should remember that this is a fuel rebate and not a one-time, arbitrary income supplement. The driving force behind it has to be an understanding that every family and business is hurting from the high cost of fuel. We have to figure out a way to help them fairly and equitably within the limited resources we have. Also, Mr. Speaker, I think we have to remember that this is public money and we have a duty to spend it responsibly.

Mr. Speaker, as it is written, the fuel rebate has a number of gaps and it has a great potential to be highly inequitable and unfair. I will just give one example, Mr. Speaker. Under the current income threshold of \$72,500 for Yellowknife, it is highly possible that a single person, a single professional who makes an annual income of \$72,000, could qualify for either a \$350 rebate or \$150 rebate, depending on whether he or she lives in an apartment or a house. That is \$72,000 income for one person. Where a family down the street, a family of four with two income earners and two children who makes \$73,000 -- \$500 above the threshold -- will not receive anything.

It is possible that this single person might have received a federal rebate of \$125, so they will get \$125 or \$350 on top of that, depending on what it is. I do not want to deprive anyone of anything, but I think we have to look at the needs of working families and spread these limited resources equitably.

The last point I want to make, Mr. Speaker, is that I think everybody in Yellowknife knows that at this time of the fiscal year, government employees are out there spending money like crazy because they have to spend their budget, or they are giving out contracts. I think the Minister of Finance should discourage that. I see this as he is right in the forefront trying to spend the \$1.4 million within the time limit. I think that is highly objectionable, Mr. Speaker. I am glad the Minister is willing to talk to us about this...

MR. SPEAKER: Ms. Lee, the time for your Member's statement has expired.

MS. LEE: Mr. Speaker, may I have unanimous consent to conclude my statement?

MR. SPEAKER: Thank you, Ms. Lee. The Member is seeking unanimous consent to conclude her statement. Are there any nays? There being no nays, Ms. Lee, you may conclude.

MS. LEE: Thank you, Mr. Speaker. I just want to conclude by saying that I do believe that the Minister's intentions are good. It is just something that we have to spend time to work out the wrinkles. I look forward to working with the Minister on that. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. Item 3, Members' statements. Item 4, returns to oral questions. The honourable Member for Weledeh, Mr. Handley.

ITEM 4: RETURNS TO ORAL QUESTIONS

Return to Question 365-14(3): Update on Clean Water Initiatives

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, I have a Return to Oral Question asked by Mr. Krutko on February 22, 2001 regarding certification policies for water

treatment plant operators and that our drinking water meets the standards set by national guidelines.

Various systems have been put in place in order to ensure that our drinking water is safe and meets the standards set by the national guidelines. These systems include regular water quality sampling, in accordance with the NWT Drinking Water Quality Sample Protocol, and immediate action by environmental health officers when water sampling results indicate a possible problem with the drinking water. Sampling results confirm that public water supplies in the NWT consistently conform to the Guidelines for Canadian Drinking Water Quality and the NWT Water Supply Regulations.

In the NWT, the certification of water treatment plant operators is not legislated. However, it is strongly encouraged. The Northwest Territories Water and Waste Association does provide voluntary certification. Certification of operators is based on a combination of formal education, experience, training and examination. Certification is also related to the classification of the facility where the operator is employed. Four classes of certification are provided: restricted small system classification, small system certification, and class 1 and class 2 water plant classifications. There are 43 certified water treatment plant operators in the Northwest Territories. Thank you.

MR. SPEAKER: Thank you, Mr. Handley. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. The honourable Member for Weledeh, Mr. Handley.

ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

HON. JOE HANDLEY: Mr. Speaker, I would like to recognize Lee Selleck. I believe he is one of my constituents and a faithful, loyal media reporter. Thank you.

-- Applause

MR. SPEAKER: Than you, Mr. Handley. Item 5, recognition of visitors in the gallery. I would like to welcome Mr. Selleck to his usual position. Item 6, oral questions. The honourable Member for Deh Cho, Mr. McLeod.

ITEM 6: ORAL QUESTIONS

Question 431-14(3): Fish Stocks at Kakisa Lake

MR. MCLEOD: Thank you, Mr. Speaker. My question is for the Minister of Resources, Wildlife and Economic Development. This question is with respect to the fishery at Tathlina Lake and at Kakisa Lake. You will recall my concerns raised in my Member's statement earlier. Mr. Speaker, the Department of Fisheries and Oceans, as well as the community of Kakisa, are doing their part to ensure the fish in the lakes survive. The community is prepared to stop fishing for one, two or even three years to try to ensure the fish and the lakes survive. Mr. Speaker, the residents of Kakisa would forego a valuable resource from their traditional harvest of fish and commercial fisheries.

I would like to ask the Minister if this government is willing to do their part and provide a compensation package to the residents of Kakisa should they deem it necessary to implement a self-imposed moratorium on any fishing on Tathlina or Kakisa Lakes. Thank you, Mr. Speaker.

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

Return to Question 431-14(3): Fish Stocks at Kakisa Lake

HON. JOE HANDLEY: Mr. Speaker, without knowing the specifics of what might be requested, if they do have a moratorium put in place, I can assure you that our government will do its part in ensuring that whatever disruption happens has a minimal negative impact. Thank you.

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

Supplementary to Question 431-14(3): Fish Stocks at Kakisa Lake

MR. MCLEOD: Mr. Speaker, we have to look at the affects of logging, global warming, acid rain, oil and gas exploration and all their hazards to the environment and ultimately the lakes and the fish. The government has supported and participated in the West Kitikmeot/Slave Study.

Mr. Speaker, with regard to all the water in the Great Slave flowing through the Deh Cho, the resource communities in the Deh Cho have done a lot of research in the area already. In order to save the fish in the lakes, is the government prepared to match the effort of the West Kitikmeot/Slave Study and turn its resources towards a comprehensive and integrated study of the Deh Cho region?

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

Further Return to Question 431-14(3): Fish Stocks at Kakisa Lake

HON. JOE HANDLEY: Mr. Speaker, on the West Kitikmeot/Slave Study, there are a number of partners, particularly government, industry and the aboriginal governments. The West Kitikmeot/Slave Study was slated to be completed this year. Whether or not we would continue with that particular study will depend on whether the other partners are also willing to continue. We would not be able to do it on our own. Thank you.

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

Supplementary to Question 431-14(3): Fish Stocks at Kakisa Lake

MR. MCLEOD: Thank you, Mr. Speaker. The oil and gas industry, the logging industry, the pipeline industry, and other various industries are increasing the pressures to develop the Deh Cho region. At the same time, the environment is very fragile. One oil spill, one blow-out, the slightest environmental hazard can be devastating to the water hazard tables, rivers, lakes and the fish.

I would like to ask the Minister if he would consider having a meeting with the Deh Cho First Nations to discuss the environmental concerns in the region. Thank you, Mr. Speaker.

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

Further Return to Question 431-14(3): Fish Stocks at Kakisa Lake

HON. JOE HANDLEY: Mr. Speaker, certainly I would be pleased to meet with the Deh Cho leaders at their request. I might also say for the Member's information, I believe he is aware of it, that we are currently already doing one assessment of the oil and gas impact in the Liard area. A piece of that work is being done. Certainly I am interested in monitoring very carefully, not just the socio-economic, but also the environmental impact of any kind of development that is happening down our valley. Thank you.

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

Question 432-14(3): Fuel Rebate Program

MR. BELL: Thank you, Mr. Speaker. My question is for the Minister of Finance. As I indicated, I am trying to find some justification for calling this fuel rebate a fuel rebate. I cannot seem to find any rhyme or reason as to who qualifies from region to region. We make an assumption that rents have gone up across the board. Can the Minister please answer this, is this fuel rebate related to fuel prices?

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

Return to Question 432-14(3): Fuel Rebate Program

HON. JOE HANDLEY: Mr. Speaker, as it is designed right now, yes, it is. Thank you.

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

Supplementary to Question 432-14(3): Fuel Rebate Program

MR. BELL: Thank you, Mr. Speaker. If you look even at the Minister's riding, the people of Ndilo pay 47 cents a litre for home heating fuel, as do the people of Yellowknife. If you make \$65,000 a year in your household in Ndilo, you do not qualify. If you make that in Yellowknife, you do. You have up to \$72,500 to qualify. Why the discrepancy? Thank you.

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

Further Return to Question 432-14(3): Fuel Rebate Program

HON. JOE HANDLEY: Mr. Speaker, in trying to find a formula that fits this particular need and program, which is meant to provide a rebate based on the cost of fuel, then we really have three choices unless we just arbitrarily create one. I will just go through them very quickly, Mr. Speaker.

We could have used the social assistance food scale, but that is only based on a sampling of food costs and has absolutely no relationship to heating costs or the costs of maintaining a home. It is just straight groceries. That is one scale that we

have used. We also have various northern allowances for government employees, teachers and so on. We could use that, but that is heavily based on travel costs to go in and out of communities and so on. It is for a different purpose.

So what is the alternative? The closest alternative we came up with is the core-need income threshold formula. That one is based on a number of factors. Certainly the cost of a building and the cost of land are part of it. That is reflected because people have to pay taxes and so on. It takes into consideration that formula, as well as land and taxes. It also takes in the cost of electricity, heating costs, water and sewer costs, insurance premiums and maintenance costs. It looks at the cost of maintaining a home. Heating costs are very much related to the cost of maintaining a home.

What we used as a core is the formula that the Housing Corporation developed years ago and has improved upon year after year, which is based on the cost of owning and maintaining a home. Not based on how much your groceries cost or anything like that, but the cost of a home. That is as close as we could come to one that will reflect what this rebate is meant to achieve, because it does include heating as well as other costs. Thank you, Mr. Speaker.

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

Supplementary to Question 432-14(3): Fuel Rebate Program

MR. BELL: Thank you, Mr. Speaker. Then let us call this a house price rebate. We are trying to put a square peg in a round hole here, Mr. Speaker. Why would the people living in Detah have a \$72,000 threshold and the people in Ndilo have a \$64,500 threshold? I do not understand this at all. If this is not about fuel, then let us say so. Thank you.

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

Further Return to Question 432-14(3): Fuel Rebate Program

HON. JOE HANDLEY: Mr. Speaker, I had the same question as does the Member about why there are differences between Ndilo and Yellowknife and Detah and Rae and so on. The answer is fairly simple. It has to do with the cost of acquiring and maintaining a home. Taxes are certainly a part of that. That accounts for the biggest difference between the cost of a house in Yellowknife and the cost of a house in Detah or Ndilo. The answer there is fairly simple.

We are starting with this scale because it is the one scale that we seem to have in government that comes closest to including consideration of heating costs. That is why we chose that one. I gave it out to the Members because you wanted it. You asked for it and I made it available to you as a draft. I did that in good faith. It is a draft. It is a starting point. I said all week that I want to do that. It is as close as we could come. I want to meet with the standing committee to go over this, if that is possible, in the next few days. I am hearing what you are saying. This is just a base. Please treat it as it is. It is marked draft and it is starting point. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Le dernier question supplementaire. Your final supplementary, Mr. Bell.

Supplementary to Question 432-14(3): Fuel Rebate Program

MR. BELL: Thank you, Mr. Speaker. Sure it is stamped draft, but I have approximately an hour and a half to give any feedback or contribution that I want to make according to his letter. I just do not understand this. I think we have taken the easiest thing we have available and tried to pump a million bucks out there as quickly as possible. There are huge differences between Inuvik and Tsigehtchic. Tsigehtchic pays way more for fuel. Does this make sense, Mr. Speaker?

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

Further Return to Question 432-14(3): Fuel Rebate Program

HON. JOE HANDLEY: Mr. Speaker, certainly I would ask for feedback by noon. My meeting with the deputy ministers' committee is helping do the work on this late this afternoon. I want to work on the weekend on it and try to come up with something, but we need to get this finalized as quickly as possible. This rebate is not just based on fuel costs. It is based on trying to help people who most need help, particularly in the area of maintaining their homes. Heating is part of that. So it is based on trying to help those who most need help. We are trying to keep the relationship with heating costs as part of home maintenance. So it is more than just an across-the-board rebate to people all across the Territories for rising fuel costs. That is a different situation altogether. That might lead us to having some sort of universal program because everybody felt the heating cost prices. We are looking at trying to help those who need help.

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

Question 433-14(3): Federal Fuel Subsidy Recovery

MR. BRADEN: Mr. Speaker, my question is for the Minister of Education, Culture and Employment in the area of income support. Through the fuel rebates that we have been talking about, and the federal government has made available, we have a good news story here. However, it is being botched in its implementation. Why is the government clawing back one-time gift payments from the federal government to low- and modest-income support clients in the North? Thank you.

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

Return to Question 433-14(3): Federal Fuel Subsidy Recovery

HON. JAKE OOTES: Thank you, Mr. Speaker. We have a list of unearned income areas that the government does consider beyond its payments that it makes. We have to remember, Mr. Speaker, that the government pays for all shelter, all fuel and all electricity for income support clients to the full amount. The program is intended as a threshold income program, Mr. Speaker. Thank you.

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

Supplementary to Question 433-14(3): Federal Fuel Subsidy Recovery

MR. BRADEN: Mr. Speaker, I appreciate the motives, the objectives and the achievements of the program, but when these one-time events come along and the government takes such arbitrary and sudden action, it has a real impact on the ability of these families to cope. Why did the government not give some notice that it was going to clawback the federal fuel rebate? Thank you.

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

Further Return to Question 433-14(3): Federal Fuel Subsidy Recovery

HON. JAKE OOTES: Thank you, Mr. Speaker. There are other areas the government considers as unearned income. We spoke about the impact benefit agreements. There are other programs; the National Child Benefit supplement, for example, is redirected to a program and services for low income families. I think it is important to remember that we have set some thresholds that are there in the income support program. Thank you, Mr. Speaker.

MR. SPEAKER: Merci, Mr. Minister. Question supplémentaire, Mr. Braden.

Supplementary to Question 433-14(3): Federal Fuel Subsidy Recovery

MR. BRADEN: Mr. Speaker, there just does not seem to be the kind of coordination and communication between governments with a client or customer focus in mind that will help them cope, as I said, with these kind of changes to a very fragile income situation. What is the government going to do to improve that kind of coordination and communication between clients? Thank you.

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

Further Return to Question 433-14(3): Federal Fuel Subsidy Recovery

HON. JAKE OOTES: Thank you, Mr. Speaker. We are also looking at shortly introducing a change in the food rates. As well, I did commit to the Member through this week and last week that we are looking at the program. I directed my department and the staff to look at the income support program areas, because it is not just this one particular area of unearned income that we have to be concerned about, Mr. Speaker, it is other areas. The impact benefit agreements have been related and how does that all play out, Mr. Speaker. So I have asked my department to look at this whole area and directed them to report back to me. I already made the commitment that I will share that information with the Members so we can start working in this area. Thank you.

MR. SPEAKER: Merci, Monsieur Ministre. Le dernier question supplémentaire. Your final supplementary, Mr. Braden.

Supplementary to Question 433-14(3): Federal Fuel Subsidy Recovery

MR. BRADEN: Mr. Speaker, those are all very valid and very significant areas that we have to look at, but what I am looking at is the impact on families today right now who do not have the income they have been used to. The Minister of Finance said he was anxious to get cheques out. I want to ask the Minister of Education, Culture and Employment, will he work with his colleagues, have a heart and restore this one-time gift of income supplements?

SOME HON. MEMBERS: Have a heart!

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

Further Return to Question 433-14(3): Federal Fuel Subsidy Recovery

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, as I mentioned, there is no reduction in individuals' income. We still pay for all of the fuel. We pay for all of the electricity. We pay for all of the housing, Mr. Speaker. So the income level has not dropped on individuals. Thank you.

MR. SPEAKER: Just a reminder to Members, please make your supplementaries short, especially your final supplementary. Item 6, oral questions. The honourable Member for North Slave, Mr. Lafferty.

Question 434-14(3): All-Land Winter Road to Rae Lakes and Wha Ti

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Transportation, the Honourable Vince Steen. In the 1970s and 1980s, there was an all-land winter road used to travel to Wha Ti and Rae Lakes, ending at Great Bear Lake. Can the Minister tell me why this route is not developed any more? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Lafferty. The honourable Minister responsible for the Department of Transportation, Mr. Steen.

Return to Question 434-14(3): All-Land Winter Road to Rae Lakes and Wha Ti

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I am told that the route the Member is referring to was used for a number of years as a winter road into Rae Lakes and Lac La Martre. At the time, there were some concerns made by the community and they were opposed to the road. Because it was along the route they are using now, the decision was made to switch to the existing route for a winter road. As to why the road all the way to Great Bear Lake was ever planned or what the plan was for that particular route, I have no information on that. Thank you.

MR. SPEAKER: Thank you, Minister Steen. Supplementary, Mr. Lafferty.

Supplementary to Question 434-14(3): All-Land Winter Road to Rae Lakes and Wha Ti

MR. LAFFERTY: Thank you, Mr. Speaker. I did not want the road to Great Bear Lake redeveloped. That was just an example I used. I would like to ask the Minister if they would really look at developing this route to the North Slave communities. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Lafferty. The honourable Minister responsible for the Department of Transportation, Mr. Steen.

Further Return to Question 434-14(3): All-Land Winter Road to Rae Lakes and Wha Ti

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, in the last few days and over the last week or so, I have had some discussions with the Member on this possibility. Also, previously in this House, the Member asked me if I would consider going to Ottawa with a request to consider funding for this particular route in cooperation with the chiefs. I agreed to this, but at this point in time, I have no feedback on that.

As far as whether or not the department would consider this as a future all-weather road, at this time, we would just be looking at it. Thank you.

MR. SPEAKER: Thank you, Minister Steen. Supplementary, Mr. Lafferty.

Supplementary to Question 434-14(3): All-Land Winter Road to Rae Lakes and Wha Ti

MR. LAFFERTY: Thank you, Mr. Speaker. In the near future, contracts will be awarded for future winter roads to the communities. Will the Minister take into consideration the changing weather patterns when they plan for future winter roads? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Lafferty. The honourable Minister responsible for the Department of Transportation, Mr. Steen.

Further Return to Question 434-14(3): All-Land Winter Road to Rae Lakes and Wha Ti

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, as the Member mentioned today in his Member's statement, there are problems reaching Gameti, Rae Lakes with the winter road. The department is concerned about this and what we are going to be doing in the future. I will be working with the department and the Member, and I presume the community leaders, as to the possibility of using the land route in the future as the winter road.

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

Question 435-14(3): Proposed Fuel Rebate Program

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Finance on the Fuel Rebate Program. I appreciate that the Minister has indicated he is willing to consult on the program and listen to advice, but he has also said that he is anxious to get the rebate out quickly. I

appreciate that. I think the people who are looking forward to receiving this rebate do want to see the money quickly.

I think we need to spend a little bit of extra time to try and get the program right. That means I do not think we can get our advice to the Minister by noon today. Could the Minister advise us, is there a reason for him having set the deadline for the program to distribute cheques at March 31?

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

Return to Question 435-14(3): Proposed Fuel Rebate Program

HON. JOE HANDLEY: Mr. Speaker, the only reason I have set the deadline to March 31 is to get the cheques into the hands of the people who are saying they need it. I am hearing from them and I expect that other Members are. There are people out there who want the money, who need the money now. They do not have time to wait for us. They have fuel bills. Some are behind in their payments and so on. They need it now. We had to set a time frame that is reasonable, both giving our people time to do the work that is necessary, do the consultation as best we can, and let us get the money out to those people who need it.

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

Supplementary to Question 435-14(3): Proposed Fuel Rebate Program

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, I am certain there are people who are in dire need of this money. I would hope we could move quickly to get that money out to them. From what the Minister has said, it would seem that it is possible to extend the consultation period to perhaps the middle of next week and extend the claim period to say, April 7. Is that possible?

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

Further Return to Question 435-14(3): Proposed Fuel Rebate Program

HON. JOE HANDLEY: Mr. Speaker, I think that is possible. It is. It is just that we have to help people who need help. I want to do it as quickly as we can. If there is a good reason to delay it for a week, there is opportunity to get more good feedback, then I will consider it. I really have those people's concerns at heart, but let us help the people who need help. They are telling us right now they need help.

If we can do it by March 31, I really hope we can stick with that schedule. Thank you.

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

Supplementary to Question 435-14(3): Proposed Fuel Rebate Program

MR. DENT: Thank you, Mr. Speaker. I think Members on this side of the House have pointed out some areas of unfairness in

the program, so I think it is absolutely essential that we spend a couple of extra days to make sure that we have it right.

I would ask the Minister to commit to allowing the Members on this side of the House until the middle of next week to provide their advice to him on this program and, if necessary, extend the deadline to April 7 for applying for the rebates.

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

Further Return to Question 435-14(3): Proposed Fuel Rebate Program

HON. JOE HANDLEY: Thank you, Mr. Speaker. Sure, if there is useful purpose in doing that, then I do not have any objection at all, if we can make this a good program. I do hope the Members work with me to keep this a simple program, so administratively we do not have to go and do an assessment of every family and so on to see exactly what their needs are. Otherwise, it will just delay things. The objective is this is a one-time rebate. Let us get it out to the people's hands as quickly as we can. A couple of days, sure. Thank you.

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

Question 436-14(3): Seniors' Tax Rebate Program

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, in regard to the price of fuel, I am glad we are having this debate today because it falls in line with my question. I believe the problem we have is the whole question about the availability of programs, but also the accessibility of the programs to ensure the people the program is identified for are accessing it, especially our seniors. We have seen a real increase in the cost of fuel. Power rates have gone up, property costs, costs of living. An example, in the community I represent, the cost of fuel is 74 cents and gas has gone to \$1.25.

I would like to ask the Minister responsible for Municipal and Community Affairs about the property tax rebate. Knowing there are other programs out there, has the department looked at working in conjunction with our seniors on the seniors' fuel subsidy to streamline those programs so they are more easily available for our elders to have access to?

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

Return to Question 436-14(3): Seniors' Tax Rebate Program

HON. ROGER ALLEN: Thank you, Mr. Speaker. Mr. Speaker, I am going to speak specifically to the question of seniors' tax rebate programs. Yes, we are reviewing this specific program. Also, we are dealing in consultation again with the Minister responsible for Seniors and other departments who have a vested interest in seniors programs.

It is fairly early, as the Member knows, and we are trying to respond to every request now through what seems like a collective approach on all of the programs. I think this will bring the question to a head. We are willing to respond to that. Thank you.

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

Supplementary to Question 436-14(3): Seniors' Tax Rebate Program

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, one of the big problems we have in our communities is having people made aware. I would like to ask the department, what is the department doing to ensure that our elders are aware of these rebate programs and also, what is the department doing to help our elders by getting them the forms so they can fill them out? Thank you.

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

Further Return to Question 436-14(3): Seniors' Tax Rebate Program

HON. ROGER ALLEN: Thank you, Mr. Speaker. From the department's perspective, it is contingent upon the SAOs and the other workers in the community to continue to work on behalf of the seniors as they would on behalf of all citizens of that community.

We have just been advised that for any seniors who need assistance that cannot be provided at the community level, they may call the seniors 1-800 information line. I am sure a representative from that department will be able to provide more detailed information. Thank you.

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

Supplementary to Question 436-14(3): Seniors' Tax Rebate Program

MR. KRUTKO: Thank you, Mr. Speaker. I believe we do have some problems with communication. I phoned the hamlet of Fort McPherson who is administering it, but I was told to call a person from MACA in Inuvik. I would like to ask the Minister, exactly who is delivering this program so it is accessible to the communities rather than have it jump from one department to another?

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

Further Return to Question 436-14(3): Seniors' Tax Rebate Program

HON. ROGER ALLEN: Thank you, Mr. Speaker. Mr. Speaker, I am sorry, I cannot answer that specific question due to the fact that I am not sure who is responsible for responding. In terms of MACA's programs, we do have the SAOs at the municipal level. Also, if there are some questions in regard to overall program delivery and services, then it is the responsibility of our district office in Inuvik to respond to that accordingly. Thank you.

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

Supplementary to Question 436-14(3): Seniors' Tax Rebate Program

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, can the Minister tell me, are there initiatives within this government, realizing there is a major impact on our seniors with regard to power increases, fuel increases, and the cost of property taxes have gone up...I would like to know on behalf of our elders, is the Government of the Northwest Territories considering a review of all programs to ensure they are being delivered and that they are accessible for our elders?

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

Further Return to Question 436-14(3): Seniors' Tax Rebate Program

HON. ROGER ALLEN: Thank you, Mr. Speaker. I am going to speak again specifically to the PATA, the Property Assessment Taxation Act, which is under review. I am sure it affects seniors as well as everyone else across the Territories. I will commit to the Member that we are constantly working on improving all levels of service to seniors in regard to the question of property taxation. Thank you.

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

Question 437-14(3): Calculation of Income Thresholds

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I would like to address my questions to the Minister responsible for Housing, since apparently, the income thresholds the fuel rebate is using come from Housing. I would like to speak specifically to the South Slave. Hay River has a threshold of \$72,500 and every other community is lower than that, from \$3,000 to \$16,000 lower. The community I represent, for example, is \$60,500. We are 240 kilometres down the road. Fuel is probably ten cents more a litre.

I would like to ask the Minister to explain to me the rationale for these numbers. There are significant discrepancies there, when the cost of living, the cost of just about everything for communities other than Hay River is equal to, if not greater than, Hay River. Thank you.

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

Return to Question 437-14(3): Calculation of Income Thresholds

HON. ROGER ALLEN: Thank you, Mr. Speaker. Mr. Speaker, the question he asked is in regard to the affordability of maintaining, owning and operating a home. Those are the factors that I think the Minister of Finance can provide more detailed rationale than I. I just want to let the Member know that this is how the Housing Corporation determines the affordability level. Any member who is forced to pay more than 30 percent of those costs really cannot afford a home in that community. That is the basis of those factors. Thank you.

MR. SPEAKER: Thank you, Minister Allen. Supplementary, Mr. Miltenberger.

Supplementary to Question 437-14(3): Calculation of Income Thresholds

MR. MILTENBERGER: Thank you, Mr. Speaker. I did not quite catch all of the Minister's response, but I will just ask him another question. Is the Minister saying it is cheaper or less expensive to live and maintain a home in Lutselk'e, Fort Providence or Fort Smith than it is in Hay River? Is that what he is telling us? When you look at all the factors, is that what he is saying Housing has determined? Thank you.

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

Further Return to Question 437-14(3): Calculation of Income Thresholds

HON. ROGER ALLEN: Thank you, Mr. Speaker. No, the factors we use to determine the annual amount spent on housing and other shelter costs, what we are saying is that the household income at the level should only be equal to 30 percent of the income it is calculated on. Thank you.

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

Supplementary to Question 437-14(3): Calculation of Income Thresholds

MR. MILTENBERGER: Thank you, Mr. Chairman. Sorry, Mr. Speaker. I am getting confused by the Minister's replies, so I apologize for that lapse. Mr. Speaker, can the Minister explain to me clearly, and maybe he can use examples. He is saying \$72,500 in Hay River, \$60,500 in Fort Smith. The cost of fuel for sure is more expensive in Fort Smith. You have to truck things farther. You have to do a whole host of things that cost more, the cost of building.

Look at Lutselk'e, \$69,000, which is less than Hay River. Is the Minister saying to get everything into the community of Lutselk'e, it is cheaper than it is in Hay River? Thank you.

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

Further Return to Question 437-14(3): Calculation of Income Thresholds

HON. ROGER ALLEN: Thank you, Mr. Speaker. I apologize if I confused the Member here, but I believe that when we factor in the cost, and I am going to use two specific examples here; one is in a tax-based municipality, you pay higher taxes. You also pay higher land costs, whereas in a settlement or in a small chartered community such as Lutselk'e, you may get free land. Your actual construction cost may be higher than Fort Smith, for example, but based on the equilibrium, the cost of constructing a home in Lutselk'e may be less in terms of maintenance, due to the fact that they pay lower property tax and development costs. Thank you.

MR. SPEAKER: Merci, Mr. Minister. Final supplementary, Mr. Miltenberger.

Supplementary to Question 437-14(3): Calculation of Income Thresholds

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, on the face of it, this is not going to be seen to be fair or is not going to be considered fair by my constituents. I would like to ask the Minister if he will work with Minister Handley over the weekend to see if they can come up with a more equitable and fair way to do the fuel rebate? Thank you.

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

Further Return to Question 437-14(3): Calculation of Income Thresholds

HON. ROGER ALLEN: Thank you, Mr. Speaker. Mr. Speaker, yes, we are going to give it our unequivocal attention here. We need to come to a point where everyone is satisfied, including the residents of the Northwest Territories. I believe the Minister made a commitment earlier that we will be working with you into the middle of next week to come to a fair and equitable resolution to this whole question. Thank you.

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

Question 438-14(3): Fuel Rebate Inequities

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, in keeping with my Member's statement, I wanted to address a bit of the inequities in the fuel rebate and who is and who is not getting the fuel rebate. I was wondering if the Minister could inform the House as to whether the inequities that showed up in the federal subsidy and the subsidy for the seniors were taken into consideration to try to eliminate some of the inequities in the program? Thank you, Mr. Speaker.

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

Return to Question 438-14(3): Fuel Rebate Inequities

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, yes, we are aware of some of the problems and inequities that happened with the federal program. We are trying to come up with one here that is based on very clear criteria, that is administered through the local housing associations so everybody knows more about what it is we are doing. This is one that will be administered more at the local level as opposed to the federal one, which is straight out of Ottawa. Thank you.

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

Supplementary to Question 438-14(3): Fuel Rebate Inequities

MR. DELOREY: Thank you, Mr. Speaker. One of the areas I addressed in my Member's statement was middle-income earners. I would like to receive from the Minister what his definition or range of income would be that would classify a middle-income earner? Thank you, Mr. Speaker.

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

Further Return to Question 438-14(3): Fuel Rebate Inequities

HON. JOE HANDLEY: Mr. Speaker, I think the definition of middle-income earners...you know, we could have a Northwest Territories average, we could have it by community and so on, but generally speaking, we are talking about people who are making somewhere in the \$50,000 to \$60,000 range in the Northwest Territories and up. We could broaden that. We could narrow it. There is no tight definition of who is legally a middle-income earner. In some communities, it might be lower than that. In some places, it might be higher than that. Thank you.

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

Supplementary to Question 438-14(3): Fuel Rebate Inequities

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, when you take it on a household income, I would suggest that he was probably fairly close. Eighty-thousand dollars would probably be the middle range for a family income. I was wondering, because these middle-income earners are a household of \$72,000 to \$80,000 and have the same costs as anybody else. One incident was brought to my attention where middle-income earners right now just had to give up their house in Hay River because they cannot keep pace with the increasing costs. I was wondering, what is being done for these people who are just outside of the range the Minister was identifying? What is being done for these people to help them out? Thank you, Mr. Speaker.

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

Further Return to Question 438-14(3): Fuel Rebate Inequities

HON. JOE HANDLEY: Mr. Speaker, I think the fuel rebate may help people in a small way. We are not talking about a lot of money here. In order to help these people in their overall cost of living in the North, we have to look at other measures. As I have mentioned, we are looking at things like the tax credit we have talked about. We are looking at moving to a tax on income system and so on. Those are the things that will make a difference in the North, if we can design our northern income tax system here. We often get lumped in with other high income jurisdictions like Alberta.

I saw recently an article that said Alberta and the Northwest Territories have the highest incomes in Canada. In fact, it said the Northwest Territories had the highest income in Canada. To somebody on the outside that does not know us, they think that we are all wealthy in here. We know that is not the case. There are some people doing very well and a lot of people are not doing very well. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Your final supplementary, Mr. Delorey.

Supplementary to Question 438-14(3): Fuel Rebate Inequities

MR. DELOREY: Thank you, Mr. Speaker. Another area I addressed in my Member's statement that I wanted to get some clarification from the Minister is the fishermen in Hay River. I understand they are going to be getting the fuel rebate. What I would like the Minister to clarify is where that money is coming from. Is that money in fact coming from the access money that is in the freight subsidy? Thank you, Mr. Speaker.

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

Further Return to Question 438-14(3): Fuel Rebate Inequities

HON. JOE HANDLEY: Mr. Speaker, like many of our programs, whether it is the fur pricing program or the commercial fishers freight subsidy or even our forest firefighting program, we have in our budget holding figures. In the case of the fishermen, I believe we have a figure of \$395,000. We pay fishermen from that on a per pound basis. I believe that it is 15 cents per pound as a subsidy to get their fish off the lake. In some years, we use that \$395,000 and other years we do not. In those cases that we do not use it, it lapses and goes back to the government. This year, we have not used it all. So rather than lapsing that money, I am taking part of that money and putting it back to the fishermen as a fuel subsidy. Thank you.

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

Question 439-14(3): Fuel Rebate Guidelines

MR. NITAH: Mahsi, Mr. Speaker. Mr. Speaker, my question is for the Minister of Finance on this fuel rebate. I would like to know who qualifies, Mr. Speaker. The people on income support do not qualify. People in public housing do not qualify. People who are in communities that have to live together with a combined income above the threshold. Who is going to benefit from this, Mr. Speaker?

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

Return to Question 439-14(3): Fuel Rebate Guidelines

HON. JOE HANDLEY: Mr. Speaker, I had handed out the eligibility criteria, so I will not go through that whole list. Generally, people have to be 19 years old. They have to have paid for their own fuel. They have to be, generally speaking, in their own house or a private house. They cannot be getting subsidized recently and so on. The criteria is laid out here which ones qualify.

It is not as if nobody qualifies. If I look at some very preliminary information we have, and I look at Lutselk'e for example, in our information, there are 60 privately owned homes, 49 of which qualify. I have it for all of the communities. A fairly high percentage, Mr. Speaker, of people in private homes in the communities qualify. Thank you.

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

Supplementary to Question 439-14(3): Fuel Rebate Guidelines

MR. NITAH: Thank you, Mr. Speaker. Forty-nine people in Lutselk'e. I am not sure if those numbers are right. How many 19-year-olds do we know who could afford to buy a home? There are no homes in some of those communities to buy. How did you work this rebate out? Is it the price of living? You know, pop in Lutselk'e is \$2.00. What does a can of pop cost in Hay River? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Nitah. Mr. Nitah, I am not sure the Minister would be able to know that question, but I will allow the Minister to answer if he chooses. The honourable Minister for Finance, Mr. Handley. What is the cost of pop in Hay River?

-- Laughter

Further Return to Question 439-14(3): Fuel Rebate Guidelines

HON. JOE HANDLEY: Mr. Speaker I am told that a can of pop in Hay River sells for about \$1.00. I have not bought any myself there recently. I hope that people drink juice instead.

MR. SPEAKER: Order, please. The Minister is working towards an answer. It was a question that required the type of answer the Minister is giving. Mr. Minister, please finish your answer.

HON. JOE HANDLEY: Mr. Speaker, I think the Member is not really addressing the price of pop as he is in the difference in the cost of living and so on in the two communities. Yes, there is probably quite a difference in the cost of living between Lutselk'e and Hay River, particularly if you look at a food basket, if you look at that side.

What we are doing on this draft criteria is looking at a criteria that looks at the cost of purchasing, owning and maintaining a household. That is the criteria we use rather than the food basket. Thank you.

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

Supplementary to Question 439-14(3): Fuel Rebate Guidelines

MR. NITAH: Mahsi, Mr. Speaker. What is the cost?

-- Laughter

MR. SPEAKER: Minister Handley.

Further Return to Question 439-14(3): Fuel Rebate Guidelines

HON. JOE HANDLEY: What kind of bread is what?

-- Laughter

MR. SPEAKER: Thank you, Mr. Handley. Your final supplementary, Mr. Nitah.

Supplementary to Question 439-14(3): Fuel Rebate Guidelines

MR. NITAH: Thank you, Mr. Speaker. The point is, what is the cost of living compared to one community and another when you are using throughout, the same threshold. For communities like Lutselk'e that do not have road access, the cost of living is sometimes two to three times as high as such places as Hay River, yet the threshold is lower in Lutselk'e.

Let us talk administration. This is first come, first serve. What happens if the money runs out? Who qualifies then?

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

Further Return to Question 439-14(3): Fuel Rebate Guidelines

HON. JOE HANDLEY: First of all, let me say we chose to base this as a proposal on the cost of maintaining a home, not on the cost of a food basket. In answer to the question what happens if the money runs out, we will have to find more money. We are not going to cut people off just because we have spent our estimated amount. Everyone who meets the criteria is eligible and they will receive a cheque if they meet the eligibility criteria. Thank you.

MR. SPEAKER: Thank you, Minister Handley. The Chair would like to remind Members to ask a question that may and should be in the Minister's domain to be able to answer. Sometimes the Chair understands what the intention is, but it is not the Chair's position to interpret all of the time what the intentions are. Ask shorter questions, Members. Item 6, oral questions. The honourable Member for Inuvik Boot Lake, Mr. Roland.

Question 440-14(3): Fuel Rebate Administration

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, we have heard much about the fuel rebate in this House since it has been introduced. We have heard concerns from Members. I have some concerns with some of the criteria as well, and also with some of the standards being set. Hopefully, we will get some responses here. As the Minister has said, he is trying to aim for March 31st, which sounds like he is trying to meet the end of the budget cycle and get the good news out instead of trying to make sure we get all the people.

Mr. Speaker, he said it will be dealt with at the local level in a response to one of the Members. However, in the criteria, you have to have your response back to the Housing Corporation headquarters in Yellowknife. So which one will it be? Thank you.

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

Return to Question 440-14(3): Fuel Rebate Administration

HON. JOE HANDLEY: Mr. Speaker, first of all, March 31st is just a deadline. It does not matter if it is March 31st, March 20th or April 7th to me. It may matter to the person waiting for the cheque. I just want to get them out quickly.

In terms of it being handled at the local level or the headquarters level, the application forms, guidelines and the

explanations are all to be provided to local housing associations. The people there will be able to help the applicants in filling out the applications, determining whether or not they are eligible and so on. The cheques will be processed out of headquarters. It is the most expedient way for us to do it, out of the Housing Corporation in Yellowknife. Thank you.

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

Supplementary to Question 440-14(3): Fuel Rebate Administration

MR. ROLAND: Thank you, Mr. Speaker. Will single income families who are fully employed but have to go to income support for a top-up, as they call it, for hardship allowances and a number of other terminologies that are used, will they be cut off from this because income support clients are not eligible?

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

Further Return to Question 440-14(3): Fuel Rebate Administration

HON. JOE HANDLEY: Mr. Speaker, the criteria says that we will look at their gross income for the household by all the people living in that house. If they are receiving income from another source besides a wage, then we will look at that. We are going to have to assess a lot of these specific cases because there are so many different circumstances. Thank you.

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

Supplementary to Question 440-14(3): Fuel Rebate Administration

MR. ROLAND: Thank you, Mr. Speaker. The Minister said he wants to keep this a clean set up, but it sounds like with the assessing that needs to be done, whether an individual is on full-time employment but has a top-up from income support or other factors, they might fall between the cracks. Is it realistic that we will meet what the Minister set out for a time line? Thank you.

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

Further Return to Question 440-14(3): Fuel Rebate Administration

HON. JOE HANDLEY: Mr. Speaker, I would not have set the deadline for the end of March if I did not believe it was realistic. I look forward to meeting with the committee, if not this week, early next week and working on this. I have agreed to do that. We will do everything we can to get the cheques to people as soon as possible.

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

Question 441-14(3): Calculation of Household Income

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I too have a question about the fuel rebate. Mr. Speaker, I appreciate the Minister has indicated over and over again that he intends to get the money out to those who need this help as soon as possible. I appreciate that too, and I want to do the same. Except, Mr. Speaker, I do not think the draft guidelines, as they are written, are going to do what he wants it to do.

Mr. Speaker, I just want to talk about one thing here because I do not have time to talk about all the other ones, but with respect to household income, I gave an example in my Member's statement. As it is written now, a one-person household who makes \$70,000 could qualify for either \$150 if they live in an apartment or \$350 if they lived in a house. However, a family of four who may make \$3,000 more, who may be working poor, would not qualify. Am I reading this right, Mr. Speaker?

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

Return to Question 441-14(3): Calculation of Household Income

HON. JOE HANDLEY: Mr. Speaker, Ms. Lee is reading it right. We are looking at total household income by all the people who live in that house. Again, I look forward to discussing this in the committee, but if we start to have one that is based on the number of wage earners, the number of children, the number of dependents and so on in the house, it gets really complicated. So no matter what system we set up, there is going to have to be some cutoff point somewhere. I know that seems unfair to some people who might be just outside of it, but in any programs like this, we have to have cutoff points. I want to make that as fair as possible. Thank you.

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

Supplementary to Question 441-14(3): Calculation of Household Income

MS. LEE: Mr. Speaker, I agree with the Minister, but I really think there is a lot of room for improvement here. Mr. Speaker, the next point is the fact that under this program the way it is written now, the Minister indicated earlier that only the people who pay for the fuel get the rebate. That is not true. The way it is written, people who do not pay for fuel will get this benefit. Is that not true? Does he not see any problem with that, Mr. Speaker?

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

Further Return to Question 441-14(3): Calculation of Household Income

HON. JOE HANDLEY: Mr. Speaker, yes, it is true. Some people who will have experienced rent increases, for example, will be eligible for a rebate. Thank you.

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

Supplementary to Question 441-14(3): Calculation of Household Income

MS. LEE: Mr. Speaker, I believe that is the second item that I will be talking to the Minister about in the meeting. My last point, Mr. Speaker, is there have been questions about the arbitrary deadline of March 31st. I do not understand this deadline because, Mr. Speaker, the fuel price was high last year. It probably will be high six months from now. Why the arbitrary deadline?

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

Further Return to Question 441-14(3): Calculation of Household Income

HON. JOE HANDLEY: Mr. Speaker, if Ms. Lee wants, I can share with her letters that I have received from people who say I need the money now, I cannot wait. I could have said it as...

MR. SPEAKER: We have a point of order. Ms. Lee, your point of order.

Point of Order

MS. LEE: I rise on a point of order on the first instance that I can do this. Mr. Speaker, I believe that my right to represent my constituents and the people who call me and e-mail on this issue has been jeopardized in this House. There is every indication from the Minister that somehow those people who write to him and call him and whatever are so much more valuable than people who call me and convey this idea. I object to the fact that the people who write to him are more important than those who write to me. Thank you.

MR. SPEAKER: Thank you, Ms. Lee. I think the Minister is answering a question. I am not certain as to whether or not any one of the questions is more important. The Minister is attempting to answer the question as seen by the Chair. Mr. Handley, continue your answer.

HON. JOE HANDLEY: Mr. Speaker, I am answering the question of why the arbitrary cutoff, as Ms. Lee asked. I do not know what information she gets. All I am saying is people are saying to me they need assistance now, my circumstances are such that I need to get some help here. There is nothing magical about the March 31st deadline. It is just a time line I have set as being realistic, and one that I can hope to live up to and get some help out to the people who need it.

MR. SPEAKER: Thank you, Minister Handley. I apologize, Ms. Lee. You did not have a point of order. I should have said that. I attempted to, but I cut off my own microphone too soon. Ms. Lee, your supplementary.

MS. LEE: Mr. Speaker, I have a point of privilege.

MR. SPEAKER: Thank you. The Member is claiming point of privilege. Ms. Lee, what is your point of privilege?

Point of Privilege

MS. LEE: Mr. Speaker, I apologize. I should have rose on a point of privilege and not on a point of order. I do not have the rule book with me, but the rule book states that a Member has the right to raise a point of privilege if the Member feels that

anything that happens in the House somehow infringes and interferes with her ability to do her job as an MLA. I really feel very strongly that consistent in this House in replying to my questions that somehow my information is untruthful, unreliable, that I am not listening to the people, that some other Members here have more exclusive rights, more domain or privilege to the info, is objectionable. It is interfering with how I am doing my work.

Not only that, the people in my riding need to be heard, Mr. Speaker. If I keep getting told, "I do not know who she is talking to, I do not know what she is talking about. I am here to help people and she is not." That is a problem, Mr. Speaker. My position as an MLA is in great jeopardy. I believe my privilege as a Member has been jeopardized. I ask for your ruling. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. We have heard your point of privilege. The Chair, at its first opportunity, will review Hansard to see what was said to determine if in fact the honourable Member has a point of privilege.

The Chair will entertain any other comments as to whether the Member's privileges have been violated. Any other comments? To the point of privilege. The honourable Member for Mackenzie Delta, Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Speaker. I rise on the point of privilege on the basis that information the Minister has revealed, where he is receiving letters and what not, it is not a privilege for us to see the same letters he is talking about. On the basis of the information where he is making assumptions or decisions is a privilege to himself and not to all of us as Members in this House, I think that is something we have to realize. We have not seen those letters. We have not had an opportunity to reply to the letters the Minister has received. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. To the point of privilege. Any other comments from Members? The honourable Member for Yellowknife South, Mr. Bell.

MR. BELL: Thank you, Mr. Speaker. I rise to speak in support of Ms. Lee's concerns. I believe she feels the Minister is alluding that somehow it is more effective to call or write a Minister if you want to get something done. Somehow this information is more accurate than anything anybody could tell Regular Members. I agree with her concerns. I believe it is just an arrogant attitude by government. Thank you.

MR. SPEAKER: Thank you, Mr. Bell. To the point of privilege. The honourable Member for Weledeh, Mr. Handley.

HON. JOE HANDLEY: Mr. Speaker, if I am, with my comment, creating a perception that somehow I have better information or whatever, that is not my intention, Mr. Speaker. I realize that all of us receive information. Thank you.

MR. SPEAKER: Thank you. To the point of privilege. Any other comments? There being no further input by Members, I just want to indicate that a point of privilege raised during question period does not stop the clock, so question period is being used up for this. It can be raised at an opportune time. I have heard concerns by the honourable Members and I will reserve judgment here to another point. Ms. Lee, I believe you still had one supplementary question. Ms. Lee.

Supplementary to Question 441-14(3): Calculation of Household Income

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, would the Minister now agree that it is more important to spend the public money wisely than to try to live up to an arbitrary deadline to spend \$1.4 million? Would he not agree, Mr. Speaker? Thank you.

MR. SPEAKER: Thank you. Because of the gap here, I am not sure whether there is the same thread. However, I will allow the Minister to respond to that. The honourable Minister of Finance, Mr. Handley, if you would reply.

Further Return to Question 441-14(3): Calculation of Household Income

HON. JOE HANDLEY: Mr. Speaker, in my view, it is always important to spend money wisely. It is also important to spend it kindly. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. The time for oral questions has expired. The honourable Member for Mackenzie Delta, Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Speaker. I seek unanimous consent to go back to item 6.

MR. SPEAKER: The honourable Member is seeking unanimous consent to return to item 6, oral questions. Are there any nays?

AN HON. MEMBER: Nay.

MR. SPEAKER: We have a nay. Thank you. The honourable Member for Yellowknife Centre, Mr. Ootes.

HON. JAKE OOTES: Thank you, Mr. Speaker. I seek unanimous consent to go back to item 5, recognition of visitors in the gallery.

MR. SPEAKER: The honourable Member is seeking unanimous consent to return to item 5, recognition of visitors in the gallery. Are there any nays? There being no nays, Mr. Ootes.

REVERT TO ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

HON. JAKE OOTES: Thank you, colleagues, for not naying my request. I would like to recognize two people in the gallery today, Mr. Speaker, who are visiting from the Philippines. They are here for approximately three weeks. They have been in Vancouver and in Edmonton visiting with relatives and they are here visiting with relatives, Dambee Fontanilla and her brother, Tony. The people in the gallery today are both graduate engineers. As well, they are serving as ministers for a church in the Philippines. Please help me welcome Nesie and Ver Serrera.

-- Applause

MR. SPEAKER: Thank you, Mr. Ootes, and welcome to the Legislative Assembly of the Northwest Territories, and welcome to the Northwest Territories. Item 5, recognition of visitors in the gallery. The honourable Member for Nunakput, Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I seek unanimous consent to return to item 4, returns to oral questions.

MR. SPEAKER: The honourable Member is seeking unanimous consent to return to item 4, returns to oral questions. Are there any nays? There are no nays. Mr. Steen, you may respond.

REVERT TO ITEM 4: RETURNS TO ORAL QUESTIONS

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

HON. VINCE STEEN: Thank you, Mr. Speaker, and thank you, Members. Mr. Speaker, I have a return to an oral question asked by Mr. Krutko on February 26, 2001, regarding liability for the operation of the water facility in Tsiigehtchic.

In the event that harm was caused by deficiencies in the water system or its operation, any of the above agencies of the GNWT as a whole could be identified in a legal claim. It would then be up to the courts to assess the liability based upon the specific circumstances that gave rise to the claim. Thank you.

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

ITEM 13: TABLING OF DOCUMENTS

Tabled Document 112-14(3): Non-Renewable Resource Development Strategy

HON. JOE HANDLEY: Mr. Speaker, I wish to table the following document entitled A Non-Renewable Resource Development Strategy for the Northwest Territories. Thank you.

MR. SPEAKER: Thank you, Mr. Handley. Tabling of documents. The honourable Member for Nahendeh, Mr. Antoine.

Tabled Document 113-14(3): Reports and Recommendations of the 2000 Judicial Remuneration Commission, February 1, 2001

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, I wish to table the following document entitled The Report and Recommendations of the 2000 Judiciary Remuneration Commission, February 1, 2001. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Antoine. Tabling of documents. The honourable Member for Yellowknife South, Mr. Bell.

Tabled Document 114-14(3): Comparison of Cost of Heating Fuel With Income Thresholds and Living Cost Differentials

MR. BELL: Thank you, Mr. Speaker. I would like to table a comparison of the cost of heating fuel with income thresholds and living cost differentials between Edmonton and the Northwest Territories. I hope you will excuse some of the

comments that say things like, "The program makes no sense and is unfair." Thank you.

MR. SPEAKER: Thank you, Mr. Bell. Item 13, tabling of documents. Item 14, notices of motion. Item 15, notices of motion for the first reading of bills. 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 16; Bill 19; Bill 20; Committee Reports 5-14(3), 6-14(3), 7-14(3), with Mr. Delorey in the chair.

Colleagues, by the authority given the Speaker by Motion 4-14(3), the House is resolved into committee of the whole to sit beyond the time of adjournment until the committee is prepared to report.

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

CHAIRMAN (Mr. Delorey): I would like to call the committee of the whole to order. We have a number of items to discuss in committee of the whole. What is the wish of the committee? Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I would like to recommend that the committee consider Bill 19 and Committee Reports 5, 6 and 7 concurrently, specifically today to consider the budget of the Department of Municipal and Community Affairs. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Dent. We will take a short break and then come back and deal with Municipal and Community Affairs.

-- Break

CHAIRMAN (Mr. Delorey): I will call the committee back to order. Mr. Minister, do you have any opening remarks?

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, I have opening remarks.

CHAIRMAN (Mr. Delorey): Proceed with your opening remarks, Mr. Minister.

HON. ROGER ALLEN: Thank you, Mr. Speaker. I am pleased to speak to you today about the 2001-2002 Main Estimates for Municipal and Community Affairs.

Community governments are important partners with the GNWT in providing effective governance. MACA supports the development and operation of strong and capable community governments. The work we will do in this area will help us to meet the goal of better governance through partnerships identified in Towards a Better Tomorrow.

MACA is requesting \$60.8 million in operating expenses for the 2001-2002 fiscal year. We are also requesting \$4.2 million for capital acquisitions.

Almost 70 percent of the operating expenses that MACA is requesting will go to communities. Just over \$40 million will go directly to community governments in the form of operating grants and other contributions, including:

- Community government funding under the new formula funding proposal;

- Grants-in-lieu of taxes;
- Senior citizens and disabled property tax relief;
- Water and sewer services subsidy;
- Mobile equipment operations; and
- Infrastructure contributions.

An additional \$800,000 will go to community governments and other local organizations to fund community development and capacity building through:

- Fire training funding;
- Recreation funding;
- The community development fund; and
- Regional leadership contributions.

The 2001-2002 Main Estimates reflect the new community government funding proposal. The proposal was developed as a way to distribute available community government funding as fairly and equitably as possible. I have consulted extensively with the NWT Association of Municipalities and community governments on this proposal.

Several community governments will see increases in their funding this year as a result of the funding proposal. No community government will face a reduction in funding this year because of the proposal.

MACA shares the concerns that Members have about community government capacity. During 2001-2002, MACA will continue to take steps to ensure that community governments have the support they need to manage effectively. For instance, we will make arrangements to provide improved engineering advice to community governments.

We are also taking steps to help communities better manage their finances. MACA has introduced a new quarterly financial report that will help community councils better understand their financial position. We have also made arrangements with private northern accounting firms to improve our ability to provide financial management support to community governments.

The School of Community Government continues to help community governments and related organizations access training programs in many areas.

MACA will also work to draft community government legislation during 2001-2002. Existing legislation is outdated and restricts the kinds of decisions that community governments can make. Updated legislation will provide greater flexibility and broader powers and responsibilities to those community governments that want them.

MACA will also need to develop new community government legislation as a result of self-government negotiations. Under the agreement-in-principle with the Dogrib, MACA is required to introduce Dogrib community government legislation. This legislation will include many of the amendments that we are proposing for our other community government legislation.

Thank you for this opportunity to present MACA's proposed main estimates. I will be pleased to answer any questions and respond to your comments now. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. I call on the standing committee responsible for MACA for comments. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chair. The Department of Municipal and Community Affairs is responsible for the development and maintenance of community governments that is responsive to the needs of residents, with sufficient legal authority and resources to carry out community responsibilities, to provide their public programs and services essential to good community life and to deal effectively with other governments and organizations. The department is also responsible for protecting the interests of consumers.

The Standing Committee on Governance and Economic Development met with the Minister of Municipal and Community Affairs and his staff on Monday, January 22, 2001, to review the department's 2001-2002 main estimates.

The committee noted a \$58,000 projected decrease in operations expense from the department's 2001-2004 business plans. Changes from the business plan include:

- a \$562,000 increase in compensation and benefits arising from the recent UNW collective agreement;
- a reduction of \$14,000 in amortization estimates;
- a decrease of \$1,665,000 in Financial Management Board (FMB) approvals representing a transfer to the department's capital expenditure program to pay for solid waste and water system upgrades in various communities;
- a \$437,000 increase to help community governments to offset increased operating expenses caused by the increase in world fuel prices; and
- an increase of \$622,000 transferred from other departments to help pay for increases in compensation and benefits, and other operations.

As mentioned earlier, Mr. Chair, committee members noted a \$1,665,000 increase in the department's capital acquisition plan from the department's 2001-2004 business plan compared to the department's 2001-2002 main estimates to pay for water and sewer upgrades in various communities.

There were no adjustments in the department's revenue projections from their business plan. However, the department's 2001-2004 business plan had already incorporated increases in fees proposed in the government's program and functional review. There was an increase to the land document fees, and a plan review fee was adopted and will be applied to projects in communities where this service is not provided at the community level.

Sports and Recreation

The committee expressed its concerns on sports and recreation to the department, who replied that they are developing a sports and recreation policy framework. Committee members remarked that sports and recreation

organizations are already knowledgeable about related programs, services and funding. The committee is of the opinion that these organizations need more support and especially funding, not more regulatory hurdles. If the funds are not there to operate a facility or run a program, then that facility or program is wasted. The department replied that unfortunately given this government's short to near term fiscal outlook, there is not enough money available to upgrade sports and recreation facilities.

There is concern on the part of some committee members that recreation funding is not allocated equitably between various organizations and communities. Committee members remarked that communities have difficulty procuring funding and support for their sports and recreation programs, while hundreds of thousands of dollars are spent on the Arctic Winter Games. The committee noted that sports and recreation is a concern that has overall territorial implications and referred this issue to the Standing Committee on Accountability and Oversight to ensure it is brought to the attention of all Members. The Minister will provide a briefing on sports and recreation organizations, including Sport North and the Aboriginal Sports Circle, to the Standing Committee on Accountability and Oversight.

The committee submitted further concerns on the Arctic Winter Games (AWG) to the Minister and his department. Committee members pointed out that the Arctic Winter Games do not have a rationale for the removal of sport events at the games. The committee suggested that the cost of attending the AWG and the intent of the Games be revisited. The committee understands that this will be addressed in the department's briefing to the Standing Committee on Accountability and Oversight.

Finally, Mr. Chair, the committee emphasized the importance of sports and recreation and its positive role in the development of youth. The committee urged the department to work with the Department of Education, Culture and Employment to improve the working relationship between physical education departments in the schools and the community recreation coordinators and to ensure improved sports and recreation benefits for our youth. Shortfalls in school sport and recreation programs are taken up by the community recreational coordinator. The extra stress placed upon these coordinators leads to burnout and the eventual loss of some community programs and services.

Volunteerism

The committee suggested that volunteerism must be appropriately recognized as funding for many programs and services are minimal. Committee members added that more training programs must be initiated, supported and made available to volunteers. This will allow volunteers to bring needed skills and experience back to their communities.

Committee members stated that if funding for training is not available for volunteers, then many programs, services and facilities are wasted. The committee emphasized that "volunteerism is more than sports and recreation, it is an area that unites communities."

Community Governance Capacity

Committee members noted that a number of communities are running operating deficits. One explanation may be that these communities do not have sufficient means to raise their own revenues. The committee further added that the current funding formula is too broad-based. Communities must be addressed on an individual basis, acknowledging their unique circumstances and operating requirements. For example, fuel costs have greatly contributed to increased operating costs in the communities. The committee encourages the department to proactively work with communities which may have encountered financial difficulties.

This was also a committee concern in its review of the department's 2001-2004 business plan that if programs, services and facilities are transferred to communities, adequate levels of funding, technical information and support should accompany those additional responsibilities. In some cases, communities did not have access to essential operating information and/or were excluded from decision-making processes that affected them. The committee reiterated that a community should be fully involved in any process that may affect their community and funding levels should realistically reflect higher operating costs such as fuel in smaller and remote communities. The standing committee is aware the department is reviewing and proceeding with proposed legislative changes in this matter and the committee encourages the department to complete these changes in a timely and responsive manner.

Capital Planning Process

In the department's 2001-2002 draft main estimates, infrastructure contributions to communities were included with the department's activity summaries. An overall Government of the Northwest Territories Capital Acquisition Plan is included in a separate section as part of the main estimates package, but infrastructure projects owned by communities are only included as part of infrastructure contributions for the department. Conversely, capital projects owned by the territorial government are exclusively included in the Capital Acquisition Plan section. Previous to the territorial government's implementation of its tangible capital assets accounting protocol, all capital projects were included in one document, categorized by community, department and project. This comprehensive document was known as the Five-Year Capital Plan. Committee members are of the position that all capital projects should be included in one document for greater clarity and transparency.

Extraordinary Funding v. Supplementary Appropriation

During the committee's examination of the department's 2001-2002 main estimates with the Minister and his staff, committee members uncovered an extraordinary fund that had been built into the department's directorate activity. The department rationalized that the funds are there for emergencies and that if there were no emergencies, the funds would be reallocated elsewhere in the department for other programs and services. However, the committee informed the Minister and his department that emergency funds are usually procured through the supplementary appropriation process. Further, such as in the case of Fort McPherson last summer when there was a water treatment crisis, the department replied that it did not have any funding to resolve the situation.

Taxation

Within some general taxation area communities, there are band lands. Band residents living on band lands do not have to pay municipal taxes as the federal government pays a grant-in-lieu of municipal taxes to the GNWT. Committee members point out that a concern occurs when another band member lives off band land in the same community and has to pay their municipal taxes themselves.

The committee encourages the department and the Department of Finance to work with the federal government to find a fair solution to this taxation disparity. Committee members added that this is an ongoing concern and previous committees have also sought resolution on this.

That concludes the report of the Standing Committee on Governance and Economic Development, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Braden. Does the Minister responsible for MACA wish to bring in any witnesses?

HON. ROGER ALLEN: Yes, Mr. Chairman.

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

SOME HON. MEMBERS: Agreed.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. To my immediate left is Mr. Dave Murray, deputy minister of the department. To my immediate right is Ms. Gay Kennedy, director of corporate affairs. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. General comments. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, this department is undergoing some significant work in the area of legislation and community governance. Changes are happening quite rapidly. Formulas and how communities are funded is changing. We have raised a number of concerns in our committee's report on a number of issues, whether it is capital planning or dealing with communities and how they are able to deal with their financial situations.

The big area for me as a Member is to ensure that, with all of this work that is going on and the changes that are going on, the community governments are kept up-to-date and are able to continue with their planning and the processes they will use, so they do not get caught out in the cold, as they say.

When I look at my community of Inuvik, there are a bunch of changes going on there as well, just as a community. The potential growth that can happen in the short term leaves the community a little concerned as to how they can actually deal with it and deal with extraordinary growth in the sense of coming up with the facilities, water and sewer and so on to deal with the potential growth. They are working fairly hard to try to stay on top of it, but it is an area of concern if there is a large influx over the next few years in that community.

There are processes available to them if they find themselves needing and finding that the demand on the resources has

outgrown their capacity. Not only capacity infrastructure-wise, but resources-wise. Right now, there is block funding put in place for the community, but it is based on more historical spending than what it might cost if there is unforeseen growth in that aspect.

With that, I will save the rest of my comments and questions for when we get into detail. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Is it the wish of the committee that we get the Minister to answer each Member or after general comments? At the end?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, I just wanted to make some general comments that will highlight the areas I intend to question as we go through the detail.

The first area I would like to quickly touch on is the whole area of sports and recreation. I know the Minister has spoken to that in the House when questioned by myself yesterday about the need to look at a revamped strategy for sports and recreation, and clearly look at the role of such major events as the Arctic Winter Games, and try to make sure that we focus as much of our attention and resources as possible at the community level.

I will have some questions with regard to the block funding arrangement and questions as to the water and sewer subsidy being left out. Of course, as it pertains specifically to the community I represent, Fort Smith, I will be asking some questions with regard to the water and sewer subsidy just to confirm that the arrangement I heard about has been taken care of.

Finally, I will ask the Minister to speak, either in his response to general comments or when it is appropriate in detail, to the issue that I raised in the House last week. It is very topical and the Minister is in the paper about it. That is the whole area of the municipal insurance issue, the huge rate increases municipalities face and how the department has been working within the NWTAM in the communities to come to grips with this. I do not know if there is any way to do battle with the insurance sector, but very clearly they saw this as a target of opportunity. With Walkerton, they had the perfect leverage to squeeze the municipalities, at least in the Northwest Territories, for a lot more money. So I will just ask the Minister to speak to that issue as well. That concludes my general comments, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Miltenberger. General comments. Does the committee wish to go into detail? Mr. Minister, would you care to respond to the opening general comments?

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, I do and I think it is very important to accept the points the two Members made. I agree that significant work has been occurring as we move along in the evolution of the way of this government. The political environment is changing rapidly. We are trying to keep up to the ever-growing needs of the communities. Our consultation process with them varies as we travel to each community, some to a larger degree than others.

I would just like to make a comment with respect to that. I was in a meeting last week, last Friday at the NWTAM board of directors, I believe they were. I listened to the Premier who stated some objectives under the NWT business and economic prospectus and some of the future potential revenue generation in the Northwest Territories. We look forward to sharing that with the communities, knowing that we do not have all of the fiscal capacity to meet all of the needs, but we do have future revenues that we can at least expand our level of service into those communities.

I would like to acknowledge that we did appear before the AOC yesterday with regard to sport and recreation. We felt we had made a clear and objective presentation to the committee that outlined a number of objectives we are taking in terms of changing the way sport is delivered in the North. We are finding that the requirements and the demands coming for the communities, we are responding accordingly.

In regard to the NWTAM and its problems with insurance and the liability, we are responding very quickly to the letter they had submitted to ourselves, dated February 28th, outlining the situational problems. The need to react to that has been undertaken, so we are meeting that specific agenda item.

As well, Mr. Chairman, there are a number of other good things that are happening at the municipal level. I understand that when it comes to water and sewer programs, I will ask both the deputy minister and the director of corporate services to answer that in detail. Thank you. That summarizes my response to the comments.

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

MR. MCLEOD: Thank you, Mr. Chairman. I wanted to raise some general comments on a couple of issues. The first one being the new lease rates in the communities. It has been brought to my attention by the community of Enterprise, and more so from the community of Fort Providence. The new rates do not seem to reflect fairness and probably are going to be unaffordable to a lot of people.

The properties in Fort Providence, for example, were rated at \$1,700 about four or five years ago. To date, because of the lease only policy, in order to lease these properties now, we are probably looking at 14 times more to lease it than if you were to buy it.

The old rate was \$350 a year. Over a 20-year period, that would have come out to approximately \$7,000. With the new rate of roughly \$2,300 a year from the letters I received from Fort Providence, you are looking at the same property being \$46,000. There is a huge increase in the rates. I think it should be taken into consideration that the assessment, which my understanding is supposed to involve physical visits and consultation with the property owners, has not happened. I am not satisfied that the whole process was done fairly.

Also for consideration, we should be looking at the smaller communities that do not have the services the larger centres have and should not be rolled under the same factors. There is a very great concern that a lot of people may have to move. We do not have high wage earners in the community, for the most part. We do not have the double-income families that most of the communities like Fort Smith and Yellowknife have.

It is becoming increasingly costly to live in the communities. There is a real migration trend to the larger centres as it is, and this is even making it escalate. That is one concern.

My second concern is the new formula financing that has been presented to the communities. From the outset, it looks like it is very good. We are providing funds to the community. Block funding is something the communities have been asking for for many years. However, when you start to look at it very closely and you start looking at the numbers, you see what is not included as part of the block funding. It does not look as pretty as it was initially presented.

For example, in Enterprise, we are looking at a number of things that were not calculated into the formula. Some funding that they used to get under community development, under minor capital, some recreation dollars, and land development planning, those numbers total to roughly \$60,000 a year. You start adding that on a three-year basis over the next three years, that is \$180,000 cut out of the budget automatically.

In the case of Enterprise, and because of the factors that are used to determine the dollars that are allocated to the community, infrastructure is one of the three factors. In the community of Enterprise, they have a weigh scale. A weigh scale that was put in the community without really acknowledging any discussion from the mayor or council. Nobody from the community works at the weigh scale. It really has no connection to the community.

It is the same thing with the highways setup that is located in Enterprise. All of the employees are from Hay River. However, these buildings and this infrastructure were calculated into the formula. It has caused the dollars that are presently allocated, which is about \$250,000, to be reduced annually to roughly \$220,000 over the next three years.

If you add all of the small program dollars that we are getting that we will no longer get, we are looking in the hundreds of thousands of dollars that we are losing. It is a real concern. They no longer can plan for anything constructive over the next while. They will just be trying to hang on to what they have, if they can do that. The services are probably going to diminish. They are already having problems, even with simple things such as snow removal. We start taking away that kind of dollars, we are really going to be seeing them in trouble.

Those things I wanted to raise with the Minister. I am hoping he will respond to those two issues. Thank you.

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

MR. KRUTKO: Thank you, Mr. Chairman. I too have similar concerns as Mr. McLeod, especially in the small communities where people have seen a major increase in regard to their property tax assessments. Also, the overall cost of living has skyrocketed, especially with people with private homes with the high fuel costs. In Aklavik, the cost of fuel is 74 cents per litre.

I think that as a government, we have to relook at how we are allocating funds to a lot of these communities. A lot of these communities do not even have the basic infrastructure or the resources in their communities to upgrade the facilities, the roads and what not that they have in their communities.

For the amount of money we have seen in the budget, it does not really keep up with the cost of inflation or the cost of operating in a lot of these communities. For myself, what I have seen within the communities I represent, they do have a real problem with the new provision for the way the formula is going to be funded. We as a government have to realize the effects on the communities, or a lot of the unforeseen costs associated with running a municipality have to be taken into account. There has to be a mechanism where those situations will be allowed for.

In a lot of communities, we do not have the infrastructure of recreation opportunities. I will use Aklavik, for instance. They have been hounding me for some time to ensure that they get a curling club. They have a curling rink which is old. It has been condemned and it has been shut down. Yet we talk about community wellness and empowering communities and giving communities the abilities to make decisions. It seems like for them to look at capital allocation, it is still being dictated by headquarters to the Inuvik office where they are limited on what capital they can really allocate in the communities. When it comes to prioritizing those capital items, they have to wait for these items to be constructed or built, because over the last four years, a lot of capital items have been cut out. It has been moved out into the budget. For many of these communities, the little things we take for granted like recreation facilities, we have to try to put more emphasis on that. I feel the government has to do more in that area.

Also with regard to the government's responsibility with the whole water quality argument and issue, this government has to find a means to ensure the health and well-being of the communities are taken into account. We have to have a better system in place of monitoring and ensuring we are meeting standards, but also have the accounting system in place so we can see what the tests are showing. Are we above or below the Canadian national standards? How much are we over? How long has it been? Has it fluctuated?

In the case of Fort McPherson, the THM levels are still 100 percent over the Canadian standard, yet the response I receive from the Minister clearly states that we are within Canadian standards. Without the data and information to back that up, it is really hard to track.

The whole question has come up about the liability of municipalities. I think a lot of communities and municipalities will have second thoughts, realizing that if any major incidents happen where you see major lawsuits being filed, I think a lot of people who run for council or even run the municipalities will really want to know, at the end of it all, am I liable for something that may have happened to a previous councillor, a previous government initiative?

I think that has to be clearly looked at, realizing that the liability of a lot of our infrastructure and water treatment facilities or even our sewage lagoons in our communities, will be the responsibility of the municipalities if they take these over. If they do take it over, do they have a long-term assurance from the government that it will be an asset on the government's books? That the government will be responsible to take on that liability in the long term? I feel that is a question now being asked by many municipalities regarding how they are going to handle the overall infrastructure in their communities. Do they even want to take them over? That has to be looked at.

The other area is the overall seniors' disability property tax relief program. I mentioned in the House this morning that I got a call from an 80-year-old lady who has her own home. She has been living in that home for quite some time and yet today she is still paying her property taxes. We have a program that is there to assist people. We should do everything in our power to reach out to those people and have somebody go from the hamlet office to that elder's home to explain to her the rebate is there and offer assistance to fill it out. There is no need for that.

The concern I have is how long has she been paying and what is her chance of getting back the fund that she has paid over the years, which will add up to quite a few dollars, especially if you are a pensioner and a widow. You need those resources to get you through for the next number of years. This government has to do more to ensure there is coordination between the departments who deliver programs for residents. I do not feel comfortable when a Minister says that is not my responsibility, this is my responsibility and anything outside of that responsibility, I do not have a say or I am not involved in that.

We as a government are involved in the day-to-day lives of the residents of the Northwest Territories. We should not take that view that just because that is my mandate, I am not going to work in conjunction with my other colleagues to formulate a system so that we can streamline these programs and services so it is more cost-effective. We have a fuel subsidy. We have a property tax subsidy. We have income support programs. We have all these different programs out there, but there is no real means of formulating it because the administration costs of running each of these programs separately is pretty high. Is there some way of streamlining or some kind of application process where if you get the fuel subsidy, automatically you are guaranteed the property assessment relief fund? It's automatic. It just kicks in. As soon as you apply on one of the two programs, it will automatically kick in to some sort of computer system and give you that rebate. You do not have to run over here and get an application and run over there to get another application. There would be an application that you fill out through the rebate form and submit it with your application. Elders do not like to be put in debt. They do not like to have a bill that is outstanding. I would like to get some answers on my questions from the Minister. Thank you.

MR. CHAIRMAN: Thank you, Mr. Krutko. Mr. Minister, would you like to respond to the last two general comments? Mr. Minister.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I will go in reverse order because what Mr. Krutko is speaking of is freshest in my memory and I do agree.

We are not trying to evade our responsibility to the seniors, but I think the principle of harmonization, and speaking to the point the Members raised, we do have a combined responsibility to address all the key issues. It is just a matter of developing a greater coordination role between the respective Ministers and also of government. Certainly we are working towards that happy medium.

Just to point out the fact that in respect of the 80-year-old resident of Fort McPherson, she should not have had to pay any taxes. We will correct that rather quickly here. Also, there are a number of points that were raised by the two Members.

With respect to formula financing, we alluded to the fact that there was a presentation made by the NWTAM on the business and economic prospectus for the Northwest Territories by this Assembly, which we are all part of. I think what we are trying to develop with the communities is we will suffer through what I feel will be a recessionary period. If we do get more resources, then we can perhaps get more money into the communities. Until then, our presentation here today will really exemplify the limited amount of money we do have to work with.

The formula financing proposal is entrenched and the dollar value will remain the same for this year. It will allow us another full year to find other alternatives. It is going to be a difficult task. We know that it is one task that we will be working with all the communities in trying to find a more equitable way of dealing with it. Again, the principles that guided us to this were that communities wanted to be more flexible and have more independence on how they make those decisions. The department has, in the past, said there were 56 different factors. Now that is reduced to three based on population, community infrastructure indicators and the northern cost index. So it simplified that, although we know several communities are not happy. Also, we heard from the NWTAM that they wanted to have input into further discussions, which we had said that we would.

I am going to continue on, Mr. Speaker, to speak to the general comments and allow Mr. Murray to speak to specific technical detail as it was raised. Again, I just want to assure the Members that we have and we will continue to work. As I expressed in my opening comments, we will take the necessary steps to ensure that the community governments will have all the tools they need to manage themselves effectively. We have proven this. In Fort Simpson, we have gone in to help them work out details of how they could do municipal planning, talk about some of their deficit problems and how we can help them out in understanding and reaching a better financial position. Likewise, we have done that for Fort Rae.

We deal with every community on an individual basis. We have directed the staff to work very, very closely with the municipalities who are experiencing deficit problems. Some of them may have planning problems. Others who may have engineering problems. Every community has a different philosophy and a different psychology and it's our intention to make sure each one has the ability to come away from those problems with some surety the department has been involved in helping them out. It further goes to say we have done the same with water problems in Fort McPherson.

I think that pretty well sums up what I am hearing from the Members, other than perhaps certification of water treatment operators. That is a joint effort between Public Works and Services and ourselves, including Health and Social Services, who guides us through the national profile. I will ask my colleagues to speak more to the technical details and also on the legislation that drives us. I think I pretty well captured it all, except in terms of Mr. McLeod's question on lease rates and his opinions. I will ask Mr. Murray to respond to that particular part of the question.

MR. CHAIRMAN (Mr. Krutko): The deputy minister, Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. In terms of lease rates in both Enterprise and the Fort Providence situation, we

will be sending people into the community to get into the details and find out what the issue is. This is one that was fairly newly raised with us. I just learned about it at the end of last week. So we will send our people in and work with the community to resolve it. Just to point out, one of the reasons we left the money with no reductions going into place this year is so these kinds of unique situations could be dealt with one-on-one. Thank you.

MR. CHAIRMAN: General comments? Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. Just a couple of points I would like to touch on in general comments. One of them is regarding the changes the department is making to block funding. I would like to commend the department for finally looking at this and making some changes. As you know, Hay River has been talking about the fact that they were underfunded in the block funding formula for a long time. Finally, the department has looked at that and recognized the fact that they have been underfunded.

The only problem I have, to some extent, is the fact that they will not be brought up to speed as what they now see as the fair formula amount. Hay River will still have to wait some three years before they get brought up to that full amount. Hay River is in a situation where they have limited funding in some cases, because of the block funding, to have extra money to put into their sporting facilities or any capital projects that the town wants to put money into. I am sure they are happy to see these increases in the block funding come into effect fairly quickly.

With this latest announcement that Mr. Miltenberger has touched on, and it has been on the radio, with the increasing insurance premiums. Just when something looks favourable, they get hit. I think Hay River is estimating that it is going to be something like a 74 percent increase in their insurance premium to the municipality. Why is this happening now?

One of the things that was pointed out is that the insurance premiums on their vehicles is going up at the same rate as anything to do with water and sewer. The insurance companies are riding on the issues that are coming out of the water deal in saying this is why they want to put the insurance premiums up, but why is it hitting every different spectrum if it has to do with water? Those are some questions they had that they would want to look at. I am hoping the department will be working with the municipalities. Hay River brought up the same point that Mr. Miltenberger brought up as far as what happens if the insurance premiums are going up so high that the municipalities are going to be looking elsewhere? They are just being priced out of the market. That should be a major concern to the department as well. I am hoping they will look into those areas.

There is still an ongoing concern with the town of Hay River as far as lands and taxes and leased lands within the municipality and how that is all being worked out with the Department of MACA and different land claim groups. That is an area they are very willing to work on, but departments have to come together and different land claim groups have to come together and put some closure on this and get some definite answers, so the town administration has more capable ways of going ahead and developing a municipality.

Those are some of the areas I wanted to touch on in general comments. I probably will have more questions coming into

detail, but I will just stop at that and maybe get some comments back from the Minister. Thank you, Mr. Chairman.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. I would like to touch on the insurance issue at the moment. The government has acknowledged that there is certainly an increase in insurance costs. We will be dealing with that rather quickly. I stated that earlier this morning. We understand there is a wide range of problems with that. This is the first that I heard it involves vehicles as well. Again, both our department and the NWTAM will be exploring options in the very near future to try to determine longer solutions. We certainly do not want this to occur every so often and catch us off guard.

The questions with respect to Hay River, working alongside the Member, I have been in consultation with the farmers' association trying to see if we can secure more lands for them. I think that was one of the key issues raised at their annual general meeting in the fall. We are still working with the stakeholders, including this government, trying to find a quick solution. I believe that will take more time as we work with the land claim groups.

The question of block funding, I raised the point earlier that we are trying to work within our fiscal means. It is going to be a tough road to hoe for a while, but I think there are other options, as I said in my opening remarks, where we could lend assistance to the communities where there may be shortfalls in terms of engineering advice or financial advice. In terms of sports and recreation, we will probably talk about it in more detail, perhaps about the funding part of it.

I think, Mr. Chairman, that I have captured all of the essence of the concerns of the Members, unless I may ask Mr. Murray or Ms. Kennedy if they want to add more to the summary. Thank you.

CHAIRMAN (Mr. Krutko): The deputy minister, Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. The only comment I would want to add deals with the issue of farmland in Hay River and the work that we are doing with RWED. We want to work with the community to ensure there is a system in place whereby not only the land is available, but that the taxation rates are appropriate and those kinds of issues are addressed as well. We need to work through the community to deal with those issues.

On the issue of sorting out the lands issues with the various groups, we have been actively involved with that and we will continue to be working with the community on that issue as well.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Murray. At this time I would like to recognize Ron Graf who works for renewable resources. He is also the husband of Laurell Graf, who works here at the Legislative Assembly. Also with them is Kevin O'Keefe, who is a teacher from Aklavik. He is here participating in the Northwest Territories badminton championships. Welcome.

-- Applause

General comments.

SOME HON. MEMBERS: Detail.

CHAIRMAN (Mr. Krutko): We are on page 4-9, directorate, budget summary, operations expense, total operations expense, \$3,925,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Directorate, grants and contributions, grants, total grants, \$469,000. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. I wonder if the Minister or his staff could inform me as to the work that is going on to ensure that communities can meet their financial targets with the changes that are going on with the formula they are adapting, and addressing shortfalls. What work is actually going on at this time? Thank you.

CHAIRMAN (Mr. Krutko): The deputy minister, Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. We are working with RWED and the other departments and are involved in putting together the strategy to deal with rapid growth that could be happening across the Territories, based on pipelines and other developments, and the new testing that is going on.

In addition, we have available monies and technical expertise within the department to work with the community government to develop its plan as to how to accommodate that growth in the long run. Part of the problem for us is knowing the extent of that growth ahead, just as that is an issue for the community government.

We are quite prepared to sit down, not only with our technical staff, but also if consulting help is needed in a technical kind of way, then we are prepared to sit down with the community on that as well. Thank you.

CHAIRMAN (Mr. Krutko): Directorate, grants and contributions, grants, total grants, \$469,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Total grants and contributions, \$469,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Community financial services, budget summary, operations expense, total operations expense, \$1,648,000. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I wonder if the Minister could indicate just the general overall view of the financial health of the communities. There has been a lot of discussion in the House about boards and the problems they are having with deficits. One of the examples that has been held up is the communities that seem to be running quite well, especially some of the larger ones that I am aware of, in places like Fort Providence, which probably has one of the best SAOs in the Northwest Territories. I wonder if the Minister could give us a sense of are they operating in the red or the black in terms of the financial health of the communities? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I will ask the deputy minister to give you an overall review of the positions of the municipalities across the Territories. Thank you.

CHAIRMAN (Mr. Krutko): The deputy minister, Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. At the present time, we have four community governments that are reporting an accumulated overall deficit. We are working closely, almost on a one-on-one basis, with each one of those communities to assist them in developing the planning and the controls, including the training of SAOs and whatever that takes to work with those communities to get them out of their deficits.

In addition, there are six other communities that are potentially heading towards deficits in the future, if current trends continue. This past year we instituted a trends monitoring report that we can provide to the communities that will allow the councils and the SAOs to realize, before the auditors come in after the end of a year, that problems may be on the horizon.

For instance, the six that are heading towards difficulties, we might not have even known about their difficulties in some cases until three or four months from now when the audits came out. Now we are able to work with those communities today and try and help them come up with plans that will allow them to recover and get out of their potential deficit situations. Thank you.

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

MR. MILTENBERGER: Thank you, Mr. Chairman. Could the Minister indicate for tax-based versus non-tax-based, how the financial health looks? I was not quite sure if he did that when he gave the numbers. I know there are audited statements done every year. How are the larger communities doing as well, or was that included in the numbers? Thank you.

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

MR. MURRAY: Thank you, Mr. Chairman. Yes, that includes tax-based and non-tax-based in those totals. I believe there is one tax-based that is in that situation and none of the tax-based in the ones that may be heading for trouble.

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

MR. MCLEOD: Thank you, Mr. Chairman. I would like to ask the Minister a question regarding the formula financing. I wanted to know if he could tell me how many communities have responded to this formula, and if they have, how many of them have expressed concern over how it will affect them over the next while?

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

HON. ROGER ALLEN: I would just like to make a general response back to the Member. We have been to approximately 28 of the 32 communities in the Territories. I am aware of two communities that objected to the proposal. Those were Enterprise and Aklavik, who had stated they were concerned about the reduction in their funding. The Member is asking for

specific numbers, so I will now turn the microphone over to Mr. Murray, the deputy minister.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. We are in the process now of putting a report together for all of the communities on that consultation process that has been going on for basically the last six months. Again, because the funding levels have not changed in the current year from what they were getting in the previous year, we will be coming out within the next month or so with that consultation report. That will allow us to know which communities we need to make changes or address specific problems with. So today, I could not tell you ten for and 20 against.

Generally speaking, in total dollars, more communities were going up than down, but that does not mean there are not problems.

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

MR. MCLEOD: My main concern has been, and I have heard it from other communities such as Kakisa, but my main concern is because Enterprise is going to take such a huge cut in their budgets over the next three years, I think the estimation was over \$200,000 will be reduced, when you start calculating the minor capital, recreation and all these other things along with what their budget is going to be reduced by. I agree, the funding in that area is going to be small, but you have to factor in other dollars that they were getting that they will no longer receive.

Would the Minister be able to assure me that he will be monitoring at least the community of Enterprise? I can see them come upon real hard times. I want to be assured that there will be some safeguards in there.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. I would just like to go back on the record, when we did meet with the community of Enterprise, we did say that we will assist in monitoring the situation. We understand their concern and it was well taken. I also reassured the settlement council as late as last Friday that we will consult through the NWTAM to keep them informed of all transactions occurring as we move forward in this proposal. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. Page 4-13, community financial services, budget summary, operations expense, total operations expense, \$1,648,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Page 4-15, community financial services, grants and contributions, contributions, total contributions, \$500,000. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Just in the area of contributions and infrastructure contributions, to be specific, unallocated tax-based, cost-shared water sewer projects, \$250,000. It is a new item. Can we get some information on that, please?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. Yes, the reason that money is still unallocated is because we had not heard in from all of the tax-based communities at the time we had to submit the budget whether or not they will definitely need any money for water and sewer. Some communities did come in. I believe we have Hay River, Yellowknife and Fort Simpson that we have definitely received submissions from. This money is still being held and will be used for that purpose. We still, as I recall, have not heard in from all of the communities. It is meant for water and sewer to be cost-shared with the tax-based communities on a 50/50 basis. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Murray. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Are there any emergency funds held by the department? For example, if a community finds out during the year that they have had a section of their utilidors or water sewer pipes fail, is there anything there for communities to tap into? Especially the tax-based municipality, is it going into a debt sort of thing? Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. Potentially, this would be a source as well. This was discussed at length at committee review. We had attempted to have some funding for these kinds of extraordinary situations that arise. Yes, there would be some. If that happens, we may have to go and seek additional assistance from FMB or Cabinet. It depends on the situation and the magnitude on whether or not we could absorb it and assist the community or not.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Murray. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. On the cost-shared basis, you mentioned on a 50/50 basis. Is that standard for all water sewer projects in the community? Is it cost-shared by the community and the department 50/50?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. No, that is just the tax-based communities. In the non-taxed base, by and large it is 100 percent GNWT.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Murray. Page 4-15, community financial services, grants and contributions, contributions, total contributions, \$500,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Total grants and contributions, \$500,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Page 4-17, emergency services, budget summary, operations expense, total operations expense, \$722,000. Mr. McLeod.

MR. MCLEOD: I want to ask a quick question on the search and rescue aspect. I want to know if that is something that is targeted for each community or at least for somewhere in each of the regions. Is there a desire to do that? Is that something that is done? I am not sure how the search and rescue training and the setup of the search and rescue operations operate.

I know in Hay River, for instance, it is a volunteer, kind of stand-alone operation. I do not see it happening in the other regions. I was just wondering if you could just quickly tell me what the process is to set them up. Is it just done by request from the community?

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

MR. MURRAY: Thank you, Mr. Chairman. In terms of search and rescue, there is quite an elaborate structure set up that involves the communities, the RCMP, and the military, depending on the type of search. If you are talking about ground search and rescue, the RCMP actually has primary responsibility in that area. They take responsibility for managing those kinds of public searches. There is also something called a community-organized search, where they may not want to wait until the RCMP officially declares someone as being missing. They start the search on their own. We provide training for those community organizations, primarily through the regions. That in some cases is by request. It is usually by community, but it can be done at the regional centre and people come in.

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

MR. MCLEOD: The reason I ask is because it is my understanding that the RCMP only have about a \$500 -- I believe it is \$500 -- gas budget and that is all that is available. I am not sure. I live in the smaller communities. I do not see any organized setup, any plans available to the community. I realize there is money available for assistance through the department, but that has to be applied for. It seems like the searches, whenever someone drowns or someone is lost, will get going. As soon as the RCMP budget is gone, the search has to stop until we can find some more money to continue the search. Can the Minister tell me what is available in terms of dollars for the communities to assist the communities in search and rescue?

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

MR. MURRAY: Thank you, Mr. Chairman. Under the present program, the government's policy is up to \$1,000 per search to be used for things like the extra cost of the fuel and things like that. There have not been a lot of complaints about that, whether it has been high or low. If it needs to be looked at, that certainly can be looked at. The amount, that is.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Murray. Mr. Murray.

MR. MURRAY: Sorry, I just wanted to make it clear that the \$1,000 is provided to the community government and then they would reimburse whoever was involved in that particular search and rescue exercise.

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

MR. MCLEOD: Thank you, Mr. Chairman. When the deputy minister mentioned the program, I was expecting a lot of things, but I guess we will have to settle for \$1,000. I still have a concern regarding the \$1,000. I have experienced it through my term in the community politics in that the communities are very hesitant to go ahead and spend their money without getting confirmation from the department that they will be receiving the \$1,000 from MACA.

What is the turnaround from the time that they are contacted? Does there have to be an official meeting in the community with all of the formalities that come with it, and then the documentation is forwarded to Yellowknife before there is a commitment on this \$1,000?

If there is an accident on the weekend, some of the communities are reluctant to spend dollars before they get confirmation from the department. What happens then? Is there any comfort that the communities can have that they will be reimbursed?

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

MR. MURRAY: Thank you, Mr. Chairman. My understanding is what happens is the community goes out and does their search. When they come back, they submit their extra fuel bills and get reimbursed. Since I have been deputy in the last year, no one has come and asked for their \$1,000 up front before they went looking for a missing person who was out on the land.

To my knowledge, the \$1,000 is more of an issue after the fact, after the search has started as opposed to being an upfront issue of whether or not they start the search or do not start the search.

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

MR. MCLEOD: I do not know if I agree with those comments. As a former mayor, I know that some searches have been cut short because they could not get confirmation that they would receive the money if it happened on the weekend. Would the Minister then commit to writing a letter to the communities and let them know exactly what the deputy minister has just stated here? I think we need to be reassured that they can go ahead and search for someone who has been lost.

If someone was missing for six or seven hours, does that qualify? I do not know if there are any standards there. I think there needs to be something in place that the communities can count on. I know \$1,000 is not a lot of money. A couple of hours in a plane or helicopter would gobble that up. At the rate that our communities are being cut, I think they want to be comfortable that if they are going to go ahead and spend money, they will be reimbursed.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. It is certainly important. I have experienced that myself as a previous hunter. Yes, we will provide some direction to staff to set up some

procedural guidelines and we will work with the communities to establish that.

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

MR. BRADEN: Thank you, Mr. Chairman. Mr. Chairman, under the area of emergency services, the proposed budget suggests a drop of about 25 percent in funding programs, from \$993,000 to \$722,000. I am wondering if the Minister or the department could give us a bit more detail on what is going on here with the delivery of emergency services to the communities. Thank you.

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

MR. MURRAY: Thank you, Mr. Chairman. Part of this is reduction of the one position within the shop. As well, there is a reduction in travel for the staff at headquarters. What we are intending to do is allow for and have a higher range of involvement of our regional staff in this program, instead of having a lot of this work run out of Yellowknife. We want to have the regional offices and regional staff involved in that.

I might also add that there is a program called the Joint Emergency Preparedness Program, which is a federally funded program that usually comes to us during the year. What happens is that gets voted on as a supp and gets spent later on. It ends up actually coming into our budget as a Vote 1 item. That cannot show up in here until I actually get an agreement from the federal government.

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

MR. BRADEN: Thank you, Mr. Chairman, for that explanation. I guess another way to put it would be are communities, at the end of the day, going to see any reduction or any impact in the level of service they get in the area of emergencies because of these cuts? Thank you.

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

MR. MURRAY: Thank you, Mr. Chairman. It is certainly our plan that the actual level of service will increase, mainly with regional field staff having the ability, because they are in the communities more often than people out of Yellowknife can get into those communities. They can provide the training and the kinds of information that Mr. McLeod was asking about. I was not aware there was a problem in Fort Providence. By getting that information out through our field people, then we can get that into the communities faster and I think, hopefully, improve the level of service. That is certainly the intent.

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

MR. BRADEN: Thank you. One more question in this area. While devolving services to communities is absolutely the right thing to do, in that transition we have to make sure that the resources, the dollars and the capacity is there so that we are not seeing a reduction in the calibre of service in that transfer, even at headquarters. The terrible headquarters still needs to have some resources to coordinate, to pull all of these things

together, to be able to report and account for the quality and the value of the calibre of services that are delivered.

My question then is, as things are being devolved, a position has been taken out of headquarters, that is great. Are we still seeing some kind of an overall coordinating capacity within the overall system? Thank you.

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

MR. MURRAY: Thank you, Mr. Chairman. Yes, there will still be a position from a program management responsibility for both emergency measures as well as coordinating regional activities in search and rescue. What I want to see happen though is the training elements that were being done at headquarters no longer being done out of headquarters. Those should be done and coordinated through the regional offices. The program itself, the planning and that sort of strategic thinking you need to go on programs should be happening out of Yellowknife. The delivery happens out in the field. That is the intent.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Murray. We are on page 4-17, emergency service, budget summary, operations expense, total operations expense, \$722,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Page 4-19, emergency service, grants and contributions, grants, total grants, \$50,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Total grants and contributions, \$50,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Page 4-21, community governance, budget summary, operations expense, total operations expense, \$656,000. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In the area of community governance, in light of the water problems they have had in Fort McPherson, they have had a lot of cost overruns. I am trying to find assistance, especially professional assistance, that this government has in-house. This government has to do more to assist wherever possible, knowing we have resources and people in the department. How accessible are these positions and how often do they go in to assist communities?

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. Mr. Chairman, as I alluded to in my statement, we are providing the field staff to be in the communities as readily as they can to help them manage themselves effectively. It is our intention, as the deputy minister stated earlier, to make sure we respond as quickly as we can to the communities' needs. Some may be more critical than others, but the general intent is to make sure we have our expertise at hand for those communities so they may rectify any problems they encounter. Thank you.

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

MR. KRUTKO: Thank you, Mr. Chairman. When you talk about self-government and these other land claim agreements, in order for communities to develop the capacity to take things on, we have to ensure that we have the systems in place that can assist them and also allow them to grow and take on more responsibility, and as you get more people in there, work them and promote them into the system. Where I see a real problem with the governments in the communities is we have a high turnover at the high levels of the program, where you have financial officers, SAOs and what not. It has a major effect on communities' abilities to govern themselves and for them to not have financial difficulties. I bet 90 percent of the problems you see with municipalities on the financial side has to do with the lack of human resources to make sure the financial books are being accounted and that the SAOs are there to carry out those responsibilities.

I think it is important that this government continues to work with communities to make sure they are able to eventually govern themselves without having to depend on bringing resource people in from the south or elsewhere to fill these positions. What are they doing to improve the human aspect of municipalities, human resources?

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. Mr. Chairman, I am very pleased that the Member has asked this question. We do have the School of Community Government that is not only supported by MACA, but a number of other agencies of this government. The Housing Corporation is another contributor to that program, as well as Indian and Northern Affairs. Within that, we do have an SAO training component that is designed to help municipalities better manage themselves. If all else fails, we do provide financial management support to those community governments to help them bridge many of those gaps. Also, I think it is important that we take an educational approach to those and help those communities overcome those difficulties. Thank you, Mr. Chairman.

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

MR. NITAH: Thank you, Mr. Chairman. On the same line of thinking, the department is providing funding and support for SAO training. There is a problem. The people under SAOs, the clerks, the clerical staff, they need training as well, but there is no funding available from this government through this department for them. SAOs who are trained do the job often get burned out because the responsibility placed on their shoulders is extreme. Couple that with a lack of professional support by other staff, that is putting a strain on them and resulting in high turnover rates.

I questioned the Minister of Education, Culture and Employment on the possibility of having civil servants working for band councils, municipal councils, et cetera, for them to participate in public service training. He seemed to have a difficult time with it. I would like to ask the Minister if he would work with the Minister of Education, Culture and Employment or whatever other departments to see if this can be done?

The civil service training seems to be working. There is no need to reinvent the wheel to come up with training programs working for municipal or band councils or Metis councils, but these people should be allowed to take training as well. I would just like to hear the thoughts of the Minister on that. Thank you, Mr. Chairman.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. Mr. Chairman, as we said, with good intentions, the School of Community Government is trying to address all of those training needs. If there is a need to develop further skills in the administration field, I am sure that is one of the areas we will concentrate on. The important thing now is to develop an educational process that the people who are lacking certain skills at the community level have the opportunity to participate in and upgrade those skills.

Yes, from a government perspective, we do have the Cabinet social committee that looks at overall training needs and also funding levels needed to supplement that. I am sure that as we need to continue to communicate between ourselves, we will address that fairly quickly. Thank you, Mr. Chairman.

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

MR. NITAH: Thank you, Mr. Chairman. It is great to hear the department's going to address this area of concern as soon as possible. The other area of concern is with opportunities coming up in the North with the private industry, big industry that pays big dollars. It is becoming harder and harder for municipalities and communities to keep employees. The salaries that are paid to these individuals are very low compared to other areas of profession in the Northwest Territories. What is the department doing to address this very basic problem that this government depends on the civil servants at the community level in delivering programs and services on behalf of the government? Thank you.

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

HON. ROGER ALLEN: Mr. Chairman, that is a good ethical question. In terms of the municipalities themselves, they do govern themselves in terms of setting salary rates under the employment bylaws. We do not interfere with that level of detail. Primarily, we do fund the communities sufficiently to pay their staff equally as well. From my own experience, the municipalities cannot compete with private industry or the private sector because of the salary ranges, but we are trying to make sure the pay levels are compatible. Thank you.

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

MR. NITAH: Are the pay levels compatible today? Thank you, Mr. Chairman.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. I apologize for...(inaudible)...but because it is rather early, it has been a rather contentious issue by the Member, but we will do some analysis on the pay scale to see if they are compatible. If not, we will report back to the Member. Thank you.

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

MR. NITAH: Thank you, Mr. Chairman. All the Minister has to do is ask me a question. I will give him the answer right now. It is not compatible. Let us see what we can do about that, Mr. Chairman. Thank you very much.

CHAIRMAN (Mr. Delorey): We are on page 4-21, community governance, budget summary, operations expense, total operations expense, \$656,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Page 4-25, lands administration, budget summary. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. In the area of lands administration, we know this is another area that has undergone some work and is still in the process of undergoing work trying to clear up the lands issue. I know that in communities where there are negotiations, there has been a land freeze, in a sense, of land in municipal boundaries being sold or titles being given out on.

In my community, the claims have been settled. There is work going on. Now that there is development as well, there is interest in land and picking up land. I would like to know from the Minister's department, what is the process in tax-based communities where land claims are settled? What is the process for land turning over to community governments? Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Mr. Minister.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I will just make some general comments in regard to the question, then I will turn it over to Mr. Murray for more on the technical detail. In Inuvik specifically, we have at least entertained the specific process with the municipality, the Gwich'in and the Inuvialuit, although we have received a letter back from the Inuvialuit that they were not interested.

I will speak to Inuvik specifically because I am the other half of the representation of Inuvik. What we had heard originally was that yes, there is a high demand for land in Inuvik. We are trying to resolve that rather quickly by using two processes. One is we can wait until the self-government agreement has been finalized, or else we can work with the individual entity where they may want to access affordable community lands, talking specifically about Commissioner's land.

We have entertained that idea as early as December 5th. It is an ongoing process. We are basically working with one group in isolation of the other, simply because it is a choice of acquiring lands that are needed desperately for the significant growth and the demand on municipal lands in that specific municipality. In terms of process, I will ask Mr. Murray to enlighten the Member further on how the process is developed. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. The department does have a lands policy whereby claims are settled, lands can be transferred to communities. I think the process we are working on through the regional office at the present time is attempting to, if you will, get a head start on the implementation

plan that is upcoming with the Beaufort Delta self-government agreement. In fact, in those discussions that have been going on in the community, we have been including representatives of the Beaufort Delta negotiating group to make sure that we are not getting out ahead of that process, if you will. What we are trying to do is develop an inclusionary process that allows all those agencies and groups in the community to participate.

Beyond that, there is a process whereby if a third party, private sector individual is applying for land, those applications are received either by ourselves or by the town. There is a consultation process. There is a process of sale to the town and then it goes on from there.

What we are hoping to do is quickly have the community resolve, come to some kind of understanding as to how they would like to see land administered, and then proceed on with the transfers from there. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Murray. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. As I stated originally when I opened this question, in Inuvik and the region as well, the self-government process is complete. Land claims are signed and settled. There was land exchanged during that process as well. I guess following up, I understand that there is an implementation plan that involves the Beaufort Delta Interim Regional Council. Is that part of the process? The deputy minister stated that there is work in that area. He mentioned the Beaufort Delta Regional Council and the Beaufort Delta self-government process.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Mr. Minister.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Mr. Chairman, I will turn this question over to the deputy minister for a response. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. It is my understanding that if and when after AIP approval for the Beaufort Delta self-government, then there will be a process on a community-by-community basis, as these new governments are formed, of land being turned over to the communities. Those chapters may not even be finalized yet. That is one of the reasons we are including someone from the negotiating office to be there so he can keep us apprised as to where this is heading in terms of the self-government agreement. We do not want to get ourselves ahead of that. We want to be consistent with that. If we wait another year, we may not have enough time to do this process properly.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Murray. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Correct me if I am wrong here. There is a process, but you are also working with the Beaufort Delta self-government table to keep you in line, as I understand from what you have stated. As Beaufort Delta self-government moves ahead and agreements are signed and in place, then at that time there will be further development of the lands, the lands either going to municipal governments or

to the community or united council in some communities, as they will be termed. Is that what I am hearing?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Mr. Minister.

HON. ROGER ALLEN: Mr. Chairman, just to recollect from my own experience in this whole issue, I believe there are a number of processes out there. I am specifically going to speak to the self-government one. In our meeting, Mr. Bob Simpson, who is the negotiator for the Mackenzie Delta-Beaufort, had given us some direction of where we should be looking in terms of the overall process. Also involved in that meeting was the mayor, the Gwich'in Council, and the Inuvik Community Corporation. I think we had tried to establish a process that would take into consideration all of the participants' interest in the land issue. It is very difficult to try to come to a conclusion without having a bit of, I would say for better use of a word, a misunderstanding of how we were going to reach an ultimate goal. The intention was to get everybody involved, work out some mechanisms among themselves as to how they want to achieve, again the words used were, "access to some affordable lands in the municipality". Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. The one thing different about Inuvik compared to the Beaufort Delta region is that Inuvik is the only tax-based community within the region. As they are developing these processes and working together in a sense, has it been taken into consideration that as a tax-based municipality right now in the region, residents of the community pay land taxes much higher than in other communities? Has that been taken into consideration, because the Beaufort Delta is a regional concept right now? Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Mr. Minister.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I do not think the question is with regard to being a land tax-based municipality. I think it was regarding access to more municipal lands. I do not believe in our discussions anywhere where taxation was an issue with the proponents to the overall discussion.

The key questions that we came away with from the meeting was that the Gwich'in wanted access to affordable lands. They were saying that they were not willing to pay high costs for it, Commissioner's lands that are administered through the municipalities. I think that was the essence of the question. Thank you.

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

MR. MCLEOD: Thank you, Mr. Chairman. I wanted to go back to my comments on the general statement regarding land and the problems it is causing in some of the communities that I represent. In most of the communities I represent, we have high unemployment. We have seen the land leases probably jump tenfold. There is a real concern.

Prior to the increase in land leases, we already had a real high percentage of people who were in arrears and facing the

possibility of eviction. I think some people had received notice that their wages would be garnisheed. There was also the aboriginal view that many of these people should not be paying taxes. There had been some direction provided by chiefs in the past that they were not going to pay taxes and they did not want any of their members to pay taxes.

I think this problem is being compounded and we have not done anything about it up until now. With this increase in land leases, we are really placing undue hardship on all of the residents in a lot of the communities in the North.

I am not only speaking for the communities that I represent such as Fort Providence and Enterprise that are really having problems with this, but there are others out there that have voiced concerns. Fort Resolution, Fort McPherson and Fort Rae are all having the same problems. I do not agree that the process was done totally according to how things should be evaluated. There was no community visit. There was no consultation. There was no discussion. It seems to be a process that was handled right here in the offices in Yellowknife and then sent down the tubes.

I would like to ask the Minister if he would consider doing a review of the whole process to assure us that it was done correctly and that there were no flaws and nothing was missed and that is indeed how the leases should have been increased, by ten times what they were before, in some cases 12 or more. It is a real jump. I am having a hard time accepting the fact how the process was handled. I would like to see the process reviewed, community by community if possible. Thank you.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. Mr. Chairman, we recognize that it is a very complex problem. We have taken steps to work with the communities and also with some landowners in the municipalities. I will refer to Aklavik as being one of them where they have stated the very same problem and they continue to state that very same problem of landownership and taxation.

Unfortunately, the department is indentured to provide assessment of properties, and the invoicing for any unpaid taxes is forwarded on by Finance. I have just sent a letter to the Minister of Finance to try to reconcile what seems to be an inherent problem across the North. It is a tough one to deal with, but we have already established, I think, a fair process. It is going to take some time to resolve. I think we have set out a strategic path that will resolve it. Thank you.

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

MR. MCLEOD: Thank you, Mr. Chairman. I would like to get further clarification. What does the Minister mean when he says that he has established a fair process and that he hopes to resolve it? How does he hope to resolve it?

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. I did give a preamble to the process, so I will ask the deputy minister to give a specific detailed outline of the process. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. Some of this we discussed when I was down in Fort Providence in the fall. There is a recognition that the Property Assessment and Taxation Act, which deals with the taxation side of your question, is out of date and needs to be revisited and redone. We are taking some long-term steps, working with the Department of Finance, and in the fall of this year, we are going to be doing some options for revenue generation and looking at alternate ways of how this might be done.

We do have a piece of legislation today that we are bound by called the Property Assessment and Taxation Act. We have to send out assessment notices and the Department of Finance has to send out tax notices. That is legally binding. The recognition is that we are hoping to have some proposals done later this year that could be consulted on over the next year. I believe this is an issue that will take a wide-ranging level of consultation between the various communities and groups, and then put forward legislative proposals later on, say in 2002. That is the game plan that we have in front of us. It is not one that can be fixed in the short term, because it is a piece of legislation that will require a total rewrite. Thank you.

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

MR. MCLEOD: Thank you, Mr. Chairman. The deputy minister has indicated that there is a process to be followed for assessment and that is what they have to abide by. My question is, and that is why I am requesting a review, I believe that part of the process is to physically go out to the communities, look at the properties and assess them accordingly.

We have some properties that have houses that are more or less tent frames and they are being assessed a certain weight. I do not believe that the process was followed to the tee. It has been something that was done out of the offices here.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. We can certainly take a strong push to looking at it and re-evaluating the overall approach. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Further along my line of questioning, in the last response to my question earlier from the Minister, groups in the community wanted to purchase land at a more affordable rate. It would be with the department, would it not, who would set that price, whether it be the municipal government who wanted to acquire more of the Commissioner's land within the municipal boundaries of the community? The department would set the price, whether it be the municipal government, the Inuvialuit, the Gwich'in? They would have to meet that price, correct?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. If the government directly sells the land itself, its own Commissioner's land, then we would set the price. If it is the community, if the land is transferred to the community, it becomes community lands and then they set the price.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Murray. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. That is the understanding I have as well. Right now, I think the talk is on Commissioner's land within the community boundaries. The department would be the one who set the price. If you are going to set the price, the price would be available for any of the groups in the community. You would not have one price for one group and another price for another. It would be a set price that anybody from within the community could access from the government land or Commissioner's land, correct?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. Generally speaking, we would not directly sell Commissioner's land. That is one of the reasons we have been, if you will, facilitating this process amongst the groups and the community. The preference is to have the land go to the community government, then they deal with the groups in the community, and in a process, that works out.

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

MR. BRADEN: Thank you, Mr. Chairman. My line of questioning is quite similar to what Mr. McLeod and Mr. Roland have been looking at. In going into the business plan put forward by the department, and a couple of paragraphs that address the problems, the management of Commissioner's land is problematic is the way the paragraph leads. Further to the business plan is a process here that begins to identify it in terms of how to action this.

The business plan suggests that land leases are going to be invoiced by the end of this coming fiscal year. That is fine. I understand the backlog is quite a problem and the paperwork and the collection side. I do not know if that begins to address what seems to be a much larger and overall problem.

Also in the business plan, Mr. Chairman, the department says that during this current fiscal year, Municipal and Community Affairs undertook a major review of many aspects and has developed a work plan to address these problems. Along with the clearing up of the invoice backlog, I am wondering if the department could give us a sense of what that work plan is to address the overall issues of land management and Commissioner's land? Thank you.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. Mr. Murray will answer that question. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. We have identified four key strategy areas within the lands administration area that we feel will help achieve a goal of an efficient land administration system. Those four areas of strategies are turning residential leases into title to promote home ownership and reduce the administrative burden. Right now, leases have to be renewed every five years and things like that. Once it is done in title, the only time it is transacted is when the land is bought and sold. That is one area.

The second area of strategy is to transfer more lands to government ownership or government control -- community governments, excuse me.

The third area is to have transferring of federal lands within community boundaries to the GNWT, or return the implementation to DIAND. We have had an arrangement for 15 years -- as far as I know, if not longer -- whereby the department was providing DIAND with administrative services of their lands inside communities, but we were doing it for no cost. I think we need to either recoup something for the work we are doing or let them administer their own lands. That is something we need to discuss at length with the federal government and with DIAND locally as well.

The fourth area, as you mentioned, is the whole area of sound administrative practice, which is cleaning up billing, just by reducing the number of leases you have. If you take all of the residential leases and over time they become title, it reduces your administrative responsibility and reduces the paper flow. We are working on those four key strategy areas, and work continues on those. Not just within Municipal and Community Affairs, but with the other departments involved, for instance, the Housing Corporation as it relates to residential leases. They have many of the homes in the small communities and other communities may be involved with the Housing Corporation or their programs.

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

MR. BRADEN: Thank you, Mr. Chairman. Could the department give us a sense, a ballpark picture of what kind of arrears, how much money is owing on these backlogs due to the paperwork and the backlog on the invoicing? Thank you.

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

MR. MURRAY: Thank you, Mr. Chairman. Actually, I am not aware of the number, but I will ask Ms. Kennedy if she knows. I think it is quite high, in the millions, but I stand to be corrected by my staff.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Murray. Ms. Kennedy, did you want to respond to that?

MS. KENNEDY: I think we gave you a couple of sheets at the review of the draft mains. I do not have those with me, but I think we are much more comfortable that we have done almost complete billing this year for the leases that we have documented. We know there are sometimes leased files that have gone missing, or leases that have not been finalized and we have been unable to bill. We know there are sometimes further back years that we have to sort out. Certainly for this

year, we have really improved our billing. I would say it is well over 75 percent, probably more than that, complete.

CHAIRMAN (Mr. Delorey): Thank you, Ms. Kennedy. Mr. Braden.

MR. BRADEN: Is there a dollar amount, again in ballpark terms, of just what is the outstanding receivables for land leases? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Braden. Ms. Kennedy.

MS. KENNEDY: What we have is accounts receivable over 30 days past due. As at December 31, we have some \$300,000.

CHAIRMAN (Mr. Delorey): Thank you, Ms. Kennedy. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. One more question related to this then. Mr. Murray identified turning residential leases into title. I think that is something that we would all agree would meet with a great deal of favour out there in the long run. What about recreational leases? Give us a picture in that neighbourhood of what is the status of recreational leaseholders and their ability to buy the property. Thank you.

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

HON. ROGER ALLEN: Again, I will ask the deputy minister to respond to that specific question. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. At the present time, we have not set up the system either for people who are full-time residential or, as the case on the Ingraham Trail, seasonal occupancy. Now, obviously we will have to look at that process as well. Keeping in mind that along the Ingraham Trail, a lot of those leases are federal. If there was going to be a seasonal sale, you have that issue. On top of that, we have the Akaitcho Treaty 8 talks underway. That fits itself into the mix of things that have to be analyzed along the way as we go with this one.

I do not have a specific answer to the timing part of your question or even if or when they would be available for sale.

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

MR. BRADEN: Mr. Chairman, this question may go into the area of land claim negotiating mandate, which I understand is confidential and I respect that, but I would like to ask the question, what is the government's position on recreational land leases with claimant groups? Thank you very much.

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

HON. ROGER ALLEN: Mr. Chairman, I think it is premature to provide a definite answer, but I think it is an ongoing discussion item with another department, MAA, so we can come to a common ground or common approach of how we should deal with it.

I think it was raised previously and it will continue to be raised again in the same context. I do not know if that satisfies the Member as an answer to the Member's question. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. We are on page 4-25, lands administration, budget summary, operations expense, total operations expense, \$2,111,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Page 4-29, community development, budget summary, operations expense, total operations expense, \$1,218,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Page 4-31, community development, grants and contributions, grants, total grants, \$28,000. Mr. Miltenberger.

MR. MILTENBERGER: Jeepers, I was not paying close enough attention. I just would like to ask the Minister if he could speak briefly to the issue of sports and recreation in general. Since we are in a public session here, in terms of the planning that is taking place and the need to try to rekindle and foster greater support for sport and recreation at the community level and the need to review our involvement in the Arctic Winter Games to make it more reasonable and affordable, so it is not this sun that is the centre of the recreational universe, but more a planet like Pluto or Uranus.

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

HON. ROGER ALLEN: Excuse my laughing here, based on the great analogy my colleague uses, Mr. Chairman. I will just reiterate a number of points we raised yesterday in our appearance before the AOC.

Our involvement in the Arctic Winter Games, our position is that we would like to move the games from a two- to a four-year format after the 2004 Games which is going to be hosted in Fort McMurray, Alberta.

I think from that we will allow ourselves to develop other sports development across the Territories, including competitions, promoting the philosophy of mass participation across the Territories, establishing new direction of where we want to go in terms of sport, recreation and youth. I think those are the majority of our intentions in terms of the philosophy and the direction we want to go.

Relative to that, we are liaising with the president of Sport North. We are also talking to the Aboriginal Sports Circle and all the communities in terms of what they see as important in terms of the evolution of sports and recreation and the youth across the Territories.

We are hearing from those discussions. We are taking the position that yes, we do have to go from a two- to a four-year format so we can reinvest some of those monies back into not only regional sports programs, but also community. A lot of the communities determine their priority on sports and from that, we respond to the question of how as a department do we respond to those essential questions.

We said that we had put records and development officers in the regions. The question again came down to what is their functional role? We said that is to work with the community recreation directors, because the communities felt that their recreation director is spending most of their time fund-raising, running bingos, and not doing any work in terms of sports development or maintaining existing sports facilities.

We also talked a bit about where we should put additional funding as a department. We feel that we should put funding into the maintenance of the facilities. We put great money into the capital infrastructure, but no money into the ongoing operations and maintenance of those facilities. We should put more money into sports development at the community level. We agree that is where we should go.

We are also talking with Education in terms of trying to get them to allow the communities access to gymnasiums and other sporting facilities they own. I use, for example, ball diamonds. Many of the ball diamonds in the small communities are on school property. That is another area we would like to discuss further with them.

I think to summarize the overall approach that we are now dealing with the sports and recreation issue, we are also talking to Sports North about the composition of their board. I believe that we should have five members from the five regions and five members at large, with a president elected amongst themselves. So there are a whole range of new approaches we are taking. I think that is going to be for the betterment of sports recreation and youth across the Territories. Thank you, Mr. Chairman.

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

MR. MILTENBERGER: Thank you, Mr. Chairman. I would like to thank the Minister for that update and commend him and the department for the work they are doing along with the sporting organizations. I just have one question in terms of time frames. Could the Minister indicate the time that they are looking at? At which point there will be a document hopefully that the people can look at and discuss and provide feedback on? Thank you.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, our intention, and I think it is a valid intention here, is that we want to have all of the specific items outlined in a document for presentation in the latter part of May, early part of June.

We want to get on with this fairly quickly. As I mentioned to the membership yesterday, we have consulted with the various stakeholders, the key players. They are in agreement with us on where we want to go with this new direction. The policy will really guide the direction of where we are going. I think we have come to a fairly good conclusion now that we have had input from the majority of the people. I am pleased to say that I think sport is back on the right track. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. Page 4-31, community development, grants and contributions, grants, total grants, \$28,000. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In regard to sport and recreation again, it is something that I made reference to in

my statement about ensuring we do have recreation facilities in our communities so we can try to have healthy communities, but also offer residents the opportunity to participate in the different recreation activities. I think that recreation is definitely a key to the health and well-being of our communities. If we have healthy communities and healthy people, it makes it that much better in improving the lives of our residents in our communities. I feel that we have to do a lot more in that area and realize that we have fallen back in quite a few of those areas.

I would like to ask the Minister exactly how are the communities involved in developing community development plans, recreation strategies or proposals that the government looks at? Do you annually do an update of the sporting facilities that are in the communities?

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. I would like to take a two-pronged approach to this. First of all, I would like to speak in terms of the sport development in the communities. We have supported the majority of municipalities in terms of having recreation directors. To supplement that, as I explained earlier, we now have regional recreation development officers in place in four regions. That will really help define the progressive work that we need to do in the communities in light of the Member's comments.

In terms of the facilities themselves, the municipalities are responsible for the upkeep and the maintenance of those facilities. If there are problems, we now have said, through the proposed change in funding, that we can step in and give them further advice as to where they may improve on the overall management of their facilities. Thank you.

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

MR. KRUTKO: Mr. Chairman, I have a question on local recreational facilities. Should I do it on this page or under regional operations, which is coming up on the next page?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. You will probably be better off to wait until we get to the next page. Page 4-31, community development, grants and contributions, grants, total grants, \$28,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Total contributions, \$195,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Total grants and contributions, \$223,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Page 4-33, regional operations. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. With regard to community recreation facilities, I will be tabling a petition in this House. I was hoping to do it today, but I did not have a chance

to have it ready. I will probably be tabling it on Monday. I refer to a petition from Aklavik requesting they get a curling rink and that they move it on the capital planning stage. Can the Minister tell me what is in place to assist communities with local recreation and sporting programs so they could develop this infrastructure in their communities, so they are able to participate in sports such as curling at the local level without having to go to regional centres like Inuvik just to curl? Thank you.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, we certainly enjoyed our trip to Aklavik to discuss their willingness to work not only with ourselves but also with other ministries to put their curling rink into the capital plan. Just to talk a bit about the concept here. They want to also include a small business entity into the curling rink so they have a method of supporting it. They talked about a small restaurant facility that would be included in the conceptual designs so they could have a dual purpose here. It is very encouraging, but the question I guess is how do we put this into the capital plan? I will ask Mr. Murray to assist me in explaining that a little further. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. We are just now embarking on the process of developing the capital plan for the next several years. That capital plan will cover all the various projects in the communities. Our staff over the next several months, between now and June, will be expected to visit with each community, work with the community to set those priorities and then build that into the capital plan for the future. As of today, there is no money that I am aware of for the curling rink in the plan at this point in time, but that may be something that can be worked in.

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

MR. KRUTKO: Thank you, Mr. Chairman. With regard to community involvement, if there is a petition tabled in this House, how seriously do you take those petitions asking for infrastructure to be put into a community like a curling rink?

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, we will have to acknowledge the importance of that petition as it applies. Again, it also provides direction a little more closely to the community to see if we can meet their ever-growing needs. I believe the other element to that is that once we introduce this new funding formula, it will allow the communities a little more flexibility to establish their own priorities. That is another given that will allow the communities to participate more fully in determining what their priorities are. We look forward to those discussions with the communities. Thank you.

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

MR. KRUTKO: Thank you, Mr. Chairman. The Minister made the point that he did not see it in the capital plan. I believe it is scheduled for the capital plan in 2005, in that area. I think it is

already in the five-year plan system. It is a matter of trying to move it up. How easy is it to move a capital item up if the community decides to make that a priority versus something else?

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

HON. ROGER ALLEN: I will ask the deputy minister to answer that particular question. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. Mr. Murray.

MR. MURRAY: I would be concerned depending on what kind of project they wanted to exchange it for. For example, if it was a water and sewer project, I would be concerned. If it was for another kind of recreation facility or for a piece of heavy equipment or some other type of non-safety issue, I think that is exactly the way we should be going, where the communities do make those kinds of decisions.

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

MR. KRUTKO: Thank you, Mr. Chairman. I believe it is another capital item on the books, but I do not believe it has anything to do with the water treatment facility. If it is another capital item extended over a period of time, and if there is a possibility of moving that further ahead and moving that project up?

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

MR. MURRAY: Thank you, Mr. Chairman. Yes, it is possible to make those kinds of exchanges if the community wishes, keeping in mind that we have to put an emphasis on health and safety issues as a priority across the board.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Murray. Mr. Murray, your microphone was not on for your last comments. Do you want to repeat that?

MR. MURRAY: I was just saying that it is possible for the communities, if you will, to switch projects as long as the amounts are similar and the funding can be found and as long as it is not related to the health and safety of residents. As I said before, I would be very concerned if we were dropping a water and sewer project or that type of thing for recreation facilities.

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

MR. KRUTKO: Thank you, Mr. Chairman. On the issue of recreation, in the case of Aklavik, they are going to build a new health centre on their existing ball diamond. How involved is the department on that? They are looking at something like \$250,000 to replace that ball diamond over a couple of years. Have you considered the community being able to use those funds to move it to another project? What kinds of guarantees does the community have that the money will be there to replace the existing ball diamond?

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

MR. MURRAY: Thank you, Mr. Chairman. It has been my understanding since the first time I have heard this question several months back, and every time we checked, if the health centre takes the site and goes on the ball diamond, then there

is enough money within the project to replace the ball diamond elsewhere within the community. I have heard nothing to tell me that has changed. There is a process whereby departments get together and talk about their various capital projects and nothing has come to our attention. If there is a specific concern that you have heard, we can follow up on that.

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

MR. MILTENBERGER: Thank you, Mr. Chairman. I have a number of questions under regional operations. The first one I will deal with is the issue of the liability insurance. I was in and out of the House, so if the Minister has already addressed this, he can just sort of nod and I will not ask him again. The question is about the steps that are being taken to work with the municipalities in light of these astronomical heights in municipal liability insurance or that the communities get through the NWTAM. What steps are being taken to try to deal with that issue given the short time before the current policy expires? Thank you.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, I was not aware whether the Member was in the House or not when I did make an earlier comment, but from a letter we received February 28th from the NWTAM, we acknowledge that there is going to be increased costs to the municipalities. We are cognizant of that. We understand the negative impact of those decisions. From there, Municipal and Community Affairs and the NWTAM has decided to explore not only short-term solutions, but long-term solutions as well. We want to come to a rather quick resolution of this. Hopefully, we will be done prior to April 1st.

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

MR. MILTENBERGER: Thank you, Mr. Chairman. I appreciate that this is a complex issue with both short-term and immediate implications and longer-term ones. I was wondering if the Minister could indicate a possible area that they are looking at in the short term, given the fact that it is a little over three weeks until the end of the month. Thank you.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, according to the letter and according with our communication back with the NWTAM, we are currently working on not only the estimates, but we...(inaudible)...to exploring those options. They have committed to working with us and we have committed to working with them to come to a rapid conclusion. Thank you.

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

MR. MILTENBERGER: My final comment on this particular subject would be, I wonder if the Minister could provide as much assurance as possible that no community, no municipality will be left April 1st unprotected without any insurance? Thank you.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, without a doubt, it is our responsibility to ensure that no one is left without insurance. We are endeavouring to make sure that we, as I expressed earlier, come to a quick resolution to ensure we will have that answer rather quickly. Thank you.

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

MR. MILTENBERGER: Thank you, Mr. Chairman. I have a question now about the block funding arrangement as it relates to the water and sewer subsidy that was left outside of the block funding formula. As far as I know, Fort Smith is the only community that does not get any water and sewer subsidy. I understand that if it was part of the block funding formula, we would be eligible for up to a quarter of a million dollars or thereabouts. I understand there were some discussions with the department trying to come to a meeting of the minds, as it were, with the municipality and MACA. I was wondering if the Minister could indicate whether that meeting of the minds has in fact been achieved at this point. Thank you.

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

MR. MURRAY: Thank you, Mr. Chairman. I have been working very closely with the community for the last six months because of the major problems they have been having with their landfill site. Under page 4-35, under the item water and sewer services subsidy, there is an amount of \$250,000 included in there as a contribution towards the extra costs they were forced into because of the environmental protection order.

The second issue that has been raised from the town, and I am still working with the SAO on, is the issue that there are a number of families in that community who are on truck delivery service. Under the old formula for the water and sewer subsidy program, there was nothing being provided to the community of Fort Smith for those families.

I talked with the SAO several weeks ago and he is going to be providing me the data I need to build into the formula, if you will, so that I can put forward the case that would allow it to be funded under this particular subsidy program.

I understand there is the issue there, but I do not have the information on the number of families, the consumption, how much it is actually costing them to operate those services. He has assured me that information is coming.

The other thing I would say as well is this whole water and sewer subsidy policy is one of the areas that needs to be totally looked at as a department. It is on the work plan for this summer to begin that work.

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

MR. MILTENBERGER: Thank you, Mr. Chairman. I will wait and see how things develop then. I will make sure that I mention to the mayor the need to get this information to you in as timely a fashion as possible.

The final issue under regional operations is -- it was raised in Transportation, I believe -- the fact that the federal government is going to be going back to communities, many of the larger ones with airports, Fort Smith, Hay River, Inuvik, Norman Wells and I believe Fort Simpson, to upgrade the firefighting services. I noticed that in this area, there is talk of fire protection activities. My understanding is that they are not going to be putting in new staff and such, but they are looking at working with the communities to somehow enhance their capabilities to deliver fire services at the airport. Is Municipal and Community Affairs involved in those discussions, or is it still early days yet in terms of that particular initiative? Thank you.

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

MR. MURRAY: Thank you, Mr. Chairman. It is still very early days. Those discussions are still largely related to the Department of Transportation kinds of discussions about airports. Actually, I find your comments encouraging, that there may actually be additional federal dollars available to us to enhance. I know in certain communities like Inuvik, it is a major issue now of being able to go from the community out to the airport to respond, if the federal government withdrew its services. So it is early stages.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Murray. We are on page 4-33, regional operations, budget summary, operations expense, total operations expense, \$49,305,000. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. What I heard in the last response there was that in the water and sewer area, there was going to be another look at this area this summer. That just underwent a fair bit of work and revamping. I remember discussion topics like the yard stick measurement and all of this when they talked about looking at water and sewer subsidies and how some communities receive more subsidies, some communities receive less. There was some discussion on that, so hopefully we are not going back to the well as they say, and redoing the whole thing after we just spent a lot of time and money just completing one. Can I get some clarification on what they intend to do in the water and sewer area? Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. What we plan to do in that area is to analyze the formula to ensure that it is allocating the funding fairly to the communities. When some communities get large amounts and other communities get absolutely nothing, we need to be able to satisfy ourselves that the formula is accurate. At this point in time, there is no plan. Certainly the analysis has not been studied to the point where there is any proposal to change monies up or down.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Murray. We are on page 4-33, regional operations, budget summary, operations expense, total operations expense, \$49,305,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Regional operations, grants and contributions, grants, total grants, \$30,583,000. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. With regard to the senior citizens and disabled persons property tax rebate, the concern that I had, and I raised this in the House this morning, is the whole area of ensuring that people are aware of the program and assisting the people who are eligible for the program. Especially our seniors, who do own their own homes. We encourage them to continue to live in them.

I would like to ask the Minister exactly what happens if we find out that a senior has not been receiving these rebates and has been paying the property taxes for some time. Is there any way they would be reimbursed or receive the amount of the taxes they paid over the years?

I believe it is 60 or 65 years, and the lady I was talking about is 80 years old. She has been paying, not knowing that she could have applied for a rebate. I would like to ask the Minister, what do you do in that case? Are they compensated for the monies they paid into this program?

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. We will investigate this particular problem and, if necessary, we will reimburse the pensioner. Thank you.

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

MR. KRUTKO: I would like to thank the Minister for that, but my question was, do you reimburse the senior citizen who is eligible for it, but for some reason was not receiving the rebate over a number of years? Do we fully compensate them for the dollars they may have paid into the program and where they did not fill out the rebate form or were not aware of it? They were paying into something where they could have been getting that money back. Is there such a provision or opportunity for seniors to be compensated because they either misunderstood or they were not aware that this program existed?

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, as I committed to the Member, we will investigate this particular situation. There are some programs where we can provide a rebate. In this case, if things may work out according to our investigation, we will reimburse the person accordingly.

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

MR. KRUTKO: Thank you, Mr. Chairman. The other area concerns the whole area of disability. A lot of times in our communities, people are not really diagnosed with what can be classified as a disability. Do you have an exact definition of what a person with a disability is? What if someone has a bad case of arthritis and are not able to use their hands? Or because of illness, they became bedridden? Do you actually have to have a form or a doctor's certificate stating you are disabled?

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

HON. ROGER ALLEN: Mr. Chairman, I think that question really should be directed back to Health and Social Services. The program service we provide pertained to the question regarding senior citizen and disabled persons property tax relief. I wanted to deal with it in that context with the particular question the Member had asked. Thank you.

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

MR. KRUTKO: Thank you, Mr. Chairman. The department is delivering this program, that is why I am asking it in the context of the budget. How do we determine if a person has a disability? Do you have to have a physical disability or a mental disability? One of the concerns I have run into in the communities, especially with respect to the elderly, once you get to a certain age, you are not as mobile as you were in the past. In their view, they have a disability. In the context of a government program, where you may need to meet certain criteria to be eligible for this program, do you have an eligibility criteria for a disabled person to access this program?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. It may not be up to the department to define who is disabled, but I will allow the Minister to answer. Mr. Minister.

HON. ROGER ALLEN: Thank you, Mr. Chairman. For greater certainty to the question, we follow the definition established and set out by Health and Social Services. Yes, the Member is correct. We have earmarked \$44,000 to meet our obligations in terms of the senior citizen and disabled persons property tax relief. To be very specific, we follow the definition established by Health and Social Services. Thank you.

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

MR. KRUTKO: Thank you, Mr. Chairman. Can I get a copy of what the definition is?

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, we will retrieve a copy and submit it to the Member. Thank you.

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

MR. KRUTKO: Thank you, Mr. Chairman. The other area I have is working cooperatively in conjunction with the seniors societies, the Council for Disabled Persons, and the other organizations and institutions out there. How are we getting the message out to the seniors and people with disabilities that this program exists and that they should not have to pay property taxes? You have a form there and you will get a rebate if you file it at the same time. Sure we have a Minister responsible for Seniors and what not, but I think we also have to realize that we have to start working more cooperatively with other institutions and organizations that are out there to assist with this program.

I do not feel comfortable where we say "my responsibility is in this area" when we talk about property taxes, and yet it is in conjunction with seniors' programs. I would like to ask the Minister, how do you formulate this information so that it is publicly accessible and publicly made aware of through the TV,

radio, newspapers? Do you have a program which you publish concerning these grants and other rebates that are out there, so people are aware that they exist and how they are able to access them? You mentioned a 1-800 number, which is more in line with the Seniors' Society, but I think that as a government, we have to do more to promote that.

I would like to ask the Minister what tools this government is using to ensure we are promoting and we are making people aware of these programs.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. It is a very valid question and I believe the simplest process is to harmonize the common approach in the way we communicate to the seniors and to our residents at large. I think we can coordinate the number of programs that are designed specifically for seniors. In our case, it is the tax relief and those grants to the elderly that would apply here. I believe it would be nice if we could all get together and promote it simultaneously where each community knows exactly what programs the residents are entitled to, whether it is seniors, youth or otherwise. I certainly will take that and use that as a method by which we could get that back to the residents. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. Page 4-35, regional operations, grants and contributions, grants, total grants, \$30,583,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Page 4-37, regional operations, total contributions, \$11,789,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Total grants and contributions, \$42,372,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Page 4-39, School of Community Government, budget summary, operations expense, total operations expense, \$1,672,000. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Under compensation and benefits, this is salary for headquarters staff. Does this include all salaries? For example, does it include overtime in that area? Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. The eight positions are fully funded. I am not sure about anything for overtime. We generally do not budget for overtime in there.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Murray. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. So these positions identified here are for eight- or seven-hour days, whatever the set parameter is, 40 hour weeks. If there was overtime taken by staff, whether it be in this section or otherwise, where would that come from?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Mr. Murray.

MR. MURRAY: Thank you, Mr. Chairman. Generally speaking, we fully fund all our positions with regard to staffing and things like that, because people come and go. There is usually more than enough money to cover the overtime within the salary budget of that area just because of the normal turnover of events, people coming and going within the department.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Murray. Page 4-39, School of Community Government, budget summary, operations expense, total operations expense, \$1,672,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Page 4-41, information item, active positions. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Page 4-42, details of work performed on behalf of others. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Page 4-43, details of work performed on behalf of others, continued, total department, \$502,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Back to page 4-7, operations expense, total operations expense, \$61,257,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): We will go to capital acquisitions for Municipal and Community Affairs, regional operations, total regional operations, \$4,169,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): Total department, \$4,169,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Delorey): That concludes the Department of Municipal and Community Affairs. I would like to thank the Minister and his witnesses for appearing before the committee. Mr. Dent.

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

CHAIRMAN (Mr. Delorey): The motion is in order. It is not debatable. All those in favour? All those opposed? The motion is carried. We shall rise and report progress.

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 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 Deh Cho, Mr. McLeod. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? Thank you. 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, meeting of the Board of Management at adjournment today, on Monday at 9:00 a.m. of the Standing Committee on Accountability and Oversight and at 10:30 a.m. of the Standing Committees on Social Programs and Governance and Economic Development, and at 11:30 a.m. of the Caucus.

Orders of the day for Monday, March 5, 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
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 16, An Act to Amend the Motor Vehicles Act
 - Bill 19, Appropriation Act, 2001-2002

- Bill 20, Supplementary Appropriation Act, No. 2, 2000-2001
- 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 Monday, March 5th at 1:30 p.m.

-- ADJOURNMENT

The House adjourned at 3:25 p.m.

