Legislative Assembly of the Northwest Territories

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The House met at 1:31 p.m.

Prayer

---Prayer

SPEAKER (Hon. Jackson Lafferty): Good afternoon, Members. Item 2, Ministers' statements. Minister responsible for the Northwest Territories Housing Corporation.

Ministers' Statements

MINISTER’S STATEMENT 107-18(3):
HOUSING PARTNERSHIP WITH THE INUVIALUIT REGIONAL CORPORATION

HON. ALFRED MOSES: Thank you, Mr. Speaker. Mr. Speaker, this government has committed to working in partnership with other governments to address affordable housing requirements in support of their service delivery to Northwest Territories residents. The Northwest Territories Housing Corporation has made progress in meeting this mandate commitment in the Inuvialuit Settlement Region.

The Northwest Territories Housing Corporation and the Inuvialuit Regional Corporation have entered into a Memorandum of Agreement that reflects our shared goals of affordable, adequate, and suitable housing for Inuvialuit and residents of the region as a whole, as well as improving the economic and social well-being of the region's people.

The agreement, officially signed September 4, 2018, will see the Inuvialuit construct 34 public housing replacement units in the Inuvialuit Settlement Region this year and next, with support from the federal government under their Indigenous Housing Strategy.

Once constructed, these units are turned over to the Housing Corporation for a nominal price. They will replace aging public housing units that have reached the end of their useful lives, that are not energy-efficient, and that have become too expensive to maintain.

To date, 12 units have been constructed in the Inuvialuit Settlement Region. This includes a four-plex project in Tuktoyaktuk, a six-plex in Inuvik, and, most recently, a duplex in Aklavik.

Last month, I had the pleasure of attending the opening of the Inuvik six-plex. I am proud of the quality of work by our partners that went into the units and the benefits the project brought to the community in terms of housing, skills development, and economic opportunities.

Work has started on the other projects, with most expected to be completed by February 2019. Land has been identified and provided to the Inuvialuit Regional Corporation to incorporate into their plans.

These projects will stimulate economic development in the Inuvialuit Settlement Region by adding important social infrastructure, supporting local and regional businesses, and creating a wide range of training opportunities.

I am glad that the Government of the Northwest Territories has been able to work together with the Inuvialuit to forge this important partnership. The Inuvialuit Regional Corporation is truly a valued partner. Moving forward, Northerners will reap the benefits of affordable housing through this partnership for many years to come. Mahsi cho, Mr. Speaker.


MINISTER’S STATEMENT 108-18(3):
FAMILY VIOLENCE AWARENESS WEEK

HON. CAROLINE COCHRANE: Mr. Speaker, I rise today to acknowledge Family Violence Awareness Week. This week is recognized across the country and takes place from October 21 to 27, 2018.

Statistics Canada reports that, in 2016, family violence accounted for one-quarter of all violent crimes. These are criminal acts perpetrated against the most vulnerable members of society: youth, seniors, women, and girls. In 2016, two-thirds of all victims of family violence were women and girls.

Mr. Speaker, this is not okay. The national violence rates are concerning enough, but the fact that the Northwest Territories has maintained the second highest rate of violence in our country demonstrates
the importance of the work being done to end this crisis.

We all need to take this issue seriously and recognize that working to end family violence is a shared responsibility. The Government of the Northwest Territories is being proactive in supporting initiatives that not only provide support to those experiencing family violence but also to those who perpetrate it. We recognize the need for strong services that address the root causes of family violence and give our families, communities, and survivors an opportunity to heal.

Mr. Speaker, our government is working as a team to provide services to victims, perpetrators, and the general public. In addition to our own programs, we are providing funding to partner organizations that offer community-level support to people affected by family violence. These services include prevention and awareness activities, shelter for those fleeing violence, healing programs, and the development of protocols for first responders, such as the RCMP. Throughout this week, activities to create awareness will be taking place across Canada and here in the Northwest Territories.

Mr. Speaker, the Government of the Northwest Territories and our partners are working hard to address family violence, but this is a social issue. We need everyone to support our efforts to raise awareness and keep the conversations going. We must speak openly about family violence and pledge that we will not tolerate it in our homes or in our communities. Sharing experiences, cultural practices, and positive alternatives helps those experiencing family violence. Sharing also reminds us that we need to be role models in our own actions and take a stand against family violence. We must stand together, so that our families and our communities are empowered and supported in wellness.

Mr. Speaker, this week was set aside to create awareness about family violence and to promote change in attitudes and behaviour. This year’s theme is "Let’s Stand Together to End Family Violence." This is a fitting theme, as it will take all of us working together to end family violence. I encourage everyone to participate in Family Violence Awareness Week activities to show support and solidarity to those struggling with family violence. I also urge you to carry on the conversations in your homes and communities, not just this week, but right up to the day a Minister can stand in this House and announce that family violence is no longer an issue in our territory. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Ministers’ statements. Item 3, Members’ statements. Member for Kam Lake.

**Members’ Statements**

**MEMBER’S STATEMENT ON CLIMATE CHANGE AND CARBON PRICING**

**MR. TESTART:** Thank you, Mr. Speaker. Mr. Speaker, the United Nations Intergovernmental Panel on Climate Change report tabled in this House on October 11th of this year outlined grave consequences for the future of our planet if immediate action is not taken to mitigate the increasing global temperatures. This 1.5 degree Celsius increase in temperature is predicted within the next 12 years, and if nothing is done, there will be catastrophic consequences. The cost of inaction is estimated in the same report at $54 trillion by 2040, costs to the global economy.

Mr. Speaker, Northerners know all too well the cost of climate change. Our homes are subject to the greatest impacts of warming temperatures, and the Arctic sees more climatic shifts than any other region. Our children and grandchildren deserve safe and secure communities that adapt to climate change and whose residence can continue to practice the traditional way of life that has been handed down throughout generations.

Mr. Speaker, when the Premier signed on to the Pan-Canadian Clean Growth and Climate Change Framework, he agreed to look at ways to reduce carbon emissions in the NWT. Carbon pricing was only one option, and apparently, the only option considered by the GNWT. Little effort and attention was given to establishing a northern carbon market through cap and trade policies that could have joined with existing markets in Quebec, California, and, until only recently, Ontario. Instead, this government went for new taxes, and this developed a proposal that burdens our middle class with paying the costs which are the responsibility of large, industrial emitters.

Mr. Speaker, northern families are responsible for a mere 10 per cent of total carbon emissions, whereas industry and transportation accounts for nearly 82 per cent of emissions. The concerns I have heard from my constituents, hardworking northerners already struggling to pay with ever-increasing costs of living, is that they cannot afford another tax, even one that supports climate security and a sustainable future for the NWT. I cannot support the GNWT’s carbon pricing plan as it is currently formed. The shortcomings are too flawed, and it treats 10-per-cent emitters equivalently to 82-per-cent emitters. It does not do enough to reduce the burden to everyday families, and it fails to show clear leadership for the GNWT on building a sustainable clean-growth economy with new investments in energy that make a difference in the lives of northern residents.
Mr. Speaker, the GNWT has given us a Made in the North plan for carbon pricing, and now it is the time of the honourable Members of this House to make it better to protect the economic and environmental interests of our citizens. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Members’ statements, member for Yellowknife North.

MEMBER’S STATEMENT ON ESTABLISHMENT OF THAIDENE NENE

MR. VANTHUYNE: Thank you, Mr. Speaker. Mr. Speaker, today, I’m talking about the ever-important and longstanding matter of the establishment of Thaidene Nene Park.

The deep, clear waters of the east arm of Great Slave Lake and rolling boreal forest and tundra surrounding form Thaidene Nene. Known as the “Land of the Ancestors,” the park has an expanse of over 33,000 square kilometres. Our government, the Government of Canada, and the Lutselk’e Dene First Nation along with other key stakeholders are advancing this initiative to foster ecological integrity, cultural continuity, and economic sustainability through permanent protection of this critical, ecological, and cultural landscape.

The Thaidene Nene Park is an innovative approach to creating a new form of protected area. It is one that will enable Indigenous people to fulfill their responsibility as stewards and hosts of their traditional territory, one that fulfills our government’s commitment to build upon our conservation network and protected area strategy. It will contribute to Parks Canada’s goal of representing each of the 39 distinct natural regions within their national park system.

Mr. Speaker, the establishment of Thaidene Nene is one of the 18th Assembly’s mandate commitments. In addition, we said, in order to advance our vision of land management, that we will evolve our legislation, regulatory and policy systems, by developing a new Territorial Protected Areas Act.

This is necessary, in fact critical, legislation because, without it, we can’t establish the GNWT’s portion of the park. Without this territorial legislation, the establishment of the park will be delayed, and that, in turn, could compromise significant philanthropic and federal funding. Both are necessary for the park to be established.

In other words, Mr. Speaker, it’s up to us to make Thaidene Nene happen. We must get this legislation done, or we will fail to achieve this unique Made-in-the-North deal.

I urge the government to honour its commitment to producing the Protected Areas Act in the very near future. We must ensure the 18th Assembly can fulfill its mandate commitment to make Thaidene Nene a reality. Thank you, Mr. Speaker.


MEMBER’S STATEMENT ON INCOME SUPPORT WORKER IN TSIIGEHTCHIC

MR. BLAKE: Thank you, Mr. Speaker.

Mr. Speaker, people who are not familiar with this government’s program might think “income support” just means one program. Not so, Mr. Speaker. In the Northwest Territories, our income security programs include regular income assistance, as well as NWT Child Benefit, a seniors’ supplementary benefit and home heating subsidy, and student financial assistance.

For clients, the administrative burden of these programs can be very intimidating. Take income assistance as an example.

After their initial applications, clients must regularly stay on top of their reporting forms, sometimes monthly, as well as their rent report forms, their productive choice time log forms, their child care provider invoice forms, their disability assessment forms, and more.

That’s assuming clients don’t run into any problems or have any questions.

As you can guess, it’s not easy. In communities with local income security staff, clients have someone to turn to when they need help. Someone who can answer their questions, handle their documents, and make sure everything runs smoothly.

Communities like Tsiigehtchic don’t have that. Right now in Tsiigehtchic, clients of income security programs have to rely on a worker who comes in once a month from Fort McPherson when that worker isn’t delayed by freeze-up, breakup or other issues.

I’ve been talking with the leadership in Tsiigehtchic, and this is a serious concern for the community. That’s why I raise it in the House today. In the past, Mr. Speaker, Tsiigehtchic has had a resident income support worker. The community would like to see that position reintroduced, and I will have questions for the Minister on this matter later today. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Members’ statements. Member for Yellowknife Centre.
MEMBER’S STATEMENT ON APPREHENSION AND DETENTION OF SEXUAL ASSAULT VICTIM BY RCMP

MS. GREEN: Mahsi, Mr. Speaker. Mr. Speaker, I rise today to talk about an incident that calls into question the trust that should exist between women and the Yellowknife detachment of the RCMP. That trust has been eroded here by the police response to a recent assault. The national leadership of the RCMP is talking about a new relationship with women, but I am concerned the news hasn't reached "G" Division here, in the NWT.

In May of 2017, a man sexually assaulted an intoxicated woman in the alley behind the movie theatre in Yellowknife. Theatre staff called the RCMP, who arrested the assailant. What is more surprising is that the RCMP took the woman, who had just been sexually assaulted, to their cells, not to the hospital, not to a family violence shelter, not to the women's shelter, to their cells.

Mr. Speaker, Judge Garth Malakoe brought this unacceptable treatment to light when he convicted the accused in August. In his ruling, he said, and I quote: "I am unable to imagine circumstances which would justify this type of treatment of a victim of sexual assault. It appears the victim was not treated with dignity or compassion that she or any victim of sexual assault deserves."

After the assailant was sentenced, the officer in charge of the Yellowknife detachment responded to the questions the judge and others have raised about this incident. He claims this incident has provided a teachable moment for members, but he hasn't given a reason for not taking the victim to the hospital, to Alison McAtee House, or anywhere else that was safe. He has said, "Members offered the woman victim services, but she didn't want them." The inspector acknowledged the victim shouldn't be in police cells because it appears insensitive. These statements, Mr. Speaker, miss the mark in terms of treating the victim with compassion and dignity.

Mr. Speaker, the RCMP at the national level responded to the scandal of their handling of the unfounded sexual assault complaints by promising a new relationship with women. An action plan was released in December of last year. It says, and I quote: "Sexual assault is a devastating crime that has traumatic and long-lasting effect on victims. A negative experience with police investigators can bring more trauma to victims and discourage others from reporting these crimes."

Mr. Speaker, I would argue that the Yellowknife detachment has further damaged an already frail relationship with women because of their treatment of this victim, and I will have questions for the Minister of Justice. Mahsi.

MR. SPEAKER: Masi. Members’ statements. Member for Frame Lake.

MEMBER’S STATEMENT ON INFRASTRUCTURE FUNDING PRIORITIES

MR. O’REILLY: Merci, Monsieur le President. Back in March, the Minister of Infrastructure announced the signing of an Integrated Bilateral Agreement for federal infrastructure funds. The 10-year Investing in Canada Plan would see $761 million spent in the Northwest Territories. There are apparently more federal infrastructure program announcements to come. My concern is how projects are selected and how submissions are made by Cabinet. Regular MLAs have little, if any, input in how the priorities or submissions are determined.

Data on the Infrastructure Canada website shows that each of the three territories has received between $845 and $981 million since 2002. The territories’ spending priorities are obviously different, but 79 per cent of our allocation has been used for highways and roads, which compares to 58 per cent in the Yukon and less than 4 per cent for Nunavut. Nunavut has used 4 per cent of its funding for affordable and temporary housing. None of the NWT federal infrastructure funds appear to have been used to house our people.

Nunavut also recently announced that it would receive $12 million under the Low Carbon Economy Leadership Fund for energy retrofits to 1,000 homes in Nunavut. My understanding is that GNWT asked for $4 million for our housing needs.

While the federal government sets parameters to determine the form of infrastructure funds and programs, what is clear is the lack of transparency, specific criteria, and analysis undertaken by our government in determining what projects they submit. I characterize this approach as "big toys for big boys," where the focus is on roads to resources and large infrastructure replacement rather than job creation, greenhouse gas reductions, and investment in social infrastructure such as housing, culture, and tourism. We can’t even get spare change for a sorely needed Yellowknife visitors’ centre.

On the same day that Nunavut announced its significant investment of $12 million for housing energy retrofits, our Minister of Infrastructure appeared before a Senate committee to ask about GNWT’s priorities, Taltson hydro expansion, Tlicho all-season road, Mackenzie Valley Highway, and Slave Geological Province Access Corridor. Noticeably absent was any mention of social infrastructure.
I look forward to asking the Minister later today on how we can make infrastructure decisions and submissions more balanced, transparent, and collaborative. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Masi. Members’ statements. Member for Tu Nedhe-Wililideh.

**MEMBER’S STATEMENT ON IMPACTS OF ALCOHOL ON NORTHWEST TERRITORIES RESIDENTS**

**MR. BEAULIEU:** Marsi cho, Mr. Speaker. Mr. Speaker, today, I wish to speak about alcohol and the effects on the NWT, especially on the Indigenous population. Alcoholism, however, is a disease that affects all people who have alcoholics in their families or social circles, whether it’s a co-worker, friend, or somebody else in the community.

Mr. Speaker, let’s begin with some facts. According to a recent study of the Canadian Institute for Health Information, in 2016, there were a total of 77,000 hospitalizations entirely due to alcohol, which is more than the number of hospitalizations due to heart attacks for the same year. Moreover, this study also determined that, of these hospitalizations, the NWT has the highest rate in the country, 1,300 hospitalizations per 100,000 people. It also found that the Northwest Territories has the highest proportion of people who reported heavy drinking.

Mr. Speaker, if it weren’t for alcohol, there would be many families who would have their loved ones with them today. If this substance was not so destructive, there would be a good chance many people’s lives would be different. Alcohol has either killed or shortened the lives of far too many people in our communities, not to mention the fact that social spending by our government would be greatly reduced if things were different.

Mr. Speaker, in the NWT, our correction facilities are filled with people who have committed crimes while they were drunk. Most of the inmates in the correction facilities wouldn’t know what the inside of a jail looked like if they didn’t drink alcohol.

Mr. Speaker, aside from all of the pain and suffering alcohol brings to the people of the Northwest Territories, it also has deep social impacts on our children that are in care. The cost of an inmate to sit in jail is one thing, but there is also the cost of the social purse, such as social housing, income support, social assistance, and foster care for their families.

Mr. Speaker, many people in my riding have experienced the effects of extreme violence due to alcohol. We must do what we can to not subject people to this violence. It is my belief and the belief of community leaders that bootlegging is a major contributing factor in accessing alcohol in the small communities.

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

---Unanimous consent granted

**MR. BEAULIEU:** Mr. Speaker, I will be proposing the idea of putting restrictions on the amount of alcohol that a person can purchase, along with huge fines for liquor stores that sell to known or suspected bootleggers. I think that most people with common sense can determine who is bootlegging in our communities. I mean, who drinks 10 to 20 mickeys of alcohol every day and continues to function.

Today, Mr. Speaker, I will have questions for the Minister of Finance on liquor sales. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Members’ statements. Member for Deh Cho.

**MEMBER’S STATEMENT ON LAND AVAILABILITY FOR COMMUNITY DEVELOPMENT**

**MR. NADLI:** Mahsi, Mr. Speaker. Mr. Speaker, [English translation not provided.]

Mr. Speaker, despite this vastness, we are all too familiar with the fact that our residents do not have access to land. I’m talking about the lack of land available for community development, residential, recreational, commercial, and agricultural purposes.

Mr. Speaker, throughout the life of this Assembly, my colleagues and I have raised numerous issues related to land availability, such as unauthorized or untendered occupancy, lack of agricultural land, and high securities burden. From a community development perspective, despite communities having community plans, you still have to apply it through the Department of Lands to obtain parcels of land for critical infrastructure or residential purposes. This piecemeal approach prevents communities from obtaining the land they need.

Mr. Speaker, the Yellowknife colleagues are familiar with the concerns of taking this piecemeal approach as it prevents the city from pursuing development that takes into consideration more than a small parcel of land. Mr. Speaker, unfortunately, this is an issue for all small communities, as well. For example, the Minister of MACA just signed off on Enterprise’s Community Plan and Zoning Bylaw. As well, the Department of Lands issues leases on Commissioner’s Land within community boundaries without have to advise the community. Enterprise needs to ask for
Land's permission to develop land within its own boundaries.

Mr. Speaker, once a community has an approved community plan with zoning bylaws, they should be able to follow their plan and bylaws without needing further permission. This added process layer delays the simplest development. Mr. Speaker, municipal boundaries are generally well-defined, and communities often face barriers preventing their continuous development. I will have questions for the Minister of Lands later. Mahsi.

MR. SPEAKER: Masi. Members’ statements. Member for Nunakput.

MEMBER’S STATEMENT ON ARCTIC POLICY FRAMEWORK

MR. NAKIMAYAK: Thank you, Mr. Speaker. Mr. Speaker, the federal government has been working on a new Arctic Policy Framework since December 2016. The NWT will have a chapter in the policy, and, to ensure this chapter reflects the views of our residents, the GNWT has engaged with stakeholders across the territory and released "what we heard" reports for sessions with Indigenous governments, industry and business, GNOs, Mr. Speaker.

Mr. Speaker, in one of my Member’s statements earlier this year, I have outlined some of the recommendations from the Inuit Circumpolar Council, focusing on Inuit self-determination. Mr. Speaker, I trust that these were brought to the federal government through their various engagements with the GNWT Ministers and the Premier.

Mr. Speaker, regional roundtables for the development of the new policy ended in March this year. Since then, we have not heard any of the updates or seen a draft policy. Mr. Speaker, I'm concerned that the development of this policy is taking longer than expected and remains unsure to the flexibility it contains with respect to sovereignty, peace, inclusion of local and Indigenous knowledge, and inclusion of Inuit and Indigenous people who live in the Arctic.

Mr. Speaker, I believe that this is in the best interest of the GNWT, to include Indigenous people when building such an important framework for residents of the Northwest Territories. Later I will have questions for the Premier. Quyanainini.

MR. SPEAKER: Masi. Members’ statements. Member for Nahendeh.

MEMBER’S STATEMENT ON PASSING OF WILLIAM BERTRAND

MR. THOMPSON: Mr. Speaker, unfortunately today, I rise in this House to inform you about the passing of a respected elder from Fort Liard.

Mr. William Marie Bertrand was born to Marie Angel Timbre and Baptiste Bertrand in Maxhamish Lake on February 19, 1938. He passed away on July 9, 2018. The service was held in Fort Providence a week later.

William went to residential school in Yellowknife. Later, he went on to Fort Smith for his heavy equipment operator training.

William met the love of his life, Mary Jane Williams, in Fort Smith where she was working at a hospital on January 3, 1967. William and Mary Jane got married, and they had three children: Billy, Norma, and Floyd. William started working with the forestry as a tower person for a few years until Norma started kindergarten. He left his seasonal job and started working for the Hudson Bay. Later, he started working for Beaver Enterprises.

William loved to hunt and trap. He especially enjoyed being outdoors and loved spending his time with Mary Jane and his children at their cabin up the river or on the highway. He enjoyed entertaining his family and friends by playing his guitar. William was preceded by his parents, brothers and sisters, and his granddaughter.

The family would like to express gratitude for all the kindness and generosity bestowed at their time of grief. Your kind thoughts, deeds, and their attendance at the funeral services and cemetery were deeply heartfelt. The family would like to thank Father Sean for his spiritual leadership and guidance.

William is loved and will be greatly missed by his wife, children, his grandchildren, brothers, sister, and great-grandchildren, nieces and nephews. The residents and I pass on our condolences to the family. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Our condolences to the family, as well. Members’ statements. Member for Inuvik Twin Lakes.

MEMBER’S STATEMENT ON BIRTHDAY CELEBRATION IN TUKTOYAKTUK FOR PERSIS GRUBEN

HON. ROBERT MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, this weekend, I had the opportunity to drive the new Inuvik to Tuktoyaktuk Highway to Tuktoyaktuk to take part in a celebration of a hundred years for Mrs. Persis Gruben. It was actually a great celebration put on by the family for a great lady that got a great story. I enjoyed listening to all the stories there.
I want us to thank the people of Tuktoyaktuk for their great hospitality. I also want to say Hi to Sandy and Mary, who informed me that they watch us a lot on TV, so I’m sure they are watching today. It was a fantastic celebration. I think they had family from all over the place, as far away as from Indiana, from what I can gather. Many of them told a lot of stories about Persis that they remembered when they were younger.

It was a great celebration. I was glad that I was able to be a part of it. I thank the people again of Tuktoyaktuk for their great hospitality. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Members’ statements. Item 4, reports of standing and special committees. Item 5, returns to oral questions. Item 6, recognition of visitors in the gallery.

Recognition of Visitors in the Gallery

MR. SPEAKER: Members, [English translation not provided]. Recognition of visitors in the gallery. Member for Range Lake.

HON. CAROLINE COCHRANE: Thank you, Mr. Speaker. Mr. Speaker, we have a school here. We have St. Joseph’s School, grade 4 and 5 immersion class, 51 students up there. I am impressed. Plus, we have teachers, Guylaine and Tamara. Welcome to the Legislative Assembly. Glad to see you all here.


MR. THOMPSON: Thank you, Mr. Speaker. Mr. Speaker, I have a couple of constituents here: Lyla Pierre from Sambaa Ke, Nathan McPherson from Fort Simpson. Also in the crowd is the Mackenzie Recreation Association, a number of members of them, who just celebrated their 25th anniversary, and I am very proud to recognize them here, in the House. I had an opportunity to work with a number of them previously: Janie Hobart, Erin Porter, Jessica VanOverbeek -- I said her name wrong; sorry, Jessica -- and Dale Loutit. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Recognition of visitors in the gallery. Member for Kam Lake.

MR. TESTART: Thank you, Mr. Speaker. I’d like to welcome students and staff from St. Joseph’s School who are joining us today. I got to speak with them earlier. It is great to see young persons and their teachers taking an interest in our proceedings. Thank you for being here. I would also like to recognize my friend, Mr. Nathan McPherson. Thanks for being here, as well. Thank you.

MR. SPEAKER: Masi. Since our recognition of some of the students who are here with us, we have our very own Michael Ball’s son who is here with us in the gallery, Kagan Ball. Thank you for being here with us. Masi. Recognition of visitors in the gallery. Member for Nunakput.

MR. NAKIMAYAK: Thank you, Mr. Speaker. I’d like to recognize a couple of pages from Angik School and their chaperone, Stephanie Illasiak. The pages are Kassius Green and Hope Gordon-Thrasher. Also, I have another cousin who is a page here, as well, Tori Haogak. It is good to see the youth up-and-coming and working at the Legislative Assembly and seeing the proceedings. I just want to wish everybody here in the gallery a good afternoon. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Recognition of visitors in the gallery. Member for Yellowknife North.

MR. VANTHUYNE: Thank you, Mr. Speaker. Mr. Speaker, today, I would also like to recognize Jessica VanOverbeek as the executive director of the Mackenzie Recreation Association. Congratulations again on your 25-years’ anniversary. She is also a resident of Yellowknife North. Mr. Speaker, I also want to recognize two pages who have helped us during session, Matthew Brinson and Artie Ekenale from the riding of Yellowknife North, and thank all the pages for the great contribution they make to our Assembly. Thank you, Mr. Speaker.


MR. SIMPSON: Thank you, Mr. Speaker. I would also like to recognize Ms. Dale Loutitt, who is here, vice-president of the Mackenzie Recreation Association as well as the recreation programmer at the town of Hay River. I would also like to recognize, I believe, a former constituent, Ms. Erin Porter, who is the South Slave director of the Mackenzie Recreation Association. Finally, I would like to recognize my mother for once again joining us in the gallery, Ms. Betty Lyons. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Recognition of visitors in the gallery. Member for Inuvik Boot Lake.

HON. ALFRED MOSES: Thank you, Mr. Speaker. Mr. Speaker, last night, I had the opportunity of attending the 25-year anniversary with the Mackenzie Recreation Association. They have done a lot of work over the years, not only for the Mackenzie recreation area but throughout the Northwest Territories. They have been trailblazers as well as role models for our residents of the Northwest Territories. I know we have some executive up there. We have some recreation

MR. NADLI: Thank you, Mr. Speaker. Mr. Speaker, I too would like to recognize Erin Porter from Enterprise, who is also a director from the South Slave for the Mackenzie Recreation Association. As well, I would like to recognize Lyla Pierre of Sambaa Ke and also just to congratulate the Mackenzie Recreation Association for their 25th year anniversary. Welcome and mahsi. Thank you.

MR. SPEAKER: Masi. Recognition of visitors in the gallery. Member for Thebacha.

HON. LOUIS SEBERT: Thank you, Mr. Speaker. I would like to recognize Thebacha resident and former mayor of Fort Smith, Janie Hobart, who remains very active in sport and recreation in the Northwest Territories, in particular her work with the Mackenzie Recreation Association. Thank you.

MRS. SPEAKER: Masi. Recognition of visitors in the gallery. If we have missed anyone in the gallery, thanks for being with us. It is always great to have an audience as part of our proceedings. Masi.

Item 7, acknowledgements. Item 8, oral questions. Member for Kam Lake.

**Oral Questions**

QUESTION 423-18(3):
CANNABIS SALES

MR. TESTART: Thank you, Mr. Speaker. Mr. Speaker, looking at social media recently around the new Cannabis Commission and cannabis sales in the Northwest Territories, I saw an image yesterday posted on the commission's website saying, "Unfortunately, we are sold out. Product will not be available until further notice." I have received some complaints that online orders haven't shipped, and no notices have been provided to residents.

After six days, it seems like we are having issues with the operation of our Cannabis Commission. Can the Minister of Finance provide some clarity on whether or not there is product left in the Northwest Territories, and what the hold-up is on sales? Thank you.

MR. SPEAKER: Masi. Minister of Finance.

HON. ROBERT MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, because this is new, I mean, there were going to be some hiccups, and, unfortunately, we have run into a few of them. As far as the product goes, this is an issue that is facing the whole country, actually. They are having supply issues across the country.

We had three major suppliers who we were dealing with. We are actually looking to identify any more federally approved suppliers who might be able to supply the Northwest Territories with some product.

MR. TESTART: Can the Minister advise the House on what the total cannabis sales or cannabis product sales-to-date are? Can he provide an update?

HON. ROBERT MCLEOD: In the first four days of operation of legal cannabis, there was about $129,600 worth of sales. $10,900 of this was online sales, and sales took part in all regions of the Northwest Territories.

MR. TESTART: It seems like a popular product, and it seems to be flying off the shelves. Can the Minister confirm if the supply notice that was provided, at the Yellowknife store at least, if that is in fact true, that they have no more supply to offer folks in Yellowknife?

HON. ROBERT MCLEOD: My understanding is that they have run out of product. As I said earlier, they are looking at trying to bring more product in from the three suppliers that we have.

I have been reading the news, as well. I read the news every morning to see what is going to be raised in the Chamber today, and I know that this is an issue that is facing the country. They are having supply issues all across the country. Once the initial rush is off, we think things will probably stabilize a bit. I am not sure that we anticipated the level that was going to be needed, as far as cannabis goes, across the country.

MR. SPEAKER: Masi. Oral questions. Member for Kam Lake.

MR. TESTART: Thank you, Mr. Speaker. That's 30 kilos of cannabis in four days or six days. Again, it seems that the demand is quite strong in the Northwest Territories, and we don't know, at this point, if it is an initial rush or if this is a market thing.

Does this new market data give confidence to the Minister that there is a viable market for cannabis in the Northwest Territories, and how does that reflect on our current regulations for private sales? Thank you.

HON. ROBERT MCLEOD: It is an indication of the use of cannabis across the Northwest Territories. I
did expect that there was going to be a bit of a rush, and I thought that, once the rush was over, it would stabilize a bit, but early indicators are that it seems to be a product that is in high demand.

As far as the vendors go, it seems to be that there is a market for vendors. They may run into the same issues that we have. However, having said that, the regulations are out, so anybody who wants to be a vendor can put their application in. Thank you, Mr. Speaker.


QUESTION 424-18(3):
ARCTIC POLICY FRAMEWORK

MR. NAKIMAYAK: Thank you, Mr. Speaker. Mr. Speaker, earlier I spoke about the Arctic Policy Framework and the NWT chapter. I have questions for the Premier.

Mr. Speaker, my first question is: how has the GNWT engaged with the federal government in the development of the Arctic Policy Framework to date? Thank you, Mr. Speaker.

MR. SPEAKER: Masi. The Honourable Premier.

HON. BOB MCLEOD: Thank you, Mr. Speaker. The Arctic and Northern Policy Framework will be a federal document with the federal government making the financial decision on what is in it. With that said, Government of Northwest Territories officials have been actively engaged in the development of the framework document, working to ensure that territorial priorities are included.

We have also been sharing drafts with our partners on the intergovernmental council to seek their views. Their feedback has been very helpful, and, as agreed to by the IGC, GNWT officials have provided these views to Canada. Thank you, Mr. Speaker.

MR. NAKIMAYAK: I appreciate the response from the Premier. Mr. Speaker, have the GNWT's concerns been addressed in the NWT chapter of the Arctic Policy Framework? If not, what are some of the outstanding issues?

HON. BOB MCLEOD: I guess the biggest outstanding issue is the fact that the original timelines proposed by Canada would have had the Arctic and Northern Policy Framework completed by now. However, there have been a number of delays in the process.

The current schedule presented by Canada has the overarching part of the framework being released first, and then provincial, territorial, and Indigenous chapters will be developed following the initial release. Canada is also proposing that a governance framework and investment strategy will be released at the same time as these chapters.

MR. NAKIMAYAK: I appreciate the response from the Premier. Mr. Speaker, does the Premier know when a draft policy will be released?

HON. BOB MCLEOD: The federal government has used a co-development approach to develop the Arctic and Northern Policy Framework. It has not been without challenges, but the Government of the Northwest Territories appreciates the opportunity to work collaboratively with the federal government and the Members of the intergovernmental secretariat to develop the federal document.

The Government of the Northwest Territories is pleased with the progress that has been achieved by the new federal Minister of Northern Affairs on our priority files to date. We will continue to work with the federal government to advance these. As this is a federal framework, final decisions on timing will be Canada's. Based on current discussions, it is our hope that the substantial work that has gone into the Arctic and Northern Policy Framework will result in meaningful investments in the Northwest Territories starting with the federal 2019 budget.


MR. NAKIMAYAK: Thank you, Mr. Speaker. I appreciate the response and, as well, the timelines. Mr. Speaker, next year is an election year, and I hope, during the development and the final stages of this policy framework, that the Government of the Northwest Territories makes a big push to ensure that our sovereignty and our needs for infrastructure in the Northwest Territories are looked after.

Mr. Speaker, I am just wondering if the Premier would give us an update on any movements any time soon, in the near future, and down within the next 365 days. Thank you, Mr. Speaker.

HON. BOB MCLEOD: As we have committed previously, we are committed to providing a Northwest Territories chapter once it is in a suitable format that can be shared. At this time, we are still yet to achieve that because the chapter keeps changing almost on a weekly basis. We are still committed to sharing that information as soon as we reach that point.

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

QUESTION 425-18(3):
APPREHENSION AND DETENTION OF SEXUAL ASSAULT BY RCMP
MS. GREEN: Thank you, Mr. Speaker. Mr. Speaker, my questions are for the Minister of Justice. Has the Minister met with the RCMP to discuss the police response to the woman who was taken to the cells after being sexually assaulted? Mahsi.

MR. SPEAKER: Masi. Minister of Justice.

HON. LOUIS SEBERT: Thank you, Mr. Speaker. I can advise that, several weeks ago, the Minister responsible for the Status of Women and I had met with the commanding officer and shared our concerns about these matters with him. I believe he shared our concerns.

MS. GREEN: I'm glad to hear that meeting happened. Can you tell me whether there was any commitment to change on the part of the RCMP and how they handled women in this situation?

HON. LOUIS SEBERT: Yes. The Member opposite referenced the RCMP report which came out in December 2017, which advocated change on both a national level. I understand that the RCMP has increased training specific to sexual assault investigations, both locally and nationally.

MS. GREEN: Mr. Speaker, in order to encourage women to report sexual assault, the Family Violence Shelter in Whitehorse provides for third-party reporting. Kaushee's Place has staff trained to take statements from women about what happened to them and to collect medical evidence. Is the Minister familiar with third-party reporting of sexual assault in Whitehorse, and is he interested in having it here?

HON. LOUIS SEBERT: [Microphone turned off] …aware of the specific program in Whitehorse, but I do know that the RCMP will continue to explore alternate options for victims to report sexual assault, such as third party reporting.

MR. SPEAKER: I would like to remind Members to wait before you speak. The light usually goes on, and then you can speak after. Oral questions. Member for Yellowknife Centre.

MS. GREEN: Mahsi, Mr. Speaker. Mr. Speaker, according to Article 6 of the Territorial Police Agreement, the Minister will set priorities, objectives, and goals for the police. Will the Minister commit to developing a more robust relationship with women, with tools such as third-party reporting with the police rather than just leaving it up to them? Mahsi.

HON. LOUIS SEBERT: I know that regular members are completing a consent law on common sexual assault myths course that was specifically set up to address issues identified in the RCMP Sexual Assault Review and Victim Support Action Plan. Regular members will be required to have completed this course by the end of the fiscal year.

The police are moving ahead as a result of the report that was prepared, that came out in December 2017, but I will continue to explore with the RCMP the possibilities of third-party reporting. Thank you.


QUESTION 426-18(3):
FORT SIMPSON FERRY SERVICE

MR. THOMPSON: Thank you, Mr. Speaker. Mr. Speaker, a couple of weeks ago, I talked about ferry operation and the problems that were happening in Fort Simpson. I have to commend the Department of Infrastructure again and their staff from Fort Simpson. They have been able to get the ferry operating from 9:00 to 6:00, and I greatly appreciate that. However, with water levels, that is a big concern. Has the department done any analysis of possible solutions to alleviate this type of problem in the future? Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Minister of Infrastructure.

HON. WALLY SCHUMANN: Thank you, Mr. Speaker. Mr. Speaker, I want to thank the Member. Yes, we have worked with industry to extend the hours there, in Simpson, for an extra couple of hours during the summer. I think that has worked out great.

The department is always looking at ways to improve partnership and innovation or efficiencies on our ferries. These are challenging times these days, with the climate change and water levels that are happening.

The department has this coming capital plan on his specific ferry for his region. In the capital acquisition plan that was tabled earlier in this session, we are going to have new engines there that are going to increase the horsepower and lower fuel consumption on that ferry.

We are continuing to monitor the water levels on a regular basis. We continue to communicate with the communities, all communities, residents in the Northwest Territories, and the travelling public as early as possible to get the message out there of these conditions changing on a daily basis.

The Liard ferry normally closes on November 3rd, and I think, with the adjustments that we have made and operate on a daylight hours, we are going to continue to operate as long as possible. It's looking very positive that we might meet that same date.
MR. THOMPSON: I greatly appreciate that answer from the Minister. Yes, they are doing some really good work, trying to get the ferry operational and extending as possible.

In my previous conversations with the Minister, I spoke about the idea of moving the ferry landing to the Enbridge road and having the other landing relocated to the town dock. Has the Minister and the department looked at this option and have they done a cost analysis?

HON. WALLY SCHUMANN: Yes, we have done some preliminary investigation regarding the potential alternate landing site that the Member is talking about. It could extend the ferry service up to a month, depending on the weather and the water levels. There are some challenges still with this option. I think we have talked about this in the House before.

The ferry crossing would be 11 kilometres along the Mackenzie Valley River and take an hour-and-a-half compared to the seven-minute crossing at the present site, where it’s located right now, on the Liard River.

Of course, with that, if we are going to do 11-kilometre and a one-and-a-half-hour ferry ride, there are additional costs of operating these things. The initial number that I have, looking at doing this, the preliminary cost would be a $16-million ask to do that, not counting ongoing operational costs. That would be more for the longer ferry service and the additional maintenance of the highway.

MR. THOMPSON: I thank the Minister for that answer. I appreciate the department looking at that.

In our other conversations, we also talked about moving the landing upstream, which is, you know, a kilometre up, which would access deeper water and ensure better service to the residents from Fort Simpson. Has the Minister and the department looked at this option and done a cost analysis, as well?

HON. WALLY SCHUMANN: Yes, we have looked at this option, as well. The ferry most often shuts down during this season, like at the end of the year, I guess, is what I’m trying to say. It’s due to heavy ice flow or low water. It’s usually heavy ice flow. Moving it up river I don’t think is going to be able to extend the season. It’s not likely.

We also did a preliminary cost structure on this, too, and that is going to cost an extra $3.2 million if we were to look at that option. The other thing that we would have look at if we actually did that option would be land acquisition, land use permits, potential water licensing, and landing construction. Moving it upstream, I think, for something that would benefit the mid-season is not really a benefit. I don’t think that would be a viable option, as well.

MR. THOMPSON: I thank the Minister for that answer. It actually comes down to the million-dollar question: has the department looked at actually building a bridge across the Liard River? We are talking about Mackenzie Valley Highway. We are doing a bridge up at the Great Bear River. Has the department looked at building a bridge or a floating bridge, similar to what there is in BC, using the two islands in the river? Have they done a cost analysis of that?

HON. WALLY SCHUMANN: A bridge could possibly be a priority across the Liard River, but not at this point. As all Members know, we are pushing the envelope here on infrastructure funding to try to complete the Mackenzie Valley Highway. I believe that is our priority right now. Based on our mandate, that is what we are working on.

There would be some challenges, though, with having a floating bridge, I think, because of the fluctuation of the water that we see, particularly on the Liard because it is tied to the BC mountains. We can certainly have a look at that sometime, but, right now, that is not a priority of this government. Thank you, Mr. Speaker.


QUESTION 427-18(3):
LAND AVAILABILITY FOR COMMUNITY DEVELOPMENT

MR. NADLI: Mahsi, Mr. Speaker. Mr. Speaker, I think everybody has a dream of owning their own home and building a home, but a house needs a critical aspect of making a long-term home, and that is land. My question is to the Minister of Lands. What steps has the Minister of Lands taken to identify and make land available for residents of the Northwest Territories? Mahsi. Mr. Speaker.

MR. SPEAKER: Masi. Minister of Lands.

HON. LOUIS SEBERT: Thank you, Mr. Speaker. The department does encourage community governments to apply for and obtain land within the communities where there is a demonstrated need to support future expansion and development of their communities.

Now, much of this land is unsurveyed, so, once we recognize a need for the land, we would have to in many cases have it surveyed. There is a way in which community governments in particular can apply to the government and obtain land within the community.
MR. NADLI: Once again, having a home of course is the biggest investment that a person will undertake in their lives. At the same time, it is also an investment in the community, but, in some communities, there is no land.

Can the Minister commit to working closely with communities to open up larger areas of land for development, in an effort to step away from piecemeal development and towards a more holistic approach?

HON. LOUIS SEBERT: As I mentioned, we do encourage community governments to apply for and gain title to lands, and often the proven needs or the needs of the community are identified through community plans. Communities need to develop community plans, and then applications can be made, of course, to Lands. That would be the process to obtain more land within the communities that would be available to the general population.

I know that, under section 9 of the Commissioner’s Land Regulations, “No interest in Commissioner’s land shall be sold, leased, or otherwise disposed of unless the deputy Minister is satisfied that the applicant for the land has discharged the obligations and performed the covenants and agreements that are required of him or her before the sale, lease, or other disposal; the land is no larger in area than is reasonable for the purpose for which the land is required; and the sale or lease is fair and equitable in accordance with the public interest.”

There is no general policy to turn over all Commissioner’s land within the communities to the communities, but certainly we would be interested in working with the communities and in receiving applications.

MR. NADLI: The Minister stated two interesting streams of a process that communities would undertake: one, for the purposes of residential interest, people could apply for land; and, also, the other process is a commercial interest in communities. What is the difference between the two processes, and are they basically the same?

HON. LOUIS SEBERT: As mentioned earlier, the proven need for land must be established, first of all. As to whether the process is different for commercial, industrial, or residential land, I will have to look into that and get back to the Member.


MR. NADLI: Mahsi, Mr. Speaker. Mr. Speaker, can the Minister commit to working with MACA to review community plans and zoning bylaws together to ensure smoother land transfer to communities by eliminating additional process layers? Mahsi.

HON. LOUIS SEBERT: Yes, of course, we would be very pleased to work with MACA to make this process move more smoothly, and, certainly, we do recognize that there is a need for land in the communities. I have heard that, not only from the Member who has asked the question but from another Member opposite. Thank you.

MR. SPEAKER: Masi. Minister of Infrastructure.

HON. WALLY SCHUMANN: Thank you, Mr. Speaker. When Infrastructure was putting forward our requests for federal dollars for the bilaterals we signed, along with all of the other sources of funding that we are trying to secure, the first thing we did is we checked the mandate. That is the first thing we have done. We checked the mandate and identified the priorities that were within the mandate. We have looked at the 20-year capital-needs assessment and the annual capital-planning process.

That is the process, we have done that, and then, when we do that, we also have to look at the alignment of objectives and outcomes that the federal government has laid out, the eligibility criteria that they establish for this federal funding. Thank you, Mr. Speaker.

MR. O’REILLY: I want to thank the Minister for that. It sounds like the mandate, the 20-year capital plan, is driving what we submit, but I had hoped to hear that there were some other kinds of rigorous analyses around the number of jobs that would be created, greenhouse gas reductions, regional distribution, and a balance between physical and social infrastructure. If the Minister has these criteria that he and his Cabinet colleagues use
internally, can he share those with this side of the House?

HON. WALLY SCHUMANN: I can certainly check with the department for exactly what we used and share that with the Member.

MR. O’REILLY: I would like to thank the Minister for that commitment. As I said, I hoped that the criteria would include things like the number of jobs likely to be created, greenhouse gas reductions, regional distribution, and balance between physical and social infrastructure.

The Minister has committed to share whatever criteria he has developed with our side of the House. How does he intend to share those criteria with the public?

HON. WALLY SCHUMANN: I will have to check with the department to see exactly how we could do that, and I can certainly get back to the Member.


MR. O’REILLY: Merci, Monsieur le President. A few commitments out of the Minister here today. I appreciate that.

I talked earlier today about how, on the Infrastructure Canada website, it shows that 79 per cent of our federal infrastructure dollars since 2002 have been spent on roads and highways. This has led to a big imbalance. I have referred to this as the “big toys for big boys” approach.

Can the Minister explain this imbalance and how he will work to ensure that more social infrastructure projects make it through Cabinet’s processes and into GNWT submissions for federal infrastructure funding? Mahsi, Mr. Speaker.

HON. WALLY SCHUMANN: You know, we have had a lot of discussions in this House about where infrastructure money should go, and a lot of people believe that it should go to education, health, and housing infrastructure.

When we go down to these meetings with our federal colleagues and provincial and territorial colleagues, the criteria is clearly laid out. The federal government has said that our bilaterals are for green infrastructure; public transit; social infrastructure, which is community, culture, and recreational bilateral; rural northern communities; and Arctic Energy Fund. That is the criteria that I have to work with.

When my fellow colleagues go down, they have to lobby for their own pots of money, be it health, the ones I just laid out, and there are federal engagements on those, and they have their own pots of money.

A lot of people, and particularly this Member, thinks that there is a lot of money in this program for social infrastructure, and there isn’t. The criteria is clearly laid out by the federal government. We had to line up, as I said, our mandate, our 20-year capital needs, the priorities of this Legislative Assembly, and work with the criteria the federal government gives us to try to access these dollars.

Now, I’m not saying that we don’t go down there and argue for some stuff. We are continually down there trying to fight for every dollar we can get, and, thankfully to Minister Sohi when we signed our bilateral, between myself and the finance minister, he clearly listened to us that we don’t want it on a per capita basis. We want it base-funding plus, and he did that. We got more money than the Yukon, Nunavut, and PEI. We did very well on our bilaterals, but there seems to be this notion that we can just take these pots of money, there’s $570 million, and spread it around the Northwest Territories where we want, and we can’t. That’s not how this program works. We have to work within what they have laid out, and we will continue to do that. Thank you, Mr. Speaker.


QUESTION 429-18(3):
USE OF ALCOHOL SALES TO FUND ALCOHOL ABUSE TREATMENT PROGRAMS

MR. BEAULIEU: Marsi cho, Mr. Speaker. On my Member’s statement, I talked about the impacts of alcohol in the small communities, or I guess impacts of alcohol in all our communities. You probably know the answer to this, but I’m going to ask the Minister of Finance if he could look at the possibility of reinvesting some profits directly into the issues of the impacts of alcohol in the communities. Thank you.

MR. SPEAKER: Masi. Minister of Finance.

HON. ROBERT MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, I completely agree with the Member that alcohol is a widespread program all across the Northwest Territories, all walks of life, and I believe it is something that we need to continually battle. It has affected probably everybody in this building, and I’m sure most families in the Northwest Territories have been affected and are still being affected by alcohol.

Having said that, the money that we get from alcohol sale goes into general revenue, and that money that is in general revenue is then used to deliver a lot of the programs across the Northwest
Territories, including those that are specifically designed for mental health and addictions.

**MR. BEAULIEU:** One of the key issues in the communities is bootlegging. I know that the government put some money into general revenues, and then, this rolled out. I know that the social envelope gets their fair share, but I'm not sure that there is anything that is in there at all in all of government that directly combats bootlegging.

I'd like to ask the Minister if there is any possibility that there could just be a pot of money that comes from the sale of alcohol hearing what he just said, but if they could reconsider this and put something directly into combatting bootlegging?

**HON. ROBERT MCLEOD:** The Member is correct. Bootlegging is widespread across the Northwest Territories, unfortunately. We would not like to see that, but it is a fact of life. I think the law enforcement have been doing a good job in trying to crack down on some of the illegal bootlegging or the illegal sale of alcohol. I think we see it quite regularly in the news now, the fact that they are posting pictures of alcohol that they have seized. That's a good start, and I think there are more people that are speaking up about those that are bringing in alcohol, and that is needed, those that bootleg alcohol, if we have people willing to come forward and testify against those. As the Member said, a lot of small communities, I mean we are a small jurisdiction, you know who the bootleggers are in each community, and unfortunately, without those coming forward to testify against them, then they continue to operate.

As far as identifying a set amount of money to combat that one particular issue, again I go back to the fact that money goes into general revenue. I suppose it is a discussion that we could have with committee, and, if it's something that they feel quite strongly about, I can't guarantee that it's going to happen, but we need to start the discussion somewhere.

**MR. BEAULIEU:** I'd like to ask the Minister, just along the same lines, a little bit of difference: is there a possibility that, without any prohibition or anything, that the government or the liquor stores themselves can set a restriction on the amount of alcohol an individual can purchase in one day?

**HON. ROBERT MCLEOD:** My understanding is, going back in history, that it has been tried in a few communities. They tried to restrict the sale of alcohol, but it didn't work out. I think that was just more of a business opportunity for bootleggers because I think they did quite well off of this. They went back to non-restricted sales.

Again, we would have to have a conversation with the liquor stores. We would have to hear from the communities. I know people in the territories have very strong opinions on alcohol and the effects of alcohol in the community, and we've all seen it firsthand, and we've seen a lot of people that have sobered up, and they are doing quite well for themselves. Some of those folks are the biggest opponents of alcohol sales. We would have to have a discussion and see if we are able to work with restrictions. I do know it has been tried before, but it was very beneficial to those that bootleg.

**MR. SPEAKER:** Oral questions. Member for Tu Nedhe-Wiilideh.

**MR. BEAULIEU:** Thank you, Mr. Speaker. Mr. Speaker, I don't have the answer, either, and I don't think anyone does. It is next to impossible to get somebody to buy alcohol off a bootlegger then see the whole thing through to court. Therefore, people just don't engage in that. Like the Minister said, small town, no one wants to be seen as the person that is blowing the whistle on bootleggers, even though no one likes them.

Is there a possibility, then, that, not in communities, where you would restrict alcohol? I recognize that some of those things in the past have failed, but where the liquor stores themselves set their own restrictions, if they know there is a bootlegger coming in every day to buy booze, is there a way that the liquor store can or the government can work with the liquor stores to prevent that from happening? The restrictions could be well within the needs of anyone in the Northwest Territories, but it would not be well within the needs of what the bootlegger needs to continue to operate. I would just like to ask the Minister: is there anything there, at all, that can be done by the government? Thank you.

**HON. ROBERT MCLEOD:** This is a topic that needs more investigation. As the Member is aware, a lot of these people that bootleg wouldn't actually go into the liquor store to buy the alcohol themselves. They would use, and the word is "use," other people to go to buy the alcohol for them, which takes some of the pressure off of them. They have ways that they work around it, and I think restrictions have been tried before. If there was a known bootlegger that came in, again, we would have to have a look at this because I can't stand here right now and say, yes, we're going to do it. I'm just pointing out reality is that they use a lot of different people to go to get their supply for them, and then they sell it. It is something that is widespread. It is widespread, and it is something that we would not like to see happen, and we would like more people to stand up and take a stand against this. Good on some of the folks in the community that battle alcohol, and the effects it has
on the communities. All the power to them. If there is any support that we can provide them, it is something that this government should consider. Thank you, Mr. Speaker.

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

QUESTION 430-18(3):
ESTABLISHMENT OF THAIDENE NENE

MR. VANTHUYNE: Thank you, Mr. Speaker. Mr. Speaker, earlier today, I spoke about the Thaidene Nene and the critical path towards finalizing the establishment of that unique park. My questions today are for the Minister of Environment and Natural Resources. We have, as you know, three main participants taking place in the establishment of that park, Lutsel’ke Dene First Nation, Parks Canada, and of course ourselves. There are a lot of, I will call them, milestones and obligations that we have to meet in order to establish this park. I would just like to ask the Minister: can he advise if the Government of the Northwest Territories has in fact fulfilled all its commitments to make the park a reality?

I’m not talking necessarily about the protected area strategy. I’m talking about all the other benchmarks and commitments that we have to meet as a territorial government. Thank you, Mr. Speaker.

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

HON. ROBERT MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, the establishment of TDN does remain a priority of the GNWT and a mandate for the Department of ENR. Regarding TDN establishment, we are in active negotiations with Lutsel’ke, other Indigenous governments, as part of Parks Canada. All the negotiations are proceeding in a timely fashion. We are hopeful that all agreements will be signed off in 2019, prior to introducing the bill for first reading. We are hopeful in terms of meeting all of our obligations to establish this park in the life of this Assembly. Can the Minister maybe provide a little bit more detail and maybe speak a little bit more to specific timelines and what, maybe, the next steps might be?

MR. VANTHUYNE: Mr. Speaker, the Minister talked earlier that we are hopeful in terms of meeting all of our obligations to establish this park in the life of this Assembly. Can the Minister maybe provide a little bit more detail and maybe speak a little bit more to specific timelines and what, maybe, the next steps might be?

HON. ROBERT MCLEOD: Mr. Speaker, the negotiations are ongoing. The negotiations will conclude with the signing of the land transfer agreement with Parks Canada as well as other agreements with IGOs as required. The GNWT, now this is a different word, is “confident,” instead of “hopeful” is confident, that these agreements will be concluded within the life of the 18th Legislative Assembly.

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

MR. VANTHUYNE: Thank you, Mr. Speaker. Thank you to the Minister for his reply. We have moved from “hope” to “confidence,” and that is a good thing, but there is a missing piece, Mr. Speaker. That leads me to ask the Minister about: can he update us and this Assembly on the current status of the Territorial Protected Areas Act? Are we as confident in having that piece of legislation passed so that we can enable the establishment of this park? Thank you, Mr. Speaker.

HON. ROBERT MCLEOD: Mr. Speaker, establishment of a new territorial park via legislation during the life of the Assembly, needless to say, is a priority with the Government of the Northwest Territories as well as the mandate item. A collaborative effort process with the Indigenous government organization, other level of governments, and stakeholders has been undertaken to gather input needed to develop this important piece of legislation. The work continues. Public engagement is also underway. Formal consultation with Indigenous governments and organizations is also ongoing. It will be conducted prior to introducing the bill for first reading. We are looking at introducing the bill for first reading during the winter 2019 session, which would be the February-March session. Thank you, Mr. Speaker.

QUESTION 431-18(3): INCOME SECURITY PROGRAMS ACCESS IN TSIIGEHTCHIC

MR. BLAKE: Thank you, Mr. Speaker. Mr. Speaker, as follow-up to my Member's statement, I have a few questions for the Minister responsible for Education, Culture and Employment.

Mr. Speaker, right now, what is the department doing to make sure that all Tsiigehtchic clients of income security programs can have face-to-face access to staff when they need to? Thank you, Mr. Speaker.


HON. CAROLINE COCHRANE: Thank you, Mr. Speaker. Currently, we have a client service officer who travels into Tsiigehtchic on a monthly basis so that they can meet with income support clients. We also have government service officers who can help people with filling out forms or applications, etcetera, if the client service officers aren't in Tsiigehtchic. Thank you, Mr. Speaker.

MR. BLAKE: Mr. Speaker, the number of income assistance cases and the number of income assistance beneficiaries in Tsiigehtchic has increased over time. We are also hearing from community leadership that a local dedicated staff person is necessary for practical purposes. What other information does the department need to build a business case to re-introduce this position into the community?

HON. CAROLINE COCHRANE: Customer service is a priority within all government departments, but we also have to be reasonable. We have more need or more desires than actually money. Within the community of Tsiigehtchic, currently we have 10 people who are on income support and we have five people that are accessing our home heating services. The five people on home heating only have to apply once a year. The 10 people on income support have to do monthly assessments, but I really have a hard time justifying that we would need a full-time worker for 10 people on income support in a community. If I had the money, Mr. Speaker, I would have one. Again, it is hard to justify a full-time worker on 10 income support people.

MR. BLAKE: Mr. Speaker, one thing that I didn't mention in my statement is travel time is taken out of the actual hours that a person is in the community. You're looking at anywhere from four to five hours per day once a month that that person is in the community. Now that I have brought these issues to the Minister's attention, what actions will the Minister take to improve local, face-to-face income security program services in Tsiigehtchic?

HON. CAROLINE COCHRANE: Since the Member brought it up, there must be an issue with it. I'm more than willing to sit down with the Member and discuss what their community is actually seeing as barriers. My understanding is that we do have workers going in once a month at minimum. I will make sure that they are providing that service, and I would be more than willing to meet with the MLA to figure out what the issues are and see how we can accommodate.


MR. BLAKE: Thank you, Mr. Speaker. Mr. Speaker, will the Minister actually come on a tour in the first week of December, with Minister Schumann and I, along with whoever else is available? Will the Minister commit to that? Thank you, Mr. Speaker.

HON. CAROLINE COCHRANE: There was a commitment that Ministers get to as many ridings as possible. I know I have been to that riding probably a couple of times already, I am not sure if it is on my agenda for December. I do know that I am booking up until February, but if I am available, then I would be more than honoured to visit the riding. Thank you, Mr. Speaker.


QUESTION 432-18(3): LAND RIGHTS FOR TRADITIONAL CABINS

MR. THOMPSON: Thank you, Mr. Speaker. Mr. Speaker, last week I was asking questions of the Minister of Lands about cabins and squatters and Aboriginal rights and that, and I have to thank the Minister for following up and providing me further information.

However, I would like to ask him the question: with DFN being identified as the organization that their staff is working with, is it now DFN's responsibility to get this information out to the cabin owners? Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Minister of Lands.

HON. LOUIS SEBERT: Thank you, Mr. Speaker. Our engagement with Indigenous governments has started. Really, what they do on their side is entirely up to them. We have started engaging with them. It would seem to me that they may wish to consult with their members, but that is their choice, of course. Thank you.
MR. THOMPSON: Yes, he has worked with Indigenous governments, and he is organizing that. However, this is a regional government, and these cabin owners are community-based. I know that Acho Dene is getting consulting as well, but again, what about the other three communities out there: Wrigley, Nahanni Butte, and Sambaa Ke? Is it DFN's responsibility now to get that information out there?

This is a government decision, not DFN's thing. Will the Minister advise us, will they look at going to the smaller communities and getting this information out there?

HON. LOUIS SEBERT: As I mentioned, our initial engagement, if I can put it that way, will be with the Indigenous government organizations. Whether further engagements will be required in the smaller communities is an issue which I will discuss with the department.

All I can say is that we are engaging with a large number of Aboriginal governments throughout the Northwest Territories and possibly beyond, if it is deemed necessary.

Our initial engagement, and, in fact, this engagement has just started this week, is with IGOs, and I assume that they would then be in touch with their members, but again, that is up to them.

MR. THOMPSON: I thank the Minister for the non-answer. I mean, I find it really interesting that this is a government decision. They are going to decide who has the rights and who are the squatters on this land. That is their job. They should be getting the information to each community so that the communities can get that out there.

If it is not going to be able to do that, will the Minister provide us with the information that they are providing to these Indigenous government organizations and give it to us so that we can now go to the small communities and do the government's job?

HON. LOUIS SEBERT: As I said previously, Mr. Speaker, there are a large number of Indigenous groups within the Northwest Territories that we have written letters to on September 5th.

Again, I am not certain whether we will be seeking to engage with Aboriginal governments beyond those, but again, yes, we do realize that this is an important issue, and we are hoping that those Aboriginal governments which we are dealing with, of which there is a large number, will spread the news to their various members.


MR. THOMPSON: Thank you. The Minister of Hope. Every time I ask him a question, we get this "hope" answer. "I hope something will happen." "I am hoping this." This is the Government of the Northwest Territories, not the Indigenous government, not DFN. This is the Government of the Northwest Territories' responsibility.

The question I asked the Minister was: will he give us the same information that he has given to these Indigenous government organizations so that we can go out there and get that information to them? I am not asking him to say "hope" that those other organizations are going to do it. I am asking, actually "hoping," that they will get me that information so that I can share it with my constituents. Thank you, Mr. Speaker.

HON. LOUIS SEBERT: This whole issue of unauthorized and potential rights-based occupancy of land in the Northwest Territories is an important issue for this government. Our initial contact, our initial engagement, is with Indigenous governments, and that is where we are at this stage. Thank you, Mr. Speaker.

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

QUESTION 433-18(3):
COMMUNITY LANDS PLANNING

MR. VANTHUYNE: Thank you, Mr. Speaker. Mr. Speaker, my next set of questions are for the Minister of Lands. My colleague, the honourable Member for Deh Cho, started a line of questioning earlier today with regard to community lands, and I would like to continue along those lines.

Mr. Speaker, I just want to get to the point. If cities and towns are doing long-term planning, they already have these community plans in place. In the case of the City of Yellowknife, it is a ten-year plan; they revive it every five years. In order to do long-term planning, the city has, a number of times, requested to get its hands on all of the land within the municipal boundary.

I am wondering why the government still insists that we would have to piecemeal plots of land to the city on a request-by-request basis rather than just give them the lands within the municipal boundary as a whole, as one greater land application. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Minister of Lands.

HON. LOUIS SEBERT: Thank you, Mr. Speaker. Thank you for the question. As I say, there is no policy to turn over all Commissioner's land within the municipalities to the municipalities. We need to have applications. As I mentioned when I referred
to the regulations earlier, we need to know the purpose for which the land is needed.

We also have lands needs for our government, so we simply can't turn over everything to the municipalities. However, again, upon application, we may turn the land over to them if it fits the criteria. Thank you.

**MR. VANTHUYNE:** The Minister is saying that we require plans. The plans always identify the needs. In the city's case, it is over ten years. They know what their needs are. They have applied for all of those lands in what was called a greater land application, and it has been denied in the past. They have done it up to three times.

They have done all of the process. They have provided the plan. They have provided the applications, and they have been denied. The Government of the Northwest Territories has their own needs. Certainly, they can plan to carve off their needs and then give the rest over to the municipality. Is that not possible?

**HON. LOUIS SEBERT:** We naturally want to move fairly cautiously in this area. As I said, there is an application that municipalities can make. It may not be that we have finalized all of our needs for the future. There has to be some sense in this, in that we realize that towns, municipalities, and cities do have a need for land.

On application, we have been turning over land to them. We will continue to do so, but there must be a reason for it, and we are not going to turn over all lands within the municipal boundaries to the municipalities for a variety of reasons, including that we don't know our needs for the future.

**MR. VANTHUYNE:** The City is required to establish a plan and let the government know about its long-term plans for land use. It does that. Then it makes the application. Certainly the Government of the Northwest Territories can identify its own needs within the boundary of the City of Yellowknife.

Does the Minister not recognize that by doing this piecemeal approach, that he is falsely inflating the cost of land and not, in fact, allowing the municipality to do good, quality, long-term planning?

**HON. LOUIS SEBERT:** I mentioned earlier that we don’t know our needs. Perhaps it was better phrased to say we don’t know all of our needs for the future. Some of them may not be fully mapped out yet. Again, on application, we can turn land over to the municipalities and have been doing so. I expect that procedure to continue. It seems rational and also following what the regulations state in the Commissioner’s land regulations. Again, applications can be made. They can be studied. If they are of merit, land can be turned over.

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

**MR. VANTHUYNE:** Thank you, Mr. Speaker. Mr. Speaker, will the Minister work with the appropriate administrative bodies at the City of Yellowknife to put in a greater land application so that the City of Yellowknife can acquire, while respecting interim land withdrawals and respecting the GNWT’s long-term needs, a greater land application to satisfy the city’s requirements for long-term planning and land use? Thank you, Mr. Speaker.

**HON. LOUIS SEBERT:** The Member opposite has identified some issues that do arise. There are our needs. There are also sometimes, in some municipalities, interim land withdrawals. We are obviously always willing to work with the City of Yellowknife, and we look forward to working with them. Again, they can make application, and we can respond. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Item 9, written questions. Item 10, returns to written questions. Item 11, replies to the Commissioner’s opening address. Item 12, petitions. Item 13, reports of committees on the review of bills. Item 14, tabling of documents. Minister of Finance.

### Tabling of Documents

**TABLED DOCUMENT 255-18(3):**
**SUPPLEMENTARY ESTIMATES (INFRASTRUCTURE EXPENDITURES), NO. 3, 2018-2019**

**TABLED DOCUMENT 256-18(3):**
**SUPPLEMENTARY ESTIMATES (OPERATIONS EXPENDITURES), NO. 3, 2018-2019**

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, I wish to table the following two documents entitled “Supplementary Estimates (Infrastructure Expenditures), No.3, 2018-2019” and “Supplementary Estimates (Operations Expenditures), No. 3, 2018-2019.” Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Tabling of documents. Minister of Municipal and Community Affairs.

**TABLED DOCUMENT 257-18(3):**
**FOLLOW-UP LETTER FOR ORAL QUESTION 281-18(3): NORTHWEST TERRITORIES YOUTH ADVISORY COUNCIL**
Mr. Speaker, I wish to table the following documents entitled "Follow-up Letter for Oral Question 281-18(3); Northwest Territories Youth Advisory Council," "Follow-up Letter for Oral Question 322-18(3); Tuktoyaktuk Shoreline Relocation Project," and "Follow-up Letter for Oral Question 330-18(3); Establishment of the Fort Providence Fire Department." Thank you, Mr. Speaker.

Mr. Speaker, I wish to table the following three documents entitled Northwest Territories Legislative Assembly - 2018: Independent Auditor's Report - Child and Family Services - Department of Health and Social Services and Health and Social Services Authorities." Masi.

Item 15, notices of motion. Item 16, notices of motion for first reading of bills. Member for Frame Lake.

NOTICES OF MOTION FOR FIRST READING OF BILLS

**BILL 24:** AN ACT TO AMEND THE ELECTIONS AND PLEBISCIATES ACT

Mr. O'Reilly: Merci, Monsieur le President. I give notice that, on Thursday, October 25, 2018, I will move that Bill 24, An Act to Amend the Elections and Plebiscites Act, be read for the first time. Masi, Mr. Speaker.


Consideration in Committee of the Whole of Bills and Other Matters

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

Mr. Testart: Thank you, Mr. Chair. The committee would like to consider Bill 7, Chartered Professional Accountants Act; and Minister’s...
Statement 103-18(3), Marine Transportation Services. Thank you, Mr. Chairman.

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

SOME HON. MEMBERS: Agreed.

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

---SHORT RECESS

CHAIRPERSON (Mr. Simpson): I will call Committee of the Whole back to order, Committee, we have agreed to consider Bill 7, Chartered Professional Accountants Act. I will turn to the Minister of Finance to introduce the bill. Minister McLeod.

HON. ROBERT MCLEOD: Thank you, Mr. Chair. I'm here to present Bill 7, Chartered Professional Accountants Act.

For over a decade, the three national accounting bodies, the Canadian Institute of Chartered Accountants, the Certified General Accountants Association of Canada, and the Certified Management Accountants of Canada, had discussed the possibility of merging their respective organizations into one comprehensive national accounting body.

In January 2013, a national unification framework was agreed to by the three Canadian accounting bodies to create a new national body, Chartered Professional Accountants Canada or ‘CPA.’ Following this lead, in May 2013, the three professional accounting bodies of the Northwest Territories and Nunavut developed their own merger proposal to unify as a single professional accounting organization.

Towards these efforts, the Government of the Northwest Territories administration has worked closely with Nunavut and the NWT-Nunavut CPA Transition Steering Committee to develop Bill 7. All three parties collaborated to propose legislation that contains similar content of legislation passed in other jurisdictions while recognizing the needs of a small jurisdiction like the NWT and Nunavut.

This joint legislation with Nunavut proposes to establish a new Chartered Professional Accountants Act in the Northwest Territories and Nunavut, and provides the legislative framework for CPA NWT/Nunavut to be a self-regulating body.

The three legacy Acts: Institute of Chartered Accountant's Act, the Certified General Accountants Act, and the Society of Management Accountants Act would consequently be repealed upon the new CPA Act coming into force. Should the legislation be passed, the NWT and Nunavut would join all other Canadian provinces and the Yukon who have already passed similar legislation.

That concludes my opening remarks, Mr. Chair. I am prepared for any questions Members may have. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. I will next turn to the chair of the Standing Committee on Government Operations, which is the committee that reviewed this bill. Mr. Testart.

MR. TESTART: Thank you, Mr. Chair. The Standing Committee on Government Operations is pleased to speak to our review of Bill 7: Chartered Professional Accountants Act.

Bill 7, sponsored by the Department of Finance, merges the three professional accounting bodies currently operating in the Northwest Territories and Nunavut, following the lead of the three related national accounting bodies that merged in 2013. Bill 7 will repeal three existing NWT statutes and replace them with a single, new Chartered Professional Accountants Act. This bill is being coordinated with legislation in Nunavut to allow members of the newly-merged body, the Chartered Professional Accountants of Northwest Territories/Nunavut, known as CPA NWT/NU, to operate as one in both territories.

A public clause-by-clause review was held on October 10, 2018. This meeting had been deferred previously when our law clerk brought to the attention of the committee a concern shared by the law clerk in Nunavut, that clause 2 of Bill 7 raises a significant legal matter. As drafted, the bill proposed to establish the CPA NWT/NU as a single statutory corporation rooted in both jurisdictions, without stating in which jurisdiction the corporation is created, or pursuant to whose laws. I am pleased to report that our law clerk, legislative drafters in the Department of Justice, and the law clerk in Nunavut have collaborated on amendments to resolve the concerns which were brought forward as motions, and concurred with by the Minister of Finance. I am further pleased to report that the honourable Minister advised the committee that the organizations amalgamated under the CPA NWT/NU have been consulted on these proposed changes and are supportive of the recommended approach. I wish to thank everyone involved for this collaborative effort to ensure that we enact the best and most sound legislation possible.

Individual Members may have additional comments or questions as we proceed with consideration of this bill. Thank you, Mr. Chair.
CHAIRPERSON (Mr. Simpson): Thank you, Mr. Testart. Minister, do you have witnesses you want to bring to the Chamber?

HON. ROBERT MCLEOD: I do, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Sergeant-at-Arms, please escort the witnesses into the Chamber, and Minister, you may take your seat at the witness table with your witnesses.

Minister, please introduce your witnesses for the record.

HON. ROBERT MCLEOD: Thank you, Mr. Chair. Mr. Chair, to my right, I have Mr. Terence Courtoreille, Director of Management Board Services; and to my left, I have Mr. Mike Reddy, legislative counsel, Department of Justice. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Sergeant-at-Arms, please escort the witnesses into the Chamber, and Minister, you may take your seat at the witness table with your witnesses.

Thank you, committee. Sorry about that. Does committee agree there are no general comments to the bill?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mr. Simpson): Thank you, committee. We will now return to the bill number and title. Bill 7: Chartered Professional Accountants Act. Does committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mr. Simpson): Thank you, committee. To the bill as a whole?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mr. Simpson): Thank you, committee. Does committee agree that Bill 7 as amended is ready for third reading?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mr. Simpson): Thank you, committee. Bill 7: Chartered Professional Accountants Act is now ready for third reading as amended. Thank you to the Minister and his witnesses. Sergeant-at Arms, you may escort the witnesses from the Chamber. This concludes our consideration of Bill 7.

Committee, we have agreed to next consider Minister's Statement 103-18(3): Marine Transportation Services. I understand that the Minister has agreed to sit at the witness stand and answer any questions. Minister Schumann, do you have witnesses you wish to bring into the Chamber?

HON. WALLY SCHUMANN: Yes, I do, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Sergeant-at-Arms, you may escort the witnesses into the Chamber. Minister, please have a seat at the witness table.

Each Member may speak 10 minutes to an item. I will allow committee to speak, ask questions of the Minister if they wish, and they can have a bit of a back and forth in that 10 minutes. At the end, I will give Minister Schumann the opportunity to respond if he wishes.

Do we have comments or questions regarding this Minister's Statement on Marine Transportation Services?
Services? Sorry, first, I will let the Minister introduce his witnesses.

HON. WALLY SCHUMANN: Thank you, Mr. Chair. On my left, I have Vince McCormick, the Director of Financial Administration. On my right is deputy of Infrastructure, Paul Guy. On our far right is Brian Nagel, Director of Infrastructure and Business Solutions. Thank you, Mr. Chair.

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

MR. NAKIMAYAK: Thank you, Mr. Chair. Thanks to the Minister for bringing his witnesses. Mr. Chair, this affects, actually, three of my communities and one of them being Sachs Harbour, with a sealift of gasoline that wasn't delivered to the community. The Minister stated last week during the session that there would be no airlift of gasoline to Sachs Harbour. I'm just wondering if that's going to be added to or put in somewhere along the lines of the airlift to the other three remaining communities? Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Nakimayak. Minister.

HON. WALLY SCHUMANN: Thank you, Mr. Chair. As I stated in the House, we have checked what is in stock in Sachs Harbour, and there is enough there to meet the demand until next sailing season. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Nakimayak, Minister.

HON. WALLY SCHUMANN: Thank you, Mr. Chair. As maybe not all Members realize, but, when you ship your goods on MTS, when you sign your bill of lading, there is no guarantee in delivery. That is right on there when you sign it. There is an option for customers to buy insurance, which we highly encourage for damaged goods and stuff.

As Mr. Vandenberg stated, we won't be compensating businesses. That is true. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Mr. Nakimayak.

MR. NAKIMAYAK: That is actually too bad. I know it's a new department, and I don't know when the last time a barge was missed. I know it was quite a few years ago. Also, in Mr. Blake's region, I'm just wondering what other plans, you know? Like having Hay River as a marine trading centre and area, it's good for the southern NWT, but that doesn't necessarily work for the northern part of the territory. I am just wondering if the department realizes that they are two different places geographically and different types of needs for the communities and regions of the territory because the way it looks right now, it is a one size fits all and it fits the southern part of the territory and not so much the northern part of the territory. Thank you, Mr. Chair.

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

HON. WALLY SCHUMANN: Thank you, Mr. Chair. For the community of Paulatuk, our eighth plane load just took off this afternoon to Paulatuk for commodity and goods. The fuel resupply will commence when we are done the dry goods. Thank you, Mr. Chair.

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

MR. NAKIMAYAK: Thank you, Mr. Chair. I am just wondering: there are a lot of businesses that have lost out on tens of thousands of dollars in contracts and business. By the time we reach 2019, some businesses may not stay afloat. I'm just wondering. I'm looking at the newspaper right now, the Nunatsiaq News, and they are talking about looking at compensation that they mention. Mr. Vandenberg mentioned that there would be no compensation for any business or anybody who was losing out. Does the department still stand by their word of not compensating anyone for all their losses for equipment, vehicles, materials for 2018-2019? Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Nakimayak, Minister.

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

HON. WALLY SCHUMANN: Thank you, Mr. Chair. I'm having trouble with my microphone here, too, or my hearing piece.

First of all, I want to make a couple of comments on this, I guess, because I have stated in the House that Hay River is the primary logistical point for our operation. It does have the Synchro Lift there for lifting and maintaining and being able to operate our repairs on our vessels and our barges, which is very significant to this whole operation.

Hay River is a key point and it has the most northern rail link in Canada. That is where all the fuel comes from.

One of the things, I think, that has come out of this already, that we have talked about with our staff
here, is we want to have a look at doing a regional contingency plan for infrastructure to help mitigate these extreme types of events. I can make that commitment here, in the House, today, that we are going to have a look at doing that for the Beaufort region.

The Member asked me in the House about Tuktoyaktuk, if we would look at doing something there. One of the things that I think would come out of this contingency plan issue would be, you know, is there a possibility of using Tuktoyaktuk for staging and fuel because there is already some infrastructure there in place. These are the types of things that would come out of doing this. Thank you, Mr. Chair.

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

MR. NAKIMAYAK: I think this error that just occurred with this airlift going on is I don't think we really need a survey to realize that there's, you know, what they found storage for dry goods overnight and whether it would be in Tuktoyaktuk or in Inuvik. I think those places logistically can be a good place. You know, the Minister is talking about maintenance to barges. You can bring a barge up the river to do maintenance on it, you know, every year or every two years, whatever it may be.

The bottleneck on Great Slave Lake when it's full of ice and the Mackenzie River is open is the actual bottlenecks, where, you know, we don't get our goods until, and the barge doesn't leave until July or even later. Having a barge, you know, in years past, we've had them in August and now to have them cancelled in October, I think we really need to take a hard look and see, you know, what doesn't, like I mentioned in the House, MTS needs to be run more like a business, not like a government. I think we need to differentiate between the two so they have better operations for the upcoming seasons. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Anything from the Minister? Sorry, Mr. Nakimayak.

MR. NAKIMAYAK: Thank you, Mr. Chair. Getting back to operations, my question to the Minister is, you know, they are looking at possibly doing that down the road. That's not going to be within the next year or two years. The next year, we are going into election mode. Would they look at having some surps for possibly doing that once the study comes out in March of 2019? Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Nakimayak. Minister.

HON. WALLY SCHUMANN: Thank you, Mr. Chair. You know, the Member keeps calling this an error and he keeps trying to blame MTS and that's not the case.

As I did in my Member's statement, there are all types of events that happened that caused this problem. It all started off, as I said in the House the other day with my Minister's statement, that's why we are sitting here, was because of the high water that knocked all the buoys out, the delivery of fuel to the Hay River terminal that didn't meet spec that delayed the scheduling to all the communities again, and this multi-year sea ice that came down.

We worked very closely with Coast Guard. We are taking lessons learned from this. One of the things, I think, that strikes me the most already, and we are making plans that already address this, is our communications within our department of the MTS. We are committed to hiring another person that works closely with the communities on a case-by-case basis of people's freight.

I'm not going to sit here and take it, that saying this was an error of our department. This was a multitude of things that's a bad sea ice, non-spec fuel, high river conditions that knocked them way out. We are looking at the best we can to service these communities. We took the unprecedented event to fly everything in that we can. Those things are taking place as we speak. We have talked to every customer in every community. Paulatuk had 33 customers. We reached out and talked to every one of them. We have put people on the ground in each community to be able to unload and deliver people's freight as we continue to move forward. We have committed to getting the fuel in there.

The one thing that we are not going to do and we are going to take the unprecedented step is we are not going to here the vehicles in. We are going to, as a department, we are looking at rebating all the customers for their freight for their vehicles for the next coming season. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Anything further from Mr. Nakimayak?

MR. NAKIMAYAK: Yes. Thank you, Mr. Chair. On the website, there were three delivery dates. You know, the first one was August 12th, I believe. That would have been an acceptable time.

The Minister mentioned to me during committee meeting that the fuel failed inspection at Norman Wells. How could the fuel get all the way from Hay River terminal to Norman Wells and only getting inspected at that point? I think that's where you need to look. Obviously, like I said, somebody was asleep at the wheel somewhere. I think we need to look at this as a learning lesson for everybody. For myself, I believe in the Minister's work. It's the calls
that I get from, you know, constituents, and, you know, even from out of the territory.

I think we need to take a hard look at this and ensure that the team is not asleep anywhere at any given point. It is a very important delivery, and it is a small window of operations. I think the department needs to realize that it is a small window of operations. Once that window is lost, this is what it comes down to at the end.

It is a very expensive mistake for the GNWT and MTS, and I think we need to look at how we can improve upon that in the next coming years. I am sure that they are looking at that now, so there are a lot of lessons learned, and like I said, the department needs to be accountable for it. We can't just let this fly by. The $5 million mistake is not a cheap one.

I am just wondering: what other programs are going to be cut because of this error? Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Nakimayak. Five seconds left on the clock, but I will allow the Minister to provide a response. Minister Schumann.

HON. WALLY SCHUMANN: Thank you, Mr. Chair. I will make it very quick. First of all, on the Norman Wells, comment, I am sticking by that comment. That was a fuel delivery to a customer in Norman Wells. It wasn't our fuel; it was a different customer's fuel. It was from the same supplier that caused the issue in Hay River. I couldn't tell you the exact number of litres of fuel, but it was a significant amount that we had to transport back for that.

As for what it is going to cost other programs and services, it is not going to. I have already told this House, the revolving fund for petroleum is going to eat the delivery of fuel, and MTS's revolving fund is going to eat the delivery of goods to customers. There are sufficient cash reserves in the revolving funds to pay for these. There are resources within either revolving fund to actually cover these payments. Thank you.

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

MR. O'REILLY: Thanks, Mr. Chair. That is not a very large balance in either of those funds. Will these balances cover the additional shipping costs that are anticipated for airlifting of fuel and other goods to these communities? Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. McCormick.

MR. MCCORMICK: Thank you, Mr. Chair. Those balances are where the surpluses are sitting at the moment. There are sufficient cash reserves in the revolving funds to pay for these. There are resources within either revolving fund to actually cover these payments. Thank you.

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

MR. O'REILLY: Thanks, Mr. Chair. Can I find out what, then, the cash reserves are for both of these funds? Thanks, Mr. Chair.

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

MR. MCCORMICK: Thank you, Mr. Chair. I don't have the cash figure for the Petroleum Products Revolving Fund right in front of me. In terms of MTS, there is approximately $22 million in cash that is still sitting in the revolving fund from the last two years of operations. Thank you.

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

MR. O'REILLY: Thanks, Mr. Chair. I guess I am trying to understand what the difference is between the cash balance and the reserves that are in these two funds.

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

MR. MCCORMICK: Thank you, Mr. Chair. I don't have the cash figure for the Petroleum Products Revolving Fund right in front of me. In terms of MTS, there is approximately $22 million in cash that is still sitting in the revolving fund from the last two years of operations. Thank you.

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

MR. O'REILLY: Thanks, Mr. Chair. I guess I am trying to understand what the difference is between the cash balance and the reserves that are in these two funds.

Can I get a commitment from the Minister to table in the House some sort of balance sheet for each of these revolving funds that indicates what the cash reserves are, what the cash balance is, and so on, so that we actually understand is available to cover off the additional shipping costs for each of these
for the items that have to be airlifted? Thanks, Mr. Chair.

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

HON. WALLY SCHUMANN: Thank you, Mr. Chair. We can do that, but I can also bring it to our briefing next week for MTS, as well. Thank you, Mr. Chair.

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

MR. O'REILLY: Thanks, Mr. Chair. I am not sure; is the briefing next week going to be done in public, and is the Minister prepared to bring that information forward to the briefing? Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. Minister, some clarification?

HON. WALLY SCHUMANN: Thank you, Mr. Chair. Yes, I believe the briefing will be in public, and we can supply that at the same time. Thank you, Mr. Chair.

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

MR. O'REILLY: Thanks. I don't have any further questions at this point, Mr. Chair, but I thank the Minister for those commitments and look forward to getting the information in a public forum. Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Next, Mr. Nadli.

MR. NADLI: Thank you, Mr. Chair. Mr. Chair, it is very concerning in terms of what is happening way up north. We, in the southern Northwest Territories, you know, have the highways to transport our goods and services to our communities, but unfortunately, people that live way up north, a lot of their goods and services have to be brought in by barges, or sometimes, in this extreme example, flown in because they don't have any other choice. I really sympathize with my colleague, who spoke in terms of ensuring that, you know, people from those communities got some answers.

My question is very basic, and maybe the Minister had an opportunity to provide some very strong rational reasons in terms of why MTS has to be situated in Hay River. It just makes sense at this point that the centre of operations should be considered, perhaps, in the Beaufort Delta so that, you know, operations could easily be made and adjustments be made.

My question is to the Minister: why does MTS, the base of operations, need to be based in Hay River? Mahsi.

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

HON. WALLY SCHUMANN: Thank you, Mr. Chair. As I have laid out before, first of all, how are you going to haul millions of litres of fuel to Tuktoyaktuk? We can do that. That's by truck. Trucking is going to cost you a heck of a lot of money to get the fuel up there, way more than it ever is going to be on a railroad to bring it to Hay River. The terminal is there. It is the most northern railroad in Canada.
We also have, as I said, the Synchro Lift there, which is millions of dollars of assets to build something like that up there, to be able to lift the barges and the vessels out of the water to do maintenance and repair on them. It just clearly makes sense to operate out of Hay River logistically. If a guy sat down and did the numbers on the freight alone, just to haul fuel to Tuktoyaktuk wouldn't make sense. It is all done on sheer volume.

Fuel is the whole reason for MTS's existence to start with, and deck freight became an extra. Fuel is a necessity that had to be shipped to all of the northern communities and the DND sites, and that is the largest percentage of our revenues. I can't see where Tuktoyaktuk being the head port would make any sense, besides a contingency location at this point. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Mr. Nadli.

MR. NADLI: Thank you, Mr. Chair. I would like to thank the Minister for providing that insight as to why the base has to be in Hay River. The Minister speaks very confidently in terms of how decisions were made to ensure that the base continues to exist in Hay River, and he makes reference to, you know, the volume of trucking and the costs of, perhaps, the railroad.

If there have been studies, could he make, perhaps, those studies and analysis to committee level in this House? Mahsi.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Nadli. Minister.

HON. WALLY SCHUMANN: Thank you, Mr. Chair. I am going to need him to repeat his question.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Mr. Nadli.

MR. NADLI: Thank you, Mr. Chair. My question was: the Minister makes reference, very confidently, to transportation through the trucking industry in terms of bringing fuel to Hay River, by railroad as well, and also, he seems to suggest that there has been some analysis, and whether there has been some studies in terms of cost comparisons as to an existing base in Hay River, as opposed to, perhaps, an option like Inuvik or Tuktoyaktuk as a base of operations for MTS. Would he share those studies and findings or analysis with the committee? Mahsi.

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

HON. WALLY SCHUMANN: Thank you, Mr. Chair. This is only our second operational season. We haven't looked at those things yet. If the Members remember correctly, we bought this thing in December, and we had to have it up and running by the following May, which we did, and we made a profit the first year, with all of the challenges that we had around that, with one-time costs associated with bringing boats back down from the High Arctic to insurance and Lloyd's of London and inspections and staffing and crewing. There was a huge challenge around that, and the department pulled it off and got our first year done.

We are into our second season. This is our second season; I need to stress that. We are still trying to fully appreciate all of the assets that we have accumulated and the cleaning up of the facility and trying to manpower up and find the most cost-effective way to run this operation, but at this point, we have not sat down already. Just because we have had an unfortunate event this year with heavy sea ice that has come down and caused us not to be able to deliver to three communities, we are not going to scramble here to set up operation in Tuktoyaktuk. That is not the case.

We are always looking for effective ways to change things. We are taking some lessons learned, as I have said, from this, and we will continue to look at that. At this point, you know, I cannot see Tuktoyaktuk being on the radar to move our whole operation there. Thank you, Mr. Chair.

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

MR. NADLI: Thank you, Mr. Chair. My last question is, you know, I live in Fort Providence. The ice goes out about May 12th or thereabouts, and then it follows, maybe, from there, north to Inuvik within a two-week period. The river is pretty well open within that period of time, but unfortunately, Great Slave Lake ice persists to keep the lake frozen, and MTS, their operations have to stand still during that time, while the river is flowing freely.

The point that I am making is that there have been changes in river breakups. We are seeing changes in terms of the sea ice flow up in the High Arctic, and my question is: how does MTS consider climate change in developing its operational plans, the examples I just made?

We are seeing changes. The Northwest Passage is becoming more passable for ocean liners, and things of that nature are happening. Surely the department through MTS has considered those operational factors.

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

HON. WALLY SCHUMANN: Thank you, Mr. Chair. As I have said earlier in my questioning, I said we
were going to do a regional contingency plan on the Department of Infrastructure to help mitigate these extreme events, and that is where we would probably have a look at this. That is why we are having a look at the Beaufort region, and I have committed that we are going to do that. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Nothing further from Mr. Nadli. Next, I have Mr. Blake.

MR. BLAKE: Thank you, Mr. Chair. To your statement, I know you mentioned some high water in July, and I have seen it first-hand myself. I noticed a couple of buoys that were in places that they shouldn't be near Tsiigehtchic. How long did it take the department or the Coast Guard to realign those buoys along the Mackenzie River after they were moved out of place by the extremely high waters in the first part of July? Thank you.

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

HON. WALLY SCHUMANN: Thank you, Mr. Chair. Without getting the exact timing, my understanding is it took the Coast Guard about ten days to reposition the buoys. Thank you, Mr. Chair.

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

MR. BLAKE: Thank you, Mr. Chair. It is good for us in Tsiigehtchic because we get all this driftwood in all the communities, we don't usually get that in the spring, but it always makes everybody wonder. As to early part of June, we get the breakup and high waters. People are always wondering why we don't see barges along the river until, like, towards the end of July. That question always comes up.

It seems like it is a little later than what it used to be, but I am sure, to rebuild all these barges, old stock, can we see major improvements once we get these new barges that are supposed to be in order, and how long will those barges take to be ready for shipping? Thank you, Mr. Chair.

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

HON. WALLY SCHUMANN: Thank you, Mr. Chair. We have talked a little bit about these double-hulled barges in my statement, about the funding that we secured with the federal government for the $19.5 million and had questions on our contribution.

The one nice thing about these, for the people that didn't get to attend the MTC opening in Hay River, we actually had a picture of the barges, and I think we actually have some of the drawings, and maybe I will commit to bringing them to our briefing as well so that Members can get a better understanding of these new designed barges. They are going to be able to haul all types of fuel on there. They are designed for that. They are double-hulled. There are four of them, and we will be able to put deck cargo on them.

In a case like this year, instead of having different trips going to the communities, and particularly the High Arctic, we will probably be able to service maybe, not only one, but maybe two communities with all their fuel and all their deck cargo in one trip. That is going to make a significant difference to the delivery times into the coastal communities. Thank you, Mr. Chair.

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

MR. BLAKE: Thank you, Mr. Chair. I am aware there are also other barging companies, like Cooper Barging, for example, or Bob's Welding. Those are two of the bigger outfits.

When we are a little busier than usual, like it seems we were this summer, do we make use of those other companies as well to service the smaller, closer communities, whether to Inuvik or near Fort Simpson? Thank you, Mr. Chair.

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

HON. WALLY SCHUMANN: Thank you, Mr. Chair. Companies like these two that the Member is referring to, they service a different market and do different types of work. Cooper's Barging, for example, maybe a lot of people don't realize, but they don't haul fuel. Their barges are only set up for deck cargo.

Companies like these, too, that the Member is referring to, they service a different market and do different types of work. Cooper's Barging, for example, maybe a lot of people don't realize, but they don't haul fuel. Their barges are only set up for deck cargo. In rare, extreme cases they have hauled fuel on top, but they would be in a tanker. Generally, we don't interfere with each other's businesses. We both conduct our own businesses, and there is a market for that. Thank you, Mr. Chair.

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

MR. BLAKE: Thank you, Mr. Chair. That is all for now. Thanks.

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

MR. THOMPSON: Thank you, Mr. Chair. I am just trying to get a clear picture of this, here. When we
talk about $22 million in cash reserve, can you please explain what that reserve is? Is it cash? Or is this equipment? Or is this product? Or is it a combination of everything? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Thompson. Mr. McCormick. Thank you.

**MR. MCCORMICK:** Thank you, Mr. Chair. The $22 million is the approximate bank balance for MTS as of today.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. McCormick. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. Can Mr. McCormick explain the bank balance? Is this a liability? Does this involve the equipment? Is that $22 million in cash? Is that what it is? Or is this assets and product? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Thompson. Mr. McCormick.

**MR. MCCORMICK:** Thank you, Mr. Chair. The $22 million is cash. That is money that was generated through MTS operations over the past two years. Thank you. Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. McCormick. Mr. Thompson.

**MR. THOMPSON:** Thank you. Mr. McCormick, I am getting a little confused here. What is the $875 when it is in the revolving fund? Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. McCormick. Mr. Thompson.

**MR. THOMPSON:** Thank you. Mr. McCormick, I am getting a little confused here. What is the $875 when it is in the revolving fund? Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. McCormick. Mr. Thompson.

**MR. MCCORMICK:** Thank you. Mr. Chair. The $870,000 would be the accumulated surplus that is sitting in there. That is the statement of operations or the income statement side and transfers over to the balance sheets. We would have $22 million in cash. We would also have some offsetting liabilities for accounts payable, those sorts of things, and that include the money that would be owed to the GNWT for the original asset purchases that would be netted off of that.

I just want to clarify, as well, that that $870,000 that is currently sitting there does include our contingency as of now for the commitments we have made for the air freight that is going on right at this moment. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. McCormick. Mr. Thompson.

**MR. THOMPSON:** Thank you. When the Minister and department is going to be coming to committee to present, will we have the actual bottom line what money we have? When I'm hearing $22 in the bank and $875,000 here, I mean, it sounds like we have $22,875,000 minus liabilities and that. Now, I'm sitting here, trying to understand this. If we look at the liabilities, we look at the assets and depreciation of the equipment and that, our numbers actually go down, if I am understanding this correctly. Can the Minister or Mr. McCormick please clarify? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Thompson. Minister Schumann.

**HON. WALLY SCHUMANN:** Thank you, Mr. Chair. When we come in front of committee next week, we are going to bring you the most up to date balance sheet that we have because that changes all the time with liabilities and invoicing and stuff. The other thing we have got to make quite clear here is: we are forecasting that we are going to break even this year, even with all the liabilities of flying all the freight in. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister Schumann. Mr. Thompson.

**MR. THOMPSON:** Okay. If I understand this correctly, if we didn’t have these situations happening, we would have had an extra $3 million from the operations of MTS this year? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Thompson. Minister Schumann.

**HON. WALLY SCHUMANN:** Thank you, Mr. Chair. Yes, approximately, we would have had an extra $3 million in revenue to the bottom line. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Thompson. Minister Schumann.

**MR. THOMPSON:** Thank you, Mr. Chair. I thank the Minister for that. I got a little bit of clarification a little bit better there. When we talk about the rebates to the clients that have these vehicles that are not getting shipped in there, it is great that the department is going to give back the rebates, but will the department make a commitment to these same owners that they will charge them the same freight rate this year for next year? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister Schumann. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. I thank the Minister for that. I got a little bit of clarification a little bit better there. When we talk about the rebates to the clients that have these vehicles that are not getting shipped in there, it is great that the department is going to give back the rebates, but will the department make a commitment to these same owners that they will charge them the same freight rate this year for next year? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Thompson. Minister Schumann.

**HON. WALLY SCHUMANN:** Thank you, Mr. Chair. I guess I have to lay it out maybe a little simpler. We are giving the rebate back for what we are charging people to haul their vehicles in this year, and we are delivering them next year for free. Thank you, Mr. Chair.
CHAIRPERSON (Mr. Blake): Thank you, Minister Schumann. Mr. Thompson.

MR. THOMPSON: Thank you, Mr. Chair. I think the people of the communities are happy with that. What is that cost going to be if we are providing it for free? Thank you, Mr. Chair.

CHAIRPERSON (Mr. Blake): Thank you, Mr. Thompson. Minister Schumann.

HON. WALLY SCHUMANN: Thank you, Mr. Chair.

We can actually maybe get that information for you, as well. There are 10 vehicles, and they range from $2,790 to $4,750, depending on their size. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Blake): Thank you, Minister Schumann. Mr. Thompson.

MR. THOMPSON: Roughly about $40,000 at the high end. Okay, thank you. When we talk about the petroleum revolving fund, when we talk about this, now we are saying that, using the Minister’s words and I apologize if I didn’t get them exactly right, they are going to eat the cost of the petroleum, the freight being back and forth. That is great that we are getting the petroleum and that into the communities, and I think that is great to hear.

My question, though, is: this revolving fund, how does that impact the cost of fuel next year for all communities? Because I am assuming the purchase is bulk, that is how the cost, you come out with it; you are able to purchase the best product for the best price. Now, we are seeing using the freight to pay for it. Now, it is going to be another cost to all of the Northwest Territories. Just not that because we are going to see the smaller communities being impacted. Maybe I am wrong, but can we please clarify that? Thank you, Mr. Chair.

CHAIRPERSON (Mr. Blake): Thank you, Mr. Thompson. Mr. McCormick.

MR. MCCORMICK: Thank you, Mr. Chair. The petroleum products revolving fund also has attached to it a stabilization fund of a million dollars. That is a fund for stabilization, stabilizing the fuel prices. Those extra costs that we are going to incur this year will sit in the stabilization fund. There is a band that the Minister is allowed to charge a little bit up and down on the fuel prices. There is no urgency.

Assuming we don’t have another year like we had this year, there would be urgency to jump that all in fuel next year. We can take some time and work our way out of that stabilization fund, Mr. Chair. That is exactly what that stabilization was designed for so we wouldn’t have these big price shocks hitting consumers from year to year. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Blake): Thank you, Mr. McCormick. Mr. Thompson.

MR. THOMPSON: Thank you. I thank Mr. McCormick for explaining that. Will the Minister provide this information at the meeting and explain exactly how that works so we can understand that? I mean, for me, I understand a little bit better, but I would like to be able to get that information out to my communities, even though they are not on the large shipment process. With this petroleum product eating the cost, the freight, it has an impact or could have an impact. I am hearing from Mr. McCormick that it doesn’t, but can we get that clarified and presented at the committee meeting? Thank you, Mr. Chair.

CHAIRPERSON (Mr. Blake): Thank you, Mr. Thompson. Minister Schumann.

HON. WALLY SCHUMANN: Thank you, Mr. Chair.

Yes, we can make sure we have someone from petroleum products to explain it to committee. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Blake): Thank you, Minister Schumann. Mr. Thompson.

MR. THOMPSON: I greatly appreciate that. When I was down south, I ran into a couple of individuals, and they talked about these air ships, the new technology. Has the government started to look at that as potentially something that MTS can get into in the future? Thank you Mr. Chair.

CHAIRPERSON (Mr. Blake): Thank you, Mr. Thompson. Minister Schumann.

HON. WALLY SCHUMANN: Thank you, Mr. Chair.

When they became commercially available, we will have a look at it. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Blake): Thank you, Minister Schumann. Mr. Thompson.

MR. THOMPSON: I hope that the Minister and the department actually really looks at it because, from what I understand, it sounds like a good idea.

The last question I do have is just in regards to when he talked about cost of freight going up the Dempster to Tuktoyaktuk. Now we have that road there. Have you guys or will you guys look at the cost of doing this? I understand that the railhead is here. This is the cost going up the railhead, but here is the cost going up on the Dempster to Tuktoyaktuk highway. Because I mean, to me, we spent a lot of money on building that road, and here is an opportunity to maybe help the communities in the Beaudel there. Thank you, Mr. Chair.
CHAIRPERSON (Mr. Simpson): Thank you, Mr. Thompson. Minister Schumann.

HON. WALLY SCHUMANN: Thank you, Mr. Chair.
First of all, we have to point out there are millions of litres of fuel that get shipped up there. This isn't one of Basset's B-train loads here we are talking about. We are talking millions of litres.

The wear and tear on the highway would be on the Dempster, and stuff would have to be considered, but right now, as we start moving commodities anywhere around this country, marine and rail is the cheapest way to do it. There's no getting around that at this point. There are also safety and environmental issues if you were trucking it. There would be more risks involved in that. There are some other factors involved here, but the cheapest way is still, presently, in today's society is, marine and rail. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Blake): Thank you, Minister Schumann. Next on the list, we have Mr. Simpson.

MR. SIMPSON: Thank you, Mr. Blake. This is, you know, MTS is, a big deal in Hay River. It's a big deal in my constituency. A lot of people were glad when the government came in and purchased MTS. I don't think anyone saw it as the government was coming in to save Hay River. The government was coming in to save themselves because they require MTS to deliver fuel.

I was up at the all-candidates forum. I sat onstage with Minister Schumann and I said, "The government shouldn't be in the business of business" and lo and behold, a couple of years later, we are running a shipping company. You know, it's not easy, and government isn't made to run these types of organizations. You have to be responsive. You have to be nimble. Those are two things that the government isn't known for.

I think that this exemplifies the need to move towards a different type of governance model, something similar to the power corporation, a cost-recovery model where you can attract the right type of people to do the work, people who have history in the shipping industry.

You know, there's been a lot of talk about, you know, shipping out of somewhere else. The Minister has pointed out many times that a lot of fuel comes through Hay River. When I look out my window, I can see the tank farm where the fuel is delivered to, and I see trains day and night sometimes, you know, for the entire summer, coming through. There is an amazing amount of fuel, and you couldn't even imagine how many trucks would be required to ship that up and down the highway. I would like to see the numbers. I would like to see the Minister come up with these numbers. I think they would probably be extraordinary, to see how expensive it is to ship it via truck.

Like I said, I think that we need to seriously look at moving towards a different type of governance model and not, you know, a few years down the road we'll start thinking about it. I think we need to look at it now and see how quickly we can move towards it. We need a long-term plan and we need a short-term plan of how we are going to start getting there.

There are a lot of small things. There was the sailing schedule, I think, went out to consumers in May. It usually goes out in November. Right there, that's a small example of something that was six months behind, right off the bat. I think that's indicative of a lot of the other small issues. Well, you know, we do have a lot of the right people in Hay River to run this as it is. We bring a lot up, and the marine training centre is addressing that, but we have a lot of personnel in Hay River. I think that they need to be able to work in an environment that, like I said, is responsive and nimble.

One of the other issues, too, with when you discuss, you know, maybe shipping out of somewhere else and maybe moving to somewhere is the fact that there are the personnel in Hay River who have been doing this for years, you know. It's not just the physical infrastructure, but it's also the people.

Those are just a few things I wanted to point out, both for the Minister and for, you know, the public because there's been a lot of talk of maybe we need to ship out from somewhere else, but, you know, there's a reason that Hay River exists as it does, and it's because of, you know, mostly because of commercial shipping and commercial fishing. It is the port of the North for a reason. I just wanted to point that out. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Blake): Thank you, Mr. Simpson. Minister Schumann.

HON. WALLY SCHUMANN: Thank you, Mr. Chair. Comments are noted.

CHAIRPERSON (Mr. Blake): Thank you, Minister Schumann. Mr. Simpson.

MR. SIMPSON: Nothing further. Thank you.

CHAIRPERSON (Mr. Blake): Thank you. Next on the list, we have Mr. Vanthuyne.

MR. VANTHUYNE: Thank you, Mr. Chairman. I'm certainly appreciative of everybody's comments. Also, I would be remiss if I didn't say that, you know, and I appreciate that a lot of people think this way, that we need to be very kind of thankful,
grateful for the efforts that the Government of the Northwest Territories has put in, in terms of saving what was a sinking ship, for lack of a better term, and appreciating the efforts that the government has done to make sure that this critical services are being provided to residents of the Northwest Territories. I want to commend the department for that.

You know, this really does lead to: what does the future look like for MTS? I appreciate that the Minister and the department are going to come and present to standing committee in the coming days.

I will put it here, though, on the floor, because it has been touched on, but more detail would certainly be what we would be looking for in the presentation. That is: what is the future of the MTS going to look like? Some have suggested that there needs to be a new governance model. You know, right now, it's essentially, although it's running under a revolving fund, it's essentially a division of the Government of the Northwest Territories.

Have we put any planning into: will it remain that way? Will it maybe be considered a Crown corporation at some point in time, maybe a P3 operator or, in fact, maybe even an outright sale to an owner/operator? What would be the operation model that the government is considering? Is it just status quo, or are we doing work to actually consider other models? Thank you, Mr. Chair.

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

HON. WALLY SCHUMANN: Thank you, Mr. Chair. As I have stated in the House, this is early days on this purchase of this asset. We are having to look at those options going forward. As I have said in the House many times, we need more than one or two seasons’ data to have a look at this, but the department is certainly having to look at various models of what the end game will be. Those decisions will be made once we get more data and input to be able to make a decision around that. Thank you, Mr. Chair.

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

MR. VANTHUYNE: Thank you, Mr. Chair. Are we aware of any other jurisdiction that has a similar model, where there’s a government-operated marine transportation system? Thank you, Mr. Chair.

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

HON. WALLY SCHUMANN: Thank you, Mr. Chair. Off the top of my head, no, but we would have to do a jurisdictional look to see if there was something out there similar. The only thing that comes to mind to me is some of the MTS tables is Newfoundland and their ferry system, but that's not doing cargo or stuff. Thank you, Mr. Chair.

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

MR. VANTHUYNE: Thank you, Mr. Chairman. When the Minister refers to data, what kind of data? Like what kind of data sets are required for us to make some of these future decisions with regard to the government's model or business model for MTS?

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

HON. WALLY SCHUMANN: I can maybe take a crack at it, and then maybe the deputy or someone wants to step in. The easiest way I look at it, from a business point of view, is, first of all, if I were a business guy, why would I want to buy MTS? When you get into a situation like this here, there is so much risk there that, to me, for that type of investment, it would be very challenging to turn a profit in this environment. There is so much risk involved around climate change alone and even sovereignty.

There are a number of things that I think we will have to look at from a data point of view. It would even be from a policy perspective to regional uses of what is going on up in the High Arctic. There are a number of factors that need to be considered in this. Politics is also something, I think, that comes into it to a certain degree, but does it make sense? You would have to look at our other Crown corporations and their governance model and how they are working. I think the previous question, are there other models out there of other governments running an operation like this, that would certainly probably feed into that as well. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Mr. Vanthuyne.

MR. VANTHUYNE: Well, thank you, Mr. Chair. I appreciate what the Minister is saying, but with all due respect, we are just using other terminologies now. Data is one thing, but I have heard the word “factors.” We have got to consider factors; we have got to consider risks; we have got to consider politics.

I appreciate that that is what we are doing. I guess what I am trying to understand a little bit is a better perspective on what we actually are doing. What is the information that we are gathering? Are we actively developing a business plan?
I will use the airport as an example just for a moment. That has a five-year plan, and it has a 20-year master plan. Is this something that we are giving consideration to as it relates to MTS? Are we developing the five-year plan? Are we developing the 20-year master plan? What are those things that we are considering that would be the data, the factors, the risks, and the politics involved in developing those types of plans? Thank you, Mr. Chair.

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

MR. GUY: Thank you, Mr. Chair. Some of the information that we would need to develop a long-term plan for the organization, which is what we are looking at, are things like what is the size of the market? What is the stability of the market that you need to stabilize the operation?

We got this equipment. It was in a condition where it needed some investment to deal with some deferred maintenance issues. Clearly, it wasn't sustaining itself to what would be an optimum level, based on the challenges the previous carrier had with the shrinking market, shrinking customer base.

Part of the work that we are doing is to figure out a stable amount of business revenues you need to sustain this organization in a self-supporting mode so that it can fund its life cycle needs, and also fund its year-to-year operations, and be able to be resilient enough to respond the types of situations that we are here talking about today, but also to be able to respond to growth and shrinking in its own market as a result of economic upturn and downturn.

Part of what we are doing now is looking at some of those markets. Part of the work that we are doing around some of the additional revenues that we are generating through other work that MTS does are being used to fund some of those life cycle costs. They are being used to fund some of the fixed costs of the operation, but we need to have a good understanding, with more than one or two years of data, to get a good handle on what it would be to have a viable self-supporting organization, whether it's a Crown or whether it's another organization.

We did some work last year. We did a study to look at what some of the business models were. It was clear through that work that we needed to have a little bit more operating time under our belt to come to better conclusions. We continue to look at those options, and we will be continuing to feed the data that we collect into that work that we are doing. Thank you, Mr. Chair.

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

MR. VANTHUYNE: Thank you, Mr. Chair. That is the kind of information that I like to hear: revenues; factors around operations; operational costs; what markets we are looking at; maintenance costs; of course, we heard about climate change earlier; and life cycle costs. Those are the things that I would normally see as the factors and information that we have to consider with regard to developing a model of governance or an operating model.

I appreciate that the department needs more time to observe and get information so that they can make a better case, I suppose. Will the Minister commit, then, to presenting us with a little bit more detailed information in the public presentation coming up and, also, maybe commit to developing a five-year plan similar to that of the airport, which is currently operating off of a revolving fund? Thank you, Mr. Chair.

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

HON. WALLY SCHUMANN: Thank you, Mr. Chair. We can certainly commit to developing a longer-term five-year business plan and having those discussions, and I will be able to update committee once we have that work done. Thank you, Mr. Chair.

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

MR. TESTART: Thank you, Mr. Chair. I thank my honourable colleagues for starting the work on asking questions around the governance structure.

The deputy spoke to the need to find a self-sustaining model or self-sustaining revenue in the market before the government kind of cuts us loose and stops subsidizing it. I know that, currently, MTS is servicing communities and industrial operations outside of the Northwest Territories. Can the Minister just provide the jurisdictions where MTS is pursuing work? Thank you.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Testart.

In the meantime, while the Minister is conferring, I want to welcome a visitor to the gallery, Ms. Debra Richards, constituency assistant for the Nahendeh riding. Welcome.

Minister.

HON. WALLY SCHUMANN: Thank you, Mr. Chair. MTS is presently operating where it traditionally has in the past. The majority of our work is in the Northwest Territories, with some work in Nunavut and a small amount in Alaska. Thank you, Mr. Chair.
CHAIRPERSON (Mr. Simpson): Thank you. Mr. Testart.

MR. TESTART: Thank you, Mr. Chair, and that is what has me concerned about maintaining MTS as an in-house essential service provider. That is the stated policy objective of the purchase and how the organization is being run.

The need to find revenues to sustain the operating costs of the organization has led to the pursuit of opportunities elsewhere, but that leads the GNWT into direct competition with private sector actors, and if we are crossing international boundaries to do that, that could set up the GNWT for a whole bunch of liabilities as it relates to international trade treaties.

Has the GNWT done a risk assessment for the pursuit of these commercial opportunities, both across interprovincial and interterritorial boundaries and international boundaries? Thank you.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Testart. Mr. Guy.

MR. GUY: Thank you, Mr. Chair. The work that we are doing is, as the Minister said, the traditional operating area of the asset that we bought. The work that we do, for example, this year, in Alaska was moving a power plant from a location on North Slope to the ultimate destination in Alberta somewhere. It is coming back up the Mackenzie River to Hay River, where it will be, I believe, trucked to southern Canada.

The work in Nunavut is work that we have done in the past. Most of it is customers who want their materials shipped out of Hay River. There is no other organization that offers a service from Hay River to Nunavut at this time to compete with.

On the international work, we have consulted with the Department of Justice, and they have looked at any of the trade implications, and that work is ongoing. Thank you, Mr. Chair.

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

MR. TESTART: Thank you, Mr. Chair. Risk assessment is under way or is in progress; is that correct? Thank you.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Testart. Mr. Guy.

MR. GUY: Thank you, Mr. Chair. I'm not quite sure I understand what risk the Member is referring to, but we have done an assessment on whether we can compete in this market and do this work. My understanding is that we can. Thank you, Mr. Chair.

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

MR. TESTART: All right. Thank you, Mr. Chair. I understand that customers may want the service and it's a unique service. When it was NTOL, it was a private business. It wasn't subject to the same trade requirements, shall we say. If the GNWT is directly competing in private-sector markets both domestically and internationally, it could open itself up for liability as it relates to trade rules. This is something that has been expressed to me by both private-sector actors and just my own awareness of trade deals, including the new NAFTA. Is any thought being given to those issues, as it relates to the organizational structure of MTS? Thank you.

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

MR. GUY: Thank you, Mr. Chair. I think those considerations would be factors into the long-term of our organizational structure that we eventually land on with this entity. It should be noted that the previous carrier was a Crown corporation for many, many years before it was privatized and failed. As it was a Crown corporation, it was competing in those markets before privatization. Thank you, Mr. Chair.

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

MR. TESTART: Thank you, Mr. Chair. Crown corporation is also subject to different rules than the government, as an operating entity. You know, the Minister said famously on Small Business Day, when we pressed him on questions, that the GNWT is not a business; it's up to individual businesses to come forward.

Well, as it relates to MTS, it is a business, and it's in the business of shipping. The longer there is uncertainty around the arm's-length nature of this, the more liability the GNWT potentially brings itself on from the people who feel that the government is unfairly competing in both domestic and international markets.

It's imperative that we set MTS on a clear course forward. There has been a consultants' report that has made recommendations on what kind of model it should take. You know, even if that work was undertaken now and it became a Crown corporation or a special operating agency, the government could continue to subsidize its operations through direct funding or through subsidies. That would not be inappropriate, given its nature is still a government-owned business or a special operating agency.

From the evidence we have heard today is that, MTS, any decisions about its future will take five
years. We might again accrue enough liability to potentially set us up for failure. Members are raising these concerns they have today. They have previously. They have in business plan reviews. They have on the floor of the House.

Is the Minister taking these concerns seriously? Can he commit to addressing these more fulsomely than just planning to address them sometime in the future? Thank you.

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

HON. WALLY SCHUMANN: Thank you, Mr. Chair. The Member is kind of all over the place there. First of all, we need to pursue some of this private work. If we don’t pursue some of this private work that’s out there, the cost with running this operation would be enormous. I don’t think the Member would like to see $5 a litre in the communities because, if all of a sudden, you shrink your market to where it’s half the size of what you have and you continue to have a fixed cost to run this operation, the costs are going to be horrendous.

We are operating this asset exactly the way and pursuing revenues just like the company that ran it previously to us, without any effects on the market. Our staff was just recently in Cambridge Bay discussing with community members the challenges that we had this season. They made it quite clear to us when we were there, they do not want us to pull out of their market. They have made it very clear. They have had three other sailing ships that already service their community this year.

As the deputy said, there are a number of people in these communities that want their services, goods brought out of Hay River. They don’t want to be bringing it from Vancouver or around from Montreal. There is a place in this market. It is a small market. Everyone’s doing their own thing, and we will continue to pursue the private-sector business to offset our costs to run this operation.

We have clearly laid out what the deputy said with the data and information we are trying to pull together. We are going to make a decision in the long-run if we are going to make this a Crown corporation or other business models or what other options are available to us. It does not make sense for us not to pursue some of these other opportunities that lay out there. There are a number of people out there that can’t do what MTS does. They don’t have the low-draft barges. They don’t have the type of equipment that we do. They don’t have the staffing that we do.

At this point, on the floor of this House, we are going to continue to commit to pursuing other revenue sources. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. A short follow-up, Mr. Testart? Twenty seconds.

MR. TESTART: Yes, I just want to use this opportunity to clarify my comments. I’m not advocating for MTS to stop doing the work it’s doing or pursuing revenues. I’m saying it’s an inappropriate governance model to do so.

My concern is liability and the principles of fairness and competition. I think the Minister is mischaracterizing my comments in saying, “Stop.” I’m not issuing a stop work order for MTS. Mr. Chair. I am saying that, if we are going to continue to do this work, we need to do it properly.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Testart. Your time has expired. Next, I have Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. Mr. Chairman, I’m not really sure where to start with this. I haven’t been obviously impacted in the people that I represent, but I see that other people around the territory have been impacted by, I guess, we don’t want to use the word “mistakes,” but maybe a bit of a miscalculation on the part of the people doing this.

For the most part, the weather, the ice, and all that is pretty well consistent from year to year. I mean, I’m not saying it’s the same every year. I mean the one thing that’s predictable is that the weather is not predictable. That’s what I’m saying. When NTCL or a company like that operates or MTS operates, they would operate with that knowledge that the weather is not predictable.

I think that rather than a mistake or blaming Mother Nature, I think it was a miscalculation on the part of MTS. That miscalculation cost a lot of people a lot of money in the Member from Nunavut’s riding and also for Nunavut. I also feel that it was a miscalculation on the part of the government, period, too, and by NTCL. Originally, I was not in favour of it but had no say in it. There were other companies that would bid for the work and felt that they had more knowledge of the shipping than what the government would bring in, but that’s water under the bridge.

I have a question for the Minister. That is: after this year, what is MTS doing to de-brief to make sure that they try to do better calculations when they are trying to ship into those communities that they were not able to completely ship in? Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Beaulieu, Minister.

HON. WALLY SCHUMANN: Thank you, Minister. The first thing I want to highlight for the Member: I
think us buying MTS had a positive impact on him because Lutselk’ee had two years of delivery of goods and fuel in his riding.

What we are going to do from this point forward is, as I have said in various different statements, we are going to hire another communications person, work closely with the communities on goods and delivery of services to the communities. We are working with Coast Guard on the sea ice issue and a number of other issues that we are going to address, hopefully, with him going forward around navigational aids and all kinds of things around the sea ice conditions and marine infrastructure investment and stuff.

Like I have said in the House before, people continue to say this is an error, and it is not an error. There was a multitude of effects that got us to this point. I disagree with the Member; us buying MTS was probably the smartest thing we have done. If we wouldn't have bought this, the chances of even having delivery up there by us wouldn't have happened. I believe that company would have been stripped and sold out, and we would have had to rely on delivery to the Arctic coast coming around from Montreal or Vancouver, which would have added significant costs to the Government of the Northwest Territories and to the residents in those communities. That is a point we can ponder, but that is my point on it, and I believe that we did the right thing to service these communities.

An unfortunate event happened this year. We are taking the unprecedented step to help mitigate these circumstances. We are delivering all of the fuel to the communities that need it to make sure that they get through the winter. We are taking the unprecedented step of delivering all the goods and commodities to the community on a case-by-case basis.

We have reached out to every one of the customers in the communities. Paulatuk has 33, Kugluktuk had 11, and Cambridge Bay has 24, and we have talked to every one of them. There were some people that were clearly upset that the boats didn’t arrive, but that is the challenge of living in the North, and that is the challenge of climate change. We are taking this step, which is going to cost us a significant amount of money, to be able to help those people up there, and they are quite happy.

Can you imagine what would be going on in this House right now if we didn’t take the unprecedented step of flying in all of these commodities and goods into these communities? That could have been the case if it was in a private stakeholder’s hands. I think we did the right thing, and we just need to remind people that this is a challenging environment. Thank you, Mr. Chair.

\[\text{CHAIRPERSON (Mr. Simpson): Thank you, Minister. Does that answer your question about debriefing, Mr. Beaulieu?}\]

\[\text{MR. BEAULIEU: Thank you, Mr. Chairman. Mr. Chairman, when I was talking about not being affected, I was talking about what happened up there, I realized that stuff was delivered in Lutselk’ee like it was every other year for years and years.}\]

My other question is: the Minister referred to the cost of trucking fuel into Inuvik, for example, and I would advocate trucking fuel to Tuktoyaktuk, but Inuvik would be another situation. Has the MTS looked at the possibility of making or building something like a Synchro Lift that could pull the barges and ships up on shore in Inuvik to see if that is something that is feasible? Thank you, Mr. Chair.

\[\text{CHAIRPERSON (Mr. Simpson): Thank you.}\]

\[\text{HON. WALLY SCHUMANN: Thank you, Mr. Chair.}\]

As I have stated in previous questions, we are talking millions of litres of fuel. It does not make sense to build a Synchro Lift in Inuvik. We already bought an existing facility. The majority of the fuel comes on the railhead to Hay River. The railhead does not go to Inuvik, as far as I know, unless I am missing something.

We are talking 40 to 50 million litres a year. You start trucking that up to Dempster, the wear and tear, the safety issues, the environmental issues that come with that, the costs associated with that, I don't even have to do an analysis on it; I know it is going to be way more than you would ever ship out of Hay River.

Shipping by rail and marine is by far the most cost-effective way to do this, and that is why we have no intention of building a Synchro Lift in Inuvik, as long as I am the Minister. Thank you, Mr. Chair.

\[\text{CHAIRPERSON (Mr. Simpson): Thank you,}\]

\[\text{MR. BEAULIEU: Thank you, Mr. Chairman. It might be cheaper than flying fuel in, though.}\]

Mr. Chairman, it is very difficult to sit here without any information at all. We don't have any information. I am asking the Minister if they have looked at something. He says they don't have to look at it. He is talking about wear and tear on the road. I think that, if you drive stuff in the winter over the highway, a gravel road driven in the wintertime can handle a lot more when the road is frozen than, obviously, the Minister realizes.

What I am saying is we should look at other possibilities, because unless the department or MTS does a proper debriefing and does better
planning and does better calculations on how to deliver material and fuel into those Arctic communities, we are going to have to start looking at something else. We can't have a repeat of this. The possibility of building something that may appear costly today? I mean, it appeared costly to me when the government bought NTCL. I wasn't in favour of that, but like I said, I had no say. That is a costly thing that the government was prepared to do, but in order to make sure that they don't make the same miscalculation in the future, I am saying, take a look at that. What is the cost of that? We don't know. The Minister is not going to look at it because it's too costly, but he doesn't know what the cost is, just knows that it is going to be too costly. He thinks it is going to be damaging to the road, but if the road is frozen, it may not be.

Those are the types of things I think that the government is going to have to look at and not just say, "We didn't make a mistake. We're not listening to anyone. We are going to fly in what we can, and everything is going to be fine in the future." I think we should start to make sure that the government is looking at what they have done this year to make sure that doesn't happen again in the future. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Beaulieu. Your time has expired. There is no one further on my list, so I will allow closing comments to Minister Schumann. Minister Schumann.

HON. WALLY SCHUMANN: I am going to make it brief, but one thing I just talked to deputy what I want to do when we come in front of committee next week, I am going to find out exactly how many litres of fuel we delivered to the Arctic communities, and I am going to get a quote of how much it is to truck it to Inuvik to give committee a fair comparison on what it would cost. I think they are going to be pretty shocked.

For my closing comments, I thank all committee members for their questions. I think it is good that we have a public forum here to get this information out to the public. I need to reassure the public, when they are listening to this, that the Government of the Northwest Territories has taken the unprecedented step of buying MTS to protect the people of the Northwest Territories around delivery of fuel and goods to the communities, particularly the High Arctic. We took the unprecedented step to do that. I believe it was the right step to do, and I believe Cabinet does, and I believe most Members do.

We are operating in a very challenging environment. Some people want to put the blame on us for the commodities and goods and fuel not getting delivered this year, and I am not going to wear that. This is an unprecedented event that happened. There is a multitude of things that took place. The department is working very hard to mitigate this. We are taking the unprecedented step of flying in these things to these people so that they can get on with their lives in a cost-effective way, and I don't think you would have seen that if the private sector would have purchased this asset.

I thank committee for their questions today, and I look forward to the briefing next week. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. Mr. Chairman, I move that the chair rise and report progress.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Beaulieu. There is a motion on the floor to report progress. The motion is in order and non-debatable. All those in favour? All those opposed? ---Carried

I will rise and report progress. Sergeant-at-Arms, you may escort the witnesses from the Chamber. Thank you to the witnesses. Thank you to the Minister.

MR. SPEAKER: May I have the report, Member for Hay River North?

Report of Committee of the Whole

MR. SIMPSON: Mr. Speaker, your committee has been considering Bill 7, Chartered Professional Accountants Act, and Minister's Statement 103-18(3), Marine Transportation Services, and would like to report progress with one motion carried, that Bill 7 is ready for a third reading as amended. Mr. Speaker, I move that the report of the Committee of the Whole be concurred with.

MR. SPEAKER: Do we have a seconder? Member for Nunakput. Motion is in order. All those in favour? All those opposed? Motion carried.

---Carried

Masi. Item 22, third reading of bills. Minister of Municipal and Community Affairs.

Third Reading of Bills

BILL 8:
EMERGENCY MANAGEMENT ACT

HON. ALFRED MOSES: Thank you, Mr. Speaker. Mr. Speaker, I move, seconded by the honourable Member for Range Lake, that Bill 8, Emergency
Management Act, be read for the third time. Mr. Speaker, I do request a recorded vote. Thank you.

MR. SPEAKER: The Member requested a recorded vote. The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question has been called. All those in favour, please stand.

RECORDED VOTE

CLERK OF THE HOUSE (Mr. Mercer): The Member for Inuvik Boot Lake, the Member for Range Lake, the Member for Great Slave, the Member for Yellowknife South, the Member for Inuvik Twin Lakes, the Member for Hay River South, the Member for Thebacha, the Member for Hay River North, the Member for Mackenzie Delta, the Member for Yellowknife North, the Member for Kam Lake, the Member for Tu Nedhe-Wiilideh, the Member for Nahendeh, the Member for Frame Lake, the Member for Deh Cho, the Member for Nunakput.

MR. SPEAKER: Masi. All those opposed, please stand. All those abstaining, please stand. The result of the recorded vote: 16 in favour, zero opposed, zero abstentions. Motion is carried.

---Carried

Third reading of bills. Mr. Clerk, item 23, orders of the day.

Orders of the Day

CLERK OF THE HOUSE (Mr. Mercer): Orders of the day for Wednesday, October 24, 2018, 1:30 p.m.:

1. Prayer
2. Ministers’ Statements
3. Members’ Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Acknowledgements
7. Oral Questions
8. Written Questions
9. Returns to Written Questions
10. Replies to the Commissioner’s Opening Address
11. Petitions
12. Reports of Standing and Special Committees
13. Reports of Committees on the Review of Bills
14. Tabling of Documents
15. Notices of Motion
16. Notices of Motion for First Reading of Bills
17. Motions
18. First Reading of Bills
19. Second Reading of Bills
20. Consideration in Committee of the Whole of Bills and Other Matters
   - Minister’s Statement 19-18(3), Aurora College Foundational Review Process
   - Ministers Statement 103-18(3), Marine Transportation Services
21. Report of Committee of the Whole
22. Third Reading of Bills
   - Bill 7, Chartered Professional Accountants Act
23. Orders of the Day

MR. SPEAKER: Masi, Mr. Clerk. This House stands adjourned until Wednesday, October 24, 2018, 1:30 p.m.

---ADJOURNMENT

The House adjourned at 5:24 p.m.