



NORTHWEST TERRITORIES LEGISLATIVE ASSEMBLY

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The Honourable David Krutko, Speaker

Legislative Assembly of the Northwest Territories

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YELLOWKNIFE, NORTHWEST TERRITORIES**Thursday, March 25, 2004****Members Present**

Mr. Allen, Honourable Brendan Bell, Mr. Braden, Mr. Delorey, Honourable Charles Dent, Mrs. Groenewegen, Honourable Joe Handley, Mr. Hawkins, Honourable David Krutko, Ms. Lee, Honourable Michael McLeod, Mr. Menicoche, Honourable Michael Miltenberger, Mr. Pokiak, Mr. Ramsay, Honourable Floyd Roland, Mr. Villeneuve, Mr. Yakeleya, Honourable Henry Zoe

ITEM 1: PRAYER

---Prayer

SPEAKER (Hon. David Krutko): Item 2, Ministers' statements. Mr. Handley.

ITEM 2: MINISTERS' STATEMENTS**Minister's Statement 18-15(3): Ministerial Travel Reports**

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Speaker, as part of the Government of the Northwest Territories' commitment to open and transparent government, I am pleased to announce that the government will be preparing ministerial travel reports on a quarterly basis beginning with the first quarter of 2004.

---Applause

Ministerial travel reports will cover travel that Ministers undertake as part of their specific responsibilities as Cabinet Ministers and home travel. The reports will also include the following information: the date and purpose of travel, the destination and method of travel, the portfolio responsibility under which the travel occurred and the cost of the travel.

Mr. Speaker, as soon as the ministerial travel report for the 1st quarter of 2004 is finalized, we will provide this report to the Members of the Legislative Assembly and post the report on the Government on the Northwest Territories Web site. The report will also be tabled in the Legislative Assembly during the May sitting.

Mr. Speaker, we believe the provision of this information in a timely and regular manner is another step in enhancing transparency and accountability in government. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Item 2, Ministers' statements. Minister of Municipal and Community Affairs, Mr. Zoe.

Minister's Statement 19-15(3): Community Initiatives Program

HON. HENRY ZOE: Thank you, Mr. Speaker. Mr. Speaker, it is my pleasure today to update Members on the success of the community initiatives program.

The community initiatives program, which was established in spring 2003, exists to support non-tax-based communities to develop programs that address community priorities in the areas of families and youth, healthy lifestyles and safety education. The program was established to respond to the recommendations of the

Special Joint Committee on Non-Tax-Based Community Affairs during the 14th Legislative Assembly.

The program makes funding available to communities to develop recreation programs and facilities, establish youth centres, or increase access to these programs for special needs groups such as seniors or people with disabilities. It encourages communities to build partnerships by giving higher priority to projects that lever funding from other sources.

Mr. Speaker, community proposals are rated in accordance with criteria set out in the contribution policy. Priority is given to projects which promote active living, which establish a new program in the community and which include matching funding from community governments in other sources. Proposals are reviewed to ensure they have a good chance of success. Communities can use this funding for new initiatives or to top up funding from other sources. In-kind services are considered as part of a community's contribution to a project.

There are some limitations on this funding. The total contribution to any community cannot exceed \$100,000 in a fiscal year, and no project can receive more than \$200,000 in total funding. Only one project will be funded in a community per year.

Mr. Speaker, my department officials work closely with communities to monitor the progress of each funded project. If a community is unable to spend its funding, or there is funding uncommitted by October of each fiscal year, the budget is reassigned to another community or region to ensure that program funds are maximized.

For the new fiscal year, communities have also been advised that priority will be given to projects that were begun but not completed in 2003-2004, and to projects that were approved in 2003-04 but not started due to circumstances beyond community control, such as missing barge shipments.

I am pleased to report that under this program, 22 communities received funding in 2003-04 for a wide range of projects. Projects such as the Hay River Reserve's walking trails, Wrigley's outdoor skating rink and multipurpose court and Fort Good Hope's campsite development for their summer day program have become a reality as a result of the community initiatives program. Other communities have built baseball diamonds, playgrounds and golf courses. Some have improved above ground pool programs and others have begun developing youth centres. Some of these projects are multi-year projects, which will continue in the new fiscal year.

Mr. Speaker, the community initiatives program have allowed Municipal and Community Affairs to support our

smaller communities in order to address their priorities in the areas of physical activity and healthy living. I believe that these types of projects will support residents of all ages to improve their personal health and the well being of our communities. Mahsi cho, Mr. Speaker.

---Applause

MR. SPEAKER: Item 2, Ministers' statements. Item 3, Members' statements. Mr. Yakeleya.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On Value Of Aboriginal Language And Culture

MR. YAKELEYA: Thank you, Mr. Speaker. Mr. Speaker, the honourable Minister of Education, Culture and Employment made a statement in recognition of Aboriginal Languages Month. He spoke about the valued role of language in maintaining our culture and the importance for a successful life, a belief we both share. He spoke about the value of aboriginal language identity and giving a strong foundation for self-determination and self-government.

Mr. Speaker, the Minister assured the residents of the Northwest Territories that he was committed to the ongoing support of aboriginal languages in our communities. What I would like to speak about today is the need for government to continue to support and strengthen initiatives like the language nest programs.

Language nest programs provide opportunities for young children to spend time with their elders where they are exposed to aboriginal language through storytelling and at times when the mind is most ready to learn the language. Through this program, young kids gain a strong foundation in aboriginal languages. I have heard many great things about this program from so many people in my constituency. Mr. Speaker, other Members have said the same thing about the nests in their ridings.

This program seems to be effective across the Territories. In this House, I was encouraged by the strong support of these initiatives by the Minister and many Members on this side of the floor. I believe we can work together to work this out. The work done by the last Assembly in reviewing the Official Languages Act was good, Mr. Speaker; a lot of important initiatives have come out of it. I believe if this government can locate funds to create another bureaucratic body, it can find money for the children. Mahsi, Mr. Speaker.

---Applause

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

Member's Statement On Shortage Of Northern Hires At Diamond Mines

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, I rise today with an issue that was brought to my attention by some of my constituents and may ultimately affect the youth of our territory. The issue I refer to, Mr. Speaker, is the apparent lack of northerners being hired at our diamond mines.

Mr. Speaker, I read a glowing news release from Diavik Mine on February 3rd that stated that they had exceeded

the commitment they had made to this government, that there would be 66 percent northern hires at the mine. The news release stated that 74 percent of the mine employees were northern residents. I have a hard time with this figure, Mr. Speaker, as I heard from our local Hay River residents of the problems that they are encountering being hired at the mine.

I hear stories, Mr. Speaker, of local Hay River residents who were employed during the initial construction phase of the mines and then laid off and were not able to obtain further work at the mines once they went into production. These are long-time northerners coming to me, Mr. Speaker. Now let me make it clear that I am referring to both BHP and Diavik.

I am also aware of the argument that the mines subcontract out a lot of the hiring of employees to various northern firms and therein may lie the problem. Whatever is causing the problem, there are far too many stories of plane loads of workers coming directly from the South to work at the mines and then flying directly south again.

My question is who is checking up on these northern firms to determine that they are meeting the targets. Who confirms that the people hired for work at the mines are really northern residents? What checks and balances are in place?

Mr. Speaker, I am also concerned about the apparent lack of apprenticeship programs at the mines. I believe the mine should be looking at more programs designed specifically to entice our young people to remain in the North and seek gainful employment. I question what is being done in the non-impact communities to lure young people to come back and work at the diamond mines. These young people are northerners as well, Mr. Speaker. I believe we need to ask these tough questions for the sake of our children, Mr. Speaker, and the next generation of true northerners. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Item 3, Members' statements. Member for Inuvik Twin Lakes, Mr. Allen.

Member's Statement On Support For The Land-Based Economy

MR. ALLEN: Thank you, Mr. Speaker. In today's economic environment, the heading in any major newspaper could read "Land-based Economy in Conflict with Commerce-based Economy." Mr. Speaker, during the last few days, a workshop was held at the Northern United Place between members of the non-government organizations, industry representatives, renewable resource councils, hunters' and trappers' committees and other vested interest groups.

Mr. Speaker, I was informed that much of the work done is not about alcohol and drugs as much as about grief. It's about the loss of a culture which few Canadians are aware of. The work of this group, as I am to understand, is about how we begin to manage the shift, making the transition from a land-based economy into a commerce-based one.

Mr. Speaker, undoubtedly there are many expectations from communities for this government to support this shift in economics, education, culture and employment-driven

policy. One major expectation we've seen from our observations is that everyone must work in the diamond or oil and gas industry, Mr. Speaker. These expectations will never be met, Mr. Speaker. Why would it not? Mr. Speaker, we know only too well that people must prepare years in advance before they become proficient in any trade or occupation and, in our case, being political masters in our own land.

Mr. Speaker, in my consultations, people who work in the communities have expressed that we need to educate ourselves on how industry and government work. The people need to know what kind of benefits a pipeline deal offers in the context of socioeconomic agreements and land-access agreements.

Mr. Speaker, it is very difficult to fit into a two-and-a-half-minute statement all the variables that need to be considered in the overall shift in our economic growth. What I want to state very early is the work of these groups is highly recognized and appreciated in my riding. Therefore, I want to see this government make a concerted effort to support a land-based economy until such time as individuals, Northwest Territorians, make the full transition into a commerce-based economy.

I want to wish the participants of these workshops a continued success in their work and endeavours. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Item 3, Members' statements. Member for Hay River South, Mrs. Groenewegen.

Member's Statement On Service Levels At The Hay River Health Centre

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I would like to use my Member's statement today to speak to the issue of our capacity as a government to meet the health needs of our residents. One area of issue which has been referred to recently is our ability to effectively convince the federal government of the deficiencies in the areas under which they have a specific obligation to First Nations people in the Northwest Territories. Another ongoing challenge we are faced with is the practice of the federal government to distribute new funding on a per capita basis which is always detrimental given our small population and the unique challenges of the remote nature of many of our communities. Add to this the ongoing forced growth and expenditures due to health care professional shortages, new technology, pharmaceuticals and the ever-expanding availability of new treatments and procedures in medical science and we have a very pressing challenge to ensure that our people receive health services on par with any other Canadian citizen.

We are also particularly challenged given what the Minister has referred to as northerners' disproportionate penchant for smoking, abusing drugs and alcohol, eating too much and exercising too little, but we must press on. The provision of quality health services for our residents is a top priority of most northerners as it relates to their quality of life. That is why I want to see some serious effort being expended. There isn't a day that goes by that I don't hear another very disappointing report of my constituents being failed by the health care system. We cannot afford to be complacent with this. We have

shortages in Hay River that are going to jeopardize the well-being of our citizens and our ability to retain our health care providers. I want to see some decisive and tangible movement on this problem sooner than later. Mr. Speaker, who is in charge? I would characterize the situation in Hay River as approaching crisis and will have questions for the Minister of Health and Social Services on these matters later today in question period. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Item 3, Members' statements. Member for Range Lake, Ms. Lee.

Member's Statement On The Roles And Responsibilities Of Regular Members Of The Legislative Assembly

MS. LEE: Thank you, Mr. Speaker. I would just like to take this opportunity to comment on the power and responsibility I feel I have as a regular Member of this Assembly and to make a point that if we are to conduct ourselves as part of a consensus government, we must be able to exercise our power and responsibility to the fullest extent possible, especially when we are dealing with something as fundamental as setting a budget for the whole fiscal year coming before us.

Mr. Speaker, I appreciate that we are operating under some constraints -- not only due to the deficit situation, but also due to the reduced time frames that we have had to work with as a result of the last general election -- but I don't think that these constraints should necessarily reduce our power.

In the last Assembly, I sat through four budget sessions where the orientation of the government seemed to be spend, spend, spend, because the good times were coming and we raised taxes. Mr. Speaker, I tell you I opposed the tax initiatives and out-of-control spending and I know the current Minister of Finance was right there with me. Now, the orientation in this Assembly seems to be cut, cut, cut, and still we raise taxes.

Mr. Speaker, in both situations, I am having a problem with the fact that we have to take the whole package the government offers -- take it or leave it -- and I don't think that's right. I think if we have a consensus government we should have the ability to review what's presented to us, to have a say on where we stand on each item. It shouldn't mean that if we accept one, we accept the whole package or that if we reject one, that we're rejecting the whole thing. If we, on this side of the House, have a recommendation that has a strong consensus, I really believe the government has an obligation and responsibility to listen to us and not say, you can't ask for this...

Mr. Speaker, I ask for unanimous consent to conclude my statement.

MR. SPEAKER: Member is seeking unanimous consent to conclude her statement. Are there any nays? You have unanimous consent to conclude your statement.

MS. LEE: Thank you, Mr. Speaker. I believe regular Members of this House are doing a very thorough job of providing input, and I don't want there to be any misconception on the part of the government that this is

just an exercise and, at the end of the day, they are going to get the whole package approved. Mr. Speaker, if that is the case, we might as well pack up and go home because we already had a reduced budget cycle and the government has thousands of employees that review and set priorities. I do believe the Ministers and Cabinet could do a better job in listening to the advice being provided by this side of the House. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Item 3, Members' statements. Member for Nahendeh, Mr. Menicoche.

Member's Statement On Impact Of The Budget On Fort Simpson Community Status

MR. MENICOCHÉ: Mr. Speaker, mahsi cho. Mr. Speaker, today I would like to address the village of Fort Simpson and how it plans to revert back to hamlet status as a result of MACA's community formula funding projections. Mr. Speaker, Fort Simpson was considered a hamlet until it reverted to village status in 1973. Fort Simpson is the only village of this status in the Northwest Territories and the main source of revenue is taxation. Fort Simpson thought it was making the right decision to revert to a village, only to find out the growth in population, and taxable infrastructure has been minimal over the past 30 years. The village has worked very hard to operate on the revenue generated from taxation and from the GNWT community funding and, as a result, expenses were decreased and user fees increased.

While it is appreciated that there were extraordinary circumstances that the GNWT did help out with, now is the time for repayment now. When the impact of the expected budget reductions will cause the village of Fort Simpson to either cancel some well-needed renovations or double the taxes of the people of Fort Simpson in order to maintain their present revenue. The village definitely does not want to raise the taxes and burden the people of Fort Simpson any further. The mayor and council are convinced, as a result of the budget reductions, that there is no other alternative but to revert back to hamlet. They see that the benefits far outweigh those of being a village. They feel that they would rather do it now rather than later than to use the expected study that the GNWT is very willing pay for. Mr. Speaker, I will be asking the Minister of MACA questions relating to this matter at the appropriate time. Mahsi cho.

---Applause

MR. SPEAKER: Item 3, Members' statements. Member for Tu Nedhe, Mr. Villeneuve.

Member's Statement On Service Levels At The Hay River Health Centre

MR. VILLENEUVE: Thank you, Mr. Speaker. Mr. Speaker, today I will use my Member's statement to emphasize the same concerns raised by another Member today. I would like to read a letter I received from a resident, and I quote, "On Monday and Wednesday of this week, March 22nd and 24th, people have been turned away from the medical clinic in Hay River without any outpatient services available; there was no outpatient care available in the hospital as well. People can't get adequate medical attention there either." They are literally told by the staff at the medical clinic that, "There is a

medical crisis at the hospital and we can't help you." So those who would need to see a doctor now have no options. Why? Because there are no outpatient services at the hospital.

If the staff at the hospital deem that you're not considered an emergency, they too send you home. So what is an emergency? Why can't people just get adequate care before something turns into a life-threatening event? Why can't the hospital hire any more doctors or RNs to see patients in Hay River? Is this not the Hub of the North? It is my understanding that there are many people from Fort Providence, Kakisa, Enterprise and Fort Resolution, as well as individuals from Fort Smith, who access the health care services in Hay River. Will these individuals who are in dire need to see doctors have to go all the way to High Level or over to Yellowknife?

This is outrageous. Who will help these people? Will the government or the hospital foot the bill for travel costs for these people? I say this because those individuals travel from their home communities to receive treatment but are told they can't be helped. Those individuals, some of whom had to hire others to drive them to Hay River, now can't do anything but wait; some for hours, some for days. Something needs to be done immediately. God forbid an accident occurs on the highway or something and because there is no one available to work, someone might die. Is this right? I don't believe so. I expect an investigation on this very important matter. In an ideal world, more doctors would be hired right away, locums perhaps. Do something. People are suffering and it isn't fair to them.

Mr. Speaker, I feel that this letter clearly demonstrates that there is a critical situation that medical professionals, patients and people in the South Slave region are caught in. I urge this government to expedite the current measures underway to alleviate these concerns of our constituents. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Item 3, Members' statements. Member for Kam Lake, Mr. Ramsay.

Member's Statement On Current Financial Relationship With The Federal Government

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, I would like to use my Member's statement today to comment on our relationship with Ottawa. Having been a Member in this Assembly for four months, it is becoming increasingly evident that we have some huge financial hurdles to overcome if we are ever to get a firm grip on running an effective government here in the Northwest Territories.

The arrangement that we have in place today, Mr. Speaker, is something that has to be remedied. The fact that for every dollar we raise in taxation revenue, we must give 80 cents of it back to Ottawa is insane. The colonial mentality and the way Ottawa treats us as a territory has got to improve. Year after year, government after government, the same sad story continues to be told: We have to get a better deal from Ottawa. Not just in our financial arrangement, Mr. Speaker, but with devolution and resource revenue sharing. This has been a persistent problem for years.

Why haven't we made progress on these important issues? Mr. Speaker, I believe that the common denominator is the Liberal government in Ottawa and the henchmen from DIAND. They are, in my opinion, the single biggest obstacle to our government and the way we govern and conduct our business. Perhaps it is time, Mr. Speaker, that we develop some new approaches to dealing with Ottawa. It may be time to develop another business coalition or lobby to again remind them that we are here.

I certainly am not saying a Conservative or NDP government in Ottawa would treat us any differently. They may. Mr. Speaker, the liberal government is certainly not helping us. They continue to ignore us in our desire to have more control over our finances, resources and future. We need to stem the colonial attitude and approach Ottawa has toward us. We have a new Premier, a new government, and, if I can say, Mr. Speaker, Mr. Handley does bear a slight resemblance to Mahatma Gandhi.

---Laughter

In a search for answers, Mr. Speaker, maybe he can get some good sandals and lead us on a walk to Ottawa. Thank you.

---Applause

MR. SPEAKER: Item 3, Members' statements. Item 4, reports of standing and special committees. Item 5, returns to oral questions. Item 6, recognition of visitors in the gallery. Mr. Hawkins.

ITEM 6: RECOGNITION OF VISITORS IN THE GALLERY

MR. HAWKINS: Thank you, Mr. Speaker. I want to use this opportunity to recognize our Pages that we have here today. We have two Pages from Fort Simpson. We have four of them from Hay River and two from Yellowknife. I just want to give them a warm welcome for their great job well done. Thank you.

---Applause

MR. SPEAKER: Item 6, recognition of visitors in the gallery. I would like to recognize the people that are in the gallery. I would like to thank you for coming today. Welcome to the Legislative Assembly.

---Applause

Item 7, oral questions. Mrs. Groenewegen.

ITEM 7: ORAL QUESTIONS

Question 76-15(3): Shortage Of Health Care Professionals In Hay River

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, as I said in my Member's statement, my questions today are going to be for the Honourable Michael Miltenberger, the Minister of Health and Social Services.

As I said in my statement, Mr. Speaker, I am aware of the challenges which face this particular ministry and the many things which are affecting our ability to deliver quality health services to the people of the Northwest

Territories. But we have a very urgent situation in Hay River which will not be addressed by some of the long-term solutions and initiatives that are being looked at by Mr. Miltenberger's department.

We have people who are being turned away from the medical clinic. The staff that we have there right now is very quickly beginning to feel the effects of the stress of being worked beyond their capacity. I am afraid for the well-being of our residents as they need health care services and are not able to access them. I would like to ask the Minister what kind of temporary, short-term help he could offer Hay River in this very dire situation. Is he aware of how many doctors there are there right now? Is he aware of the status of the facility in Hay River? I will have further questions. Thank you, Mr. Speaker.

MR. SPEAKER: Minister of Health and Social Services, Mr. Miltenberger.

Return To Question 76-15(3): Shortage Of Health Care Professionals In Hay River

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I am aware somewhat of the situation in Hay River. I have talked to the honourable Member. I have been in discussions with the board Chair. I have instructed the department to take a look. We initially talked about the human resource issue. We need to look at why possibly there is such a high turnover rate and if there are some underlying issues. Subsequent to that, I have also received some correspondence through e-mail from concerned people in Hay River. We are moving as quick as we can to take a look at this.

I understand, as well, that the board in Hay River will be meeting. At the break, I am going up to have a talk with the board chair as well as with the deputy minister to make sure that we stay on top of this situation. Thank you.

MR. SPEAKER: Supplementary, Mrs. Groenewegen.

Supplementary To Question 76-15(3): Shortage Of Health Care Professionals In Hay River

MRS. GROENEWEGEN: Thank you, Mr. Speaker. I would like to ask the Minister how many doctors are available in Hay River today, as we speak. My understanding is that we have at least one that is off, perhaps, on maternity leave and perhaps another one who is unwell themselves. I would like to know how many doctors are on call in Hay River right now. Thank you.

MR. SPEAKER: Minister of Health and Social Services, Mr. Miltenberger.

Further Return To Question 76-15(3): Shortage Of Health Care Professionals In Hay River

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. At this particular moment, right now, I can't tell the Member exactly. Thank you.

MR. SPEAKER: Supplementary, Mrs. Groenewegen.

Supplementary To Question 76-15(3): Shortage Of Health Care Professionals In Hay River

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, Hay River is the second-largest community in

the Northwest Territories. We have a well- equipped and modern health care facility. If there are not enough doctors there right now, what means does the Minister have at his disposal to address that? Could he redeploy health care professionals from other jurisdictions to alleviate the immediate crisis in Hay River? Thank you.

MR. SPEAKER: Minister of Health and Social Services, Mr. Miltenberger.

Further Return To Question 76-15(3): Shortage Of Health Care Professionals In Hay River

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, the first thing, as Minister, that I want to do is get the most current and complete set of facts that I can. If there are shortages -- I have no reason to doubt that there aren't -- we will work with the community and the board and keep the Members involved. We will work out a system to provide the services and work to get the resources that are needed wherever we have to look. Thank you.

MR. SPEAKER: Final supplementary, Mrs. Groenewegen.

Supplementary To Question 76-15(3): Shortage Of Health Care Professionals In Hay River

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I would like to ask the Minister to intervene with whatever measures he feels possible in the short term to address this. I realize he is talking about meeting with the board and some other types of long-term solutions, but I believe that we have a very immediate problem in Hay River. I would like him to, as Minister, intervene in that situation and use whatever resources he has at his disposal to ensure that the medical needs of the people of Hay River are covered. Thank you, Mr. Speaker.

MR. SPEAKER: Minister of Health and Social Services, Mr. Miltenberger.

Further Return To Question 76-15(3): Shortage Of Health Care Professionals In Hay River

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, the Member is very clear about her passion and concern about the community that she represents. I want to assure her that I, as Minister, will be taking all of the steps necessary to make sure that nobody's health is jeopardized for situations that may have ties to human resources issues or lack of personnel. Thank you.

MR. SPEAKER: Item 7, oral questions. Member for Yellowknife Centre, Mr. Hawkins.

Question 77-15(3): 2003-04 Report Of The Legal Services Board

MR. HAWKINS: Thank you, Mr. Speaker. Mr. Speaker, I just want to first start by stating a great thanks to the Minister of Justice for finally finding and dusting off and tabling those six out of seven absent annual reports for the Legal Services Board.

---Applause

That was a good demonstration of using in house resources on an archaeological find.

Mr. Speaker, my question to the Minister of Justice is when, as noted, will he be tabling the seventh of the outstanding reports in this House? Thank you, Mr. Speaker.

MR. SPEAKER: Minister of Justice, Mr. Dent.

Return To Question 77-15(3): 2003-04 Report Of The Legal Services Board

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, as I informed the House two days ago, my intention is to table that report as soon as possible. I am expecting to have it by March 31st, but if I don't have it in time to table on the last day of this session, it will be tabled in the session we have in May and June.

MR. SPEAKER: Supplementary, Mr. Hawkins.

Supplementary To Question 77-15(3): 2003-04 Report Of The Legal Services Board

MR. HAWKINS: Thank you, Mr. Speaker. Just a question for clarity for myself and other Members of this House. How does the Minister draw up a budget for his department in the absence of that report being tabled in the House? Thank you very much, Mr. Speaker.

MR. SPEAKER: Minister of Justice, Mr. Dent.

Further Return To Question 77-15(3): 2003-04 Report Of The Legal Services Board

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, the report doesn't contain information that isn't already included in the audited financial statements of this government. The finances are audited by the Auditor General, so there's no question as to whether or not the funds have been expended at this point. The report is tabled as supplementary information for the Members and the public. Thank you.

MR. SPEAKER: Item 7, oral questions. The Member for Sahtu, Mr. Yakeleya.

Question 78-15(3): Early Childhood Development

MR. YAKELEYA: Thank you, Mr. Speaker. Mr. Speaker, recently I've received a number of letters from the constituents of Deline. They wrote to me because they're very concerned that the funding for the family literacy projects would not be continued. As you are aware, Mr. Speaker, family literacy projects have been funded through the NWT Literacy Council with money from the early childhood development framework for action. It's a grassroots project that works really well with parents to help them see that they are the first and foremost important teachers of our children. It gets families involved in the education of their children.

The program has made a positive difference in the lives of children and families across the Northwest Territories. Unfortunately, with the sunseting of this initiative, the work that went into setting up the grassroots infrastructure, the very thing that made this program so effective, risks being lost. Mr. Speaker, I'd like to ask the honourable Minister of Education, Culture and Employment if a review of early childhood development action plans has been assessed and why the department has not decided to locate alternative funding to continue the family literacy program? Thank you, Mr. Speaker.

MR. SPEAKER: Minister of Education, Culture and Employment. I heard two questions. Mr. Dent.

Return To Question 78-15(3): Early Childhood Development

HON. CHARLES DENT: Thank you, Mr. Speaker. The assessment of the programs that were funded under the early childhood framework for action has begun. I am hoping to have the assessments completed before the end of April so that we can assess where the priority areas would be for putting funding if we are able to find any new funding for that program. That was the Member's first question.

The second question was why we have not been able to find money for the program. The issue has been one of restraint, as was pointed out by Ms. Lee in her statement today. The budget that we brought forward didn't leave us much opportunity for innovation. We brought forward basically the budget that had been prepared by the previous government and, in fact, I was given the responsibility of bringing that forward and cutting further from it before presenting it in this House. There wasn't a lot of flexibility to move monies around to find money for this area because of other priority areas in the department. Thank you, Mr. Speaker.

MR. SPEAKER: Supplementary, Mr. Yakeleya.

Supplementary To Question 78-15(3): Early Childhood Development

MR. YAKELEYA: Thank you, Mr. Speaker. I apologize for the two questions in one. Thank you, Mr. Speaker. I find it ironic that this government can fail to locate funds to continue such a well-received program, especially after resources are being forwarded to set up the necessary grassroots infrastructure for its delivery. Yet, Mr. Speaker, this government can find funds to create yet another bureaucratic body. I'm speaking of the \$100,000 day to day to support the Official Languages Board. Granted, the \$100,000 will not be sufficient to manage the \$1.3 million that sunset this year, however, it could be a start, Mr. Speaker.

Can the Minister tell me whether he considers cancelling any other programs for services prior to making the decision to let the sunset of the family literacy program of the early childhood program stand? Thank you.

MR. SPEAKER: Just to remind the Members, your supplementary question should be a question, not another statement and a question. Just to remind the Members. Minister of Education, Culture and Employment.

Further Return To Question 78-15(3): Early Childhood Development

HON. CHARLES DENT: Thank you, Mr. Speaker. I assume that you want the same sort of thoughts kept in mind by Ministers responding. I'll try and keep it brief.

AN HON. MEMBER: Run the clock, run the clock.

HON. CHARLES DENT: Mr. Speaker, the Member asked if we've been able to find any areas that we could cut to provide funding for this important program. I'd have to say looking for \$1.2 million may sound like it's easy in a department that's got \$214 million in the books, but if you take out all of the contributions, there really is less than 15

percent of that total budget that's available for any discretion at all and finding a million dollars out of that is very difficult.

I certainly would not be prepared to tell this House that I'm not proceeding with the language boards. I think the Special Committee on Official Languages heard loud and clear from people across the North that they want to see that sort of service. So we are planning to proceed with implementing those two boards. Thank you, Mr. Speaker.

MR. SPEAKER: Final supplementary, Mr. Yakeleya.

Supplementary To Question 78-15(3): Early Childhood Development

MR. YAKELEYA: Thank you, Mr. Speaker. Will the Minister make a commitment to share the results of the review of the early childhood development action plan with this Assembly when it's completed? Thank you.

MR. SPEAKER: Minister of Education, Culture and Employment, Mr. Dent.

Further Return To Question 78-15(3): Early Childhood Development

HON. CHARLES DENT: Mr. Speaker, it would be my intention to share that, particularly with the Standing Committee on Social Programs if the Assembly is not in session. Thank you.

MR. SPEAKER: Item 7, oral questions. The Member for Hay River North, Mr. Delorey.

Question 79-15(3): Monitoring Diamond Mine Hiring Practices

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, in my Member's statement, I spoke about northern hires at the mine. I certainly don't want to be too negative about that because I know that a lot of northerners and a lot of Hay River people are working at the mine. But there still appears to be quite a gap and a lot of people still trying to get on at the mines and not having much success. I would like to direct my questions to the Premier and he can redirect them to the appropriate Minister. I'm not exactly sure which Minister I should be addressing. What specific auditing procedures are currently in place through this government to determine that the 66 percent northern hire content is being met at the diamond mines? Thank you, Mr. Speaker.

MR. SPEAKER: Premier, Mr. Handley.

Return To Question 79-15(3): Monitoring Diamond Mine Hiring Practices

HON. JOE HANDLEY: Mr. Speaker, in the case of both Ekati Mine and Diavik Mine, there is a reliance on self-reporting by the mines. Both mines put out regular reports on their northern hires, southern hires and aboriginal hires. Thank you.

MR. SPEAKER: Supplementary, Mr. Delorey.

Supplementary To Question 79-15(3): Monitoring Diamond Mine Hiring Practices

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, could the Minister tell me what apprenticeship programs

there are at the mines to encourage northern young people to seek employment at the mines? Thank you, Mr. Speaker.

MR. SPEAKER: Premier, Mr. Handley.

HON. JOE HANDLEY: Mr. Speaker, I'll refer that question to the Minister of ECE. Thank you.

MR. SPEAKER: The question is referred to the Minister of Education, Culture and Employment, Mr. Dent.

Further Return To Question 79-15(3): Monitoring Diamond Mine Hiring Practices

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, I can't enumerate the specific training programs that are on at each of the individual mines right now, but I know that there are a number at the mines. I must say that compared to what we had with mines about eight years ago, the growth of the number of people who are in apprenticeship programs in mining in the North right now has been quite dramatic.

When I first became Minister in the 13th Assembly I think between all the mines in the Northwest Territories, which was much bigger then than it is now, there was only one apprentice. We've gone way beyond that and I know that at one point we were approaching 28 apprentices between the two mines that are operating. I can't say whether that's still the case today, but I do believe that we are still seeing a good number of apprentices working at the northern mines. Thank you.

MR. SPEAKER: Supplementary, Mr. Delorey.

Supplementary To Question 79-15(3): Monitoring Diamond Mine Hiring Practices

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, is the Minister aware if there is a summer student hiring practice currently being employed at the diamond mines? Thank you, Mr. Speaker.

MR. SPEAKER: Premier, Mr. Handley.

Further Return To Question 79-15(3): Monitoring Diamond Mine Hiring Practices

HON. JOE HANDLEY: Mr. Speaker, Diavik for sure has a summer student program and I'm almost 100 percent certain that Ekati Mine does as well. I know that there have been a number of university students who have worked at both of the mines over the summers. I don't know the details or the eligibility or how they select the students who do work there. Thank you.

MR. SPEAKER: Final supplementary, Mr. Delorey.

Supplementary To Question 79-15(3): Monitoring Diamond Mine Hiring Practices

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, is the Minister aware of what the percentage of workers at the mines are direct employees of BHP and Diavik conversely and what percentage of hires are hired by outside contractors? Thank you, Mr. Speaker.

MR. SPEAKER: Mr. Premier, Mr. Handley.

Further Return To Question 79-15(3): Monitoring Diamond Mine Hiring Practices

HON. JOE HANDLEY: Thank you, Mr. Speaker. In both cases, the mines do use subcontractors extensively. I would guess that probably a fairly small percentage are direct employees of the mines at the mine site. Mr. Speaker, I will undertake to try to get some information for the Member on roughly what the break out might be. Thank you.

MR. SPEAKER: Item 7, oral questions. Member for Inuvik Twin Lakes, Mr. Allen.

Question 80-15(3): Attendance At Pipeline Environmental Review Meetings

MR. ALLEN: Thank you, Mr. Speaker. On the context of my Member's statement, I too want to ask the Minister of RWED whether he can confirm that he had a departmental official designated as an observer to the environmental assessment impact workshops in Yellowknife on March 22nd to 24th. Thank you, Mr. Speaker.

MR. SPEAKER: Minister of Resources, Wildlife and Economic Development, Mr. Bell.

Return To Question 80-15(3): Attendance At Pipeline Environmental Review Meetings

HON. BRENDAN BELL: Thank you, Mr. Speaker. The meetings that the Member is referring to on the 23rd and 24th in Yellowknife were private meetings between NGOs and the Producers Group, and it was Imperial Oil, I believe, that hosted the meetings and put out the invitations. Our government was not invited to attend, but I will reassure the Member that we are continually kept updated and kept apprised of developments, and in this case it is no different. Thank you.

MR. SPEAKER: Supplementary, Mr. Allen.

Supplementary To Question 80-15(3): Attendance At Pipeline Environmental Review Meetings

MR. ALLEN: Thank you, Mr. Speaker. It is regrettable that they didn't have an observer at the meeting because it is important. I think it is also important that the Minister table in this House an example of the socioeconomic framework agreement that these working groups can use as a tool to help develop themselves throughout the process. Thank you, Mr. Speaker.

MR. SPEAKER: Minister of RWED, Mr. Bell.

Further Return To Question 80-15(3): Attendance At Pipeline Environmental Review Meetings

HON. BRENDAN BELL: Thank you, Mr. Speaker. I can certainly do that. I know the socioeconomic agreement, or SEA, between this government and Diavik, for instance, is a public document, as is the one between our government and BHP Billiton Ekati Mine. I can certainly table those documents again. I can provide committee Members with those documents. I think the important point that the Member is making though is that we definitely need a policy framework for the negotiation of industrial benefits, and that is certainly something that we have to get a handle on. We have been doing some good work in this area. I think we need to continue that work because there

are a number of judgements to be made when these things are being negotiated, and we negotiate over a broad range of criteria, and a wide area. I think it is important for us to know, for instance, what the most important things are to northerners. The more and more employment we see -- and we have highest employment in the country -- at a certain point you start to talk about whether it is more important to have business opportunities flow as opposed to direct employment, and there are a number of tradeoffs, and a number of questions to be asked. But I think the most important thing to understand is that we definitely need a framework for negotiating these industrial benefits. Thank you.

MR. SPEAKER: Supplementary, Mr. Allen.

Supplementary To Question 80-15(3): Attendance At Pipeline Environmental Review Meetings

MR. ALLEN: Thank you, Mr. Speaker. My final question to the Minister then is would his department take a more proactive approach in trying to help educate the smaller communities in trying to adjust to some of these environmental processes? Thank you, Mr. Speaker.

MR. SPEAKER: Minister of RWED, Mr. Bell.

Further Return To Question 80-15(3): Attendance At Pipeline Environmental Review Meetings

HON. BRENDAN BELL: Thank you, Mr. Speaker. Yes, we are certainly willing to work with communities to help them participate in the SEA process. We expect that DIAND will also take a lead role in this capacity. They have a mandate in terms of capacity building and working with communities to make sure there is meaningful engagement and participation in the SEA process. I would also state that some very good work is being done by NGOs. I know CARC intends to do a lot of work with communities as it relates to the SEA for the pipeline. I think it is important to have engagement from all levels of government and the NGOs, and to make sure that there is certainly some coordination so there aren't duplicated efforts and we aren't consulting to death, as it were, Mr. Speaker. I think it is important to make sure that we provide resources and help communities engage in this process in a meaningful way. Thank you.

MR. SPEAKER: Item 7, oral questions. The Member for Range Lake, Ms. Lee.

Question 81-15(3): Early Childhood Development Program Funding

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, my question today is in the same program area that the honourable Member for Sahtu had mentioned earlier, and it is with regard to early childhood development. My question is to Minister Dent. Mr. Speaker, as I stated in my Member's statement, I really think we should change the approach of budget debate and approval where the government presents us with the box and we have to either accept the box or reject the box. I think the better way might be, an analogy is if the government could present us with a lump of dough that we could work with, and the Members on this side should be able to shape that dough and not have to always look to a square box that the government imposes on us.

Mr. Speaker, one of the things that is happening is that this very highly successful early childhood development will have a serious reduction in its funds, and many Members here have given anecdotal evidence from the ground level. For myself, I have been to Range Lake North School where teachers have given evaluations of the success of this program in promoting reading and life skills, and preparing children. Just when it is getting some momentum and life after three years of the program, we are going to take it away. My question first to the Minister is on the evaluation side. The Minister is suggesting that this program will be evaluated, it will be finished, but it will be evaluated, and then he will decide, or the government will decide, whether it will be reinstated or not. I want to know why that order. Shouldn't the evaluation be done before the program comes to an end? Thank you.

AN HON. MEMBER: Hear, hear.

MR. SPEAKER: Minister of Education, Culture and Employment, Mr. Dent.

Return To Question 81-15(3): Early Childhood Development Program Funding

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, just to the Member's earlier comments, typically in our process we do actually allow the sort of shaping of the dough by all Members in this House, because we have what is called the business planning process. Unfortunately, because of the timing of the election, we were rushed into getting a budget into the House to try and have the money to spend by April 1st. So we didn't have the chance of all of us working together on the dough to come up with an understanding of what things would look like. We took what the previous government had put together and brought it forward with some very small changes in order to try and accommodate the wishes of all Members, which was that we would reduce some of the spending so that we didn't see such a big deficit. The evaluation was always scheduled for the termination of the program. The previous government brought forward this initiative as a three-year time-limited program, with the intent that it would wrap up after three years. There was no money in the fiscal framework to continue past that in the way it was presented. So it was always planned that the evaluation would take place at the termination of the program so that you'd have the best chance of having programs up and running and completed, and then you could evaluate them. So that is why the scheduling was set as it was. The evaluations will be done very shortly, and I would be prepared to share them with the committee.

MR. SPEAKER: Supplementary, Ms. Lee.

Supplementary To Question 81-15(3): Early Childhood Development Program Funding

MS. LEE: Thank you, Mr. Speaker. I guess the Minister could explain in a nice little neat package why the process is the way it is. But I am telling you, it doesn't make any sense that you do an evaluation after having decided what to do with the program. Speaking of the dough, I think the Members here are fully appreciative of the constrained time limit. So we are not suggesting to bake a big, huge, fancy cake with the dough.

--Laugher

I believe we have suggested a very modest, small, little cake. There have been so few suggestions for restoration of any programs. We are basically going with what the government is suggesting. I must say, this is one highlight where there has been huge consensus on this part, and there has been no movement on the part of the government. Mr. Speaker, I want to ask the Minister what are we losing in terms of linkages with this program, because I understand there have been lots of federal government money, Literacy Council money, there has been mobilization of forces in this. What are we losing not just on the part of what government is cutting? Thank you.

MR. SPEAKER: Minister of Education, Culture and Employment, Mr. Dent.

Further Return To Question 81-15(3): Early Childhood Development Program Funding

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, we are not losing any of the federal contribution. The federal contribution is continuing to flow. All of the money that we are receiving in ECE from the federal contribution will be flowed through to the Literacy Council to continue on with their very important programming. I outlined yesterday, during Committee of the Whole, a number of the areas in which we are losing the funding. The biggest one is the one that the Member for Sahtu raised, and that is the language nests. That amounts for about \$900,000 of the total that we would no longer have to put forward. I don't think anybody has said that this hasn't turned out to be a very good program. I have talked about it with my Cabinet colleagues and we are anxious to see if there's a way to fund these important programs, particularly ones like the language nests. But at this point, we haven't been able to find the money to free up to put into these programs. With all the priorities that we have to deliver just on the programs within Education, I don't have \$1 million to move around that easily. So it has to be one that has to be found elsewhere, and we haven't found that yet. Thank you.

MR. SPEAKER: Supplementary, Ms. Lee.

Supplementary To Question 81-15(3): Early Childhood Development Program Funding

MS. LEE: Thank you, Mr. Speaker. I must say this has been a successful project, a tripartite partnership between the federal government, territorial government and an NGO of council, and now the territorial government is going to reduce its support just at a time when it's really gaining momentum. Mr. Speaker, it's really a crying shame, as the Member for Sahtu would say, that this Cabinet and government fights tooth and nail to protect every government position, every dollar in their other expenses, but not fight for a program that has been so successful for our children. So I would ask the Minister for his full commitment to see what he can do to restore this program. Thank you.

MR. SPEAKER: Minister of Education, Culture and Employment, Mr. Dent.

Further Return To Question 81-15(3): Early Childhood Development Program Funding

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, I am more than pleased to be able to say again

that if I could find some money to put to this program it would be the first priority within my department that would find the money.

MR. SPEAKER: Item 7, oral questions. Final supplementary, Ms. Lee.

Supplementary To Question 81-15(3): Early Childhood Development Program Funding

MS. LEE: Mr. Speaker, I have been here long enough to know that the Minister's commitment that he just gave really is not a commitment that would necessarily see a result, and a result that would translate into keeping this program or reinstating a program. So I believe one of the Members perhaps seeing that the Minister is engaged in an evaluation of this program, would he consider extending it on a short term until the evaluation comes and so he has time to find money before it expires? Thank you, Mr. Speaker.

MR. SPEAKER: Minister of Education, Culture and Employment, Mr. Dent.

Further Return To Question 81-15(3): Early Childhood Development Program Funding

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, the only money that my department has to spend is within the budget; the budget that we've gone through in this House, and that budget did not include enough money to extend the programs. So I would be outside the authority I have under the FAA to agree to that. I commit to this House that I will do what I can to find the money to be able to allow the program to continue. But the Member is right, I can't promise that I'm going to be able to do that in time for these programs to continue on April 1st. It's my goal and I will do the best that I can, but it's not something that I can commit to. I can't say that I can do it, because I don't have the money right now, but I will continue to look for that money.

MR. SPEAKER: Item 7, oral questions. Member for Kam Lake, Mr. Ramsay.

Question 82-15(3): Forging A New Relationship With The Federal Government

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, my questions go back to my Member's statement that I made earlier and they have to do with the relationship with Ottawa and the message that needs to be sent to Ottawa, that we want control over our resources and our financial arrangements. The question I have for the Premier is whether we can do more to coordinate our efforts with industry to deliver this message. Thank you, Mr. Speaker.

MR. SPEAKER: The question is directed to the Premier, Mr. Handley.

Return To Question 82-15(3): Forging A New Relationship With The Federal Government

HON. JOE HANDLEY: Thank you, Mr. Speaker. When we face challenges like this, we can all learn a lot from Ghandi.

---Laughter

Mr. Speaker, he was very clear and I think there are some things we can learn from him. We have to have a very

clear message. We have to have a common message with industry and with other leaders. Second is that we have to be an example ourselves. If we want to ask Ottawa for more resources, more money, more of anything, then we have to show that we're using what we have here ourselves. We also have to show that to the business community, and to other leaders and other governments, as well. So that's something else we can do.

Mr. Speaker, respect for others. We have to go to Ottawa, we have to show respect for our partners in the North, we have to show respect for people in Ottawa. I am one who believes that a good logical argument, as Ghandi believed, carries a lot of weight and will bring us a long way. So we need to work with partners on that. Another is that you can't flinch in spite of what seems like overwhelming odds. We know we have a strong argument, we know we have Ottawa who has an agenda that may be different than ours at times, but we have to keep on with the message and not blink, not flinch simply because it seems overwhelming. Staying the steady course is particularly important.

I think, finally, one thing that Ghandi stood for, of course, was non-violence. By being straightforward, being honest, being sensible, having a clear message, working in partnership with other northerners, we can achieve a great deal in Ottawa over the next four years. Thank you, Mr. Speaker.

AN HON. MEMBER: Yea!

---Applause

MR. SPEAKER: Supplementary, Mr. Ramsay.

Supplementary To Question 82-15(3): Forging A New Relationship With The Federal Government

MR. RAMSAY: Thank you, Mr. Speaker, and thanks, Premier, for that. The Premier talks of respect, and I think the people who aren't getting the respect are the folks who live in the Northwest Territories, Mr. Speaker.

---Applause

If I could add; diplomacy has failed us thus far. We have been talking about resource revenue sharing in this territory for the past 17 years; year in, year out, government after government. I hope the Premier has some answers for this question. What makes the Premier think that his government can help us deliver our message to Ottawa so that we can finally get the respect that we deserve? Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Order, order. Mr. Premier.

Further Return To Question 82-15(3): Forging A New Relationship With The Federal Government

HON. JOE HANDLEY: Mr. Speaker, there seems to be a lot of passion in here today. Mr. Speaker, I am very confident that we can deliver a good, solid message to Ottawa and get a good response back. In fact, that has been proven already in terms of the success that we've had and the cooperation we've had with Ottawa on the fiscal side. I think in terms of our formula, Mr. Roland and

others who have been down there have carried the message and it has shown that Ottawa is listening.

We have set a course, Mr. Speaker, of working in partnership that shows us that it works. We recently signed a framework agreement with the Aboriginal Summit, and agreed to work with them on resource revenue sharing. Mr. Speaker, the Minister of DIAND was here last week and signed that agreement. So that's a first sign in the first three months or less of our government, and I think it bodes well for what is to come in the future. So I am confident that the path we're on will work. Thank you.

MR. SPEAKER: Supplementary, Mr. Ramsay.

Supplementary To Question 82-15(3): Forging A New Relationship With The Federal Government

MR. RAMSAY: Thank you, Mr. Speaker. It gets very difficult. I know two years ago, the corporate income tax rate was lowered from 14 percent to 12 percent in an effort to try to attract business in the Northwest Territories, and now the suggestion is that it go up again to 14 percent. How do we as ordinary Members, Mr. Speaker, communicate that absurd message to the business community? We need some serious reform on our financial relationship with Ottawa. I'm wondering, though you, Mr. Speaker, what leverage do we have to make Ottawa listen to our concerns. Like I said, diplomacy has failed. We have to get some surety on our financial situation. This is absolutely no way to run a government, the way we're doing it, Mr. Speaker. Thank you.

---Applause

MR. SPEAKER: Mr. Premier.

Further Return To Question 82-15(3): Forging A New Relationship With The Federal Government

HON. JOE HANDLEY: Thank you, Mr. Speaker. A few years ago we were able to lower the corporate income tax rate to give the corporate sector a break and to also use it as a way to stimulate our economy. We also lowered the tax rate for small businesses, which continues to be in effect. That worked a few years ago. It doesn't work any more because of the rebasing of the financing formula. I think Mr. Roland has explained how that works. In fact, it has become a perversity in our formula, so we have had to increase it in order to not lose money as our economy grows. It's not being done to punish the corporations, but simply because we would lose money with economic growth if we didn't bring the corporate tax rate up because of the way our formula is structured. Thank you, Mr. Speaker.

MR. SPEAKER: Final supplementary, Mr. Ramsay.

Supplementary To Question 82-15(3) Forging A New Relationship With The Federal Government

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, I believe we have a very strong message to send not only to the federal government in Ottawa, but to the rest of Canada. We are going to put a lot into the Canadian coffers in the next 10 to 20 years for sure, and it's about time that the rest of Canadians started paying attention to what's happening here in the Northwest Territories. I would like to ask the Premier -- I know we have some

early indication that there might be some interest in the business here in the Northwest Territories -- to start on another lobby to Ottawa. A business coalition or something of that sort, a lobby to go down there, bang on the door again and again. Let them know that we're here and let them know that we're interested in trying to finally get some control over our own destiny. Thank you.

---Applause

MR. SPEAKER: Mr. Premier.

Further Return To Question 82-15(3): Forging A New Relationship With The Federal Government

HON. JOE HANDLEY: Thank you, Mr. Speaker. The honourable Member is correct; that in the last government we were very successful in working in partnership with the business community through the Business Coalition, especially on the transportation infrastructure funding side. We had a lot of success; \$65 million of success.

Mr. Speaker, the Minister of RWED and myself have had discussions with the business community. We are very interested in working with them again as we put our strategy together in partnership with all the other leaders in the Territories to again mount a successful campaign in Ottawa that is very focussed and very clear with one message from the North. So, Mr. Speaker, I am pleased to hear that Mr. Ramsay is also hearing from the business community that they want to work with us. We want to work with them, too. Thank you.

---Applause

MR. SPEAKER: Item 7, oral questions. Member for Nahendeh, Mr. Menicoche.

Question 83-15(3): Community Status Of Fort Simpson

MR. MENICOCHÉ: Thank you, Mr. Speaker. My question is directed to the Minister of MACA. With respect to my Member's statement earlier, the Village of Fort Simpson has been looking at this idea about reverting to hamlet from village status. In light of the recent budget figures that they're looking at, they want to speed up the process. My question for the Minister is if things are kind of heating up with this debate, I was wondering if the Minister is willing to meet with officials of the Village of Fort Simpson in the near future to resolve this issue and look at some alternatives. Thank you.

MR. SPEAKER: Minister of Municipal and Community Affairs, Mr. Zoe.

Return To Question 83-15(3): Community Status Of Fort Simpson

HON. HENRY ZOE: Mahsi, Mr. Speaker. Mr. Speaker, the Member had indicated to me a situation that is happening in Fort Simpson earlier on. I indicated to him that in the letter that I wrote a month ago, I suggested to the municipality that my officials at the regional level would meet with them to discuss the various alternatives that they would like to look at. One of the suggestions that I made to the municipality was to assist them with funding to undertake a study to determine the pros and cons of becoming a hamlet from village status. In my correspondence, I also indicated that my officials are recommending a company to them that could undertake

this type of work. My understanding to date is that the village council is considering either putting out an RFP for a company to undertake that work, or to hire a contractor directly to undertake the review for them. I haven't had any other correspondence from the Village of Fort Simpson. Thank you.

MR. SPEAKER: Supplementary, Mr. Menicoche.

Supplementary To Question 83-15(3): Community Status Of Fort Simpson

MR. MENICOCHÉ: Thank you, Mr. Speaker. I think what's necessitating the burning desire right now is that the projected budget for 2004-05 for the Village of Fort Simpson is being reduced by \$400,000, and that's a very, very huge hit for any community or any municipality to take, especially when in December they thought they had a secure arrangement for funding at \$1.2 million. So that's what is necessitating this. I'm just trying to get the Minister to assure the Village of Fort Simpson that he will meet with them in the near future to resolve this. They would like to meet the Minister either in Yellowknife or perhaps the Minister can come over to the Village of Fort Simpson. Thank you.

MR. SPEAKER: Minister of MACA, Mr. Zoe.

Further Return To Question 83-15(3): Community Status Of Fort Simpson

HON. HENRY ZOE: Thank you, Mr. Speaker. Mr. Speaker, maybe the honourable Member for Nahendeh doesn't know the background of the situation with the Village of Fort Simpson. Maybe I can give him a little bit of clarification.

Three years ago, Mr. Speaker, the new community government funding policy was implemented. At that time, the funding for a number of communities was reduced. One of them was the Village of Fort Simpson. To ease the pain of the drastic reduction in the new funding formula, the Financial Management Board of the day decided to assist the Village of Fort Simpson for a three-year period. That period is ending this current year, 2003-2004. The Village of Fort Simpson knew that this funding was going to sunset this year. The honourable Member is implying that the government is making a drastic cut to the village's formula funding. That's not the case, Mr. Speaker. Mr. Speaker, the municipality had ample time. We, as a government and the government of the day in the 14th Assembly, didn't want to burden them with this drastic situation. That's why they gave them additional funding for three years. My department has also offered to assist them to look at reverting to municipal status. I have already offered to give them funding to undertake this review. So they knew that this funding was going to be sunsetted, and I instructed my officials to meet with the municipality and their officials to see what other alternative we could look at in terms of getting additional resources for the municipality.

Mr. Speaker, to date, I don't believe that the officials of the Village of Fort Simpson and my departmental officials have met to discuss this important issue. Thank you.

MR. SPEAKER: Just to remind Members, I still have five Members on my list who would like to ask questions. We have 15 minutes left to go and we had 60 minutes on the clock when we started. So if we can, would you try to

speed up your questions and shorten your answers? Supplementary, Member for Nahendeh, Mr. Menicoche.

Supplementary To Question 83-15(3): Community Status Of Fort Simpson

MR. MENICOCHÉ: Thank you, Mr. Speaker. The Minister has gladly agreed to have a tour of the Nahendeh riding, but that's not until some time in May. This matter is urgent; I was just trying to get a commitment that perhaps the Minister could come to Simpson or meet with the village officials here to resolve this issue of reverting, as well as the budgeting procedures. Thank you very much.

MR. SPEAKER: Minister of MACA, Mr. Zoe.

Further Return To Question 83-15(3): Community Status Of Fort Simpson

HON. HENRY ZOE: Thank you, Mr. Speaker. Mr. Speaker, I am willing to meet with the Village of Fort Simpson at any time, but if the honourable Member for Nahendeh wants me to go next week, I'm willing to go as soon as we're out of session. I would like to add, Mr. Speaker, I would like my officials to first of all meet with the village officials to see what alternatives they could come up with so the political people when they're meeting, like myself and Mayor Michaud of the Village of Fort Simpson and his councillors, so we have something to talk about. We know the situation they are in and I've made a commitment to the honourable Member that I'm willing to go in there and to the Village of Fort Simpson. Again, if I could ask the honourable Member to convey to his community that the officials from the municipality and my department officials should meet right away so that they can start looking at different alternatives so that we can discuss them at our future meeting. Thank you.

MR. SPEAKER: Final supplementary. Item 7, oral questions. The Member for Yellowknife Centre, Mr. Hawkins.

Question 84-15(3): Legal Services Board Reporting Deficiencies

MR. HAWKINS: Thank you, Mr. Speaker. Mr. Speaker, there were some really positive analogies here earlier. The Premier was being compared to Ghandi. The education Minister was being compared to a chef baking cakes. Now I feel terrible because I'm going to ask the Minister of FMBS if he'll be a leg breaker. Mr. Speaker, I've noticed some concerns with the Financial Administration Act in regard to reporting. I was very excited, let me tell you, I was very excited, with the fact that we had some tabled reports in regard to the Legal Services Board. Although I didn't have a chance to read them page by page, they were pretty thin. I could tell by holding them up to the light, I could see both covers quite easily. My concern with the reports is the reporting requirements were missing some key elements and I'm asking the Minister if he would commit to addressing these concerns that I have. It specifically is that there are a lack of recommendations, key observations, noted anomalies, as well as anything else observed in that year. Would the Minister be willing to address those types of concerns to make sure that those observations get put into these annual reports by boards and agencies? Thank you, Mr. Speaker.

MR. SPEAKER: Minister of FMBS, Mr. Roland.

Return To Question 84-15(3): Legal Services Board Reporting Deficiencies

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, the requirements are that the Ministers responsible for agencies or boards would gather the information and table it in this House. I would work through those Ministers to ensure that they're getting the accurate information as part of the process, but it is clearly spelled out in legislation what type of information to report and the timing and so on, and how I would be involved. So it's clear right now, as I've reviewed the situation since the previous concern was raised, that my only recourse is to work with the Minister and through them try to get the appropriate information and the timing of those reports tabled in this House. Thank you.

MR. SPEAKER: Supplementary, Mr. Hawkins.

Supplementary To Question 84-15(3): Legal Services Board Reporting Deficiencies

MR. HAWKINS: Thank you, Mr. Speaker. Thank you, Mr. Minister. If the Minister would be willing to work with the other honourable Ministers and see if any recommendations on updates could be done in this fiscal year, therefore, they could be included in the next annual reports that do show up in this Assembly. Thank you.

MR. SPEAKER: Minister of FMBS, Mr. Roland.

Further Return To Question 84-15(3): Legal Services Board Reporting Deficiencies

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, again, I've committed to work with my Cabinet colleagues in the areas that they have a relationship with these boards and agencies to ensure that we're meeting our commitments as a government and I will continue to do so in that vein. Thank you.

MR. SPEAKER: Item 7, oral questions. The Member for Hay River North, Mr. Delorey.

Question 85-15(3): Status Of Major Bridge Initiatives

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, my question today is for the Premier again, he may pass this question on to another one of his Ministers. I would like the Premier to update the House as to where we are with the winter road bridge project and the Mackenzie River bridge. Thank you, Mr. Speaker.

MR. SPEAKER: Premier, Mr. Handley.

Return To Question 85-15(3): Status Of Major Bridge Initiatives

HON. JOE HANDLEY: Mr. Speaker, I will respond on the Mackenzie River bridge, if I may, and pass the responses on the Mackenzie Valley bridges on to the Minister of Transportation.

Mr. Speaker, the Mackenzie River bridge or the Deh Cho Bridge is moving along. We have, as the Member knows, been asked to go through an environmental assessment. The preparation for that is under way. The design for the bridge is being finalized and this government has extended the loan guarantee for the bridge corporation for another year to enable them to continue. We fully expect

the Deh Cho Bridge should be in construction certainly within a year from now. Thank you, Mr. Speaker.

MR. SPEAKER: Supplementary, Mr. Delorey.

Supplementary To Question 85-15(3): Status Of Major Bridge Initiatives

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, is the Minister aware of the huge increase in steel prices that have been announced lately? I'm hearing stories of the price of steel going up by 66 percent. Is the Minister aware of that situation? Thank you, Mr. Speaker.

MR. SPEAKER: Premier, Mr. Handley.

Further Return To Question 85-15(3): Status Of Major Bridge Initiatives

HON. JOE HANDLEY: Mr. Speaker, yes, I'm aware of the short-term price increase in steel. This is driven by demand, as I understand it, in China related to vehicle manufacturing. In the short term, then certainly, all projects have to be reconsidered if that price increase continues in the longer term. Mr. Speaker, we're watching the price of steel. Of course it has a big impact on the price for the bridge and what would have to be charged as a toll if we find the prices are going higher than the current estimates. Thank you, Mr. Speaker.

MR. SPEAKER: Supplementary, Mr. Delorey.

Supplementary To Question 85-15(3): Status Of Major Bridge Initiatives

MR. DELOREY: Thank you, Mr. Speaker. If I could ask the Premier, Mr. Speaker, how long he figures the prices of steel would have to stay up there before it would actually create longer delays. Are we prepared to go ahead even if the price stays higher? Thank you, Mr. Speaker.

MR. SPEAKER: Premier, Mr. Handley.

Further Return To Question 85-15(3): Status Of Major Bridge Initiatives

HON. JOE HANDLEY: Mr. Speaker, I expect to have an assessment by the Deh Cho Bridge Corporation within the next month on what the impact is on the price of the bridge. Following that we will have to determine the feasibility of this project. Mr. Speaker, the price that's important to us is, of course, the price that we have to pay when we have to make the purchase, which is largely one year to two years from now. Thank you, Mr. Speaker.

MR. SPEAKER: Final supplementary, Mr. Delorey.

Supplementary To Question 85-15(3): Status Of Major Bridge Initiatives

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, I think I heard the Premier say with regard to the Mackenzie bridge project that the loan was being extended. Could I get some clarification on that? Are we putting more money into it for that loan or is that just the same conditions apply? Thank you, Mr. Speaker.

MR. SPEAKER: Premier, Mr. Handley.

Further Return To Question 85-15(3): Status Of Major Bridge Initiatives

HON. JOE HANDLEY: Mr. Speaker, no, we are not putting more money into the bridge. What we did as a government, in the last government, is provide some advance funding for the initial work that had to be done pre-construction. That is to be repaid when the bridge financing is all put together. That can't be completed until the environmental assessment is done and the design is completed. So we've had to, because of the request for an environmental assessment, extend our loan guarantee. But, no, we are not putting more money into the bridge. Thank you, Mr. Speaker.

MR. SPEAKER: Item 7, oral questions. The Member for Sahtu, Mr. Yakeleya.

Question 86-15(3): Extending The Early Childhood Development Program

MR. YAKELEYA: Thank you, Mr. Speaker. Mr. Speaker, I want to again question the Minister of Education, Culture and Employment. I had inquiries from the Sahtu and people are scrambling in the Sahtu, the communities that have run the early childhood development program, and they want to know if the Minister's department could again look at some other recommendations that you can do to save the literacy programs. Mr. Speaker, that's all I wanted to ask the Minister.

MR. SPEAKER: Minister of Education, Culture and Employment, Mr. Dent.

Return To Question 86-15(3): Extending The Early Childhood Development Program

HON. CHARLES DENT: Mr. Speaker, I would dearly love to be able to stand up today and say that we had found the money for that. I agree with the Member and his constituents that this has been a tremendously successful program, but I can't do that today. I have and will continue to commit to trying to find a way to find the money to put back into that program. I haven't been able to do that as of today.

MR. SPEAKER: Supplementary, Mr. Yakeleya.

Supplementary To Question 86-15(3): Extending The Early Childhood Development Program

MR. YAKELEYA: Thank you, Mr. Speaker. I understand that the Minister today mentioned about doing the review and evaluation of the program. Can I ask the Minister as to time frames that the report will be completed? Thank you, Mr. Speaker.

MR. SPEAKER: Minister of Education, Culture and Employment, Mr. Dent.

Further Return To Question 86-15(3): Extending The Early Childhood Development Program

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, the evaluations should be finished in the month of April, so next month. As soon as I have it I would be prepared to share that with the committee.

MR. SPEAKER: Supplementary, Mr. Yakeleya.

Supplementary To Question 86-15(3): Extending The Early Childhood Development Program

MR. YAKELEYA: Thank you, Mr. Speaker. Thank you, Mr. Minister, for the notice of the evaluation. Again, Mr. Speaker, I ask the Minister of Education, Culture and Employment if he could find it within this department to have an extension of the program for a month or two, because the report may come out very favourable from my region that the program is worthwhile. Mr. Speaker, April is next month and it is Easter time and the kids won't find anything in their Easter egg basket, sir. So, thank you, Mr. Speaker.

MR. SPEAKER: Minister of Education, Culture and Employment, Mr. Dent.

Further Return To Question 86-15(3): Extending The Early Childhood Development Program

HON. CHARLES DENT: I can tell the Member that if the Easter bunny shows up on my doorstep with \$1 million, this is the program that gets it.

---Laughter

---Applause

Mr. Speaker, I have worked with my department, we have looked at what we can do. I do not have the flexibility to put \$1 million to replace this program at the moment, and I can't make the commitment outside of the budget. So at this point, I can't do it. I am continuing to work with my Cabinet colleagues. We are going to see what we can do to find monies to put into this important program. Thank you.

MR. SPEAKER: Item 7, oral questions. The Member for Range Lake, Ms. Lee.

Question 87-15(3): Extending The Early Childhood Development Program

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I want to continue on with my lobbying on my dough of budget that refuses to be a box. Seeing as I have been told a flat no by the Minister of Education, Culture and Employment, I have to knock on the door of the Minister of Finance. So my question is to ask the Minister of Finance to help me get my dough shaped into a cake. Mr. Speaker, as I have mentioned, we have had a little break from the federal government, and I am not asking for a spending spree, I do believe that he is very disciplined and regimented in the way he wants to shape his fiscal agenda. But the thing is, Mr. Speaker, I have not heard of any other program or ideas in this Assembly that has been brought up by as many Members as this early childhood development program. It is something that we should really work to save. The Minister of Education suggested that he doesn't have \$1 million. I am not asking for \$1 million; perhaps we could work on a quarterly basis. Could we not find \$250,000 to extend this program for another quarter out of the \$50 million minus getting rid of a deficit of \$47 and what is left of \$3 million? Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Minister of Finance, Mr. Roland.

Return To Question 87-15(3): Extending The Early Childhood Development Program

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, as the Minister stated earlier, when we stepped into the picture, the dough was already rising and it is a matter of putting it in the oven and delivering a budget. What I have been putting together are the ingredients for the long-term for the next stage that we are going to be working in. The \$50 million break that we have just received, that will only be good for one year. It is only a short-term fix. What the Members are requesting here would take more than one year, and we would be back into the same situation of starting to spend money that we don't have long term. If we are going to fund programs of that nature, we have got to find funding that is going to be in the base that is going to be long term. What I can commit to do is, as we go through this process, start looking internally to see what other areas we can save money on to reallocate if we can't find any new revenues in that area. I am very concerned that though we have a bit of relief here, we are going to be moving into the area of making long-term commitments on short-term funding, and that is not a good practice. Thank you.

---Applause

MR. SPEAKER: Ms. Lee, I would just like to recognize that time has run out, but I will allow you to conclude your supplementaries. Ms. Lee.

Supplementary To Question 87-15(3): Extending The Early Childhood Development Program

MS. LEE: Thank you, Mr. Speaker. Maybe we should hire somebody named Belinda to come and bake a bigger pie.

SOME HON. MEMBERS: Oooh.

---Laughter

MS. LEE: Mr. Speaker, I am asking the Minister for some passion and compassion here. Honestly, Mr. Speaker, we are dealing with a \$1 billion budget, and we just got \$50 million extra. This is not just a numbers game and a numbers exercise. Nobody is out there saying that if you don't keep that \$50 million the day will end. We are talking about a project that has real impact on the children's lives every day, and we are going to walk out here next week and that will be done with. You can say oh, well, our books are nice and clean. What good does that do? Mr. Speaker, we are talking \$250,000, I am begging for \$250,000. Could the Minister give it to us? Thank you.

MR. SPEAKER: Minister of Finance, Mr. Roland.

Further Return To Question 87-15(3): Extending The Early Childhood Development Program

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, we are in our process of coming up with the dollars in expenditure amounts for the 2004-05 year, and we have not even completed that process, but last night I heard in this House the Minister of Education already talking about a supplementary of \$2.8 million for the PTR ratio. So before we even pass this one, I have my ministerial colleagues knocking at the door for more money in different areas.

We are in a difficult position. Mr. Speaker, the \$50 million is not extra money, let's get that clear right away; it is not extra money. If we did not have that we would be carrying a \$46 million deficit, which would add to our problem. We have got a break here, let's use it wisely and let's look along the way. I am not saying there will be no money, what I am saying is depending on what we come out with at the end of this process, we can look internally to see if we can find some reallocations in there.

The Member is right, there is \$1 billion, but I have elders in my community looking forward to see if they will continue with their seniors' program on fuel subsidies, or youth in school, and the kindergarten for full-day courses and education classes. So there is a whole mix of things that we have to come together with. I think we can do the work. Let's get through this process, let's see what we can find internally that is base funding. This is the exercise we talked about: program review. We have to see what programs are critical and that are worthwhile finding the dollars for, and then taking off program areas that are lower in priority. That is the unfortunate situation we find ourselves in, and we are going to have to move around along those lines. Thank you.

MR. SPEAKER: Supplementary, Ms. Lee.

Supplementary To Question 87-15(3): Extending The Early Childhood Development Program

MS. LEE: Thank you, Mr. Speaker. I just want to go back to the point that I believe there is not another issue that has been brought up in this House that has shown as much consensus and that has built as much support. I do believe that. Many Members have indicated the number of letters they have received, and I really think that we should think more carefully and ignore the good evidence of positive results of a program. This is a really crucial time. It is the three-year mark when something has just taken flight; once it is dead it is not going to be revived. Mr. Speaker, may I ask the Minister of Finance to go back to the Cabinet and see if he can find in his heart and compassion out of the \$1 billion budget and \$50 million extra, to find some money? Thank you, Mr. Speaker.

MR. SPEAKER: Minister of Finance, Mr. Roland.

Further Return To Question 87-15(3): Extending The Early Childhood Development Program

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, once again, there is no extra money. The \$50 million is not extra that we have. It is not new money to spend on long-term commitments. We have to find this money internally. I will commit to going back to my Cabinet colleagues to find from within to try to fund this program. It is critical, it is important, I have heard it from the Members, but at the same time we have a fiscal strategy in place and if we are going to meet that, we are going to have to hold a tight ship here so we are going to have to find something else in our budget that is being presented that is not as important as this one and try to reallocate that funding. Right now, we are already getting pressures to spend more and at the same time try to look at our revenue situation. So we have to come up with a balance to hold the line and try to go forward from there. Thank you.

MR. SPEAKER: Final supplementary, Ms. Lee.

Supplementary To Question 87-15(3): Extending The Early Childhood Development Program

MS. LEE: Thank you, Mr. Speaker. As I stated in my Member's statement, I refuse to accept this changing propaganda from the government. Mr. Speaker, two days ago, we were in a situation of a \$47 million deficit. Yesterday, we got \$50 million that we did not have, or \$50 million that we thought we had to pay to the federal government but we don't have to. I don't care how you read it, we have 50 million extra dollars. You take \$47 million out of \$50 million, we have \$3 million extra. I am told by the Minister of Education that this early childhood program was on top of the agenda, the top of the list as one that would be reinstated should we get any extra money. So I am challenging the Cabinet, the Minister of Finance and Minister of Education, this is worth saving, they can do it, and I don't care about this \$47 million. You can't go from a \$47 million deficit to a \$3 million surplus and cut the money out of the kids. Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, Hear.

---Applause

MR. SPEAKER: Minister of Finance, Mr. Roland.

Further Return To Question 87-15(3): Extending The Early Childhood Development Program

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Once again, as I say, we have not even completed this process on the budget we have before this Assembly, and last night again, I heard the Minister of Education say that he is going to come forward with a supplementary item for \$2.8 million just to deal with the PTR ratio in schools, because he has the information now that can substantiate that and we will have to meet that for the upcoming fiscal year for our students in the schools. So we have issues on the table. We are going to have to find money to deal with those issues. We can't, because of a one-time offer on the table that is going to be put to the deficit, that may give us a little bit of one-time money, soon to be taken by a number of requests. I am going to hold the line as much as I can, but I am also committing to work with my Cabinet colleagues to look from within for the dollars that we have and will be approved by this Assembly to try to keep some of these urgent programs. That is what we have to work with. It is not like we have an ongoing commitment for millions of dollars that we can find. We have many important programs that we would like to proceed with, but we are not able to at this time. So, Mr. Speaker, we are going to hold the line. I will work with my Cabinet colleagues to try to find something that we can reallocate internally. That is the position I can take and move forward on. Thank you.

---Applause

MR. SPEAKER: Item 8, written questions, Mr. Allen.

ITEM 8: WRITTEN QUESTIONS

Written Question 10-15(3): Bill Of Intent To Achieve Provincehood

MR. ALLEN: Thank you, Mr. Speaker. My written question is to the Justice Minister. On March 16, 2004, I delivered a written question to the Premier asking the

Premier to provide an in-depth political analysis of those sections of the Constitution Act, 1982 that would give rise to the question on the bill of intent to achieve provincehood. Mr. Speaker, insofar as the Premier did not provide the answers to my original questions, I will ask the Justice Minister to provide definitive answers to the following questions:

- 1) Will the Justice Minister provide an analysis of the applicability of relevant past provisions of the BNA/Constitution Acts?
- 2) Would the continuity of laws that are not consistent with those of the act be impacted?
- 3) Would changes to the judicial system be required? How would it affect the other territories? Would we require their participation?
- 4) Would revenue from federal government and provincial taxation be impacted?
- 5) Would the continuity of laws and governing resources, such as the Territorial Lands Act, be impacted in the interim until laws are established under section 92?

Thank you, Mr. Speaker.

MR. SPEAKER: Item 8, written questions. Item 9, returns to written questions. Mr. Handley. Mr. Clerk.

ITEM 9: RETURNS TO WRITTEN QUESTIONS

Return To Written Question 3-15(3): Territorial Business Incentive Policy Application

CLERK OF THE HOUSE (Mr. Mercer): Mr. Speaker, I am in receipt of a reply to a written question asked by Mr. Hawkins on March 17, 2004, to the Premier with respect to the Territorial Business Incentive Policy Application.

Mr. Speaker, I have a return to written question asked by Mr. Hawkins on March 17, 2004, regarding the territorial business incentive policy application.

The intent of the business incentive policy is to support the development and growth of NWT businesses. This is chiefly accomplished through the application of northern and local preference adjustments that allow NWT businesses to successfully compete against southern companies for Government of the Northwest Territories contracts and tenders.

The preference adjustments attempt to compensate for the possibility that large southern companies with lower operating costs and better economies of scale may be better positioned to outbid smaller NWT companies with comparatively higher operating costs for GNWT business. At times, this may result in the GNWT paying more for a contract than they may have if it had been awarded to a competing southern firm. In most instances, the objective of supporting NWT businesses overrides the objective of obtaining goods and services at the lowest possible cost to the GNWT.

In some instances however, the objective of supporting NWT businesses may conflict with the objective of providing necessary programs and services to the people of the NWT at a reasonable cost. Where it is determined

that the application of the business incentive policy will likely increase the costs for providing a program or service beyond what is reasonable, Ministers may recommend to the Executive Council that the business incentive policy be waived for the purposes of that particular program or service.

The business incentive policy specifically provides the Executive Council with the authority to make exceptions concerning the application of the policy to GNWT projects and purchases. Exemptions are granted on a case-by-case basis, based on the evidence presented by the individual Minister requesting the exemption. After carefully considering the merits of each case brought to it, the Executive Council may choose to grant exemptions from BIP for either individual contracts or for a group of contracts related to the delivery of a specific program or service. As exemptions from BIP are rare and as each case is unique and requires consideration on its own merits, no written guidelines have been established in this area.

MR. SPEAKER: Item 9, returns to written questions. Item 10, replies to opening address. Item 11, replies to budget address. Just a reminder, this is the last day. Item 12, petitions. Item 13, reports of committees on the review of bills. Item 14, tabling of documents. Mr. Handley.

ITEM 14: TABLING OF DOCUMENTS

Tabled Document 12-15(3): NWT Lands And Resources Devolution Framework Agreement

HON. JOE HANDLEY: Mr. Speaker, I wish to table the following document entitled NWT Lands and Resources Devolution Framework Agreement. Thank you, Mr. Speaker.

MR. SPEAKER: Item 14, tabling of documents.

Tabled Document 13-15(3): Annual Report Of The Conflict Of Interest Commissioner, March 22, 2004

I would like to table a document pursuant to section 99 of the Legislative Assembly and Executive Council Act. I wish to table the 2003 Annual Report of the Conflict of Interest Commissioner to the Legislative Assembly of the Northwest Territories, dated March 22, 2004.

Item 15, notices of motion. Item 16, notices of motion for first reading of bills. Item 17, motions. Item 18, first reading of bills. Item 19, second reading of bills. Item 20, consideration in Committee of the Whole of bills and other matters: Bill 1, Appropriation Act, 2004-2005; Bill 4, Supplementary Appropriation Act, No. 3, 2003-2004; Committee Report 1-15(3): Standing Committee on Accountability and Oversight Report on the Review of the Draft 2004-2005 Main Estimates; Committee Report 2-15(3): Standing Committee on Social Programs Report on the Review of the Draft 2004-2005 Main Estimates; and, Committee Report 3-15(3): Standing Committee on Governance and Economic Development Report on the Review of the Draft 2004-2005 Main Estimates. By the authority given to the Speaker by Motion 2-15(3), the House is resolved into Committee of the Whole to sit beyond the time of adjournment until the committee is prepared to report, with Mrs. Groenewegen in the chair.

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

CHAIRPERSON (Mrs. Groenewegen): I will call Committee of the Whole to order and ask Mr. Allen what is the wish of the Committee? Mr. Allen.

MR. ALLEN: Thank you, Madam Chair. The committee recommends that the committee review the Department of Transportation and also the NWT Housing Corporation until concluded. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Is committee agreed?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. We will commence with that after a short break. Thank you.

---SHORT RECESS

CHAIRPERSON (Mrs. Groenewegen): I call Committee of the Whole back to order. As per the committee's wish, we are going to now deal with the Department of Transportation. I would like to ask Minister McLeod if he has opening remarks.

HON. MICHAEL MCLEOD: Yes, I do, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Please proceed.

HON. MICHAEL MCLEOD: Madam Chair, it is my pleasure today to present for your consideration the Department of Transportation's proposed main estimates for the 2004-2005 fiscal year.

The core of the Department of Transportation's mandate is to operate and maintain the territorial public transportation system. Our transportation system consists of five ferry crossing services, 27 community airports, roughly 2,000 kilometres of all-weather highway, and 1,500 kilometres of seasonal winter roads. The largest part of the department's proposed main estimates for 2004-2005, some \$53.5 million, is committed to the ongoing, day-to-day costs of operating the territorial transportation system. The department's budget proposal for 2004-05, excluding amortization expenses, includes a modest increase of about \$250,000, or one-half of one percent, over the main estimates of 2003-04. The increase is driven mainly by the government's obligations arising in the third year of its collective agreement with the Union of Northern Workers.

It is important that I bring to the committee's attention that while the department has held its operating budget relatively constant, the demands on the territorial transportation system have steadily grown. The Northwest Territories has been fortunate to benefit from the tremendous growth in its resource industries; diamonds and oil and gas in particular. These positive and welcome economic developments, however, have generated more and more traffic that the transportation system must carry. Over the past decade, the traffic on the highway system as increased year by year at an annual rate of 3.3 percent. The department's greatest challenge has been to accommodate the consistent growth in traffic within its budgeted appropriation.

Over and above routine maintenance, like any physical asset, our system of transportation infrastructure wears out with regular use and requires lifecycle replacement and reconstruction to keep it in a serviceable condition. At the same time, the lifecycle reconstruction of the infrastructure also makes the most sensible and timely opportunity to improve or enhance the infrastructure. The Department of Transportation's capital acquisition plan aims at providing for the infrastructure's reconstruction and improvement. For the 2004-05 fiscal year, the department's capital acquisition plan has a budget of \$47.7 million. Most significant, almost half the capital acquisition budget for 2004-05 consists of contributions from Infrastructure Canada's strategic infrastructure fund and the Department of Indian Affairs and Northern Development.

The Department of Transportation has been particularly successful in obtaining commitments from Infrastructure Canada's strategic infrastructure fund. Taken altogether, the contributions from Infrastructure Canada amount to \$65 million over six fiscal years, of which \$14.1 million is included in these main estimates for 2004-05. With the approval of the federal government, this funding has been allocated to five projects on the highway system. With these important sources of federal funding, the Department of Transportation continues to keep our transportation infrastructure in good operating condition for the public's use.

For the past 15 years, the Department of Transportation has been working steadily on the reconstruction of the 526-kilometre corridor of highways 1 and 3 that runs from the Alberta border to Enterprise, Fort Providence and past Rae-Edzo to Yellowknife. Between Rae-Edzo and Yellowknife, there are just 30 kilometres of the original roadbed left to reconstruct. In 2004-05 the department plans to award two contracts that will complete the reconstruction of these last 30 kilometres by the autumn of 2005.

---Applause

Since the year 2000, the department has been working on extending the effective operating season of the Mackenzie Valley winter road system by the installation of permanent bridges over stream crossings. With federal contributions, the work will continue in 2004-05 completing 12 bridges between Norman Wells and Fort Good Hope. In 2004-05, the proposed budget for the Mackenzie Valley winter road bridges program is \$8.4 million.

---Applause

The largest river that the Mackenzie Valley winter road system crosses is the Bear River at Tulita. In 2004-05, the budget for the Mackenzie Valley bridges program includes \$100,000 to begin the engineering and design work for a permanent bridge across the Bear River.

---Applause

The department plans to continue the reconstruction of the Dempster Highway in 2004-05 with a proposed budget of \$5 million. This year's work is expected to complete the reconstruction of Highway No. 8 from Fort McPherson to Tsiigehtchic and start reconstruction on the section between the Yukon border and Fort McPherson.

On Highway No. 4, the department has budgeted \$3 million to reconstruct the Ingraham Trail...

---Applause

...between the Yellowknife River Bridge and the Detah access road. This section of Highway No. 4 carries a high volume of traffic all year round that with heavier resource traffic in recent years becomes even more critical during the winter months.

In 2004-05 the Department of Transportation will continue its partnership with the Deh Cho Bridge Corporation to build a bridge over the Mackenzie River at Fort Providence. The people in Fort Providence, Rae-Edzo, Yellowknife and Detah, who live on this side of the river, look forward to the day of reliable, year-round, uninterrupted highway access that the bridge will bring.

The Department of Transportation has two successful programs dedicated to improving local transportation infrastructure in our communities. Under the community local access road program, the Department of Transportation makes contributions to communities to assist in the building of roads to points of local interest. With a small budget of \$580,000, the department expects to support access road projects in communities such as Aklavik, Lutselk'e, Gameti, Paulatuk, Tsiigehtchic, Tuktoyaktuk, Wha Ti, Wekweti and others.

The community marine program similarly finances the installation of local boat launch and docking facilities in communities. Again, with a small budget of \$300,000 in 2004-05, the department plans to build a boat launch and dock in Fort Smith, a fixed dock in Wekweti and floating docks at Nahanni Butte and Paulatuk.

In summary, these are the highlights of the Department of Transportation's main estimates for 2004-05. The proposed budget provides for the continued safe and reliable operation of the territorial transportation system on which the people and the economy of the Northwest Territories depends so much.

The transportation system is essential to our continued economic success and there is a clear need for the transportation system to meet the demands of a growing economy. We are pleased with the department's success in securing new sources of funding from the federal government. I trust that the Members are in agreement that the development of our transportation system must keep pace with the expansion of our resource-based economy. Thank you.

---Applause

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. At this time, I'm going to ask Mr. Menicoche, who is a Member of the Standing Committee on Governance and Economic Development, to read the committee's overview of the main estimates for the Department of Transportation. Mr. Menicoche.

MR. MENICOCHÉ: Thank you very much, Madam Chair. I will just read that excerpt from our standing committee report. The Department of Transportation provides for the safe, accessible and reliable movement of people and goods throughout the Northwest Territories.

The Standing Committee on Governance and Economic Development met with the Minister of Transportation and his staff on February 23, 2004, to review the Department of Transportation's draft main estimates for 2004-2005.

Corridors For Canada Funding Proposal

The committee had some concerns with regard to two components of the Corridors for Canada funding proposal: the proposed improvements to Highway No. 4 -- the Ingraham Trail -- and funding for the Bear River Bridge project. They are both being paid for through a 50/50 cost-share funding arrangement between the GNWT and the federal government under the Canada strategic infrastructure funding program.

The Minister advised that the Ingraham Trail was chosen because of the traffic volumes on the road, the number of accidents, and the high traffic from resource development. The Ingraham Trail has the third highest traffic volume in the NWT, exceeded only by highways 2 and 3.

On the Ingraham Trail, Transportation has identified \$3 million a year for the next five years, for a total of \$15 million. This year, it is proposed that the \$3 million will be spent on reconstruction of the section of road that goes from the Yellowknife River Bridge to just past the Detah access road, and also on another section a few kilometres further down the highway.

The committee is concerned that other roads have just as high traffic patterns as the Ingraham Trail, meet all the same criteria and yet are not receiving the same level of funding. The committee asked the department why they prioritized the Ingraham Trail over the Liard Highway. The Department of Transportation reports that \$12 million over the next five years will be spent improving the structural capacity of the road and the driving surface on the Liard. The improvements will start at the BC border and work northwards.

According to the department, the need to invest further in Highway No.1 is being addressed in a number of ways, and a study is underway by Transport Canada to project increases to traffic volume as a result of the proposed pipeline. The Department of Transportation hopes to use that study and obtain more funding.

Highway No. 2 has the second highest volume of traffic in the NWT and only received \$400,000 in funding last year.

The committee has also inquired as to whether or not the Ingraham Trail is intended to eventually become the long discussed all-weather road into the slave geological province. The Department of Transportation stated that this is not their decision to make.

The committee is concerned that a lot of money is being committed to this road when the future of it is uncertain. The committee would like to recommend that the department determine the long-term plan for this road for the next business planning session.

Bear River Project

The Bear River project is a part of the Mackenzie Valley winter road bridge program in the Corridors for Canada proposal.

The department states that the plan of the Mackenzie Valley Winter road bridge program is to construct

permanent structures on all stream crossings between Wrigley and Fort Good Hope.

The committee asked the department why the Bear River crossing has been chosen over the Peel River crossing. The department replied that the Bear was not chosen over the Peel. The Bear River crossing is one of the major bottlenecks on the winter road. Although a bridge across the Peel River would improve the level of service, there is no anticipated increase in economic development associated with its construction so long as a bottleneck exists on the Dempster Highway at the Mackenzie River. Also the Fort McPherson Gwich'in council is investigating the feasibility of constructing a bridge under a public/private partnership arrangement.

Finally, the committee inquired of the department if it was their intention to construct an all-weather road and what the long-term plan of this project is. The department replied that the winter road season has steadily decreased. Over the last 10 to 15 years, the season has shrunk from 12 to as little as seven weeks. The reduced access has caused problems for the oil and gas companies, local businesses and the mobility of individuals.

In preparation of the 2005-2008 business plan, the committee recommends that the department indicate more clearly how the Mackenzie Valley winter road route was chosen. The committee would also like to see how decisions were made between the federal and territorial governments to choose this particular route and provide a justification of costs given that the winter road season is only 12 weeks maximum.

Airport Projects

Norman Wells Airport

The standing committee noted that the cost of repairs to the Norman Wells Airport, originally projected at \$3.6 million, has increased to \$7.7 million, and requested an explanation from the department. The department replied that the \$3.6 million was a Class C estimate performed early in 2003 during the development of the initial airports capital assistance program application. The \$7.7 million was estimated for the final application and was a Class B estimate which included widening and lengthening of the existing taxiway, airport access road improvements and new floodlighting.

The committee remains concerned about the cost increase.

Perimeter Fencing

The committee also asked about the cost difference between the perimeter fencing projects at the Hay River Airport and Norman Wells Airport. The Norman Wells project is almost three times the cost of the Hay River project. While the committee understands that there is a difference in the scope of the work between Norman Wells and Hay River, they are still concerned that the total estimate for this fencing has gone from \$182,000 to \$410,000. The committee would like the department to consider if the most economical means are being used to construct the fence.

Yellowknife Airport

The standing committee asked about the tentative plans to move the Yellowknife Airport terminal building and runway from their current locations to the west on the other side of the sandpits for an estimated cost of \$120 million. The committee is also concerned about the businesses that had established themselves in their current locations with the intention of being close to the airport and how the move would affect them.

The department replied that the Yellowknife Airport development plan has reviewed the existing traffic and the future demand over a 10 to 20-year horizon period and reached the conclusion that the existing Yellowknife Airport is reaching the limit of its capacity. The apron is congested and the level of safety is compromised as a result.

With regards to the committee's concerns about what the move of the airport would do to the businesses who have built around the airport, the Department of Transportation replied that there would be a steering committee made up of the various air carriers' representatives and industry themselves would be asked to nominate representatives. The City of Yellowknife is also part of this committee.

The committee is concerned both about the funds that have already gone into renovations of the existing airport terminal and of the funds being spent on the studies and plans to move the airport to another location.

The standing committee has asked to be kept informed of any plans to move the Yellowknife Airport and has asked the department to keep all of the stakeholders informed and engaged in further planning.

Delayed Project Funding

The standing committee was also concerned that the money scheduled for 2005-06 for the rehabilitation of the Yellowknife Airport runway surfaces was pushed back to 2007-08. The department replied that the \$3.7 million expenditure to resurface the Yellowknife Airport runway has been pushed back because of the realigning of priorities around the arctic airport projects. Extension of the runway is not in the five-year capital acquisition plan, but is part of the longer-term plan to expand the services of the airport.

Repatriation Of The Licensing Function

From the 1970s to 1997, driver and vehicle licence issuing was facilitated for Yellowknife by Department of Transportation staff and issuing in regional communities was administered through contracted issuers, usually bands and hamlets. From 1997 to 2002, the issuing service in Yellowknife was privatized and a new fee structure based on user pay was implemented.

In 2002, the licensing function was taken over again by the department. Given that one of the department's goals is to increase northern business employment opportunities in the public and private transportation sectors, the committee was concerned that businesses appear to have been dissuaded from taking on the operations of motor vehicles licensing. The department replied that in the interest of consistency in delivery of the service to the public, the DOT resumed the licensing function because qualified contractors could not be found in Yellowknife or in the regions.

The committee was concerned that perhaps the department was not offering enough money and was insisting on hours of operation that made it difficult for a small business to afford to run the licensing operation.

The committee was further concerned that it is more expensive for the government to hire staff for licensing than it would be for a private contractor. The committee asked to see a breakdown of figures to privatize the licensing function and then repatriate the function under the department again.

The department hired three issuing agents at no additional costs for the GNWT. The operations and maintenance costs were \$174,000, and the revenue from the service fee is \$183,000.

The committee would like to recommend that given the high cost of registering vehicles, if fees for licensing must be collected, that the department find a way for them to be specifically designated for road improvements and not disappear into the consolidated revenue fund.

Commercial Development Officer

The department is proposing to hire a third commercial development officer to negotiate, update and terminate approximately 300 airport leases that are currently outstanding. Once these leases are up to date the department expects to see an \$800,000 increase to revenues. The committee suggested that this job might be done more efficiently by a private agency and asked the department to consider this matter before staffing the position. The department committed to review this issue.

Commercial Vehicle Regulations Road Weight Restrictions

The committee was concerned about the inequitable application of regulations and sporadic enforcement without prior notice to the community. A specific example of this is with regard to the weighing of gravel trucks hauling locally. The committee has also been advised that now sewer trucks and water trucks will also be weighed. Often this enforcement can contribute to higher costs of services in the community. The committee asked that the department work with the communities to make them aware of enforcement changes. The committee would also like to recommend to the department that more communities have self-weigh stations installed so that these regulations can be applied consistently across the NWT.

Seasonal Positions

The committee wished to reinforce how important seasonal positions are to the regions. Seasonal work provides much-needed training and hands on experience that is not available elsewhere. It also helps to support a traditional lifestyle by supplementing incomes from hunting and trapping.

Airport Security

The committee discussed with the Minister the current lack of inspection of carry-on luggage in Hay River and Inuvik prior to southbound flights. Members were pleased to hear the department is working with the Canadian Air Transport Security Authority to address this issue. Mahsi cho.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Menicoche. At this time, I will ask the Minister of Transportation if he would like to bring witnesses into the Chamber.

HON. MICHAEL MCLEOD: Yes, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Does the committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. I will ask the Sergeant-at-Arms to escort Mr. McLeod's officials to the table.

Mr. McLeod, for the record, could you please introduce your witnesses?

HON. MICHAEL MCLEOD: Madam Chair, with me is Mr. Russell Neudorf, the acting deputy minister to my right, and also with me is Ms. Lynn Cook, director of corporate services.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Are there any general comments on the Department of Transportation main estimates? No general comments? Mr. Yakeleya.

MR. YAKELEYA: Thank you, Madam Chair. Just a general comment to the Minister and his officials. A constituent of mine in the Sahtu is an elderly lady who keeps talking about the road system in the Sahtu and the need for opening up the Sahtu. I am pleased to see in the opening comments that the Minister mentioned some progressive development that is going to be happening in the Sahtu, and the need for these types of initiatives. I was pleased to read that he's...(inaudible)...some of the communities in the Sahtu in the work that's going to happen over there.

Like anything that we've been dealing with over the past couple of days with this government, still there's lots of need for improvement. One of the issues I would like to look at is on page 5. The department has two successful programs dedicated to improving local transportation in our community under the community local access road program. I know the Minister is aware that the community of Deline has a huge ice crossing that goes into the community each year. At Great Bear Lake, the ice is getting thinner and thinner each year. The elders are saying that it's getting quite dangerous now and the crossing is becoming quite a concern for the people. The road that people have to use in Deline passes right by the water intake station. They asked if I would ask the Minister if he would give some consideration to rerouting that winter road. They no longer want to see it crossing Great Bear Lake. If they could find a more suitable, safer route for the people to use for the winter road. That is something I wanted to point out on page 5.

I know there are other communities that are looking for this program to help them; however, that's a concern I need to bring to this table to voice on behalf of the Deline people.

There are other comments I would like to make later on in the budget. Right now, I just want to keep it short, and I'm glad I hear the Minister has made some comments and reference to some of the work that's going to happen with

regard to the winter road in the Sahtu. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Yakeleya. I didn't hear any questions there, so I think I'll just move on to the next general comments. Next on the list I have Mr. Menicoche.

MR. MENICOCHÉ: Thank you very much, Madam Chair. At this time I would like to address to the Minister that certainly there is some good news in the approach to his department for the 2004-04 budget year. I just want to stress at this time some of the needs for Highway No. 1 that runs towards Fort Simpson is that some of the comments that I have been receiving, particularly throughout the campaign period, was that definitely the highway has a big impact on our tourism season this year only because Simpson is on the northern loop that passes through Enterprise, Hay River, Fort Simpson and back down to the BC border. What has been happening is that there are some potholes being created and we are not too sure, for whatever reason they weren't being maintained on a regular basis. So what is happening is that people are coming up with their \$200,000 motor homes, all they have to do is hit a few of the potholes and they were turning around. As a result, just like anything else, the best advertisement is word of mouth. So they are going home and they are telling their buddies that there is no sense going through there because you have your huge investment, your big motor home, and it is just going to get damaged or potentially damaged. So we believe that there was a slight impact in terms of the tourism industry because, I don't want to go so far as to say the lack of maintenance of the road because I am sure that they are doing their best, but some sections just keep collapsing even after they refill it. I would just like to stress to the Minister that it does indeed need more capital expenditures. I am not too sure how they repair those roads, but it has to be a focus the next time around.

Another interest that I would like to present is the small community of Nahanni Butte; they are looking towards improving their access to Fort Simpson and to other communities by developing their access road. There is a bit of a plan in place right now, and I think they were spending I believe around \$200,000 a year towards the improvement of that road. What they are asking me is that if it is possible if we will be able to look at somehow compressing the schedule, because I think it was over six or seven years it would be before final completion. If there is somehow we could compress that and get that road at least almost semi-year-round as soon as possible. So that is one of the things I will be pitching to the Minister.

Those are my thoughts on the opening comments, Madam Chair. Thank you very much.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Menicoche. This is going well. So far two Members have spoken to general comments and have just made general comments. Next on the list I have Mr. Braden.

MR. BRADEN: Thank you, Madam Chair. I will take your prompt to heart. Something that I found missing from both the Minister's opening comments and the committee's report was any reference to the enforcement and the promotion of safer driving habits, especially in reflection on the big pile of work that happened in the last Assembly on adjusting the circumstances for drinking and driving,

and amending our tolerance for blood alcohol levels, increases in penalties, really driving home the message, if you will pardon the expression, Madam Chair, that we recognize as a government that we can and should be doing a tougher job of enforcing those standards.

It was especially satisfying for me, and I think at least a few other MLAs, to have been involved with student organizations who were exceptionally active and very, very effective at getting our attention, the media's attention, and the attention of their peers, which I think really was where a significant message was driven home. So I will take your message to heart, I will save questions for the appropriate part in the program, but this is something that I see as a significant challenge for this department. It was given, I think, a very good set of tools to work with by the previous Assembly, and I will be looking for some information and some comment from the Minister on how we are doing on implementation. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Braden. We are three for three. Mr. Pokiak.

MR. POKIAK: Thank you, Madam Chair. A couple general comments, Madam Chair. Again, I would like to raise a question in regard to the Tuk-Inuvik highway. Once again it is being left out in the capital plan. Some time back, a couple of years ago the Department of Transportation constructed one kilometre of our 22-kilometre road along the highway from Tuk to Inuvik, and stopped funding that. When I take a look at the amount of money in the Minister's opening remarks, \$580,000 is allocated for the community and local access road program, but that is divided amongst a number of communities. So that doesn't really give us much money to work with.

The first question I have, Madam Chair, on page 5 in that regard, is how would you determine points of local interest, where do you start? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Pokiak. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, the access road program has been around for some time now and the Member is quite correct. We have been providing dollars to the community of Tuk for an access road program. The criteria in terms of what is considered designated sites is really left in the hands of the communities. The community determines the points of interest that they would like to provide transportation access to. So it is in the hands of the communities.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Pokiak.

MR. POKIAK: Thank you, Madam Chair. In that case, Madam Chair, may I ask the Minister, our point of interest locally is to go to Inuvik, that is our point. So can that fall in line with your opening statement? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Pokiak. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, our program under the access road program provides a maximum of \$50,000 a year. The Tuk-Inuvik road is budgeted at \$100 million for the total project. It is going to take a long time if

we are going to use this program to do it. However, having said that, we have looked at the Tuk-Inuvik road as part of our long-term vision. Accessing dollars for this project falls under the responsibility of the federal government. We have been monitoring the development of this issue. There was a number of engineering studies done by the federal government. We are encouraging the federal government to invest in this piece of infrastructure, however, to date we haven't been successful. I would also like to add that initially we did have it as a part of the submission under Corridors for Canada, however, it was felt that this was more a federal responsibility than a cost-shared project.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Pokiak.

MR. POKIAK: Thank you, Madam Chair. In his opening remarks, again I will refer to it, if you take a look at Highway No. 4, there is \$3 million allocated for that. Again, it is the way they allocate funds I guess. I think in order for us to strive ahead, we should really think about the Tuk-Inuvik highway. That will create a lot of local employment, business and training. I think it is a good opportunity right now that we could work towards. I understand, Madam Chair, what the Minister is stating in regard to the way the fund works but, again, I would like to make one more point that on my list right now in my constituency they really want to see that highway between Tuk and Inuvik. At least we can get out of Tuk in the summertime and go somewhere just like everybody else. Just more of a comment, but we would like to continue to fight that battle, and I will continue to do so for the next three-and-a-half years. That is my plan. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you for that, Mr. Pokiak. I will take that as a comment and I will go next to Mr. Ramsay for general comments.

MR. RAMSAY: Thank you, Madam Chair. Thanks, Ms. Cook and Mr. Neudorf, for joining us this afternoon, and our colleague, Mr. McLeod. Just some general comments.

I will start off with talking about the Ingraham Trail if I could, and that is something that I don't feel over the last four to eight years that the government has made enough of an effort on trying to put more emphasis on the fact that what is the Ingraham Trail, the 70 kilometres that goes northeast from the city of Yellowknife will in fact one day be the beginning of a road into the slave geological province. I believe that there is an expenditure here of \$3 million over the next five years for a total of \$15 million, but I think if the government can finally admit to it and say that this is the road that is going to head into this geological province, then that is money well spent. We should do whatever we can and I would encourage the government to do whatever it can to make the road as good as possible, because it will be the start of this all-weather road into the slave geological province. If that is not the case -- and I am from Yellowknife so I am going to say that it should be the case -- then I think we have to perhaps start looking at some alternatives to that, because I think a road into our resource area is necessary and will be necessary in the foreseeable future. So I would encourage the government to finally take a stand on this and admit to that being the start of an all-weather road into the slave geological province.

A few years back the government spent some money on fixing up the road, and it didn't really fix it up, it was more patchwork, and there wasn't a lot of engineering that went into it obviously because after the road work was completed, a few weeks later was coming apart in certain areas. I am a big believer that if you are going to spend money, you spend it and you do something right. I believe some of that money perhaps was just a quick fix, and maybe should have been put together to do it more thoroughly than it was at the time. That would be a comment on the Ingraham Trail. I'd agree that it stays in here because I am going to fight the fight that that is the beginning of the all-weather road into the slave geological province.

The next thing I wanted to talk about was the Bear River project, and I know Mr. Delorey had some questions of the Premier earlier today actually that questioned the cost of steel increasing 66 percent, and what that might do to a project like the Bear River project which is slated to cost \$25 million, and if it costs 66 percent more to construct that bridge that could become quickly problematic for the government to find the funding to do that. As an aside to that, I don't know if putting a bridge over the Bear River will help lengthen the ice road season, because there are a number of stream crossings and other crossings on that route that melt at the same time. So I am not quite 100 percent convinced that this will prolong the season for that road.

Another comment I would have is on the Norman Wells Airport project. I had questions when committee was looking at this with the Minister and his staff. It went from being \$3.6 million one year and then to \$7.7 million the next year. I had requested an explanation from the Minister and his staff on how something could cost \$3.6 million one year and \$7.7 million the next year. If you talk about a class B estimate versus a class C estimate, and there still is some confusion here for me that if we could have accomplished what we wanted to accomplish with \$3.6 million, why is it really necessary to spend \$7.7 million. If it is just because we have the money from this airports capital assistance program, then I don't know if that is the right way to do it. Just because we have the money, we are going to spend it. That is just a comment for the Minister.

The Yellowknife Airport; that is an interesting topic in and of itself. The fact that the department has set out on a pretty grandiose kind of scheme for the Yellowknife Airport, and it is estimated to cost upwards of \$120 million in the next 10 to 15 years, and I know we have to put the new security measures in place at the current terminal building, but the current terminal building, Madam Chair, was completely renovated in the early 1990s if I am not mistaken. I know that security measures are something new, but certainly passenger levels and forecasting into the future should have been taken into consideration when the government spent millions of dollars upgrading the current facility, and if they weren't then, obviously they are now because this plan is quite something.

I know I talked about it the other day, but this access road into the Kam Lake Industrial Park and how that works into this airport expansion, I would like to see that somehow come to a conclusion so the City of Yellowknife can know whether or not that road can run through this parcel of land in the immediate future. It is something that the city desperately needs to see happen.

Onto the repatriation of the licensing function. I know that when the Department of Transportation privatized the function, the role of issuing licenses and registrations, they allowed the contractor to charge a fee of \$8.50 on each licence. As I understand it, the department is still charging that \$8.50 charge on all licences and registrations that they issue. The problem that I have with that is that \$8.50 goes directly into, as I call it, the black hole, and doesn't really go to a specified activity. What I would recommend to the Minister is that perhaps the department look at calling it a levy or calling it something else, and channelling that money. There is, I think, 22,000 registered vehicles in the Northwest Territories, and if everybody pays \$8.50, that is a small pot of money but it could go into road improvements, or roadside turnout improvements and things of that nature instead of just disappearing into the revenue fund. That is something I think the department should take a look at. I think that is about all I had. Maybe a question for the Minister is will he take a look at perhaps calling that \$8.50 something else and channelling it towards roadside turnouts or road improvements, or something of that nature so that people don't really feel that bad about paying it and it just disappearing? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Ramsay. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, the Department of Transportation, like all departments, has to abide by the FAA rules. We were going to charge a user fee and expected it to be used for other things in the department, however, that may cause some problems. We would certainly raise it with the Finance Minister. We also have to be very cognizant that we have a number of other fees that we charge, and we're currently doing a review of all our leases and everything else. So it would be something we would consider if there was a way to do it. We will commit to look and talk to the Finance Minister and my Cabinet colleagues to see if there's any way we can retain some of this funding.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Ramsay.

MR. RAMSAY: Thank you, Madam Chair, and thank you, Mr. Minister, for that. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Next on the list I have Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. Madam Chair, my question to the Minister is on page 4 of his opening presentation. He points out the Bear River at Tulita. Would the Minister be able to give me some idea on how many people use that crossing every year? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, the crossing at the Bear River is utilized by the oil and gas industry, by the communities, by traffic hauling up supplies for the year. We don't have current numbers. We are doing a number of baseline studies and we are also doing pre-engineering this year. So we don't have that information right now.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. Would the Minister be able to commit that he would be able to supply me with some of this information? I just want to get a concept on it if we're putting \$100,000 in engineering, and I can't even fathom what a bridge would cost unless the Minister is able to supply me with that, so I'll ask that question at the same time. The concern I have is are we spending millions of dollars for three people, four people. Is it good money being spent? Mr. Ramsay brings a good point in the sense that this is a route that could be affected by a lot of other conditions, and at this time of fiscal constraint is this an area that could be delayed, not forgotten or pushed away or thrown away, but delayed a year or two? Will he commit to the numbers, and does he have an idea on how much a bridge would cost in this particular area? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. We have an estimate. A lot of work has to be done in this area regarding the Bear River Bridge. Our estimate is currently at \$25 million. Our current year funding is for pre-engineering and permitting. There is a real problem with the Bear River Bridge. We anticipate that with a bridge at the Bear River we would be able to add at least three weeks to our winter travel season in the Sahtu, and we would also alleviate some of the safety concerns in that area. We would project that this bridge would be used fairly heavily with the oil and gas industry and the potential pipeline and also the communities.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. I'm sure I heard somewhere in there that there would be the commitment of getting an idea on what type of numbers. Can I get that reaffirmed on how many would use that crossing/bridge? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. McLeod.

HON. MICHAEL MCLEOD: Yes, Madam Chair, we would commit to trying to compile that.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Minister. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. Just an observation before I go to my next question. The reason I bring that point is numerous times our Finance Minister has brought up the fact that we make economic development investments in the Northwest Territories, yet we reap no benefits from this. Therefore I see this as probably a very fruitful \$25 million investment, which I believe we're paying a portion through a federal program. My guess would be it's probably 50 percent of that bridge. The point really doesn't matter in the sense of dollar value, but the point of saying that we're making serious investment and we're getting no gains from these. So I caution my other colleagues as we potentially pass the Transportation budget on that issue. We invest up front, we get nothing behind and it does trigger some concerns on this particular issue. Twenty-five million dollars up in

the boonies that two or three big, big trucks use. The boonies. In the sticks. So the issue here is it does draw some flags when our Premier and our Finance Minister talk about no investment return on economic development investment.

My next question is is the federal government contributing of what portion on Highway No. 4, still on page 4, of course? I note a \$3 million budget to reconstruct Ingraham Trail between Yellowknife River Bridge and the Detah road access. Could the Minister explain the territorial contribution to that? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, the investment in Highway No. 4 is on a 50/50 cost-sharing basis under the CSIF program.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. Madam Chair, would the Minister be able to reply on do we have any issues with time on that, such as we have to use it within a certain amount of time or we lose it? Or are there any other constraints that all Members need to be made aware of when it comes to spending this money? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, the CSIF program is a five-year program. There are a number of requirements that we had to qualify for in order to access these dollars. It was based on the Corridors for Canada submission which recognized six projects at the time. It has been reduced down to five. There is a time frame of five years, as I mentioned earlier, and there is a requirement that we, along with our federal counterparts, agree to the projects and provide the backup information as to why the project was qualified. The two main types of criteria that they're looking at that is being utilized of the projects that are selected are projected to be under economic impact, and they also require significant reconstruction.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. Although in the Assembly we're not typically allowed to place hypothetical questions, but in a sense that if we had asked this project to defer, would that have any effect on our funding agreements, assuming that we made up this portion thereof in later years of this five-year agreement? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, in a hypothetical situation, I imagine we could do a lot of different things or assume a lot of different things. We do have room to request changes to the federal government. We do have room to ask for deferrals, however, we may encounter problems with time frame. We should be well aware that these projects require the federal government

to also approve them. We can't negotiate a deal where they would agree to defer projects. We may lose the money and that's not something we want to do. So we are proceeding with a really good communication plan or a good communication link with the federal government so that we don't run into any challenges with regard to funding or losing funding.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. Now the important question to the Minister. Referencing the Minister of Education has continually beat at the point that he has no money for his early childhood development program, I guess the question for this Minister is would he be willing to forego the GNWT's portion of \$1.5 million for this year, defer the rest and we can work to find a way to make up the portion that we're removing and reallocating. Would the Minister be willing to do that on this particular project? I will clearly state, I do have some difficulty when we watch the sunset of a good project and the Minister says we'll find the money somewhere else. Therefore, I would rather see kids learn, rather than we fix a road so people can go camping. So would the Minister be willing to forego this project this time, and maybe we could get some passion and some open arms from this side of the House to readdress to make up that project in next year's budget? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. I think the Minister could probably answer the first half of the question: would he be willing to forego the money. I would say that what happened to that money would be outside of his purview. But I'll ask the Minister to answer the first half of the question. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, the money was earmarked for Highway No. 5 for a reason. There are safety concerns, it fit the criteria, there are high traffic volumes, and it's something that we recognize needs to be done. As to whether I'd be willing to forego the dollars, unless there is serious concern raised by Members of this House as to why we shouldn't proceed, the department plans to move forward with it. We may consider and we are looking at ways we can move money from one project to another. But as the Member has requested to just actually forego and if we did, hypothetically forego, our share would go back to general revenues. I have no control whether it can go to projects in Education that the Member is referring to. So at this point I guess the short answer is no, we are not willing to forego the project. We may be willing to look at ways to identify other projects that need and qualify, however moving money around would have to be discussed further.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Next on my list for general comments I have Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. A lot of the comments that I'm going to make have been touched on before, but in going through the department's main estimates in committee we did touch on a lot of subjects and not the least being Highway No. 3 and the amount of money that is being spent there over the next five years.

In relation to the amount of money that is being spent on other highways throughout the Territories, in our

deliberations there were a lot of questions around how that money was earmarked for Highway No. 3 and why they had put it so high on the priority list. It was brought to my attention, and I actually checked it out, that a lot of that funding came through Corridors for Canada and it was a project that was identified in Corridors for Canada. Not to say that from my perspective that I think that that's the highest priority area that I would put it on. But I do realize that there is a lot of traffic on Highway No. 3 from industry, and the tourist industry has grown quite a bit and uses that highway an awful lot.

Apart from that, the amount of money going in that one was a concern to committee, and the Bear River Bridge was also a concern trying to figure out how it fit the priority spending area. I think from my perspective, one of the areas that I see that continues to be a concern, of course, is the federal government. We have an awful lot of highways to address in the Territories, not only the ones that need reconstruction and are being built. In some places we don't even have any and are trying to get highways in. When we have to depend on going to DIAND and trying to get specific projects identified through infrastructure funding and waiting for them to see and tell us what projects they think are important and which ones are not, it makes it kind of hard, I think, for us as legislators here to make decisions that everybody can have some input into what is important. I can sympathize with the department with the amount of highway system that they have to cover and with the funds that they have to do it.

I think one of the important issues that has to stay on the radar screen and addressed is while we're working in some of these areas, we have to keep a very close eye on the highway system that we have that's in fairly good shape now; the highway from the border north and right from Enterprise to Yellowknife, for that matter. We all know that the traffic on that stretch of road is increasing at quite a pace, and eventually that road is going to start showing its wear and in some cases it already does. Where we get the money to start repairing or rebuilding those sections of road that start really giving into the wear will be a question for sure.

If I had a question for the Minister it would be when we do go to Canada for extra funding, how do we arrive at priorities that we want to put to the federal government to say this is where we need money and asking them to identify projects that we want to go ahead with as new projects? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, the process that has been used up until now was used to identify volumes. I am assuming Mr. Delorey is referring to not only the highway system, but to the air transportation system we have in place. So safety is an issue, traffic volume is an issue and also the cost. As I mentioned before, the issue of resource impact was a factor in the SIFF, and also significant reconstruction. That was the evaluation that the six projects were identified under the Corridors for Canada. That was brought forward. We feel that the Government of the Northwest Territories or the Department of Transportation was really in the driver's seat in terms of making the submission. Because of the approach, there was an exception made for the NWT that the dollars could be

used on impacted areas and not restricted to the national highway system as other provinces and other jurisdictions are required to. So there was an evaluation on those six projects we brought forward.

As I indicated earlier, one project was dropped off the list because it was new road and it required 100 percent federal investment. That was the Tuk to Inuvik road. The other project that was taken off the list was the Mackenzie River bridge, because there was a private/public partnership arrangement for that project. The one project that was brought forward was the Highway No. 7 reconstruction around Fort Liard. So that's how we ended up with the projects on the SIFF list for funding.

We also accessed the A-CAP funding. Again it's based on the traffic volumes. Many of our airports across the North are used to maximum. Norman Wells, Inuvik, Yellowknife and Hay River all part of those airports that we're looking at doing work in; some for security reasons, some for safety reasons. How we will go from here as a starting point to make our proposals to the federal government; first of all, we're trying to identify where there are dollars that we can access. There was a speech from the Throne that we are trying to interpret what it will mean in terms of new monies for infrastructure for Transportation. We are also trying to see if we can make a second submission to the federal government in terms of under the SIFF program and add more projects to the list. Of course, we have to also be very considerate of the fact of our fiscal situation, and we're continually being reminded by our Finance Minister.

So there is a lot of need across the Territories for infrastructure development, for reconstruction, for replacing some of our equipment, for upgrading our roads. As soon as we have more detail as to what is available and how we would like to proceed, we would certainly be glad to share that with the committee. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: Thank you. Madam Chair, one of the biggest projects that the North has seen for a long time, or has ever seen I guess, there's a lot of talk about right now and that's the Mackenzie Valley pipeline and everything that it's going to bring with it. A lot of that activity, if this thing is going to become a reality in the time frames that we're looking at, a lot of that activity could start happening within the next few years I would think. Highway No. 1, I am sure, would see an awful lot more traffic towards Fort Simpson. I travelled that road some time ago last fall and there were quite a few bad spots on that road at that time. What kind of contingency plan does the Department of Transportation have for addressing the needs of that highway when we see a lot of increased activity on that road? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, the potential of a pipeline is becoming more of a reality all the time, and there is concern of how it will impact our infrastructure and all modes of our transportation systems. Our officials have been meeting, they have been doing review and potential impacts. We are anticipating that we will have a report out by the end of this coming summer.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Next on the list I have Mr. Yakeleya.

MR. YAKELEYA: Thank you, Madam Chair. Very quickly I will make my comments to the opening remarks. Transportation is a very important area in our region. If it wasn't for some of our people and the history, the North may not have been opened up by some of our people. Some of our "stick people" up in the Sahtu may not have helped with the transportation of opening up resources and development that is happening now in the Northwest Territories. The amount of oil and gas we have in the Sahtu... (inaudible)... happened there last year, companies want to spend time up there looking for that elusive mother of all fuels in the Sahtu. Because of the season and the safety concerns, they are unable to do it. I support the Minister in his comment that by having some thought and some design to the Bear River Bridge that you will bring extra dollars into the Sahtu region. You will give us that extra three weeks of doing shopping and visiting each other. This road is open for three months of the year. Down here we have roads that are open 24/7 almost, so for us it's welcome news that it will pay off in the long run and it's something that I want to let the Minister know that that's something we've been asking for a long, long time. With the increase of oil and gas in the Sahtu region and other potential development, we strongly support this initiative to have the benefit as do other Members in the southern part of the Northwest Territories take. Please don't close the light on the Sahtu region now when we are finally beginning to open up.

I guess my other comment to the Minister is we have a number of small airports in the Sahtu region. When can we expect to see some work done on these small airports in terms of the assessment? If the activity is going to increase in the Sahtu, they are going to have larger aircraft coming into the smaller communities to pick up people, haul groceries or haul people for employment in other areas. Is there going to be an assessment of our airfields in the Sahtu to keep up with the standards of the types of aircraft that are going to be used in the Sahtu region? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Yakeleya. I didn't know what you meant when you said "stick people," but I've figured it out now. Thank you. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, the response to that question from the Member is something that I mentioned before, that there is a study going on with Transport Canada. Our officials are working with them and we're trying to analyze the impact of a potential pipeline. All modes of transportation are being evaluated now or what the potential impact for transportation would be. The communities that Mr. Yakeleya represents are included. They are part of the impacted communities along the route, so we will be looking at those communities, also. Again, the study should be done by the end of the summer.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. General comments on the Department of Transportation. Are we ready to proceed to the detail?

SOME HON. MEMBERS: Detail.

CHAIRPERSON (Mrs. Groenewegen): Detail. I'll direct Members' attention then to page 10-9 in your main

estimates book. Corporate services, operations expense, total operations expense, \$7.996 million. Ms. Lee.

MS. LEE: Thank you, Madam Chair. May I ask for a breakdown under other expenses, please? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Ms. Lee. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, I'll ask Mr. Neudorf to provide that detail.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Mr. Neudorf.

MR. NEUDORF: Thank you, Madam Chair. For corporate services, the other O and M budget is made up of a number of different things. We have some travel and transportation expenses there of \$230,000; there are some ongoing office supplies, materials, that kind of thing; purchased services in terms of telephones, fax, couriers and some utility payments; some contract services related to some studies that we would undertake on the planning side of things for the most part. There is some funding identified here to continue the negotiations with the Deh Cho Bridge Corporation. We also have some fees and payments; bank fees, membership fees. About \$600,000 in other expenses; those are exclusively composed of chargebacks for the TSC for the digital communications network, for the financial information system, and then a minor amount for computer software, software assurance for Microsoft. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Neudorf. Ms. Lee.

MS. LEE: Thank you, Madam Chair. May I get the dollar figures attached to the materials and supplies, purchased services, utilities, contract services and fees and payments? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Ms. Lee. Mr. Neudorf. Oh, I'm sorry. Who would be answering that? Mr. Neudorf.

MR. NEUDORF: Thank you, Madam Chair. I'll just run through the entire list there for the Member's information. Travel and transportation, \$230,000; materials and supplies, \$120,000; purchased services, \$172,000; contract services, \$550,000; fees and payments, \$50,000; other expenses, \$600,000; computer software, \$30,000.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Neudorf. Corporate services, total operations expense, \$7.996 million.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Airports, operations expense, total operations expense, \$21.932 million. Ms. Lee.

MS. LEE: Thank you, Madam Chair. May I get the breakdown for other expense items for \$7.3 million? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Ms. Lee. Mr. Neudorf.

MR. NEUDORF: Thank you, Madam Chair. The total \$7.37 million, of that total \$200,000 for travel and

transportation; materials and supplies, \$780,000 and would include supplies that we need for the actual operation of our airports like de-icing chemicals, runway sand, sweeper brushes, mechanical shop supplies, that kind of thing; purchased services, \$237,000; utilities, \$1.45 million, which is mainly the services around the operation around our air terminal buildings; contract services, \$4.48 million, that would include some security contracts, janitorial services, maintenance contracts and the actual operation of some of the smaller airports, which would be mostly contracts with the local contractors and/or community directly; fees and payments, \$90,000; other expenses, \$62,000, which is made up of chargebacks to the TSC; and computer software, \$82,000.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Neudorf. Airports, total operations expense, \$21.932 million.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Airports, grants and contributions, total contributions, \$20,000.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Highways, operations expense, total operations expense, \$37.325 million. Ms. Lee.

MS. LEE: Thank you, Madam Chair. Could I get a breakdown on \$12.6 million, please? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Ms. Lee. Anyone observing these proceedings today on the budget will become very familiar with the fact that Ms. Lee is going to ask for every list of other expenses under every department. So this is a word of preparation to have these numbers ready, perhaps even ready to pass out rather than having to read them out. Mr. Neudorf.

MR. NEUDORF: Thank you, Madam Chair. The total of \$12.66 million, other expenses for highways, is comprised of \$127,000, travel and transportation; \$1.64 million for materials and supplies, which would include items such as road signs, gravel, calcium chloride, dust control, equipment parts and supplies; purchased services, \$325,000; utilities, \$1.03 million for the operation of the buildings on our highways maintenance camps; contract services, the lion's share, \$9.35 million for various contracts that we have related to the operation and maintenance on the highway system, including some winter road construction, road maintenance, line paintings, the gravel crushing program to maintain the gravel stockpile for repairs and then some equipment rentals; fees and payments, \$52,000; other expense, \$92,000 made up exclusively of chargebacks to the TSC; and, computer service, \$37,000. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Neudorf. Highways, total operations expense, \$37.325 million.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Ferries, operations expense, total operations expense, \$5.528 million. Ms. Lee.

MS. LEE: Thank you, Madam Chair. It's a good thing somebody is asking questions here. Madam Chair, may I get a breakdown on ferries, other expenses, for \$4.248 million? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Mr. Neudorf.

MR. NEUDORF: Thank you, Madam Chair. The total of \$4.25 million comprised of travel and transportation, \$97,000; materials and supplies, \$386,000, mainly around the maintenance of buildings and equipment we have at the various ferry camps; purchased services, \$71,000; utilities, \$634,000, which would include the actual fuel to operate the ferry vessels and the propane around our ferry camps; contract services, \$3.024 million would include the contracts for the actual operation of the ferry and then some welding and electrical and mechanical services; fees and payments, \$15,000; other expenses, \$9,000, again TSC chargebacks; and, computer software, \$10,000.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Neudorf. Ferries, total operations expense, \$5.528 million.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Page 10-25, community marine infrastructure, operations expense, total operations expense, \$336,000.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Community marine infrastructure, grants and contributions, total contributions, \$150,000.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Community local access roads, total operations expense, \$587,000.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Community local access roads, grants and contributions, total contributions, \$537,000.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Mr. Yakeleya.

MR. YAKELEYA: I know you guys were on a roll there, Madam Chair. I just want to ask one quick question. I made a comment in my opening statement regarding the winter road and the winter road access across Great Bear Lake and the concerns by elders that the winter road on Great Bear Lake, the ice is thinning each year and is causing some concern for the elders and the people of Deline. There is a long list of communities that this program is going to be benefiting. What are the chances of Deline looking at accessing a portion of the funding to help them out in their winter road? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Yakeleya. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, the access road program is geared towards site specific locations such as hunting camps or picnic sites or other different

destinations. It's not intended to plug money in projects such as winter roads programs. That is a different budget line. The issue the Member is referring to is noted. We have heard the concerns. It's something we are targeting to do as part of the climate change study, is monitor the different effects on the different roads and transportation systems. There have been studies in the past and we are anticipating that we may be able to do some work in terms of looking at what it would cost to realign this infrastructure as part of the Bear River project. We are hoping we would be able to take a look at it through that angle. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Anything further, Mr. Yakeleya?

MR. YAKELEYA: For clarification, I will be following up with this with your staff officials to keep a close eye on it. With some level of comfort, I will let the people of Deline know what the department is doing. That's all I have to say, Madam Chair. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Yakeleya. Community local access roads, grants and contributions, total contributions, \$537,000.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Road licensing and safety, operations expense, total operations expense, \$3.236 million. Mr. Yakeleya.

MR. YAKELEYA: I just want to keep in line with my colleague over here and I would like a breakdown on the other expenses, please.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Mr. Neudorf.

MR. NEUDORF: Thank you, Madam Chair. Total other expenses of \$790,000 is comprised of \$37,000, travel and transportation; \$115,000, materials and supplies, which would include uniforms for the officers, the costs of materials to produce licences; purchased services, \$82,000; utility costs, \$47,000, mainly around the operation of our weigh scales; contract services, \$258,000 composed of weigh scales certification, some office equipment leases, computer support for the MVIS system and some extra cost for the implementation of STRID; fees and payments, \$43,000; other expenses, \$192,000 composed of chargebacks to the TSC and then chargebacks around the motor vehicle information system; and \$6,000 for computer software. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Neudorf. Road licensing and safety, total operations expense, \$3.236 million. Ms. Lee.

MS. LEE: Thank you, Madam Chair. Can I get a breakdown of other expenses, please? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Ms. Lee. We just had that read out. Mr. Yakeleya had requested that in your absence...I shouldn't say absence. Mr. Yakeleya requested that and it's already been read for the record. Thank you. Road licensing and safety, total operations expense, \$3.236 million. Mr. Braden.

MR. BRADEN: Thank you, Madam Chair. I think this is the area where I wanted to bring my questions up. It regards progress on implementing the new standards for

drinking and driving. There are a number of different areas that this legislation dealt with from my recollection, Madam Chair. There are different levels of blood alcohol. I seem to recall some discussion about making sure that testing equipment and training was in place across the NWT. There was discussion about graduated licensing for new drivers. There are quite a number of various things. Perhaps I will begin with a question. Could the Minister advise the status of implementation on those amendments to the NWT's driving and licensing acts? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Braden. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, the Member is correct. The bill was passed in June of 2003. The department had planned for the legislation to come into force in early 2004. However, because of financial constraints and a lack of resources, as a result we had to opt out to defer the program. We have included the funding required for the one staff person they are planning to hire and to also develop the manuals, communication and training that goes along with this. So we have identified the dollars required in this budget and we are planning to have the implementation take place in January of 2005.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Anything further, Mr. Braden?

MR. BRADEN: Gosh, yes. Perhaps I had missed something here. I wasn't aware that implementation was being deferred. Had the department advised of this earlier, Madam Chair?

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Braden. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, the decision was made earlier, in January, to defer the project. We did not have the resources available, the dollars required. The cost of implementation was reduced from \$300,000 to \$100,000 and the ongoing salary dollars of \$70,000 was also reduced. Therefore, we were not in a position to proceed. We have since identified the dollars. They are included in this year's budget. We have consulted with some of the groups that were lobbying part of this legislation and informed them of our decision.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Braden.

MR. BRADEN: Okay. So could the Minister give us a bit of detail on the dollars that are identified and the programs that we could anticipate getting started in this coming year then?

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Braden. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. As part of this budget, we have identified \$235,000 as part of this budget as one-time costs. We will be looking for ongoing salary dollars. This year's portion is also in the budget.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Braden.

MR. BRADEN: Okay. I am still a bit fuzzy. I heard \$235,000 in ongoing costs, but we are still looking for staff costs, Madam Chair?

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Braden. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, I am sorry if I am not clear on this. The one-time costs are in the budget and the first portion of the ongoing cost of \$70,000 is also in the budget. I hope that clarifies that.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Braden.

MR. BRADEN: Madam Chair, what will be the priority assignments for this staff person? Where are we going to begin implementing these new acts? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Braden. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. This staff person has a very large task in front of him or her. The person would start developing and producing the manuals required as we will need to educate the enforcement officers and the RCMP. We would also have to put together a communication system. This amendment has a number of different areas that they have to educate the public on, the 90-day suspension, the roadside suspension provisions and provisions for impoundment, and also to start developing the impaired driver assessment packages and develop a plan of introduction for a graduated licensing system for new drivers.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Braden.

MR. BRADEN: We are going to get one person to do all this, Madam Chair?

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Braden. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. We are introducing one new person to the position. We will be using other staff people within this division.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Braden.

MR. BRADEN: Okay. I am going to ask for one more thing, whether the department can supply it now or as soon as it's available and that would be a timeline and a chart that will help show the implementation plan. Obviously we are not just talking about something that's going to just take a few months. I recall from when we passed the legislation and implementation, we were looking at a rollout of two to three years before most of this was going to be in place. Now that we have got some dollars identified, I would certainly like to see the map of making this happen and the timeline. I won't say that I am in a hurry to see this happening. I want to see it done properly, but I would express some disappointment that we are about a year behind getting this underway. A lot of people worked hard for it and they are looking forward to its implementation. I guess I would compliment the department for taking this most recent information about having to defer back to the groups like Students Against Drinking and Driving and making sure they are in the loop. Those people are critical to the success of this. I would

also encourage everything we can to continue to involve them and help them grow across the territory. I sure hope I can see something in this implementation plan that gives those organizations, those students, a real big role in this. They deserve it. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you. I will take that as a comment and move on to Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. Under road safety, an issue that I brought up a number of times during the last Assembly, safety on our highways, was putting some signs up that informed the travelling public of numbers where they could call in case of emergency and I know there was a movement done on that and there were a number of signs put up, but when they did put them up, I also addressed an issue in the House with the then-Minister of Transportation that you almost have to stop, get out of your vehicle and walk over to the sign to be able to read them because the lettering is so small on them. The Minister at that time had promised me that they were going to look into that. I wonder if there has been anything done in that area. Thank you, Madam Chairman.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. I also, as the Member, have travelled that road many times and the lettering is a little small, the numbers are a little small. When the signs are to be replaced, we will be looking at replacing them with signs with bigger lettering, larger numbers, so it will be easy to see.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: I have to ask how often these signs come up for replacement. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Good question. How often do they wear out? Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, this is the first time the RCMP information signs have been put up. I am not sure of the cycle of replacement. We would have to commit to get that information. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. I guess it's an issue that I don't want to drop too easily because I brought it up in the House and managed to get some movement from the department to put some signs up in different areas of where people can phone and the appropriate numbers. Our territory is split up quite a bit. What number do you phone in what area that you are in? For me, it's an important safety issue out on the highway. I really don't think that the signs that are out there right now are appropriate. I would certainly encourage the department to look at them sooner than later in the name of safety. I think it's a safety issue. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. I don't think I heard a question there. So I will move on now to road licensing and safety, total operations expense, \$3.236 million.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Page 10-35, information item, active positions. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Page 10-36, detail of work performed on behalf of others.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Thank you. That item carries on to 10-38, detail of work performed on behalf of others, total department, \$4.057 million.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Revenues, recoveries and transfer payments. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Could you please turn back in your books to page 10-7, Transportation, department summary, operations expense, total operations expense, \$76.94 million.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Now to CAP-19 under infrastructure acquisition for the Department of Transportation, airports, total airports, \$9.42 million. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Ferries, total ferries, \$270,000. Ms. Lee.

MS. LEE: Thank you, Madam Chair. I just want to ask a question about the \$7.7 million for Norman Wells Airport. I don't know a lot about the airport, but every time I go there I think that it is the nicest looking airport in the Territories. I just want to know what work is involved with respect to this. Is there a need for that sort of spending?

CHAIRPERSON (Mrs. Groenewegen): Thank you. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, this issue is in our budget, however we haven't had final approval from the federal government from the actual commitment. It's under the ECAP program. It's 100 percent funded by the federal government and the work that was targeted to be done was all on the outside facility to improve the parking space and resurface the runway. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Ms. Lee.

MS. LEE: So when will we find out from the federal government whether this money is coming or not and how was it that Norman Wells was chosen as opposed to other ECAP airports and what other airports would qualify for the funding arrangement?

CHAIRPERSON (Mrs. Groenewegen): Thank you. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. We are having discussions with the federal officials. The

project will not go ahead. It's conditional on federal government approval. As I said earlier, it is 100 percent funded by the federal government through the ECAP program. To be eligible for the program, the project has to demonstrate impact and safety issues. This is not the first project we are doing with this funding. Last year and over the last few years, we have been doing some work on a fairly large project on the Inuvik Airport. We have done some smaller projects on the Yellowknife Airport also.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Ms. Lee.

MS. LEE: Thank you. I am gathering from the Minister's answers that this funding is somehow connected to resource development or industry activities, and I am gathering from his answers that Norman Wells, Yellowknife and Inuvik were in the running. I would like to know what other airports, other than those three, if my assumption is correct, were in the running for this funding, and maybe I could ask if airports like Simpson, for example, were considered in this funding. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Ms. Lee. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, the procedure that we utilize to determine what projects were put forward is fairly simple, we look at and analyze all of the airports based on safety and security. The Norman Wells Airport was chosen over others because of the potential development in that area. It is utilized to the maximum right now. It is a very active airport, and we anticipate it becoming busier. There are areas around this facility that need improvement. There was and there are other airports, all our airports are analyzed regularly. Fort Simpson, for example, was also looked at. There is also engineering condition reporting that is done on these facilities. Those things are taken into account when we put our projects forward.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Ramsay.

MR. RAMSAY: Thank you, Madam Chair. I just had a couple of questions in regard to the perimeter fencing that appears here for the Norman Wells Airport, \$230,000 in 2004-05, and then another \$180,000 in 2005-06. There is already some existing fencing at the Norman Wells Airport and I am wondering what will happen after this money is expended? Are we running the fencing all around the community or what? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Ramsay. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, I don't have that level of detail. I will ask Mr. Neudorf to respond to that question.

CHAIRPERSON (Mrs. Groenewegen): Mr. Neudorf.

MR. NEUDORF: Thank you, Madam Chair. There is a perimeter fence; well, perimeter fences around airports are required. They protect the airport from intrusions onto the runway surfaces, address safety concerns, and for incursions of animals as well onto the runway. In 2004-05 we plan to tender and award a contract for the supply of approximately just under four kilometres, or 3.7 kilometres, of wildlife fencing. We would install 1.9

kilometres of that fencing along the southwest, west and part of the north boundary during the wintertime. Then in 2005-06, carry on another 1.9 metres of the fencing there to clean that up. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Neudorf. Mr. Ramsay.

MR. RAMSAY: Thank you, Madam Chair. I wanted to equate that to the \$150,000 that is being spent in Hay River. I know they are two different airports, but is the footprint of Hay River smaller than the footprint at Norman Wells? Is there already fencing in place in Hay River and it is just a fix-up in Hay River? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Ramsay. Mr. Neudorf.

MR. NEUDORF: Thank you, Madam Chair. Yes, the Member is correct. It is just a different scope of work on the project. The amount of fencing that needs to be installed is different. Unfortunately, I can't find the numbers around the Hay River Airport to provide an explanation for the scope of work there.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Neudorf. Mr. Ramsay.

MR. RAMSAY: Thank you, Madam Chair. One other question. Of the airports that we have currently in the Northwest Territories, is there a need to look at this perimeter fencing in other airports in the coming years too? Is it going to be an ongoing thing? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Ramsay. Mr. Neudorf.

MR. NEUDORF: Thank you, Madam Chair. Yes, it is. Based on need, we will do an assessment of requirements for fencing. We do, of course, maintain an inventory of that across all of our 27 public airports and try to approach it in some kind of a logical approach considering the funding and the resources that are available to us. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Neudorf. Total airports, \$9.420 million. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Ferries, total ferries, \$270,000.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. Highways, total highways, \$37.862 million. I have Mr. Delorey and Mr. Hawkins. Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. I am hoping that I can ask this question here, and I wasn't sure if I should have asked it under the operations or capital acquisition. What I am referring to are some questions in contracts that are awarded for projects like improvement to Highway No. 3, the reconstruction on Highway No. 3 for example. Is it transportation that awards those contracts for repairing 25 kilometres of road? Does Transportation put out those contracts or do you do it through DPW? Who awards those contracts? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, the contracts are put out by the Department of Transportation for the road construction.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. I would assume then if the contracts are put out by Transportation, if any disputes arise with the general contractors as far as how the work is being done, they would deal directly with Transportation then. Is that the case? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, the contracts are put out by us, and if there is a dispute, yes, they will deal with us.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: Thank you. In a situation where somebody is working as a subcontractor through the general contractor and there is a dispute that arises there as far as the subcontractor not being paid or that sort of thing, what role does Transportation play in trying to resolve disputes between the general contractor and subcontractors? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. First and foremost, we encourage the general contractor and the subcontractor to try to work out the arrangements. Our priority is to get the job done and ensure that the subcontractors and everybody is paid and on time. Anything further than that, there is a contract arrangement. There is the process of litigation. I don't believe we have a holdback in the process. So we can attempt to work along with the subs and the primary contractor, however, any arrangement between the general and the subcontractor is their responsibility.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. I don't know what the exact arrangement is, I assume that it is all government money if we get a contractor or a general contractor to do work. I would suspect that part of this responsibility in putting out administering the highways money would be to pay the contractors and work things out. Am I to understand that if a dispute arises, that Transportation would not get involved to try and solve a problem and force somebody to go to litigation to get the issue solved? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, we make every effort to ensure that the contractor pays the subcontractor. We do not have any holdback for the subs. Our arrangement is with the

general contractor. We do have a holdback requirement with the general contractor, we do not have one with the subs. Our legal obligation is with the general, and matters such as the one as the Member is referring to would have to be resolved if we can't come to a successful conclusion in the courts. We have really no authority to interfere and dictate how issues are to be resolved or how the contracts are drawn up. We do have a holdback that we can use, but the issue between a subcontractor and a general contractor is something that they have to work out.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. I would think that if a general is not performing and paying his contractors or subcontractors, that that would be an interest to Transportation for future bidding. I would certainly think that it would be in the best interest of the department to know how a general is paying his subcontractors and what the issues are. I would like to know, is there no process at all, does the department not even have a process to look at issues that are on the table, and, if not make any rulings on it, at least get some information as to how the whole operation is going? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. As I indicated earlier, we make our best effort to mitigate and try to have the subcontractor and our contractor resolve the issue. Aside from that, we have no real authority to force a settlement from either party. The issue would more than likely be resolved in court. We have no mechanism in place in the department to stop a person from bidding on an upcoming project. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. Just one more question then, Madam Chair. The Minister does say that they do their best to make sure the general pays their subcontractors, and that the project is going. What is involved in their best efforts in doing that? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, our involvement is on a more informal level. We request that the two parties come together. We try to provide whatever resources they require, and we encourage them to resolve the issue between themselves. Failing that, we don't really have a lot of authority in terms of forcing anyone to resolve from one party or the other. That is the depth of our involvement.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Total highways, \$37.862 million. I have Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. Just for the record, we were talking in this area on the CAP program and I am referring to the Bear River Bridge. I call this location a distinct metaphor as in the "boonies," and I just want to assure the Member for Sahtu that I wasn't referring to that location in a negative context. So I just

want to reaffirm that to the Member for Sahtu, who has left. Therefore, I just want to reference that it wasn't meant in a negative way. Thank you very much, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. I just want to remind the Members that you can't refer to the presence or absence of Members in the House, and we will pass your apology on to Mr. Yakeleya. Some people would think that the entire Northwest Territories is the "boonies," but your point is taken. Next on the list I have Mr. Villeneuve.

MR. VILLENEUVE: Thank you, Madam Chair. Going down the list of the highways, the infrastructure acquisition plans for the highways, and I am hoping that what I am seeing or maybe not seeing is a typo in that I am just wondering why Highway No. 6 is not included in that list. All of the other highways as I see are all included there, and Highway No. 6 between Deninu Kue and the Fort Smith junction now has become even more of a vital link for the community in the fact that people travel that highway everyday to go to the Hub of the North, Hay River, for medical attention, for dental, shopping, bingos and the like of everything that they can get in that centre. Noting that the collision rate on that highway is the sixth highest amongst all other highways in the NWT including all the winter roads in the 2002 NWT traffic accident statistics, I am wondering why Highway No. 6 was excluded out of the various other highway improvement programs that are listed in this infrastructure acquisition plan. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Villeneuve. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, there are a number of highways that did not receive a lot of resources to look at chipseal overlay. The road conditions of these roads are not a nature of safety issues, but require some upgrade in terms of resurfacing of the gravel into chipsealing. We did submit Highway No. 6 through the corporate capital planning process, however, it was not accepted, therefore we didn't receive the necessary funds to continue work, either paving or the chipsealing on Highway No. 6.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Villeneuve.

MR. VILLENEUVE: Thank you, Madam Chair. What criteria would the improvement of these highways constitute them being considered for some upgrades or improvements? Based on the fact that this highway, without any air service going into the community of Deninu Kue and the increase in traffic on that highway, and with the high incident rate of accidents on that highway now that there is no air service into the community, how would Highway No. 6...I see every other highway included on that list, and Highway No. 6 is the only one that isn't on that list. I can point out at least four or five of these other sections of highways that are a lot better than Highway No. 6 in its entirety. What criteria could the Minister provide that says we will just forget about Highway No. 6? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Villeneuve. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, I disagree that we are going to forget about Highway No. 6. Highway No. 6, as I indicated, was put forward through the capital acquisition plan and was not accepted. The case we put forward for Highway No. 6 does include the safety factor, however, the low traffic volumes was a factor. We will again put Highway No. 6 forward for the next capital planning process. Until we can find and identify the resources to resurface Highway No. 6 and make some improvements, we can't do it.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Villeneuve.

MR. VILLENEUVE: Thank you, Madam Chair. I am not sure where the Minister is getting his information from with regard to increase in traffic volume on Highway No. 6 and incident rates that are occurring on that highway. I am looking at this acquisition plan, and this is a plan that goes until 2008-09, and it is not even included in 2005-06-07-08 or '09 on this capital acquisition plan. To me that just doesn't make any sense. I drive that highway all the time, as do many residents in Deninu Kue, and the highway extending from the junction to Hay River has really heavy volumes of traffic going back and forth day and night. So I am not sure how the Minister can say that it didn't meet any criteria for any improvement, and also considering the fact that there is a small community that is approximately 20 kilometres on that highway system that also constitutes an increased volume of traffic to and from the community of Deninu Kue. So I just don't know why it would be totally excluded from this whole infrastructure acquisition plan altogether. Thank you, Mr. Chair.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Villeneuve. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. Mr. Chair, I want to reassure the Member that the capital acquisition plan is adjusted year by year. We will submit it again. The highway does not receive a high priority in terms of the capital criteria set forth by the corporate capital planning system. Although the Member indicates there is a lot of traffic, the traffic volumes are still low compared to the other highways. Unless we have approval through the corporate capital planning system, we have no other avenue of funding and upgrade to this road. It doesn't meet the criteria for the SIFF program or other programs of that nature. So we have to depend on the corporate capital planning system to access dollars to do it. I can realize the frustration the Member is feeling, and we will commit to resubmitting this highway for funding.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. McLeod. Mr. Villeneuve.

MR. VILLENEUVE: Thank you, Mr. Chair. I am glad that the Minister recognizes the frustration that I feel that the highway has just totally been disregarded in this budget. The traffic accident facts for 2002, which is published by the Minister's department on a yearly basis, clearly shows that the incidents of higher traffic collisions on that highway should be taken into very serious consideration when looking at improvements in our highway system. I want to make the Minister aware that when the traffic accident facts report comes out for 2003 and the numbers and volumes and levels of traffic indicators show that there has been a very large increase in the volume of traffic on that road since it has become the only link that

the community has had to any other communities for services insofar as medical and dental, and what have you. Just a comment that I just want to make sure that due consideration is given for every highway, and in a context that is fair for everyone in the fact that when we look at the number of accidents all the way around, the accident rate on the highway is even higher than on some ice roads, which is very disturbing to me, Mr. Chair. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Villeneuve. That was more of a comment. Next I have Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chairman. Just a quick comment. I wanted to ask about the airports. The airport in Colville Lake...

CHAIRMAN (Mr. Pokiak): Mr. Yakeleya, you are going to have to request or ask the committee if they would like to refer back to that page, depending on what page you want to look at, it is either CAP-19 or CAP-20. Thank you.

MR. YAKELEYA: I apologize, Mr. Chair. I ask committee to go back to CAP-20.

CHAIRMAN (Mr. Pokiak): Is it the wish of committee to go back to CAP-20?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Pokiak): Mr. Yakeleya.

MR. YAKELEYA: Thank you very much, colleagues. A quick question. One is the airport in Colville Lake, it is lacking a facility. The plane lands and there is no building or structure whatsoever, in terms of people having some comfort. I want to ask the department if there are any plans for Colville Lake to look at a small facility that would be situated in Colville Lake at the airport. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Yakeleya. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Chair. Mr. Chair, the Colville Lake airport has no air terminal building, as the Member indicated. We have a number of airports in the North that are in this situation. If it doesn't appear in the needs assessment, then we are probably not projecting to do anything in the near future with this facility. I don't have all of the details. So I would have to take a look at where the Colville Lake airport building would be in terms of a priority and get back to the Member.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. McLeod. Mr. Yakeleya.

MR. YAKELEYA: Thank you very much, Mr. Chairman. Thank you, Mr. Minister. Would the department look at the community of Colville Lake because of the amount of activity that has been going on in Colville Lake in the last few years, would look at cost sharing? Is it a possibility to put a building at the airport? Mr. Chair.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Yakeleya. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Chair. I believe the Colville Lake airport is one of the airports that would be affected by the pipeline project, and it is already

being monitored in terms of potential impacts and increases in traffic. It would be part of the report that we are projecting to have completed by the end of the summer.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. McLeod. Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chair. Thank you, Mr. Minister. I was flying down here from Tulita, and when I flew just past Wha Ti and coming into Yellowknife, looking at the land in passing Wha Ti and passed the community of Rae-Edzo, looking at the airports. On CAP-20 here, they have a road that passes through Rae-Edzo, Fort Rae, and they also have an airport. I don't see anything in terms of the work done in the Dogrib region. I believe there's one in Wekweti that is being looked at. Is there anything in terms of work under the Rae-Edzo Airport? They're using the road a lot in that area, so I guess it's a past decision of the government...(inaudible)...

AN HON. MEMBER: What are you promising?

---Laughter

MR. YAKELEYA: So I wanted to ask about the work done at the Rae-Edzo Airport.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Yakeleya. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. The airport on the south side of Edzo is a community airport that was built by the community and it being operated by the community. There are no projects included in the capital plan for the Dogrib region. Most of the communities have all had their airports rehabilitated. Their facilities have also been worked on and we believe they are in good shape.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. McLeod. Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chairman. I will take the Minister's word on that. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you. Can we go back to highways, CAP-22?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Pokiak): Total highways, \$37.862 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Pokiak): CAP-23, road licensing and safety, total licensing and safety, \$200,000, total department, \$47.752 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Pokiak): My apologies. I was told to call out total licensing and safety, \$200,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Pokiak): Total department, \$47.752 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Pokiak): Mr. Hawkins.

MR. HAWKINS: Thank you, Mr. Chairman. Is it in order to report progress at this time, or do we proceed into the Housing Corporation budget?

CHAIRMAN (Mr. Pokiak): Does the committee agree we are concluded with the Department of Transportation?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Pokiak): At this time, I would like to thank Mr. McLeod and Lynn Cook and Russell Neudorf. Thank you very much.

Thank you very much. At the beginning of the session we agreed that we would complete Transportation and the Housing Corporation. At this point in time, is it the wish of the committee to take a break or continue on? Mr. Allen.

MR. ALLEN: Thank you, Mr. Chairman. Earlier we received concurrence from the committee that we would progress on to the review of the NWT Housing Corporation, and I would recommend that we would continue with reading the reports into the record. Thank you.

CHAIRMAN (Mr. Pokiak): There has been a request from Mr. Allen to continue on with the NWT Housing Corporation.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Pokiak): At this point, Honourable Michael McLeod, are you willing to make your Minister's opening comments? Mr. Minister.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. I am pleased to represent the 2004-05 budget for the Northwest Territories Housing Corporation. We have requested a total contribution of \$53.047 million which represents an increase of \$76,000 or .1 percent over the corporation's 2003-2004 allocation. Including other revenue sources of \$50.439 million, the corporation will spend over \$100 million on housing in the Northwest Territories this year. This funding includes contributions from our federal partner, the Canada Mortgage and Housing Corporation.

The contributions outlined in these estimates will allow the corporation to work towards fulfilling the challenges of suitable, adequate and affordable housing for northern residents.

The corporation recently completed the 2004 NWT community survey. The survey's results will provide the corporation with a clear picture of the progress that has been made in the last four years. The survey findings will also allow the corporation to ensure that new strategies, such as the 10-year plan, will optimize funding that will be used to provide homes for residents who are most in need.

I am pleased to outline today the corporation's primary strategy to continue with the work of addressing housing issues across the NWT. The corporation's 10-year plan is a comprehensive strategy with four key objectives.

- Continued federal commitment to housing across the Northwest Territories;

- Increase personal responsibility by residents so that we can break the cycle of dependency;
- Optimize the public housing portfolio and increase community involvement, decision-making and participation with the management of local housing; and,
- To ensure the development of private housing markets in non-market communities.

The decline of Canada Mortgage and Housing Corporation funding is a critical issue for the corporation. Under the social housing agreement, the corporation was provided funding that will gradually decline to zero by the year 2038. That funding decline began last year. Each successive year means increased pressure on housing funding for government. A critical component of the 10-year plan will be to work with the federal government to ensure that they continue funding affordable housing in the NWT. The NWT must obtain ongoing federal funding to achieve strategic objectives, which will help to maintain the territory's existing public housing capacity.

As our territory experiences this period of economic expansion, increased employment opportunities have been presented to our residents. Unfortunately, a cycle of dependency has developed in regards to social housing over many years. Increased economic prosperity has done little to change this cycle. So as part of the 10-year plan, the corporation is going to work hard to change perceptions and attitudes of dependency of its clients and encourage them to become more responsible and accountable for their own housing choices.

New federal funding and increased personal responsibility will not fill the entire gap. The corporation will work closely with its community partners over the life of the 10-year plan to ensure that the public housing portfolio is optimized. This means that the corporation, under its sale of public housing initiative, will have to sell public housing that is more costly to operate, such as its fully detached units, and replace them with more energy efficient multi-units.

The 2004 NWT community survey will help ensure that each community public housing portfolio is optimized so that those most in need are assisted. To achieve this, the corporation will work with public housing tenants who have stable employment and use its programs to move those tenants into homeownership.

Finally, the corporation has developed its universal partnership agreement. This agreement provides communities with new decision-making abilities, as well as increased levels of responsibility and accountability. Increasing the communities' role in optimizing the public housing portfolio as well as involving them in homeownership decisions, will play an important part in ensuring that the right decisions are made in each community.

The corporation needs to work with the private sector in our smaller non-market communities, to create housing markets where none existed before. We need to ensure that our non-market communities have an adequate supply of market homes so that communities can build needed capacity as the economic opportunities of our territory begin to benefit them. In addition, market rental

homes are a critical component of attracting and retaining much needed professionals to these communities so that we can ensure future generations have access to education and healthcare. To achieve this, the corporation will launch its market rental housing initiative under the budgetary plan. Under this initiative 42 new market rental units will be developed in the first two years of the initiative. It is important to note that these units will not be subsidized by the Government of the Northwest Territories in any way. These units will be provided with the new objective of getting them on the ground in our communities at the lowest possible cost.

The corporation has developed specific initiatives and strategies to assist with the implementation of its 10-year plan. By working with our community partners, partnering with the federal government, working closely with the private sector and directly with our most important partner, our residents, the corporation is confident that it can continue to address the housing needs of residents despite the challenges we face.

At this time, I would be pleased to answer any questions the committee may have. Thank you. That concludes my opening remarks.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. McLeod. At this time I would like to ask Mr. Braden to read the Social Programs report on the review of the Housing Corporation. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. The Standing Committee on Social Programs met with the Minister and his officials on Tuesday, February 24, 2004, to review the draft main estimates of the Northwest Territories Housing Corporation.

Committee noted the GNWT is supplying \$53.047 million of the estimated \$103.486 million the NWT Housing Corporation will spend on delivering its programs and services in 2004-2005.

Committee Members made note of the following issues during their review of the 2004-2005 draft main estimates for the Northwest Territories Housing Corporation.

Market Housing Initiative

On the face of it, Mr. Chairman, committee is willing to offer limited support for the market housing initiative at this time, based on our initial discussions with the Minister and his officials.

As committee Members understand, the market housing initiative is to provide funding for the creation of rental housing in non-market communities to house teachers and medical staff. After the initial purchase of the mobile homes, it is understood that the corporation hopes to recover its cost by selling to aboriginal development corporations.

What is of concern to committee Members, and limiting their full support of the initiative, is the lack of consultation with the target rental market. It is not clear that the rental rates that will have to be charged to recover investment costs are acceptable. It is also not clear that the use of mobile homes meets the needs of the target rental market.

Mr. Chairman, the Standing Committee on Social Programs recommends that the NWT Housing Corporation engage an arm's length organization to conduct a survey on whether the market housing initiative meets the needs of its intended target audience: professionals at the community level.

The committee looks forward to further discussion on this potentially valuable initiative.

Somba K'e Healing Centre

The committee was disappointed to hear that the Somba K'e Healing Centre, just outside of Yellowknife, is not suitable to meet the needs of a territorial treatment centre for children. Now that this option no longer exists, it is time to make serious efforts to get this facility off the government books.

The committee was interested to hear that as the mortgage holder on this \$2.8 million facility, the NWT Housing Corporation had identified a number of social agencies that were interested in acquiring the facility and planned to issue a directed RFP to these agencies. While it would be preferable for a social agency to gain control of the facility and for the facility to be used for the benefit of NWT residents, there are some concerns. Will the Department of Health and Social Services utilize any of the services that a social agency plans to deliver at the Somba K'e Healing Centre? Will that utilization generate sufficient revenue for the social agency to maintain and pay for the mortgage on the facility? Will the proponents be made aware of the land tenure issues and the maintenance and utility costs of the facility as part of the RFP package?

Committee would suggest any sale agreement have a caveat that the sale would not result in any increased appropriations for the Government of the Northwest Territories.

2004 Housing Needs Survey

During the review of the 2004-2005 draft main estimates, committee Members were made aware that the Housing Corporation was putting its finishing touches on the 2004 housing needs survey. This survey is compiled by the Housing Corporation and the NWT Bureau of Statistics every four years and is used in determining housing needs at the community level.

The housing needs survey is important in determining resource allocations for new construction and repairs over the four-year period. Members of the standing committee appreciated the Minister's commitment to table the housing needs survey at the earliest opportunity. It was not clear that this would occur during the March budget session. Members of the standing committee would appreciate being provided copies of the housing needs survey upon completion.

Corporation Goals

Members of the Standing Committee on Social Programs were concerned the Housing Corporation goals changed without a demonstrated plan for implementation.

In particular, Members expressed concern that the new goal related to public education and training to reduce dependency on Housing Corporation social housing

programs was not well defined. Members were concerned with how and who would deliver public education and training at the community level. The Housing Corporation admitted it has done a less than stellar job in educating people at the community level about the consequences and ramifications of accessing corporation homeownership programs.

Committee will be looking for a clear indication of an adequate and well-reasoned training and public education component as part of the corporation's 10-year plan when we meet to review that plan in April.

Supported Lease Program

The committee supports the principle behind the supported lease program of providing a transition mechanism to move targeted clients from dependency on social housing to independence. Members are, however, concerned that, as one Member put it, "imposing a market mentality on a small community does have its pitfalls."

Members were not confident that the corporation has developed a proper mechanism to report and monitor client progress. There is a concern this new program does not have a coordinated approach between the district housing office and the local housing organization. In addition, concerns expressed by some Members indicate there have been problems in the past with district managers failing to communicate effectively which has led to misunderstanding as to the client's responsibilities when it comes to homeownership. Members are also concerned that credit and lifestyle counselling may not be sufficient to break the cycle of dependency in some individuals and that the program needs to stand ready to deal with its successes and failures.

When reviewing the Housing Corporation's 10-year plan in April, the committee will be looking for evidence that the supported lease program has a clearly developed education component that clearly outlines to the client the intended purpose of the program, its intended outcome and consequences of homeownership.

Counselling Clients

Committee is concerned that the NWT Housing Corporation appears to put too much faith in the adequacy of present counselling services available to their clients. Members do not share that faith and believe that the corporation has underestimated the difficulties in transitioning from dependency to open market.

The committee strongly believes that there is a need to ensure that frontline staff at the district level and the tenant relations officer at the local level are adequately trained to counsel clients.

Members were interested to hear that the corporation is working with the Canada Mortgage and Housing Corporation to develop public education materials on homeownership, but remain convinced that the human quotient is more important in ensuring the client understands the responsibilities of homeownership.

Log Housing

Members of the standing committee understand the corporation has had limited success in delivering affordable log housing programs in the past. However,

some Members did point out that there is an opportunity to possibly use log construction to address the housing needs of single people in some communities through a user-build sort of program. It was felt that small units might be more economical than larger units.

Communication In The Communities

Members are aware there are many residents in the communities who hold the government and corporation responsible for upholding agreements made prior to the Housing Corporation coming into existence in 1974, Mr. Chairman.

Members would compliment the Minister on his awareness of this reality and look forward to further discussions on how we can meld promises made with the programs of today.

Federal Funding For Social Housing

Committee Members noted that 2004-2005 marks the beginning of the reduction of funding from the federal government for the construction and upkeep of social housing. Unless the federal government has a change of heart, this will mean the GNWT and the Housing Corporation will be taking on more and more of the fiscal responsibility each year until the funding ends in 2038.

Obviously, this is of grave concern, as we do not have enough money presently to address social housing needs in the Territories.

Committee Members have heard indications at the federal level that there may be money made available for social housing in the federal budget. This would be welcome, provided the NWT's share is not based on an inadequate per capita funding formula.

The committee strongly supports the Minister in any and all efforts to restore and increase the amount of money provided to the territorial government for the provision of social housing in the Northwest Territories. The committee also supports the Minister in accessing funding for aboriginal residents of the Northwest Territories through aboriginal on-reserve housing programs that are not available in the NWT. It is unreasonable for the federal government to deny access to funds that are clearly targeted at aboriginal people.

Mr. Chairman, thank you. That ends the Standing Committee on Social Programs report.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Braden. Would the Minister wish to bring in witnesses?

HON. MICHAEL MCLEOD: Yes, Mr. Chairman.

CHAIRMAN (Mr. Pokiak): Would the Sergeant-at-Arms escort the witnesses into the Chamber? Does the committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. McLeod. Can you introduce your staff, please?

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. Mr. Chairman, with me is Tom Beaulieu, the president of the Northwest Territories Housing Corporation, and Jeff Anderson, chief financial officer for the corporation.

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

MS. LEE: Thank you, Mr. Chairman. I don't have general comments per se, but I do have some questions on the Minister's opening comments. It indicates here that the 2004 NWT community survey; I think that's a needs survey. During the committee review of the budget, the Minister indicated that this would be coming any day now. So I would like to know from the Minister whether he has received the needs survey, and if he could tell us briefly as to what major findings have been made if there are any. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Ms. Lee. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. We have looked at the first draft of the 2004 housing needs survey. It is not quite ready, it's not quite in the state for us to table. We are intending to bring the document forward hopefully by Monday, and I will be glad to share it with Members.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. McLeod. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. I also would like to ask another question at this juncture, rather than waiting until we get into details, Mr. Chairman, and it has to do with the document that I tabled this week. I believe it was two days ago. It was a copy of a notice for tender that was sent out with the Minister's name on it. The Housing Corporation is looking for 22 mobile homes, and I guess the most interesting thing that I noticed was at the bottom of the document where it was indicated that the NWT BIP would not apply in this tender. So I would like to know if the Minister could advise us as to what's behind this latest exemption of the BIP on a government tender. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Ms. Lee. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. This initiative to provide market housing in communities is something that was decided in the 14th Assembly. The direction from Cabinet was to implement an initiative to provide market housing in the communities across the Territories as a result of many of the communities indicating that there is no market accommodation for a lot of the people who are considered professionals, people who are working. To rent, it's limited, there is practically a zero vacancy, there is no accommodation, no houses on the private market. We have a small private housing market in our communities. The direction was to provide accommodation that is affordable, that is competitive to market rate, that is re-sellable so that it would give opportunity to private enterprise and the development corporations in the communities to purchase these units in an attempt to encourage the market in the communities. We are also directed to provide a full cost recovery. We took that direction and looked at how we could accommodate this initiative. It was clear that stick-built houses were not the way to go; it would not provide us with our desired results. We decided to look at trailers, and trailers were considerably less expensive. Also, as part of this requirement, we were directed to have them landed and set up by August of this year. We have done that. We have developed a communications plan, we

have developed an implementation plan, we have consulted the affected communities and are in the processing of tendering, as the Member has indicated. It's being advertised and part of this strategy was to waive the BIP. We've approached Cabinet for approval and we've received approval to waive the BIP on this whole initiative. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. McLeod. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. I guess we could ask a similar series of questions that we had asked previously where there was an exemption of BIP on a capital project. Although in previous experiences, those capital projects weren't much larger than the one, I am assuming, we are dealing with here. Mr. Chairman, I need to ask the Minister if there has been any analysis done to figure out how much BIP would have cost. I still don't understand why the decision was made to exempt BIP. I think it sends a wrong message about what the government is doing. I don't know if we are ever going to fix this, but if the government has evidence to suggest that the BIP does not work or that it costs too much money or it gets in the way of government advancing its agenda, whether it be providing housing in small communities to professionals or figuring out that the stick built houses don't work for some reason, I don't know what the reasons might be. But the government has an obligation if it decided that BIP does not work for us and it's costing too much money, then say so. You can't spend years revising the policy, working out the policy, having a whole office on the BIP and then at a whim and on its own discretion say in this case it's not going to apply.

The transparency is the important thing here. I don't know if it should be acceptable for the Minister to say, he's been a Minister there for four months and for him to say this decision was made previously and I am going to follow it, at least if the Minister has a view of the situation and feels that is the way to go, he should be prepared to defend that and not just say the decision was made before I was there and we are going to go with that. I have some questions. I want to know what kind of cost-benefit analysis was done and whether the Minister himself supports this initiative regardless of what the instructions from the last Cabinet has been. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Ms. Lee. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. This whole initiative was not done on a whim. I do support it. I think we have to take a look at what our options are to provide housing in our communities. We have a real problem in all the small communities in the North. It may not be a big problem in a larger centre. We have requests from practically all the communities to deal with the issue of housing teachers, band managers, SAOs and nurses. We have communities that will not be able to attract professional people in the communities if we don't provide accommodation that is suitable and affordable. We are not in a position, as the Member knows, to say with any great certainty that it's going to cost more if we don't waive the BIP. At the same time, we can't say it's going to cost less with any certainty either. All we can do in this situation where we are required to put houses on the ground at the cheapest cost possible is to anticipate the worst case scenario and the best-case scenario and eliminate any

potential for raising the cost of these units. That's what we are attempting to do.

If there is no desire and BIP came in at a higher rate, it would really make it difficult to go forward with this whole project. We don't have a lot of time to get these houses on the ground. I certainly support this initiative. We are responding to the needs of the people of the North. We can share some of the information that we've compiled. We've gone into the communities. We haven't done, as the Member is indicating, gone out on a whim and said let's do this. We've talked to the affected communities, we talked to the different agencies, we talked to the LHOs, we've tested what it would come out to in the different communities and we've done an assessment to see what we could afford to rent these places out at cost recovery with no built in profit margin. So I think we've done due diligence to this project. If the Member is concerned about waiving the BIP across the board and the government picking and choosing when it applies, that's a bigger issue that maybe Cabinet has to look at. I understand RWED is doing an assessment of what this may cost in terms of supplying a subsidy or a preference to different companies. There is a lot of interest in this whole initiative. We know this is certainly not going to satisfy the communities. Most communities are coming back and saying our allocation is not close to meeting what they need.

So the demand for 45 units is not all that's being requested out there. However, this is the direction and how many units the Cabinet directed us to go out and do. We've done assessments. We know it's higher. We know this may have a positive aspect to it. There are a lot of people coming forward and indicating that they would like now to look at setting up manufacturing of these units and other units. There is a high potential that we are going to need camps, well-site trailers, right across the North from the Deh Cho Bridge project to the pipeline to the Bear River project. There are a number of different things which will place a requirement for trailers in the North. So it is a big project. I can understand the concern. However, in this case we wanted to remove any potential for increasing the cost of the units.

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

MR. DELOREY: Thank you, Mr. Chairman. Along that same line of questioning, I can agree with the Minister that there is a huge need in the communities for housing and a need to put them on the ground as cheaply as we can. I certainly don't agree that to do that we have to throw the doors wide open and totally bypass all our northern partners, if I can call them that. I suspect that the Housing Corporation has over the past years worked with many people in industry that they can call partners. If this is the area that the Housing Corporation wants to go and they do have an agreement from Cabinet to waive the BIP on an issue such as this, I would think we could at least involve our northern partners in some way. I understand that the tender is not just open to northern contractors to bid on. It's wide open. I think that is a terrible move on this government. I cannot agree that this is a good move from this government or the Housing Corporation to just totally bypass our northern partners to look at this thing. We've talked about different approaches before to putting housing units in communities. We spent a lot of time in the last government going over a harmonization plan that was intending to do what the Minister is referring to now as a

10-year plan to remove people from dependency on housing. This is a 10-year plan being put in place with no involvement that I know of from committee Members or regular Members. The first time I heard of it was in these main estimate reviews.

On the part of the 22 units that have been put out to tender, I don't see any northern content in them at all. I think the contract even calls for the 22 units on the highway system to be on pads, skirted and everything fully set up within that contract, which totally removes any northern content in the program at all. I would just like to clarify if that is the case. Thank you, Mr. Chairman.

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

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. I will respond to the last comment first regarding the contracting being exclusive of pads. No, that's not what we put out there. The trailers that are targeted for off-road communities will be FOB Hay River and the communities that will be on the road system, I believe there are eight this time around, will be FOB the communities they are indicated for. The LHOs will be handling the gravel pads, the set-up of tank systems, water, sewer and fuel.

In response to the comment that this is tendered into the South also, as well as the Territories, that's correct. We were directed to bring these units forward in the lowest cost as possible. An open tender would achieve that, in our opinion. We are not leaving any room for preferential treatment.

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

MR. DELOREY: Thank you, Mr. Chairman. Again, I will state that that is a very bold move away from our policies in this government because we are really shunning our northern contractors and people who have worked hard to build a relationship with the Housing Corporation to do things in communities, and there is no doubt that there will come a time where we will be depending on those same contractors to come in and do work for the Housing Corporation because there are issues that could have been looked at as far as working with our northern partners to see what options they had to offer. Did the Housing Corporation do that? Has this been addressed with the construction industry as far as the situation you are in and you want it as cheap as possible, the type of unit you wanted and what could be done? Was there any kind of a survey done? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, we did do a needs survey assessment in the communities that we considered. All communities outside the market communities and the outcome of that initiative was there was a need. There were some communities who indicated that they didn't require it. We did target and allocate the different units to different communities. We did talk to all affected communities as I indicated before. We talked to LHOs, different agencies and we did talk to the Construction Association. The point that Mr. Delorey brings up is something that was voiced to us that maybe we should have taken a little bit more time to consult in terms of ways that we could have allowed the northern

producers or companies to be more involved. The time factor in this case didn't allow us to do it. We are planning to meet with a number of different companies to talk about the options for the next fiscal year, the next round. There is a lot of interest. We know the numbers of tenders that were picked up that there is going to be no shortage of bids. We also know that there are a lot of companies interested in looking at ways to produce these right here in the North. So we are quite excited about that. I have to agree, maybe there could have been a little more done in terms of consultation with producers. However, we did consult with the communities that were going to be affected. We did communicate that and we did take the first opportunity we had after receiving the authority or the permission to go ahead with this initiative. We did use the first opportunity to provide information to the committee. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. Madam Chair, I realize once again that the Minister has an initiative to put as many houses on the ground and there is no denying, I suppose, having consultations with the communities for their needs and getting as many units as they possibly can, they are going to be totally in favour of that. But it was not so very long ago, Madam Chair, that the Minister was on our side and I remember him speaking quite clearly about the lack of consultation when our government decides to do a move like this. I know he wouldn't settle for time constraints and the need to do this right away. I know consultation is a big factor in this thing. I just want to mention that I talked to one contractor who was looking at bidding on the contract we are talking about--the 22 trailers--he said to me that everything included was in the bid, the pad, the skirting, the fully set-up trailer on pads and skirted and it was all part of the contract. Now from what I am hearing from the Minister, that's not the case. I would like to get clarification on that. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. The pads are separate, as I indicated before. It's a separate part of this whole project that will be handled by the LHOs. I believe that was the question.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: So how much is separate from the contract, the pads, the skirting? I would like to know if the contract just called for the units to be FOB the community they were going in and that's all there was to it? That's not the impression I got from one of the contractors who were looking at putting the tender on this. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: That's correct, Madam Chair. The contract is only for the units to be FOB, Hay River if they are going to be on the barge system and also FOB the communities that they are designated to. I just conferred with my officials and they inform me that's how the contract is laid out.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Next on the list I have Mr. Pokiak.

MR. POKIAK: Thank you, Madam Chair. I would like to first talk about the 22 units. He's talking about cost-effectiveness. Have they considered the cost efficiency of using a trailer unit versus stick built? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Pokiak. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Yes, that was the first thing we did look at was the cost-effectiveness and resale value of stick built versus trailers and also the ability for us to charge competitive rents in the different communities. I think the percentage rate was from 25 percent to 35 percent from the North to the South. So we did consider it, but we ruled it out as being a lot more expensive. We didn't think we would be able to be competitive.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Pokiak.

MR. POKIAK: Thank you, Madam Chair. I don't know if that was the question. I am looking in terms of the efficiency of heating with regard to the trailers. I know they make nice trailers nowadays, but I know there is a difference between the two. I am just wondering if that cost was considered. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Pokiak. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, that's correct. Because the units are expected to be full cost recovery, we were looking at northern packages that tend to be more energy efficient. Of course, they will not be as efficient as the stick built units, but we had to take that into consideration as the costs of operations is included in the level of rents that are going to be charged. The rents are intended to have a full cost recovery. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Pokiak.

MR. POKIAK: Thank you, Madam Chair. Going back to his earlier comment, Madam Chair, he talked about band managers, SAOs, et cetera, that may require housing units in the smaller communities. I thought nowadays we are training our own people to be teachers. We do have local SAO people. Although they might not have the capacity to have these people in place, I know what they are looking at in terms of staffing. Looking back at my community of Tuk, a lot of the teachers we have are local. There are a few from the South. Will the 22 units accommodate the whole region or territory? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Pokiak. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, for the Member's information we are not putting any units in the community of Tuktoyaktuk. We did talk to the community. There was an indication that there was no desire to have these units there, so there is none targeted for this year or next year. We did have indications from the other communities. Whether or not 42 units are sufficient to meet the needs, we are starting to get a number of responses from the communities. They are now all aware

of the units that are being targeted for the communities and for the most part, they are saying it's not enough. They need more. There are communities that have sent lists of who in the community, which positions, don't have adequate facilities. We have, by all accounts, reports of people, teachers, staying together having to share accommodations that are run down. There are teachers renting bedrooms off of families. There is a lot of overcrowding taking place across the North. There is a real need out there. We recognize it and we are hearing it from some of the different departments. We have to encourage market development in the communities. This is not the only avenue we are utilizing. We are trying to encourage different corporations and companies in the communities to look at doing their own. We have been successful in some cases. We do provide corporate loan guarantees to companies and some communities have decided to go that route. In some cases, we've provided bridge financing for them to meet winter road deadlines and providing cost-efficient units. We are looking at three-bedroom units and the one community is looking at two-bedroom units. So this is not the only initiative. We are looking at all angles to try to meet the demand. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Pokiak.

MR. POKIAK: Thank you, Madam Chair. I am going to make a few comments with regard to the corporation's goals. I would like to know what the department is doing to educate people who get into the homeownership program. Right now, there are a few people in my constituency who got into this program without any education from the department with regard to the upkeep. What is our department doing to educate homeowners with regard to the upkeep of the units? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Pokiak. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. We are doing a number of things. As the focus is kind of shifting over largely to homeownership as a result of increased employment opportunities across the North, we've always had a counselling component within the LHOs. The tenant relations officers are expected to do counselling. For the most part, the development of the counselling skills has been...We could improve. The positions are mainly given to people with qualifications mostly at the college diploma level. We have provided direction to our officials to look at the appropriate workshops and courses we can provide to our staff, our managers and our tenant relations officers with a focus on financial counselling and life skills. We don't expect our people to become licensed counsellors, but we want them to be able to provide general counselling and basic life skills advice. We plan to also improve our assessment and discussions at the front end with our clients when they come to talk to us. We want to make sure our clients are fully aware of what you are getting into.

We've also incorporated a new program called a supported lease program where there is a period of time where the clients can move into a facility or a house and they're coached in ways of what it would cost in terms of operating a facility and also budgeting. So there is an amount right now to increase that whole aspect. It's important for us. We want to see people moving more towards homeownership. We have direction. We are

taking the Auditor General's report as direction and also direction from the previous Social Programs committee where we have to increase our collections and we have to ensure that all our tenants and all our clients are fully aware of what the rules for public housing, the rules for homeownership are. So that's the focus right now for us. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. On the list for general comments, I still have Ms. Lee, Mr. Delorey, Mr. Hawkins and Mr. Braden, but at this time I am going to suggest we take a break and come back. Thank you.

---SHORT RECESS

CHAIRPERSON (Mrs. Groenewegen): I will call Committee of the Whole back to order. We're on the NWT Housing Corporation, general comments. Next on the list I have Ms. Lee.

MS. LEE: Thank you, Madam Chair. I just wanted to follow up on the questions I had asked earlier of the Minister, but the Minister had answered those questions. However, by the time he answered those questions, my 10 minutes were up, so I just want to follow up on that again.

Madam Chair, I cannot tell you how disappointed I am with this Minister and his answers about some really valid questions that we had asked. I could tell you that not only as the Member for Range Lake but as a committee Chair, this tender for 22 mobile homes and exempting the BIP came as a complete surprise to us. It was suggested to us at the committee meeting as something that was an idea. I have just surveyed committee Members and none of the committee Members thought that this had become as much as a permanent thing or real thing or real happening until we saw the ad. In fact, when I was talking to the Minister about this, I was then told that this was decided by the previous Assembly. So that should tell me that it was already decided, but that was not communicated. I think the evidence is in our committee report on pages when it's speaking about our concerns. In fact, later on we will be making a motion to the effect that we think this thing should be looked into more. So that's one thing.

I think if the Minister wants to have this kind of working relationship with the committee, I'm prepared to act accordingly. I really thought that he had good intentions and goodwill, and that he respected the role of standing committee and the Members of this side in terms of having input and shaping the policy issues. But the way the Minister has...Not only how we came to learn about this thing, which was in the media, then I was trying to give the Minister a chance to explain and his 10 minutes of answer was completely unacceptable. He's saying I went up and down the valley, this is what everybody wants, we have to create houses and this is how we're going to do it. In fact, he even said maybe the Members don't understand. Well I can tell the Minister that I can tell you that there are teachers who have been bunked up in a house on the next street to mine for about the past 10 years now. I don't need the housing Minister telling me that we don't have a housing problem in Yellowknife, and I don't need the housing Minister telling me that this is the only way we're going to solve the housing problem in the Territories, and that is by ordering 22 mobile homes and totally ignoring a government policy. We could just call a

1-800 number to Las Vegas and order 1,000 mobile homes if that's how we want to solve our housing problem.

I am really sick and tired of arguing about the BIP. We have a BIP office. We pay money for people to keep our BIP office. We pay money to have a Web site. We require companies to come and register because it's a government policy. But apparently it's a government policy the government can just ignore. Then you ask the Minister what's the evidence that this was going to cost more money. If the Minister really believes that the only way--the Minister and the Cabinet. I'm putting responsibility on the Cabinet, too--if the Cabinet decides that this is the only way to go, that the BIP costs us too much. For a construction project like the jail they wanted to exempt the BIP and we argued for three years about whether that should be done or not. If the Cabinet decides that the only way we're going to provide housing for the next four years is to get rid of BIP, then they should stand up and say that. Have the balls to do that.

---Interjection

MS. LEE: Well I don't know what else to say. I'm sorry; but you cannot say...Okay, let's say affirmative action. Can we say...Madam Chair, I apologize for the word, but I'm telling you I am tired of this argument.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Ms. Lee. Did you just conclude your remarks? I was just distracted for a minute, trying to discuss with the Clerk your passionate choice of words.

MS. LEE: Madam Chair, I just wanted to take the very first opportunity to apologize and retract. I could not come up with another way of saying it. I'm frankly tired of arguing about the BIP. If the government thinks that this doesn't work, then deal with it, get rid of it, present evidence for it. Don't just say well, we're not going to apply it because this is the only way we're going to have housing in the NWT.

Another thing, Madam Chair. I think I've gone over two issues. One is the kind of relationship the Minister and the corporation is going to have with the Social Programs committee; the second thing is the BIP.

For the Minister to say I think RWED is reviewing this policy and you could ask them; well, I think all the Cabinet Ministers should get a lesson on what it means to have a government policy, and their obligations to follow their own policy. What would we do if the Minister came up and said we don't...Okay, you want to make an exception? You should be able to establish that. You can't just announce it in the newspaper and say we're not going to have this apply. Then when you get asked about it and say this was done by the last Assembly, what kind of avoidance of responsibility is that?

Like I said earlier today, I am really tired of not having any input, or Ministers just going and doing things and making an exception for where it meets their interests, or where it serves their purpose. Then to come back and say well, if you don't support this, you're not supporting the housing policy for the Territories. We had a Member who showed a direct concern about the fact that mobile homes in the NWT may not be the way to go. The Housing Corporation is suggesting now, the Minister is suggesting we're going to get these mobile homes and we're going to sell them to the market. It's going to be cost recovery. Well, we

wanted to know more about that. We have a suggestion in the committee report that suggests that we think there should be more studies done to see if these communities are ready to go onto the open market, because it takes transition. When I asked that question earlier, the Minister said well, you know, I have all the information. So I just think that's showing a complete disrespect for the process here, a complete disrespect for the work of the committees, and I hope that's the last time the Minister does that, because if that's how he wants to work together, then I'm ready to do it that way too and I don't think that's going to get us anywhere. I will just end my statement there. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Ms. Lee. Would the Minister care to respond?

HON. MICHAEL MCLEOD: Madam Chair, in response to the comments by Ms. Lee, again I will be repeating a lot of what I said earlier. We did get our first opportunity to report to the committee. We did have to go to Cabinet to get approval to move forward on this, and we did have to file a number of documents before we received that approval, including a communications plan and an implementation plan. We are also working with some deadlines and time factors on this issue. I guess I have to apologize if the Member feels that we haven't done enough. We took the opportunity and we did meet, we did consult. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. General comments. Next I have Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. I know that the Minister has said that the direction for the Housing Corporation to go ahead with this waiving of the BIP and going to this tender was made in the last government. I would like to know if the Minister can tell me what date the record of decision was made from Cabinet.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, our system doesn't allow us to have access to the records of the decision from previous governments. We do have written direction. I don't know if we are in a position to provide it at this immediate point, but we can certainly find that information and pull it up for the Member. The decision was made in the 14th Assembly and we did have to go back to Cabinet, I think it was in February, to get our communications plan approved and our implementation plan approved.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. It seems to me I heard the Minister say, in answer to Ms. Lee, that he took the first opportunity to come before committee with this decision to waive the BIP on the project. I know that Cabinet was operating for a while after we left, and I would like to know what date Cabinet made the decision to be able to waive the BIP. I think that it's a move away from government policy and I think Members have a right to know when it was made and under what circumstances. We're all part of this government. When we're going to change government policy like that, I think everybody should be involved in it. So I would like to get that date, and I would also like to know, from the Minister, if the

waiving of the BIP is only applicable to this one contract, or does the Housing Corporation now have the ability to put out contracts without applying the BIP in the future. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, we would have to commit to get back to the Member with the actual date of the meeting and when the final decision was made. Also in response to the question that this initiative applies only to these 42 units; that's correct. At this point, it's a one-time request to waive the BIP and we would require further Cabinet approval to go any further than these market units. We are also intending to provide to the Construction Association after this first year, a status report of a number of different tallies that we will be providing in terms of how this whole initiative went. We can also provide that to the Members in the House.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. It seems to me I heard the Minister say 42 units. I think the tender I was referring to was for 22 units. How many more contracts are we going to be seeing coming out if the number is 42, if that's the right number that I heard? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, the contract for this year is for 22 units, and another 20 next year.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. That's all I will say on that for now, but I would like to get the date when that Cabinet decision was made.

I want to move to another area and that is on the 10-year plan that the Minister has talked about. I would like to know when this plan was devised and if there was any involvement of Members in this. Is this supposed to be replacing the harmonization program? Is there any intention of the corporation coming forward with looking at the harmonization program again? How does this program relate to the harmonization program? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, the plan is now I think will be distributed hopefully by next week. There is also something we've been working on internally. It's a document we have been putting together in anticipation of the declining CHMC funding. It is outlining a process that will help us to deal with the reduction in our funding for public housing. Up to now that is how it has been handled, it was done.

The Member had indicated he wanted some information on the harmonization initiative. We had talked about how to handle this issue in consultation with ECE, the income

support division, and it has been decided that we should defer the review on harmonization until some time next fall. We are in the process of looking at potential internal reorganization structures and methods of trying to develop more effectively and efficiently. So in response to the question about harmonization, that's something that we will be announcing to the House that we will be deferring. I think it's information we've already shared with the committee.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: Thank you. One final comment and question. It's on the bottom of page 3 of the Minister's opening remarks, where he talks about a partnership agreement, that this agreement provides communities with new decision-making abilities. Has the department talked to communities and considered turning the money over to communities for their housing allocations for the year, and allowing them to go out and deal wherever they think they could get the best deal, whether it's with local northern contractors, southern contractors? Was that an issue that was pursued? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, I need further clarity. I'm not sure if I caught all that question, whether it's referring to market housing or block funding. Can I ask for clarity on that question?

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. What I'm referring to, Madam Chair, is the 22 units or 42 units, whatever the case may be. The Housing Corporation obviously knows what communities they're going in and how much money they're planning on spending in each community. Has the corporation looked at partnering in their agreement with the communities? Have they considered allowing the communities to do their own tendering for units with the money that they have available from the Housing Corporation, rather than the Housing Corporation making one large contract and providing the units? Was that avenue pursued at all? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. The initiative is based on full cost recovery. Turning over dollars to the community is not something that we would consider full cost recovery. We also have to recognize that there is an economy of scale of bundling these units together and tendering it as one contract.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey, are you finished? Thank you. Next I have Mr. Hawkins. General comments.

MR. HAWKINS: Thank you, Madam Chair. Madam Chair, I guess I would first start off by making a point of saying I would caution the department for getting the trailer business. My concern being in that I truthfully would like to hear more about this program and how we plan to initiate this. I don't want to see the corporation

stuck with a whole whack of trailers, which this could quite possibly lead us into.

There is one point on page 3 that I first want to start my discussion on, and it refers to the 10-year plan and it goes on to the perceptions and attitude and dependency of their clientele. I'm almost positive I heard the Minister refer to the fact that they're going to have their staff offer life skills and advice. I guess my question to the Minister in this regard is, is the Minister willing to take a social work program up in his department? What qualifications will he be endorsing his staff with? What liability will the department be now offering the department and his staff to now offer life skill advice in a social work concept? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, I did indicate earlier that we intend to improve our counselling skills throughout the ranks of the department. It's especially targeted at tenant relations officers and managers. We feel that they should be looking at increasing the skill level of our employees in those positions to better serve the community and deal with the tenants in public housing, and also the potential homeowners and people who apply for homeownership programs to ensure they fully understand the financial aspect of owning your own home, and also to ensure that they recognize the commitment that is going to be entailed with owning a house. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. I guess I'm still a little fuzzy on the area of will these tenant officers be working as social workers, and if we're going to add this new role to them, are we going to qualify them with credentials, and what aspect of liability will the department now be covering itself with offering advice of this nature? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. As I indicated earlier, we are not expecting more than the general counselling for the tenants. We want them to be as well versed in this area as possible. We're not expecting them to be social workers, however they may want to refer and direct some of the tenants to social workers. That will be an option. What we're attempting to do is increase the counselling skill level of our employees.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Hawkins.

MR. HAWKINS: Madam Chair, I will be satisfied with that answer for now, although, of course, like many others, I will probably be watching this issue very closely.

I am going to proceed down the page a little further to an area where we talk about the sale of public housing initiative. To my knowledge, this probably links the discussion, as I see it, when the Minister originally brought this to us it talked about selling public housing to people and getting people who are presently paying a percentage of their income to social housing and loading a house onto

them through a mortgage process. Is that precisely what the Minister is referring to in this statement? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. That's correct. Over the next 10 years, as part of this 10-year plan, anticipating and planning to sell 450 houses to be replaced and building more in the area of multi units, 250 units.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. As I recall, maybe not as passionate as Ms. Lee does, but during committee this issue didn't raise concern with probably mostly myself and several other Members with regard to how we are going to create a position where people are struggling and they are in social housing. Now we are designing a mortgage for them that we have to now carry. As an example I had given at the time and as we talked just in general terms, the new mortgage for these foils would be worth more than their present percentage that they are paying for the social housing. At the time, speaking straight to Ms. Lee's point—not all her points by the way—I want to reference that it seemed quite clear that this initiative, although interesting, still needed a lot of work. It appeared to the committee, as well as myself, that this issue was not clearly ironed out. I am still looking for some information of surety from the Minister on how we are going to implement this program when we presently have people paying 25 percent of their salary and now we are going to bump that up and have them carry a mortgage. Maybe the Minister can enlighten me, as well as the other Members of this House, on that initiative and how they've cleared up the concerns we had earlier in committee. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, we have 2,300 public housing units now in stock. We are planning to sell 450, roughly 45 units a year. I had indicated earlier that we have now a lot more people in the communities that are employed as a result of economic activity. We have people who are living in the units, a lot of them at the high end of the rent scale. Our rent scale is up to 30 percent of their income and many of these people are paying a considerable amount, but for some reason or other, are not willing or are not able to purchase their own unit or qualify for other programs. We are looking at ways to encourage them to purchase the units. At first indication, we have a lot of people who are interested. It may require some assistance for them to approach the banks or work within our financing systems to do so. That's how we anticipate moving forward. Loan guarantees are something we do, internal financing is another tool we have to accomplish this. As Mr. Hawkins has alluded, it's a small percentage of our current stock and we believe it's achievable. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. It still concerns me because 30 percent can be quite high. People who live in social housing, taking a street

perspective, folks in social housing don't make a lot of money. They have heavy burdens and difficult circumstances or, as I say from a street perspective, they wouldn't be in social housing if they didn't have troubles with income and meeting basic obligations. That's why we have a social housing program. I still find this a difficult challenge of interpretation. I caution the Minister proceeding with this program until it's maybe thoroughly thought out or maybe expressed and articulated in a document to all Members of the House. I am uncomfortable with the thought that we have people on the higher end of the rent scale paying 30 percent. The way I see it you probably don't make very much money to be in social housing. I can't imagine a person who is even paying 30 percent in social housing being able to make a normal mortgage payment on top of that. That 30 percent, as I understand it, includes a lot of things to be in that house.

So when will the Minister have a detailed plan on how this will work? When will it come with some examples on the types of people that this will apply to? I am referring to brackets money-wise. I really don't want to see the Housing Corporation back these things, underwrite them, subsidize them and then we put people in a failing position where they have a difficult time making the mortgage payments and then what do we do? The loan gets called on the Housing Corporation and we end up with another Somba K'e Healing Centre, but what happens is we end up with another 450 of these things around the North.

So I really caution the Minister. It's ambitious. I do recognize it's a new initiative. I welcome out-of-the box thinking. I just want it thought out a little more and him to inspire us with his project. Long before he proceeds, I would like to see a formalized plan in front of the House to prove to all Members this isn't going to fail, because I don't want to see the Assembly straddled with another 450 mortgages. If we are looking at that potential trouble, let's just give the houses to the darn people and make sure that they aren't being put into positions or burdens over their head. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Would you like to respond to that, Mr. Minister?

HON. MICHAEL MCLEOD: Yes, Madam Chair, I would like to respond. We do already provide loan guarantees. We have a history of providing loan guarantees for people to access their own homes. We have, to date, provided 44 loan guarantees to people across the North and we have so far had only four defaults. I think that's a good success rate. We have provided a number of corporate loan guarantees and we've had no defaults at all so far. That program is working quite well. We've done 525 EDAP units and out of 525, we've had 18 defaults. So that's not as bleak as the picture the Member is painting. For people to purchase their own units, we need to look at the aspect of homeownership more seriously. The decline of social housing dollars is becoming a real serious factor. The year 2006 will see us really struggling to replace social housing units. We have to decrease our stock. We also have to renew a number of units and we have to look at ways we can do that. With the potential to have no social housing by 2038, I think we will have serious problems. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Ramsay.

MR. RAMSAY: Thank you, Madam Chair. I am going to weigh in on this tender for the 22 units, if I could, Madam Chair. The longer I spend in this Assembly, the more I realize some of the bad decisions the last government made. This one looks to me to be obviously one of those decisions. I do believe that the government of the day, the fellows across from us, have the ability to put the brakes on this tender that is out there. I know in my riding of Kam Lake and elsewhere, Hay River, I know they have manufacturing there. We have a fledgling manufacturing industry here in the Northwest Territories. By waiving the BIP on this, it's not the right thing to do. I think we have to give the manufacturing industry here in the Northwest Territories at least a fighting chance. None of the manufacturers here in the Northwest Territories have the deep pockets necessary to try to get this done the way it's set up today. I know they can be put together either in Hay River or Yellowknife, sent into the communities, finished and at the same time, that would supply some work to the local communities that the units show up in.

I am learning more about this as I go along, but how the government can pick and choose when to waive the BIP and when not to, I agree wholeheartedly with Mr. Delorey on this. Either you have a policy or you don't. Either you support northern manufacturing or you don't. By doing this, it's obvious to me and obvious to the public that the Government of the Northwest Territories does not support the manufacturing industry in the Northwest Territories. Believe me, there are companies here who could do this. They are just not being given the chance, Madam Chair.

I want to ask a question to the Minister, Madam Chair. I am not sure if the Minister can answer this question or the Premier might be able to. How do we put the brakes on this tender and how do we right the decision of the last government if it was a decision of the last government? We still haven't got to that. Mr. Delorey has asked for a date the decision was made to waive the BIP on this and we haven't got that answer yet. So we haven't really come to the conclusion of whether or not the decision was definitely that of the last government. Please, how can we put the brakes on this? How can we get northern manufacturers involved in putting these units into these communities and getting some people to work in the Northwest Territories? To me, it's unfathomable what we are doing here. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Ramsay. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. At this point, if we were not to proceed, we would still be stuck with the issue of not having any accommodation in the market areas in the communities. The question is how do we accommodate it. We've come forward with an initiative that would be able to meet, at least partially, the demands in the communities and the requests of the community members in the smaller non-market communities. Whether this can be stopped, I am sure there is a methodology of bringing this process to a stop. I am not willing to bring that forward at this point. I would have to be convinced that there is a cheaper, better way to do it. There is a demand out there from all the small communities. We are trying to accommodate that. So I don't know if that answers the question, but I would certainly have to indicate to Mr. Ramsay that it's an initiative I support and I would like to see it go forward.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Ramsay.

MR. RAMSAY: Thank you, Madam Chair. I guess that's a decision the government is going to have to make, whether it's more beneficial to save some money in order to get the units into the communities and, in essence, sink what little manufacturing we have in the Northwest Territories. They could surely use some of this work. I know I have a plant in Kam Lake that could handle this job. I wish we could at least buy another week or two on this because these guys are getting cut out of the whole thing. It's just not right. My recommendation to the Premier and to the Minister would be just to put the brakes on this. Let our guys get together and see what they can do. The jobs will stay in the North, the money will stay in the North. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Ramsay. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. The process is open and allows anybody to bid on it who is interested. Mr. Ramsay is quite right, it's a decision whether we will be able to accommodate the desires from the smaller, non-market communities to deal with the issues of people in professional positions or bringing people in to assist with capacity building. Our time frame right now hasn't allowed us to deal with the value-added, built-in-the-North issue. We can certainly consider it, but it has to be a full cost recovery. It has to be affordable rent rates and it has to have a resale value once it hits the community. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Ramsay.

MR. RAMSAY: Thank you, Madam Chair. I heard the Premier across the way mention let them bid on it. To the Premier, put the BIP in there so they can compete. These manufacturers in the Northwest Territories don't have the deep pockets that some of these guys from southern Canada, Alberta and British Columbia that will bid on this tender do. They don't. By waiving the BIP on this, we are cutting them out of the whole process. Put the BIP in, and they will bid on it. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Ramsay. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, the whole idea behind this concept of waiving the BIP was to get the cheapest rates possible. We are not eliminating the people who are interested in providing these units. The process is open. There is a lot of interest. I don't think putting the BIP back into this will serve the purpose we are trying to achieve by removing any potential increased costs. It may put us in a position where we are not able to do this whole thing, it's not something I can say with complete confidence at this point. But I think we have to realize that this is, from our standpoint, the cheapest way to move forward and provide units to the communities.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Ramsay.

MR. RAMSAY: Thank you, Madam Chair. I don't really have anything else to add. I just think we are doing the wrong thing with this. Any chance we get to keep the business in the North and to allow our northern

manufacturers the business and maybe put some jobs in at the community level, I think we have to take that. That's what the communities are crying for. That's what our northern manufacturing sector is crying for, and here we are flying in the face of all of that by waiving the BIP on this. It will go to a southern firm and the northern manufacturing industry will suffer as a result. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Ramsay. I will take that as a comment. I don't anticipate you require the Minister to reiterate his position on this. Next I have Mr. Braden.

MR. BRADEN: Thank you, Madam Chair. I have some comments in a couple of areas. I also do have some remarks on the market housing initiative. Let's start with what one of the longest or biggest issues in front of the Housing Corporation is, and that is the pull out of the Canada Mortgage and Housing Corporation as a strategic partner in housing in the NWT. Our Housing Corporation has indicated that this is the first year of the decline in CMHC's program in the North. It's not going to be until 2038 that it will actually be completed, but we've got a major challenge in front of us, Madam Chair, to find a way around the tens of millions of dollars that the federal contribution is worth to us. It's in this light that when we were talking to the department a few weeks ago going over this review, there were some hopeful signals from Prime Minister Paul Martin that the government was going to get back into social housing and into affordable housing programs across the country. Later on I will be asking the Minister if any of that seems to have materialized in the federal budget. That is our most significant and our most severe challenge in the NWT.

I notice from the department, we always get a statistical review and assessment of what's going on out there, and this society, as we all know, is changing awfully fast, Mr. Chair. I was impressed, but perhaps not positively, with a couple of things. For instance, the average family size in the NWT is shrinking rapidly from an average of 3.8 people to 3.1. When you translate that into a housing situation, if that is a trend, then it tells us if we are housing a growing population in the North but the actual size of the family unit is shrinking, we are going to need more individual units. That trend seems to be very well established.

There is a 20 percent increase, we learned, in the number of core need families since 1999; 20 percent. So our whole social services infrastructure, it would seem, despite the alleged prosperity in our economy, our population is getting poorer. The statistical game has to be looked at very, very carefully. I am learning, Madam Chair, not to draw conclusions or make assumptions about what we need to do in the North. There's always another layer, always another consequence to what is going on. We can't take anything for granted. The urbanization of the North, like the rest of Canada, the Housing Corporation has shown that Yellowknife continues to grow. By 15 years from now, the forecast is that 47 percent of the population of the NWT live here. Right now, 45 percent live here. That is the example, if you will, of all other communities in the NWT. The very small communities seem to be, less of the population is living there than 10 or 20 years ago and even in the moderate communities, the moderately-sized communities fewer people are living there.

The Housing Corporation's stated goal here of helping guiding, compelling people to get off the dependency that's been created for so long has to be the right thing to do. Changing and adapting these dependencies, these value systems, the corporation has indicated a 10-year plan. We haven't seen it yet, so I am not going to get into where that's the way to go, but I guess it tells me one thing, Mr. Chairman. The corporation is suggesting we are going to need to take a long-term view of this kind of transition. I would certainly agree with him there. Accelerating ownership opportunities in the communities has to be part of this.

I think this is where I will give a couple of views on the issue that so many of my colleagues have taken up. I think I am getting a much, much better understanding as a Yellowknife MLA of at least some of the realities in the smallest communities, especially when it comes to enabling our professional frontline social services people to be in those communities and that really comes down to the health care workers and the teachers. So when the Housing Corporation came and told committee about this program, as our report reflects, we were able to give it support, at least in concept and say here is an attempt in a fairly rapid fashion to put housing on the ground in communities and give one more advantage, one more... Let me phrase it this way, try to remove one of the barriers that seems to be there to these professional people living in the smaller communities.

As our report goes on to reflect, I would want to see more of a business case developed for this, at least to make sure that what the Housing Corporation was planning was indeed what the perspective tenants are going to want, are going to need and that the costs are going to be acceptable, affordable for them. Another aspect of the plan that I would really like to see fleshed out is the hope that is expressed by the Housing Corporation that regional aboriginal development corporations are going to buy these units from the Housing Corporation and then we will really see some local and regional ownership imbedded. That will help turn the corner.

We haven't seen any evidence of a survey or an investigation or a market test, Mr. Chair, that gives me confidence that this idea really has legs, that it's going to work. I guess it doesn't surprise me that, as the Minister indicated awhile ago, the corporation is getting lots of calls from communities and agencies that are interested in jumping on board with this. It would seem natural as long as they are using somebody else's money to get housing on the ground in their communities. As my time winds down, I will leave that as a question to the corporation. What kind of assurances can the Minister bring to the House this evening or what are the plans in place to really nail down this idea that this is an idea that will be taken up by the development corporations? This is going to fulfill the goal of achieving local housing ownership. Have you got any more information that will back that up? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pokiak): Thanks, Mr. Braden. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. A number of issues were covered here. I would certainly be glad to provide -- we don't have it here -- the results of our needs survey and some of the assessments in the communities and some of our own documents. We did talk to the communities. I said a couple of times to the

boards, agencies and organizations and they have all expressed concern about the availability of houses. We did an assessment of the rent scales or the potential amounts that we would be charging in the different communities, we did it by community, and we also compared it best-case and worst-case scenario with the BIP applied at a full 15 percent, 10 percent, five percent, and not applied at all. We did contact our district managers and talked to them about our numbers in terms of what our resale value calculations were. We also talked to them about what our expected monthly rent fees would be. They have verified that we are in the market range, and that we are competitive. We have to remember that these do not have a profit margin factored to it. We would be glad to provide that to the Members. I think a lot of the frustration may be this time around on this issue is that we did not have a business planning process, which would have flushed out a lot of this information. We had a short time frame, and it is something I think is causing problems.

Regarding the comments about CMHC housing, this is actually our second year in the declining CMHC scale. Last year we had about \$12,500 reduced. This year we will be seeing an additional \$35,000. In the year 2006-07, for example -- the numbers grow -- we are going to see roughly \$700,000. The numbers vary throughout the process right up until 2038 when we will be reduced down to zero.

The Member is also quite correct in his information in stating that the family sizes are shrinking. There are more singles out in the communities, there are more singles that need accommodation. It is something that we've pointed out as a target group, and we are going to try to accommodate and meet some of the demands by targeting single rental units and single accommodations.

I think the Member has also made some references to the increased core need. We will be tabling our 2004 core need results. I am anticipating that to happen on Monday.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. McLeod. Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chairman. I want to talk about the housing needs in the Sahtu. When I did my campaigning and when I went around on two tours with several of the Ministers, the housing needs in the Sahtu were a high priority. When I am reading the Minister's opening comments, and listening to him, trying to figure out what the process will be, I think the end goal of this whole issue that I would like to see is to instil pride into our people because I know what it is like to live in low-cost housing. I lived in low-cost for a while and when I got out of low-cost housing and built my own home, a lot of pride went into that house. Also, my lack of understanding and my ignorance in how to look after a house, because I have always lived in a house that was provided by the Housing Corporation and it is new for us to get into our own housing.

In the proposed initiatives by the Housing Corporation, I hope they help us out in terms of letting families know what it is like to own a house and be committed to keeping the house. I hope that the initiative goes forward. I am hearing also about the other regions and what it means to them. What I wanted to say to the Housing Corporation is that people in the communities are my first priority, in terms of housing and their needs for housing. How we go

about it, that will be a secondary issue for me, and I always support northern business and if they can do something to keep the business in the North it is a third priority. However, having people in the communities make sure that they have houses, and having houses for the professionals, and homeownerships, and selling some of the private units to our people, we should almost have a program like on TV. On TV they have Trading Places, use a house for a while and you come back and they have fixed up your house, something like that. I have thought about that for a while, but it is probably not going to be in this lifetime.

What I want to say, Mr. Chairman, is that the way that housing has been in the Sahtu is that there are several units in Deline that are sitting empty, and I think a lot of people could use them, but they need the means and the support to get into those units, and I hope housing will help them in this initiative.

The one area that I would like to ask the Minister and his officials about is some of the older people who are considered elders are living in small units, and sometimes they have a hard time managing their houses because of the high cost of fuel, electricity or maintenance. They have a hard time with their pension cheques, and at the end of the day it doesn't leave them much money in terms of buying food or other things that they would like. A lot of their money goes to other costs. I want to ask the Minister, with my ignorance on some of the programs, is that some of the elders are asking for housing in terms of taking care of their homes with the amount of money that they are getting from their pension cheques. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Yakeleya. I would like to remind the Members to engage in conversation outside of the Chamber. Thank you. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Chair. Mr. Chair, the Member has pointed out a number of issues, and we are in agreement with most of the comments that he has made. In the area of housing need in the Sahtu, the need is very great, we recognize that. We will continue to invest in the region, it is one of the regions that needs a lot of attention at this point. We are, within this budget, planning to put in \$4.8 million into his riding to try to offset some of these housing needs. It has gone up from 2002-2003, we were investing \$3.3 million, so we are trying to increase the number of dollars for that riding to be able to deal with the number of housing needs there.

Some communities are better in the Sahtu than others. For example, as the Member has indicated, in Deline there are a number of units that are vacant. They are public housing units. The plan to deal with these units is to renovate them or to ensure that they are up to standard and then sell them. They are units that we feel would be of interest to the private market. However, on the public housing side, there is really no demand for those units at this time because people have moved away and have moved into other types of housing.

I also want to point out to the Member that we are not including in these estimates the potential for loan guarantees and corporate loan guarantees, as those are application-based. It is difficult to assess who will come forward to request this type of support. That is my response. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. McLeod. Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chairman. I would like to say that the sale of rental units, I know there are some people in the Sahtu region that because of the high cost of those rental units, some really good people have a really hard time being motivated to work because it will come off of their cheques. To sell those houses to those people, it may be one way to have some pride and some ownership that they are putting good money down that will go into their houses. At the end of their 20 or 25 years, at least that house will belong to them.

My grandparents lived in one house for a long, long time. They were moved out of a little shack along the river. People in housing, not this government, told them to move into a house, and they moved from their shack into a house and they lived there for a long time. When they both passed away, that house reverted back to the Housing Corporation. It was very hard on our family because we felt that was our Granny's house. If housing could do something in terms of changing that around, that is what people need to look at, some ownership and some pride in their houses. If you could look at a way that you could move those types of units into someone's house and give some pride to our people through homeownership. We had that at one time but it was taken away. Now it is coming back again.

So I guess in terms of the dependency, I lived in a unit for a long time growing up in Tulita in a house that belonged to the Housing Corporation, and when we moved that was it. So the concept of ownership is growing, it is growing in the Sahtu. People have to get away from their dependency. They are finding out what it is like to be on their own and it is instilling pride into people in the Sahtu that there are professionals that are wanting to be in the region, they are looking for housing. We have to give a hand to our people in the communities, and units like that, it still burns me when I walk by that house in my hometown, and see that house that my grandmother and grandfather that sort of raised us and it belongs to the Housing Corporation and somebody else is now in there. Where is my grandmother's house, where is that lot she had? It is torn down and it is gone, there is nothing there for us. I would like to keep pushing this issue in hopes that one day we can have all people in the communities owning their own houses and becoming independent again. We crave that dependency, it is hard on us, and to move away from independence is going to be a tough job. It will be really tough, I know it, I have been there. Hopefully one day in the Sahtu, or wherever, we can have these units built in the Northwest Territories. I would like to see that.

I have always said to support the northern businesses and have these units built in the Northwest Territories, home-grown units. In the Sahtu we drive to Yellowknife because groceries here are cheaper, and cloths are cheaper, stuff is cheaper. It is really expensive in the Sahtu, and I can see the rationale on that, but also I would like to see the business, especially the northern businesses, being supported in our region. I hope that we can work out something like that, that there are some good facilities in the Northwest Territories that we can support these types of units and keep it in the North here. That is my comment to the Minister and his staff, Mr. Chair.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Yakeleya. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Chair. Mr. Chair, the Member has made a number of comments that I certainly agree with. We have to encourage homeownership in the communities. We have to try to look at stimulating a market in the community for rental units. We certainly agree with the concept of trying to encourage independence and homeownership. I think for the large part we can achieve that. We have to now put the tools in place to deal with the support for people that are interested, people that have employment, people that can afford to operate their own homes, to own the building that they are in if it is a public unit. If it just means helping somebody with access to bank financing, because of no credit rating or a poor credit rating, or low wages, it is something that we are totally committed to doing. Achieving independence in the communities by having their own homes is an important thing for families, and we would like to push that whole initiative forward.

The issue regarding Mr. Yakeleya's grandparents is something I can relate to. I've personally seen that firsthand. We have now put into place a new policy to deal with situations where we have long-time tenants of public housing units that are seniors and would like to purchase the house. We have a program in place that would allow them to do so, providing that they can prove that they can handle the operating costs of the unit, it is forgivable. Anybody over 70 we can look at a short term of forgiving the loan over a five-year period. So it is something that the seniors can take pride in, it is something that the seniors will call their own, and something that they can leave for their children or their grandchildren.

I also can relate to the comment about these market units, the intent or the recommendation that we should start looking at having something built in the North. I totally agree with that. I don't believe it is possible to do it this year, but for next year we want to see value-added units built here in the Northwest Territories so we can put a position for it for the committee to look at and talk about. It is something that we will target as part of our review at the end of this year. Once the units are up and set up, we will provide a report and we will also bring it forward to the committee along with what we would recommend on how to approach it for the next year. That is my response to Mr. Yakeleya.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. McLeod. Now I have Mr. Menicoche.

MR. MENICOCHÉ: Thank you very much, Mr. Chair. Just a few comments. I can appreciate the concern the other Members had with regard to the recent market rental housing initiative, which is basically purchasing those units from down south. I have small communities, I have professionals that are in dire need of housing, to further sustain my communities. Today, I can say that I am supportive of that venture despite how it got done. It is addressing an immediate need, so I am in favour of that. When I saw that and I hear about it I said okay, this is something that I was actually going to bring up, but I am glad that it is in place.

The concerns of the other Members, I am going to have to say yes in the 2005 budget session. We are going to have to look at supporting our northern industries. I do

support this initiative. Some of the other things that I would like to address as well is that one of the things of prime importance when it comes to rental of our public housing units, the people are saying where their rent is geared to income and it fluctuates on a monthly basis is just not working for people, because people, like businesses, operate better when their expenses are fixed. With the monthly rates fluctuating because of bonuses, even because of bingo winnings, it just doesn't work for the people in my riding. I know that in the last Assembly there was some discussion about implementing a flat rent scale rate, and that is something I would be supportive of. I was wondering if the Minister could comment on that. Is there a move to address that in this Assembly? Thank you very much.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Menicoche. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, I think the Member for Inuvik Twin Lakes had raised this issue last week regarding the flat rent scale. It is not something we are considering right now. Our social housing program, or public housing program, is based, as the Member has indicated, on the household income, and it does require income verification every month because it does fluctuate. However, we can recognize that people can live with paying their rent at 30 percent of their income, compared to a flat rent scale where it would be based on the number of bedrooms or the number of rooms in the unit, it would not allow us to maintain it on a percentage of household income. In fact, it may cause the rent scale to go over, in excess of what is affordable by the client.

The other issue is that we are also mandated to provide suitable accommodation, which would mean so many bedrooms based on the number of people in the family. Going to a flat rent scale would only allow the people to rent based on what they can afford or what they are willing to pay. It would not require any restrictions, it would allow for many people to be bunked up in small units. It is an issue that we have moved away from. However, we keep all options open. As the declining rent scale causes us to look at what is available out there, we have this concept in mind. At this point we are not intending to move forward.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Mr. McLeod, were you finished?

HON. MICHAEL MCLEOD: Yes.

CHAIRPERSON (Mrs. Groenewegen): Okay. Thank you. Under general comments, I have on my list Mr. Pokiak and Mr. Hawkins, but Mr. Allen has indicated that he would like to say something and he hasn't spoken yet under general comments for the Housing Corporation, so I am going to let Mr. Allen go next. Oh, you are not finished, I'm sorry. Mr. Menicoche, sorry.

MR. MENICOCHÉ: Thank you, Madam Chair. I am happy to hear from the Minister that it is not dead in the water, because I am certainly aware of the rigid structure as with the way the flat rent scale system would work, but, of course, there are always options and there is flexibility, they can improve that system. However, we can address that at another time if the Minister is willing or if the department can really look at it and provide some good options that would be affordable to our people out there.

I have a couple of other quick comments. There has been a lot of concern in my riding with regard to not so much the quantity of homes, but the quality and construction of it. A lot of homes have been built, and for whatever reason they are either incomplete or they require more attention. So what is going on is I know the department has to keep going back in there and doing minor repairs. It is something for the future. I am going to have to say that if the Minister is willing to look at his department and improve the construction monitoring of the homes, I can appreciate the difficulty of people building in the smaller communities, but there must be a way that construction can be monitored so that we don't have structural deficiencies later.

One other thing was, of course, I am sure the Minister is aware, but how do we approach the whole area of units for single people, even single parents? I will just leave that for the Minister to comment on. Thank you very much.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Menicoche, and I do apologize for losing track of myself here. Mr. McLeod.

HON. MICHAEL MCLEOD: Thanks, Madam Chair. Madam Chair, I am not completely sure if the Member is referring to units that were constructed in the recent past. Possibly the units that were allocated a while back that were called the HAP units. There was a requirement for the homeowner to do a portion of the unit themselves in terms of sweat equity. We have a number of units across the North that many people either didn't have the skills to do it, were reluctant to do it, or ignored that requirement, and it has resulted in a number of units that may not be up to standards. The program was around for a number of years, it has been quite some time since we moved away from that program. We now require inspections, but we are finding that there are a lot of units in the communities that are requiring upgrade because of not being maintained well, or not doing the required maintenance, or deferring maintenance, and it is resulting in some damage to their houses. This is something that we are looking at at this point, and it is part of our counselling process that people have to be made aware that they have to look after their units. They won't last if they don't.

In terms of inspections, we've heard the message loud and clear for some time that we have to ensure that the inspectors are doing their job and we will ensure that that happens. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Next on the list I have Mr. Allen.

MR. ALLEN: Thank you, Madam Chair. I wasn't going to comment on the flat rent scale rate, but I kind of got dragged into the debate here, Madam Chair. If you really look at the cost effectiveness of housing in the Northwest Territories you really must look at your pro forma income statement, and talk about the social housing expenditures, and go back down into the financing sources, and talk about your LHO rent recoveries and the revenue. I think it has to be clearly advocated to the Minister and his officials that the decline in actuals on the rent recoveries, that certainly has to allow us, as Members of the Assembly, to point that out. With the number of houses you currently have and based on your rent recoveries based on your rent geared to income, must allow us to advocate to you that you really have to change your philosophy and your

policy. I don't beg to differ. I just want to go back to my Member's statement, Madam Chair, and I talk about having to being able to manage to make the transition from one economy to another. I'm going to leave it at that, because it's going to be an ongoing debate, I am sure, because we bring different philosophies to the table. So that's my philosophical statement.

What interests me even more, Madam Chair, on February 23rd there was a press lease by CMHC saying that finding down payments just got a lot easier. I'm going to refer to points here, because I'm just wondering if the ministry had looked at the number of options that had been announced to try to encourage homeownership through the Canada Mortgage and Housing Corporation to enable many Canadians to move into affordable housing and homeownership. It talks about the down payment, and it says that they may get from any sources, such as...(inaudible)...incentives and borrowed funds, however borrowers will still have to prove their ability to meet their debt requirements in order to qualify for mortgage insurance. The mortgage insurance was raised last fall with the federal Minister, and I am just wondering if he had committed. I recall he made a commitment to cover the mortgage insurance for the Northwest Territories, and I'm just wondering if there was any follow-up to that with the federal counterparts.

Again, I believe that it's worth talking about the principles of economic freedom in the North. I think we need to really look at the investment portfolio, and I'm glad to see that the Minister had spoken about previous attempts to establish buyer/seller markets in the North, not only in tax-based but also non-tax-based communities, and allow the free market to dictate, because I think the individuals, from my analysis of your pro forma income statement, very few people now have the capability of moving to homeownership from the public housing portfolio. That's a concern I think we have from a fiscal perspective.

I'm going to concentrate on two elements here on page 2 of your statement, and that's the continued federal commitment to housing across the Northwest Territories. I'm wondering if you're looking at perhaps using this zero percent down payment as a mechanism to encourage that level of homeownership and homeownership investment. I also refer again on page 2 to your fourth point where you talk about to ensure that developing private housing market in non-market communities. I think that's probably one avenue you may want to address and see if there is a partnership with CMHC to come into invest in those non-market communities. Recognizing you also have some difficulty in trying to improve the markets in small non-tax-based communities, I'm pleased to see that you still have under your mandate and also under your policy and framework that you are promoting the sale of public housing to those who can afford it. I think that's the first step for first-time home buyers. In my many travels, as Tom would know and Jeff would know, it works very well in other jurisdictions in the small rural communities across Canada. So I am pleased to see that you had made reference to this in your comments on page 3.

I'm glad to see that the ongoing work is to make sure that those tenants who have stable employment have the capability of paying and are now intending to move into homeownership.

One area that has been of great concern across the North is the high cost of utilities: home heating and electrical

power. As you know, the temperatures dip below normal and I am of the understanding from my constituents that some of their power bills have jumped 100 percent. On average, last year they say they were paying \$130 a month, for January and February it jumped to \$260. Another issue is the heating fuel. They were saying some of the home heating costs went from an average of \$240 up to about \$454, and that's something we should look at again.

So in the overall context, I'm pleased to see the Minister has addressed several key points to promote homeownership, but on the other hand I think it still remains a question of whether at some point in the next several weeks or months the NWT Housing Corporation will look at other mechanisms to deal with what is really important in the context of their pro forma income statement, and the fact that social housing expenditures continue to rise and the LHO recoveries remain relatively low on a percentage basis. So I will leave that, Madam Chair, as a question I would like the Minister to respond to. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Allen. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, the Member is quite correct; that we have to start looking around for what is available in terms of options, and we have to start seriously looking at ways to increase our revenues if we are planning to maintain our stock.

The flat rent scenario would certainly allow us to increase our revenues as it is based on the number of rooms within the dwelling, and the rent is based on the number of rooms. However, our concern is that it may allow for the increase of the rental payments of rent charged to increase over and above the 30 percent household income threshold that we've set, and it would create a real hardship for the lower income families and the larger families, and it would also cause concern and complications for seniors.

Mr. Allen also referred to the mortgage insurance. There has been no response on this issue. We have had correspondence with the federal Minister, Andy Scott. We have not been able to come to any type of conclusion on this mortgage insurance, we will continue to follow it up. I also agree with Mr. Allen that the market economy should be dealing with a lot of the issues that we are currently facing. However, in the smaller communities when it comes to market units available for rent, the concept of supply and demand is not taking place. We are not seeing a lot of investment in the area of market housing for rental units. We are probably for the most part at zero vacancy for a lot of these communities.

I also believe Mr. Allen referred to the zero down payment program introduced by the CMHC. It's a program that is new. It is not in place yet. It will come into effect April 1st, 2004, and although it's offered by CMHC it is administered through financial institutions such as banks. I don't know if we have a very big part of a very big role in this whole concept. To access a program, a client or an applicant has to deal with a bank or another financial institution. The requirements to obtain this program for a mortgage with no down payment, an applicant must have a number of things. First, they must have a strong credit rating and income sufficient to cover monthly payments. A CMHC

premium of 3.4 percent is added to the mortgage and calculated into the monthly rent. This program is only intended to be used on fixed-rate mortgages because other programs with a variable rate require 10 percent down. So this program is for fixed-rate mortgages and the banks and other financial institutions do have the information. We have, in response to this program, adjusted our EDAP scales to accommodate this program and it will be in place April 1st.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Next on the list I have Mr. Pokiak.

MR. POKIAK: Thank you, Madam Chair. Just a couple of quick comments on a few things here. Earlier, the Minister talked about 44 loan guarantees and 525 EDAP and four defaults and 18 defaults. I'm just wondering, the success rate is very good when you talk in that sense, but can you give me an idea of why there were, in terms of the loan guarantee, four defaults and in terms of the EDAP there were 18 defaults? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Pokiak. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, I'll ask Mr. Anderson to respond to that question.

CHAIRPERSON (Mrs. Groenewegen): Mr. Anderson.

MR. ANDERSON: Thank you, Madam Chair. The Member is correct. We did have four private homeowners in our programs that did default on their loan guarantees. Three of them quit-claimed the units back to the corporation and the other families we're currently in a court proceeding with. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Anderson. Mr. Pokiak.

MR. POKIAK: Thank you, Madam Chair. Can I ask the Minister or his staff through you, Madam Chair, we talked earlier about how you screen all the applicants in order to be so-called homeowners on either program. What happened in this regard in the case of the total of 22, I guess, if you talk both programs? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Pokiak. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, can we get a little further clarity from the Member as to what program he is referring to?

CHAIRPERSON (Mrs. Groenewegen): Thank you. Mr. Pokiak.

MR. POKIAK: Thank you, Madam Chair. I'm talking about the 44 loan guarantees where there were four defaults. I don't know if that's the HAP program or not. You might even have to clarify with me because I don't know what EDAP is about, but I'm talking about it anyway. There are 18 defaults in that regard too. I'm just wondering, can you explain or let us know exactly what happened? Did the corporation do a thorough review or screening of the applicants when they first submitted their names or did they just say, there are four units here, would you like to invest in them or not? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Pokiak. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, I'll refer the question to Mr. Anderson.

CHAIRPERSON (Mrs. Groenewegen): Mr. Anderson.

MR. ANDERSON: Thank you, Madam Chair. The 18 foreclosures that occurred were in the expanded down payment assistance program and that's a program where the corporation provides down payment support to the family and they carry their first mortgage with a lending institution, one of the banks. Of the 500 and some clients that we've served under that program, those 18 foreclosures were done by the banks, not by the Housing Corporation. It was people not making payments on their first mortgage to the bank. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Anderson. Mr. Pokiak.

MR. POKIAK: Thank you, Madam Chair. I'll go on to another one really quickly here. Earlier the Minister talked about seniors eventually owning their units. I'm just wondering through you, Madam Chair, if prior to doing things like that if the corporation will make sure that...It even happens to homeowners, when you think about it. Will the Minister make sure that his staff, even in the distant regions, thoroughly make sure that the Housing Corporation, when they do decide to turn over the units to the seniors at some point in time down the road, that they really understand what they are getting into because again we'll have that problem? I've had some calls in the past back home already where some seniors do own their own units after they were given from the corporation, and they don't understand the maintenance costs and everything like that. They still rely on the local housing associations to take on that responsibility. Will the corporation make sure these seniors are well aware of what's going to happen to them if they do take over their units? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Pokiak. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Madam Chair. Madam Chair, this is part of the targeted area that we wanted to improve. As I mentioned earlier, we want to ensure that our clients and tenants are fully aware of what they would have to be responsible for if they are tenants in our units or entering the homeownership programs. We are planning to upgrade the skills of our staff and ensure that the upfront discussions are clear and understood by the people that are making the requests. The seniors' program is something that has been in place for a few years now. The seniors have to come to us to request the program. We then can advise them as to all the responsibilities. We do have after care for these people. Again, that's something we want to make sure they're aware of. We have maintenance programs they can access to assist them. We have seniors' programs that they could qualify for and failing that, if it's a real emergency, we have emergency programs that they also can access. We have a number of programs. In fact, we have I believe 24 programs out there targeted for different initiatives. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Pokiak, anything further?

MR. POKIAK: Thank you, Madam Chair. Just one quick one here. I'm going to have to jump into this BIP again. I

guess being new to the system, I understand the GNWT does have a BIP in place in terms of contracts and stuff like that. I'm just wondering, in this instance we're talking about...what is it 24, 22 units with the Housing Corporation? I'm just wondering, Madam Chair, how many other times will the Cabinet make decisions without coming to AOC or somebody else to talk about going to open tenders? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Pokiak. I think that Mr. McLeod might be in a difficult position to respond to a question about what the Cabinet might do. He's just one Member of the Cabinet. It's kind of a hypothetical question that might be difficult for the Minister to answer on behalf of the Cabinet. Perhaps when the Department of Executive is up and the Premier is in the chair that would be a good question to pose to him because he's in charge of this. Thank you, Mr. Pokiak. Anything further? Thank you, Mr. Pokiak. On my list for general comments I still have Mr. Hawkins.

MR. HAWKINS: I'm waiting for you to reset the clock, Madam Chair. Madam Chair, I'll probably be very quick. I'm looking for some inspiration from the Minister in regard to his plan to purchase some 42 new market rental units. Will the Housing Corporation be fronting the cost of all these 42 new units before the program starts or are they planning to pre-sell these? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, we are buying these units. They're our units up front. So we are, as you mentioned, fronting the costs.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. Does the department have a plan if people don't buy into these houses or this housing plan? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, we have a number of options if these units are not utilized by tenants who are willing to pay full market rent. However, we don't want to anticipate that to happen. We are quite comfortable that these units will be utilized. We've had a number of communities that have already come forward and indicate that they wish to buy the units all up and down the valley where we're targeting these units to go to. There's a lot of interest, so we're not anticipating being in that situation.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. Well, that does inspire some confidence to see that. How has the Minister engaged the community in this regard?

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. Delorey.

MR. DELOREY: I move we report progress.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. The motion is in order. It's not debatable. We do

have a quorum. All those in favour of the motion? All those opposed? The motion is defeated.

---Defeated

I'll go back to Mr. Hawkins. Oh, the question was already posed. I'm sorry. I'll go back to Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): In response to Mr. Hawkins' questions before I recognize Mr. Delorey.

HON. MICHAEL MCLEOD: Madam Chair, if I may, could I ask Mr. Hawkins to repeat the question?

CHAIRPERSON (Mrs. Groenewegen): Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. I'll just point out I've lost valuable time due to the events that just happened, although I will not ask for it back. I will get straight to the point. Did the Minister engage the community on possible community-driven solutions? Maybe the community wanted the money. Maybe they would create a housing program or they would build houses. A little more engaging. Did the Minister approach the community for their views on this program rather than just buying trailers?

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, no, we did not approach the community in terms of what are the options for engaging them. We did discuss and did a survey of what the needs are. We did discuss with a number of communities the interest level in purchasing these units. In some cases we did talk to communities about providing them with loan guarantees so they could do some of this stuff themselves, but we didn't sit down with the communities to discuss options of how this could be accommodated.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. I notice in your statement you say attracting and retaining much-needed professionals. With the department looking at funding some of these costs -- with the potential of absolutely selling all of these units, of course, but fronting these costs -- did the department consider other alternatives to attracting professionals to these communities, rather than moving trailers to the specific communities and saying that we'll sell them to them at fair market value?

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. I'm wondering if that's within the purview of the Minister of the Housing Corporation what other initiatives were taken to attract professionals to the communities. I don't think that's within the Housing Corporation mandate to recruit and retain teachers and nurses in the community. Would you like to rephrase that question? Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. I appreciate that, rather than just ruling the question out of order. What consultation did the Minister's staff go into in order to decide that this was the best decision through the housing program of attracting and keeping professionals in the

community? What background work was done? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, we needed to respond to a need that was in the communities that was being voiced by Members of the 14th Assembly, members of the communities and community leaders, to provide houses in the communities that professionals could rent. I'm repeating myself again, but we did an assessment of what the cost benefit would be in terms of stick built versus trailers. We looked at the best scenario to put lowest rent possible for the units in place, and we wanted to ensure that these units were competitive when it came to reselling. That's the background work that we've done on these units. Our direction was to provide units in the communities at a competitive rate, resale value and full cost recovery and this is what we intend to do.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. Thank you, Mr. Minister. Mr. Minister, would you supply some of that background initiative work that you took under the ministry's wing of research and supply that to the Social Programs committee so we can see what type of background work and maybe some of the results of that fine research that came up with this solution? Thank you very much, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Hawkins. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, I had already committed to do that for Mr. Braden. We'll commit to that for Mr. Hawkins, also for all the committee.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. It appears that question was already asked. Mr. Hawkins.

MR. HAWKINS: Thank you, Madam Chair. One last question, which is...Actually, you know what? I'll forego it and go with detail. Thank you very much.

CHAIRPERSON (Mrs. Groenewegen): Alright, thank you. The committee is agreed we'll proceed with the detail. If you could refer to page 8-9 under Northwest Territories Housing Corporation, total operations expense, \$53.047 million. Mr. Braden.

Committee Motion 8-15(3): Recommendation For A Market Housing Initiative Survey, Carried

MR. BRADEN: Thank you, Madam Chair. Under this area I would like to make a motion on behalf of the committee. I move that this committee recommends that the Northwest Territories Housing Corporation engage an arm's length organization to conduct a survey on whether the market housing initiative meets the needs of its intended target audience: professionals at the community level. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Braden. The motion has been circulated. The motion is in order. To the motion.

AN HON. MEMBER: Question.

CHAIRPERSON (Mrs. Groenewegen): Question has been called. All those in favour of the motion? All those opposed? Thank you. The motion is carried.

---Carried

Northwest Territories Housing Corporation, total operations expense, \$53.047 million. Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. Just one question for the Minister. Does the Housing Corporation have a market disruption policy and does the Housing Corporation see any market disruption in the awarding of this contract? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, this government has a market disruption policy, and I want to point out to the Member that there is no subsidy to this project. We don't anticipate it to be disruptive, as it's geared towards non-market communities.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Delorey.

MR. DELOREY: Thank you, Madam Chair. Just for clarification, I didn't hear the Minister when he answered whether the Housing Corporation does have a market disruption policy or not.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. I believe that Mr. McLeod did respond that the government has a market disruption policy which I assume he intended includes the Northwest Territories Housing Corporation, but I'll ask Mr. McLeod to confirm that. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, I'll ask the president of the Housing Corporation to respond to that.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Mr. Beaulieu.

MR. BEAULIEU: Thank you, Madam Chair. The Housing Corporation is, at any juncture when we place units or any sort of market units in market communities, very cognizant of the market and have always had a policy not to disrupt the market. I don't think we've had any market disruptions. In this particular initiative, the Housing Corporation has gone into only non-market communities and has not provided any government subsidies that could be viewed as disruptive.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Beaulieu. Mr. Delorey.

MR. DELOREY: Is this contract not being bid on by firms outside of non-market communities, Madam Chair?

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Delorey. Mr. Beaulieu.

MR. BEAULIEU: Thank you, Madam Chair. We anticipate that the bidders would be from non-market communities, that's correct, but the actual project is not going into non-market communities. I'm sorry, not going into market communities.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Beaulieu. Northwest Territories Housing Corporation, total operations expense, \$53.047 million.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. Corporate summary is an information item on page 8-11.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Information item, page 8-13, executive.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Policy, programs and informatics, information item.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Finance and administration, information item.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Debt repayment, information item.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. Information item, human resources.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Operations, information item.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): That goes on page 8-25 through to 8-26. District operations, information item.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Capital acquisition plan, information item.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. Contributions to local housing organizations.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. Active positions, information item.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. Lease commitments infrastructure.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. Pro forma income statement, information item. Mr. Braden.

MR. BRADEN: Thank you, Madam Chair. I didn't know exactly where to ask this question, but I'll try it here because it has something to do with financing and income. In his opening remarks the Minister made reference to sale of public housing initiative in which the corporation says it will have to sell public housing that is more costly to operate, such as fully-detached units, and replace them with more energy efficient multi-units. I'm wondering if the Minister could briefly give us a little more detail of how many units are out there, what kind of potential sale we're talking about and, perhaps in reference to or to reflect what my colleague Mr. Delorey was asking, are we putting a lot of units out there? Are we potentially looking at any concern with market disruption? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Braden. Mr. McLeod.

HON. MICHAEL MCLEOD: Madam Chair, as part of our 10-year plan, we're planning to target 450 public housing units to go up for sale. We're not anticipating to breach the market disruption policy. We do sell those units already. We do sell them in the market communities, as well. In that case we don't see it as...Maybe, Madam Chair, I'll ask Mr. Beaulieu to expand on those comments.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Beaulieu.

MR. BEAULIEU: Thank you, Madam Chair. When we sell units anywhere, whether they be in market communities or non-market communities, the corporation does protect the market. In situations where there are high subsidies, the market is protected with a second mortgage. So the individual cannot get a unit from the corporation even if the actual payments are highly subsidized. There's a second mortgage in place that will prevent the individual from flipping the unit from much under the market price.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Beaulieu. Mr. Braden.

MR. BRADEN: Thank you, Madam Chair. Four hundred and fifty units. That's quite a quantity. Did I hear the Minister say this was over 10 years and are there any sort of criteria as to how many units a year will be let out or where they will be let out? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Braden. Mr. McLeod.

HON. MICHAEL MCLEOD: That's correct, Madam Chair. We are looking at 450 units over a 10-year period at a rate of approximately 45 units per year.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Pro forma income statement, information item.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. Back now, please, to page 8-7, Northwest Territories Housing Corporation, department summary, total operations expense, \$53.047 million.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. Does the committee agree that this concludes the

consideration of the Northwest Territories Housing Corporation main estimates?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. I'll now rise and report progress.

MR. SPEAKER: Can I have the report of Committee of the Whole? Mrs. Groenewegen.

ITEM 21: REPORT OF COMMITTEE OF THE WHOLE

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 1, Appropriation Act, 2004-2005, Committee Report 2-15(3), and Committee Report 3-15(3) and would like to report progress with one motion being adopted. Mr. Speaker, I move that the report of Committee of the Whole be concurred with. Thank you, Mr. Speaker.

MR. SPEAKER: Is there a seconder to the motion? Mr. Allen.

AN HON. MEMBER: Question.

MR. SPEAKER: Question has been called. All those in favour? All those opposed? The motion is carried.

---Carried

Item 22, third reading of Bills. Mr. Clerk, orders of the day.

ITEM 23: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Mercer): Mr. Speaker, there will be a meeting of the Accountability and Oversight committee tomorrow at 8:30 a.m.

Orders of the day for Friday, March 26th:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Oral Questions
7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address
10. Petitions
11. Reports of Standing and Special Committees
12. Reports of Committees on the Review of Bills
13. Tabling of Documents
14. Notices of Motion

15. Notices of Motion for First Reading of Bills

16. Motions

17. First Reading of Bills

18. Second Reading of Bills

19. Consideration in Committee of the Whole of Bills and Other Matters

- Bill 1, Appropriation Act, 2004-2005

- Bill 4, Supplementary Appropriation Act, No. 3, 2003-2004

- Committee Report 1-15(3), Standing Committee on Accountability and Oversight Report on the Review of the Draft 2004-2005 Main Estimates

- Committee Report 2-15(3), Standing Committee on Social Programs Report on the Review of the Draft 2004-2005 Main Estimates

- Committee Report 3-15(3), Standing Committee on Governance and Economic Development Report on the Review of the Draft 2004-2005 Main Estimates

20. Report of Committee of the Whole

21. Third Reading of Bills

22. Report of Committee of the Whole

MR. SPEAKER: This House stands adjourned until Friday, March 26, 2004, at 10:00 a.m.

---ADJOURNMENT

The House adjourned at 9:25 p.m.

