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The Honourable Tony Whitford, Speaker

Legislative Assembly of the Northwest Territories

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YELLOWKNIFE, NORTHWEST TERRITORIES**Friday, February 28, 2003****Members Present**

Honourable Roger Allen, Mr. Bell, Mr. Braden, Mr. Delorey, Mr. Dent, Mrs. Groenewegen, Honourable Joe Handley, Honourable Stephen Kakfwi, Mr. Krutko, Mr. Lafferty, Ms. Lee, Mr. McLeod, Honourable Michael Miltenberger, Honourable Jake Ootes, Mr. Roland, Honourable Vince Steen

ITEM 1: PRAYER

-- Prayer

DEPUTY SPEAKER (Mr. Krutko): Thank you. Item 2, Ministers' statements. Mr. Miltenberger.

ITEM 2: MINISTERS' STATEMENTS**Minister's Statement 26-14(6): 2003 Social Work Week**

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Speaker, next week is NWT Social Work Week. Today I rise to recognize the valuable contribution of social workers to children, families and communities in the NWT.

Mr. Speaker, the strength and wellness of a community is most clearly reflected in the care and concern it places on the most vulnerable of its residents. The practice of social work in the NWT reinforces this premise as the profession is dedicated to building community connections and family supports that ensure our most vulnerable individuals, including children, seniors, persons with disabilities and people in crisis, have safe, respectful and nurturing environments.

The social work profession is as diverse as the people who fill the positions. Social workers bring their strengths, their skills, their education and their life experiences to their work. In addition to child protection services, social workers provide services in a variety of specialty areas including:

- community corrections;
- community development;
- addictions services;
- seniors and disabilities services;
- mental health services;
- adoption services;
- family counselling; and,
- crisis intervention counselling.

As you can see, the social work profession offers much to the well-being of our communities and to the NWT society as a whole. The profession, particularly here in the NWT, is all about working with communities in partnership with other frontline

professionals and support workers. This partnership is key to building on family and community strengths in a proactive manner and to providing the necessary supports during times of crisis or need.

The Department of Health and Social Services has a leadership role to promote and nurture the profession of social work within the health and social services system. As Members know, Mr. Speaker, the department continues to work in partnership with health and social services authorities to implement an action plan that responds to recommendations of the child and family services review done in May 2000. Our accomplishments include:

- providing funding for social workers to access professional development;
- increasing the number of social workers in the GNWT workforce by 20 positions in the past two years;
- creating a new mentorship program for the social work profession;
- improving the electronic information system that social workers use to deliver child and family services;
- developing system-wide standards of practice as well as guidelines of best practices;
- supporting the development of a territorial Foster Parent Association; and,
- supporting non-government organizations to provide services and to advocate for community members.

I am also pleased to announce, Mr. Speaker, some new resources that are being released as part of Social Work Week. The department partnered with the Association of Social Workers in Northern Canada and Aurora College to develop career booklets, an interactive CD and a toolkit to market the profession of social work in the NWT.

These resources are being highlighted during the social work conference and AGM that's being held today and this weekend.

Mr. Speaker, this year's theme for Social Work Week is aptly titled "Social Work - Leaders for Social Change." Join me in recognizing social workers throughout the NWT who bring positive social change to NWT families and communities every day. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Item 2, Ministers' statements. Item 3, Members' statements. Ms. Lee.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On Koinonia Christian School in Yellowknife

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I recently had a chance to visit the staff and students of Koinonia Christian School in Yellowknife and I invited them to visit our Legislature and I am pleased to see them with us today. In their honour, I would like to say a few words about this unique school.

Koinonia opened its doors in August 1996, only weeks after legislation allowing for its development became law. The founders of the school were seeking alternate Christian-based education for their children. From those small beginnings of six students to a high of 28 in 1998, the school has continued in Yellowknife. This year, the school has 12 full-time students in grades 1 to 8. The school's motto is excellence in education, excellence in living, excellence in service. Their goal is to educate children in a way that emphasizes the need to do their very best in what they pursue, in the adults they grow to be and in their service to the community and country.

Mr. Speaker, it is obvious that the staff and students at that school take that motto seriously judging from some of the activities the school has taken part in. In 1998, and again in 2002, students from the school have won the Heritage Day contest and they have represented their school in the NWT at Canada Day celebrations in Ottawa. Almost without exception since 1996, the students have won or placed at various levels of the Royal Canadian Legion Remembrance Day Contest. Most recently students were involved in the Queen's Jubilee Commemorative Book presented to Her Majesty in 2002.

Mr. Speaker, this unique school also attempts to stay on the cutting edge of education delivery. This year, it embarked upon a new pilot project in virtual education. Students in grade 6 and 8 participated in some of the traditional classroom programs and received their major instruction on-line through North Star Academy Canada online programs. Although supervised in-house, teachers based out of Alberta are available to students on-line at any time. Recently, North Star Academy Canada has signed an agreement for a pilot project with the Alberta Distance Learning Centre whereby that centre is contracting with the academy to deliver its Christian alternative program for grades 11 to 12. If this pilot project proves successful, the centre will contract the academy in the coming years to deliver grades 6 to 12 Christian alternative programs as well as other grades as they are developed. Mr. Speaker, may I seek unanimous consent to continue?

DEPUTY SPEAKER: The Member is seeking unanimous consent. Do I hear any nays? You have unanimous consent.

MS. LEE: Thank you, Mr. Speaker. Thank you, colleagues. Mr. Speaker, the school staff comes to the school not merely

as employees seeking employment, but as people who feel that teaching at Koinonia is their calling. Their investment shows in their children, in the quality of education that is provided and the spirit in the classroom.

The students at the school come from a mixture of ethnic backgrounds, aboriginal and non-aboriginal. Currently, the school is looking to acquire property in which to place the portable classrooms obtained through government tender 18 months ago. Also, this is a high priority for the school to go and develop and they need to have a permanent home. They have been operating out of a classroom in Mildred Hall School. I know this is how Ecole Allain St-Cyr had its beginning and we now know that dreams like this do come true with dedication, commitment and perseverance.

Mr. Speaker, I applaud the work the staff and students of the school have been doing and I ask my colleagues to wish them continued success in the future. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Item 3, Members' statements. Member for Inuvik Boot Lake, Mr. Roland.

Member's Statement On Increasing Cost of Electrical Power

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I rise today to speak about an issue that affects our constituents right in their pocketbooks. Mr. Speaker, the cost of getting electricity pumped into people's houses has continued to grow throughout the Territories and I refer specifically to my constituency. Mr. Speaker, just over the Christmas break and into the new year, I was contacted by a number of concerned constituents and businesses in the community about the increased power bills they were starting to receive. There was a short-fall rate rider that showed up on their bills plus a demand charge that was there and bumped the power cost significantly in my constituency. I raised this issue with the Minister responsible for the Power Corporation and I have to thank him for getting back to me with some information.

Mr. Speaker, I am still concerned with the increased cost of power in my community. For example, right now for residential use in Inuvik, 38 cents per kilowatt hour and on top of that, the monthly service charge and if you're a general user, there is another demand charge. Mr. Speaker, when the community of Inuvik switched over its generators to gas turbines, there was talk of saving money because the big cost of providing for fuel for those generators would drop significantly from that of the bunker C fuel they were using prior. Mr. Speaker, we were told at that time that there would probably be no reduction in cost because we had to pay for the cost of replacing the old generators with the new ones. Mr. Speaker, in the information provided it says, through those gas turbines, we've probably lowered the cost of service in Inuvik by 15 percent.

So, Mr. Speaker, even though we were told we are saving money and it is costing less to generate that power, residents of Inuvik are finding they are having to pay more for the same service. So, I will be asking the Minister which is it? Are we

actually saving money and, if so, why isn't that being passed on to the customers? Thank you.

---Applause

DEPUTY SPEAKER: Members' statements. Member for Hay River North, Mr. Delorey.

Member's Statement On Celebrating The 24th Annual Science Fair

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, as this is Education Week throughout the Northwest Territories, I thought I would keep with that theme and bring acknowledgement to a wonderful event held this past Tuesday in Hay River. Mr. Speaker, I am referring to the 24th Annual Hay River Science Fair. This science fair is an event that attracted science projects from 80 students from four Hay River schools. The Hay River Science Fair is an annual event that has always been eagerly anticipated by a number of budding Einsteins in Hay River for many years.

Mr. Speaker, the format for the science fair this year was a little different from past years in that students' participation was not mandatory. The fact that 80 students chose to participate in the science fair was fantastic, Mr. Speaker, and the organizers' hope is to reach a participation rate of 100 students for next year. This is so encouraging, that our young people are choosing to enter their science projects in an event like the science fair when there is no pressure to do so.

Mr. Speaker, I would like to take this opportunity to thank the organizer of the Hay River Science Fair, the assistant principal of Princess Alexandra School, Mr. Chuck Lirette and the many volunteers that commit countless hours to the success of the science fair in Hay River. The names of the winners are too numerous to mention here, Mr. Speaker, but I would like to sincerely congratulate all the participants in the 24th Annual Science Fair in Hay River. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Members' statements. Member for Hay River South, Mrs. Groenewegen.

Member's Statement On Changing The Way Government Does Business In The Beaufort-Delta

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, yesterday I started to give a rather lengthy statement and I decided not to conclude it. So I would just like to recap a little bit of what I was trying to say. A number of weeks back, this government signed an MOU with the Gwich'in and, at the same time, announced the appointment of a regional director for the Beaufort-Delta. In these two items, which were perceived as changes in the way this government does business, in my statement yesterday, I was trying to say that we shouldn't be surprised by that because we've been on a long continuum of political evolution, and these things should make sense.

So, when I conclude my statement today, I would just like to speak to those issues again and just try to bridge the gap, I guess, to show that it really isn't that big of a change but with proper communication, people would see that and not be alarmed by them. So, Mr. Speaker, I will just continue with my statement.

We are all here to do a job. Leaders of the community at regional levels are also trying to do a similar job serving the people that they represent. Sometimes we need to think about how these functions can be accomplished in an efficient and transparent way that ensures the decisions are responsive to the needs of the people. I don't think we should turn it into a turf war or contest that leaves some people feeling that the effectiveness of their input might somehow be less important or threatened.

With respect to the contracting portion of the MOU, again this government has a fairly long standing precedent of negotiating contracts. It's maybe not as pure a form of economics as supply and demand and let the market dictate the price but, in the past, if there were arguable benefits, such as promoting economy and commerce in smaller communities and regions and there was political support and it wasn't going to bring a project in at a significantly higher price, negotiated contracts were employed as a means of accomplishing a goal. The MOU may formalize and articulate that concept but it certainly cannot be argued as being new or foreign to this government's way of doing business.

As for the hiring of the new regional director, in consultation with various governments that need to serve a cohesive way in the Beaufort-Delta, again this government has a longstanding practice of using public service employment as a means of achieving a goal. It's been called the Affirmative Action Policy and direct appointments. It has caused its share of concern because, again, it's probably not as pure and as objective as hiring the most qualified person. However, it has been a policy of this government and, in many instances, it has achieved what it set out to accomplish. Our public service has become more representative of the people it serves, so it is not a huge leap from selecting and approving affirmative action candidates or direct appointing senior officials for government positions to consulting with aboriginal government on who they think could best serve at a senior level of government to fulfill a particular mandate. Mr. Speaker, I am really almost finished. I would like to seek unanimous consent to conclude my statement, please.

DEPUTY SPEAKER: The Member is seeking unanimous consent. Are there any nays? You have unanimous consent, Mrs. Groenewegen.

MRS. GROENEWEGEN: Thank you, Mr. Speaker and thank you colleagues. I would like to refer to that kind of consultation as the politics of inclusion and yet, when these items became public knowledge several weeks back, there was little if any attempt to explain what was happening and put them in context of where we've been or where we are going. Granted, it is everyone or anyone's right to disagree or argue about any government policy or direction and even seek to change it if they have a better idea. But, in fairness to the people who are often left to speculate or draw their own conclusion about what this government is up to, I would like to see a more proactive effort in communicating broad strategic directions by this

government. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Members' statements. Member for Nunakput, Mr. Steen.

Member's Statement On Tribute To Wise Women Award Winner, The Late Lena Anikina

HON. VINCE STEEN: Thank you, Mr. Speaker and good morning. Mr. Speaker, on February 26, 2003, the Northwest Territories Status of Women Council announced the winners of the Wise Woman Awards for 2003. Mrs. Lena Anikina, late of Tuktoyaktuk, was selected for the Beaufort-Delta region. Mr. Speaker, Lena was a highly respected and knowledgeable elder in her community of Tuktoyaktuk, who dedicated her time to the preservation of her culture and the Inuvialuit way of life. She assisted with translation of oral history documentation, traditional place names and assisted with the Inuvialuit dictionary as well. Mr. Speaker, Lena will be dearly missed by her family, friends and relatives. She passed away on February 15, 2003 but will always be remembered as a kind, gentle and wise woman. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Thank you, Mr. Steen. Members' statements. Member for Great Slave, Mr. Braden.

Member's Statement On Education Week Job Shadowing At Mildred Hall School

MR. BRADEN: Thank you, Mr. Speaker. Today marks the last day of Education Week in the NWT and earlier this month, I accepted an invitation from the NWT Teacher's Association to job shadow. I had the good fortune to spend the day with the principal of Mildred Hall School, here in Yellowknife, Adrien Amirault. Working that day with Mr. Amirault and his vice-principal DiAnn Blesse, a Dene teacher with a master in education, I found that they lead a very strong team of teachers and classroom assistants and administrators in a school of about 300.

I certainly found that the school environment has changed a lot since I went to school here in Yellowknife in the 60's and 70's, Mr. Speaker.

One of the things that's really changing, especially in Yellowknife schools, is the turnover. This school, even though it has a relatively small population compared to other schools, has a very high turnover. There is a turnover of 100 percent in the school population. This does not mean that all the kids are changing every year, but there is a small number of students who are turning over many times within the year. This is driven by people who have to come to Yellowknife and are perhaps taking courses at Aurora College or they are here for medical reasons and need to bring their families along.

So this is one of the things that's making conditions in that school very dynamic and quite complex for the teachers and the students who are there.

I found, too, Mr. Speaker, that these schools are assuming a far greater role in the daily lives of the students and the families, doing things that range from serving breakfast to a much, much broader curriculum and sports program and also trying to make the best of the policy of inclusion that this government is adopting which I believe is the right one. It certainly does make for a lot of changes in dynamics in the classroom.

The school is an old one, Mr. Speaker, and is one that I am very thankful is up for renovation over the next couple of years. This is something that means a lot.

I wanted to acknowledge the good work of the people of Mildred Hall School, of the invitation I got to job shadow and wish them all the luck in the coming school year. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Item 3, Members' statements. The Member for Frame Lake, Mr. Dent.

Member's Statement On Adequacy Of Student Support Funding For Special Needs

MR. DENT: Thank you, Mr. Speaker. Being Education Week, I thought I would speak about a topic that I have spoken about many times in this House relating to education, and that is the adequacy of student support funding.

Mr. Speaker, I recently had the opportunity to review the latest Towards Excellence report put together by the Department of Education, Culture and Employment. In it, I read some fairly disturbing statistics.

Mr. Speaker, we are still failing far too many children with special needs. The report reads that of the 9,619 students for whom data were collected, teachers reported that 47 percent or 4,487 needed one or more supports. However, 26 percent, or more than 1,000 of all students who needed some type or level of additional support, were not receiving any support or service beyond that provided to students as part of the regular classroom program.

Mr. Speaker, of the number of students needing specific supports, roughly 10 percent of them were falling through the cracks and receiving no support. Ten percent of all the students who need support aren't getting anything.

Mr. Speaker, in assessing the adequacy and effectiveness of the supports provided to children with behavioral issues, those requiring the most time, energy and resources to support, almost 2,872 were identified. Eighty-one percent were identified as not receiving enough help. Only 13 percent are seeing substantial progress and more than 40 percent are seeing very little.

Since we have a higher proportion of students in need of special supports in the Northwest Territories, shouldn't we increase the funding to allow those special supports to happen?

Mr. Speaker, we know that inclusive schooling is the right policy, but for it to work we need to give adequate support to the teachers to make it work. We've increased our student support funding to 15 percent. Mr. Speaker, some southern jurisdictions claim they offer 24 to 25 percent of their total funding to student support.

Mr. Speaker, the U.S. is embarked on an initiative which is called No Child Left Behind. I think we have to take that phrase to heart ourselves. Mr. Speaker, I urge the government to continue finding ways to increase the funding for special supports and special needs to give all kids in the NWT a fighting chance to be the best that they can be. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Item 3, Members' statements. Member for North Slave, Mr. Lafferty.

Member's Statement Of Condolence To The Whitford Family

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, today I would like to extend my sincere condolences to the family of Elaine Whitford. Elaine passed away early Sunday morning.

Since that time, I have received many calls from my constituents within the Dogrib region who have conveyed their great sympathy for the family at this time. Tony and Elaine Whitford are well-known among the Dogrib people. During her work with the territorial and federal government, I am sure Elaine had input into some of the good things that are happening in the Territories. Our thoughts and prayers continue to be with the family at this time. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Item 3, Members' statements. The honourable Member for Yellowknife South, Mr. Bell.

Member's Statement On Recognition Of BHP Billiton's Literacy Program

MR. BELL: Thank you, Mr. Speaker. As a couple of my colleagues have indicated, it is Education Week and we tend to think of youth when we think of Education Week, but I wanted to take this opportunity to highlight the efforts of BHP Billiton in dealing with literacy issues and challenges in the workplace.

We know that literacy is an obstacle for many Northerners looking to gain meaningful employment. BHP, on opening their mine, recognized that there were significantly lower levels of literacy in the North and 20 to 25 percent of their workforce were struggling somewhat with literacy and they decided, Mr. Speaker, to do something about that.

The program that they have embarked upon allows -- and I think this is very key --- employees to receive paid work release time to attend learning sessions. It's one thing, Mr. Speaker, to offer it on an employee's down time or off time and if they are so inclined, to ask them to attend, but they actually give people time off in order to study and work. I think that's very important.

BHP recognized when they were setting this up, Mr. Speaker, that it was going to be a win/win. They knew that the program would help their employees to improve their self-esteem and it certainly would help them make the transition into trades, and that's critical if we are going to get our northern people up into the more meaningful levels of employment and the more lucrative types of employment, Mr. Speaker. Success in trades and certification in trades does, in large part, require significant levels of literacy.

Mr. Speaker, of course, there is always some self-interest in industry and they knew that for their company, it was certainly going to mean a safer and more productive workplace and it would improve communication within all levels of the organization, Mr. Speaker, and productivity would also be on the rise. It would also allow them to continue to hire a northern work force from all of our northern communities and this is something that they have made a large commitment to do.

So after sitting down and discussing their program with BHP officials, I decided to nominate them for an award sponsored by the Conference Board of Canada. They have something called Excellence in Workplace Literacy. I nominated them for this award. I hope they are successful. I know they have been to many industry forums to talk to other people in industries about best practices and I think they are really doing some good work and I hope my colleagues will join me in thanking them for that good work. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Item 3, Members' statements. Member for Deh Cho, Mr. McLeod.

Member's Statement On Public Housing Policies In Nunavut

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, the public housing rent scale has been an issue that's been on the books since the 13th Assembly and was carried over to the 14th Assembly. It's a very complicated one and I have spoken many times on this issue regarding my concerns over the harmonization policy. I have taken an opportunity to look at other jurisdictions and I was quite impressed with the Government of Nunavut. The Minister has taken the approach there that they have to find an appropriate solution to reflect their unique circumstances. I wanted today, for the record, to read out some of the improvements that are going to be implemented by the Government of Nunavut to deal with public housing.

One of the changes is to change their monthly assessment to yearly household income assessments. This allows tenants an adequate time to adjust their budget for rent impacts due to wage increases. The tenants are also allowed to continue to request rent reductions if their income falls during the course of the year. That income will also be assessed on net household income, not the current practice of gross income.

Income support clients will no longer be assessed a flat rate of \$32. They will be assessed using the same formula as all other tenants. This change is in cooperation with the Department of Education, income support division, to ensure the method of

assessment will not adversely affect other benefits income support clients receive.

Minimum and maximum rent has been modified to reflect community costs. They also allow for a deduction from the base rent to be introduced for the condition of the unit, for overcrowding and community-specific cost of living.

The seniors, the students and youth have been identified as having special needs and there will be a cap on the income assessment for youth up to the age of 25 years old who are not living in their own unit. This maximum assessment allows youth to contribute to the household rent while allowing them to save on their wages.

This change also addresses the disincentive to work issue that is targeted to seasonal employment as youth begin to participate in the workforce. Mr. Speaker, the students will continue to live rent free while at full-time attendance at school and the seniors in core need will also continue to live rent free.

Mr. Speaker, we also must work together to find an appropriate solution that meets our unique northern and aboriginal circumstances of the Northwest Territories when it comes to housing our own residents. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Item 3, Member's statements. Item 4, returns to oral questions. The Minister of Health and Social Services, Mr. Miltenberger.

ITEM 4: RETURNS TO ORAL QUESTIONS

Return To Question 43-14(6): GNWT Share Of Medical Travel Co-Payments

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I have a return to oral question asked by Mr. Delorey on February 18, 2003, regarding the GNWT's share of medical travel co-payments.

During the 2001-2002 fiscal year, the department spent a total of \$8,964,218 on medical travel.

In addition, a total of \$1,635,050 was spent in medical travel co-payments. This included: \$1,265,697 from federal non-insured health benefits; \$186,068 from NWT extended health benefits; \$22,008 from NWT Metis health benefits; \$20,781 from indigent health benefits; and, \$140,496 in payments made by individuals, many of whom would have been reimbursed by their employers or insurance companies.

In addition to these amounts under the medical travel assistance program, the Government of the Northwest Territories pays the total cost of medical travel for its employees, including those in casual employment. As reported in the 2001 public services annual report, this represented an expenditure of \$1.93 million for the 2001 calendar year. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. Ms. Lee.

ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, we have an entire class of students and staff in the gallery from Koinonia School and I would like to recognize them one by one. If I could ask each student to rise when their name is called: Lydia Rabesca; Layah Rabesca; Chris McIntosh; Nadia Wilson; Nathan Rabesca; Carl McIntosh; Liam Cameron; Dawn McIntosh; Devon Alooooloo; Michael Fowler; Ariel Laycock; Joanne Matthews; and, staff Gordon Johnston and Ms. Morena Feenstra. Also, my constituency assistant is up there, Darren Campbell. Thank you.

---Applause

DEPUTY SPEAKER: Welcome to the Legislature. Item 5, recognition of visitors in the gallery. Member for Hay River North, Mr. Delorey.

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, today I would like to recognize my constituency assistant Ms. Deb Pottle in the gallery. She's been over here working to help me out for a couple of weeks. Thanks for coming over and welcome to the Legislature.

DEPUTY SPEAKER: Welcome to the Legislature. Item 5, recognition of visitors in the gallery. Item 6, oral questions. Mrs. Groenewegen.

ITEM 6: ORAL QUESTIONS

Question 119-14(6): Harmonization Strategy's Graduated Rent Scale

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, during yesterday's question period, Minister Ootes answered a question asked by Mr. Bell and he stated that the graduated rent scale and cap on rent changes under the government's harmonization initiative would apply to all individuals. Mr. Speaker, this is not reconcilable with information that was received by Members through briefings and pamphlets. I would like to ask the Minister today if he could explain this apparent shift in policy. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Education, Culture and Employment.

Return To Question 119-14(6): Harmonization Strategy's Graduated Rent Scale

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, it isn't a shift in policy. I inadvertently stated that the graduated rent scale used under the GNWT's harmonization initiative would apply to all individuals. In fact, Mr. Speaker, the cap and the grandfathering provisions apply only to seniors and students who are currently in the housing units. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Item 6, oral questions. Mr. Bell.

Question 120-14(6): Accelerated Remission Of Student Financial Assistance

MR. BELL: Thank you, Mr. Speaker. This question is also for the Minister of Education, Culture and Employment and stems from a response given to Mr. Dent in committee of the whole on student financial assistance accelerated remission rates. We understood that there was going to be accelerated remission for nursing and social work students. The staff at ECE have indicated that that's not the case but, curiously, they suggested that the remission on that will be the same as it is for student financial assistance students. If they are in large tax-based communities, it will be \$1,000 for every three months and if they are in non-tax-based communities, it will be \$2,000 for every three months. I wasn't aware that there was a difference in remission rates between tax-based and non-tax-based communities. Could the Minister clarify?

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Return To Question 120-14(6): Accelerated Remission Of Student Financial Assistance

HON. JAKE OOTES: Thank you, Mr. Speaker. The intent behind that is to ensure that we continue to attract individuals to the small communities, to the non-tax-based communities where there is a need for social workers and health workers, Mr. Speaker. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Bell.

Supplementary To Question 120-14(6): Accelerated Remission Of Student Financial Assistance

MR. BELL: Thank you, Mr. Speaker. So it's just for health care professionals and social workers and nurses. It's not, for instance, if someone gets a physical education degree and takes those student loans, they are going to get a different rate of remission in a tax-based and non-tax-based community. Can the Minister clarify and confirm? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 120-14(6): Accelerated Remission Of Student Financial Assistance

HON. JAKE OOTES: Thank you, Mr. Speaker. That is correct, Mr. Speaker.

DEPUTY SPEAKER: Item 6, oral questions. Member for Inuvik Boot Lake, Mr. Roland.

Question 121-14(6): Increased Cost Of Electrical Power In Inuvik

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, my question at this time will be directed to the Minister responsible for the NWT Power Corporation in line with my Member's statement. Mr. Speaker, we also accept the fact that the first 700 kilowatt hours of usage of power in a community is

subsidized to the rate of Yellowknife and we are very thankful for that, otherwise there might not be very many people living further out of the capital. My question to the Minister is how long will this rate rider stay in effect, and why is it that it seems like we have saved money by going to the gas turbine engines, but we are still seeing increases? Thank you.

DEPUTY SPEAKER: Minister responsible for the Power Corporation, Mr. Handley.

Return To Question 121-14(6): Increased Cost Of Electrical Power In Inuvik

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, I think the estimate is that the rate rider will stay in effect until some time in June or July. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Roland.

Supplementary To Question 121-14(6): Increased Cost Of Electrical Power In Inuvik

MR. ROLAND: Thank you, Mr. Speaker. Can the Minister inform us as to why there is the need for the rate rider when, by the information the Minister provided, we have actually seen some savings going to the gas turbine engines? Thank you.

DEPUTY SPEAKER: Minister responsible for the Power Corporation, Mr. Handley.

Further Return To Question 121-14(6): Increased Cost Of Electrical Power In Inuvik

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, the Inuvik rates are currently about 15 percent lower as a result of the gas turbines than they would be without the gas turbines, if they were still on diesel. That works out to about five cents per kilowatt hour. On July 1, 2001, the Public Utilities Board approved a rate increase that covered approximately 35 percent of the increase that was anticipated. Then on October 1, 2002, the PUB approved a shortfall rider---and that is the one the Member is referring to---that covers about 65 percent of the 2001-2002 shortfall. So the shortfall rider was there to distribute out the increase, so people wouldn't have a huge change in their rates when we had to pick up the balance between the 35 percent approved in 2001 and what the actual end result would be. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Supplementary, Mr. Roland.

Supplementary To Question 121-14(6): Increased Cost Of Electrical Power In Inuvik

MR. ROLAND: Thank you, Mr. Speaker. Can the Minister inform us as to why there is a shortfall in earnings if there seems to be a savings going to these gas turbines? Thank you.

DEPUTY SPEAKER: Minister responsible for the Power Corporation, Mr. Handley.

Further Return To Question 121-14(6): Increased Cost Of Electrical Power In Inuvik

HON. JOE HANDLEY: Mr. Speaker, the savings on the gas turbine is not as great as are the increased costs in providing power. So there is still a shortfall in Inuvik as there is right across all of the Territories when we work out the cost of operating the Power Corporation and the cost of fuel and capital costs. Inuvik has those same costs. Every community has the shortfall rider because this goes right across the system. If we didn't have the savings from the gas turbines in Inuvik, instead of the energy rate being 38.13 cents, or whatever it is exactly, it would be about five cents per kilowatt hour higher than that. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Supplementary, Mr. Roland.

Supplementary To Question 121-14(6): Increased Cost Of Electrical Power In Inuvik

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, just before the Power Corporation changed over to the gas turbines, there was a great jump in power again because the territorial government got away from where it picked up its bunker C. It used to be out of Norman Wells and now it's out of Edmonton, I believe. That caused us to go to this area. The community has been paying a higher rate because of the capital replacement costs. When would those be done with so that we might actually see a drop or is there not going to be a drop and they are going to continue to grow and add on charges?

DEPUTY SPEAKER: Minister responsible for the Power Corporation, Mr. Handley.

Further Return To Question 121-14(6): Increased Cost Of Electrical Power In Inuvik

HON. JOE HANDLEY: Mr. Speaker, I think eventually there will only be a substantial drop if the price of fuel goes down. I don't know how likely that is or if we are able to switch the whole system in the Power Corporation to gas-fired generators or, better yet, over to hydro. As long as we are relying on diesel fuel, we are always going to be subject to whatever the prices are. As well, the cost of operating the Power Corporation continues to be high as long as we are on diesel. The important point is, Mr. Speaker, that the territorial power support program does level this all out back to a Yellowknife rate. So even though we talk about a 38 cent per kilowatt rate, that's not what people are paying for the first 700 or first 1,000 kilowatts depending on their situation. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Item 6, oral questions. The Member for North Slave, Mr. Lafferty.

Question 122-14(6): NWT Health Care Card Renewal Process

MR. LAFFERTY: Thank you, Mr. Speaker. My question is for the Minister of Health and Social Services, the Honourable Michael Miltenberger. Yesterday, I received a letter from a constituent who was upset with the extremely poor advertising

that occurred with regard to renewing the health care cards. He lives in a remote community. He saw no newspaper ads and heard nothing on the radio or TV. Apparently, there was one poster in the band office, which he was not able to see. When he accidentally discovered that he was a month late in renewing, there were no forms at the health centre. Mr. Speaker, I am asking the Minister how can people acquire health care cards if they have missed their renewal date?

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

Return To Question 122-14(6): NWT Health Care Card Renewal Process

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, if there are specific circumstances like the Member has raised, I will be happy to get those details from him to ensure we take the steps to assist all the NWT residents in renewing their health care cards and there should be forms available. If there isn't, we will make sure that they are made available. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Lafferty.

Supplementary To Question 122-14(6): NWT Health Care Card Renewal Process

MR. LAFFERTY: Thank you, Mr. Speaker. If someone's coverage renewal is not processed by March 31st, which is when the old cards expire, will the department provide coverage if the person can show proof of being an NWT resident? Thank you, Mr. Speaker.

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

Further Return To Question 122-14(6): NWT Health Care Card Renewal Process

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, if the deadline is missed, then people will have to reapply, but no one will be denied services if they are in need. The issue will be sorting out and making sure Northerners have appropriate health care cards. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Lafferty.

Supplementary To Question 122-14(6): NWT Health Care Card Renewal Process

MR. LAFFERTY: Thank you, Mr. Speaker. How have they notified students who are on temporary absence from the North when to renew their health cards? Thank you, Mr. Speaker.

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

Further Return To Question 122-14(6): NWT Health Care Card Renewal Process

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, every effort has been made through mail-outs to families, to ads in the paper regularly. We have modified things as we go because we know that it hasn't been a perfect process, so we have been trying to make every effort to notify everybody. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Lafferty.

Supplementary To Question 122-14(6): NWT Health Care Card Renewal Process

MR. LAFFERTY: Thank you, Mr. Speaker. The Minister, in answering the previous question, said the health care would still be there, but will they be charged separately if they don't have proof of their card or their NWT residency? Thank you, Mr. Speaker.

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

Further Return To Question 122-14(6): NWT Health Care Card Renewal Process

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, this is an administrative process and not an attempt to deny any Northerners legitimately due or necessary medical treatment. No one will be denied and no one will be sent a bill. If there is a problem with renewal of health care cards, we will work with the individuals to make sure they get the proper card and they are in the system as they should be. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Item 6, oral questions. The Member for Great Slave, Mr. Braden.

Question 123-14(6): Territorial Health Care Funding

MR. BRADEN: Thank you, Mr. Speaker. My question this morning is for the Premier. It's with regard to the success that we had in the past few weeks with Ottawa and with our sister territories on the health care funding deal. Mr. Speaker, last Thursday, while the Premier was concluding those arrangements, the Deputy Premier, Mr. Antoine, made a statement in the House. I will quote from that statement: "That the Prime Minister has directed the Clerk to develop a process for addressing per capita funding inequities by April 1, 2003, and the fiscal challenges facing the territories generally by April 1, 2004." What I wanted to see is if the Premier could give us more explanation of the approach that we might be looking at, especially in terms of the idea of fixing the financial challenges that we face in general. How are we going about that? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Premier of the Northwest Territories, Mr. Kakfwi.

Return To Question 123-14(6): Territorial Health Care Funding

HON. STEPHEN KAKFWI: Thank you, Mr. Speaker. Mr. Speaker, last week following my return to Yellowknife and to the Legislature, the Secretary to Cabinet, Liz Snider, had the first face-to-face meeting with the Clerk of the Privy Council, Alex Himelfarb, in Ottawa and had the first discussion with the federal official at that time. There is an agreement that, by the end of March, we will know the details of the process that will be used to address the fiscal challenge that the North faces as acknowledged by the federal government and how that's going to be done. Keeping in mind that we have formula financing negotiations coming up, there's an agreement to meet again in about two weeks, on March 10th. They have confirmed the substance of the meeting that we had with the Prime Minister, because there were none of our officials present at that time, just political people; the first face-to-face was held to confirm what was discussed there. That the \$60 million is, at this time, understood to be available over five years in the three territories but, the discussion is still open to possibly three years. It is a full amount but it could be topped off in the coming year pending the discussions that we are going to engage in. The Prime Minister has committed to being kept informed of the discussions and that we will be meeting again in the next two weeks. The Minister of Finance, Mr. Handley, is also engaging in the discussions because of the tie-in to formula financing negotiations. Thank you.

DEPUTY SPEAKER: Supplementary. Mr. Braden.

Supplementary To Question 123-14(6): Territorial Health Care Funding

MR. BRADEN: Thank you, Mr. Speaker. I guess through this, can we anticipate or should we be anticipating a major restructuring of the financing deal that we now have with Ottawa? Thank you.

DEPUTY SPEAKER: Mr. Premier, Mr. Kakfwi.

Further Return To Question 123-14(6): Territorial Health Care Funding

HON. STEPHEN KAKFWI: Mr. Speaker, we hope that many of the shortcomings that we have in the formula financing arrangements and the funding arrangements that caused difficulties with the federal government over the years will finally be addressed. As to whether or not we will be totally satisfied will remain to be seen. We are optimistic because the Prime Minister has personally made a commitment to initiate this process by asking the Clerk of the Privy Council to lead discussions on it, and he has asked to be personally informed of the discussions that will lead to some changes. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Braden.

Supplementary To Question 123-14(6): Territorial Health Care Funding

MR. BRADEN: Thank you, Mr. Speaker. You know, over the years at one time or another, certain aspects of this deal seem to come up and be problematic. The per capita issue is

probably the most recent one. We've also dealt with what some people fondly or otherwise know as the perversity factor. We've had difficulties with Canada and the census numbers and there is kind of a litany of things that, at one point or another, collide. I'm wondering if the Premier would give us a sense of the top two or three issues that he sees that need to be addressed and resolved. Thank you.

DEPUTY SPEAKER: Mr. Premier, Mr. Kakfwi.

Further Return To Question 123-14(6): Territorial Health Care Funding

HON. STEPHEN KAKFWI: Mr. Speaker, we have initially set out to show the priority that health funding has to this government and to the people of the Northwest Territories and I think that message has been received in a very clear, resounding way across this country and with the Government of Canada. This will continue to be highlighted in our discussions. It has also paved the way for the federal government to acknowledge that many of the programs that are provided to us on the per capita basis simply do not make any sense. Tying in with this will be the nature of the formula financing arrangement. Many of the elements that constitute this basis of this agreement are really at a no win for us because we end up being penalized for initiatives and don't benefit as other Canadians do when programs are initiated and funds are made available across this country.

We know that an increase is going to become more important to us. As we push major development projects we must find some way before devolution finally happens and when devolution happens that there be a net fiscal benefit to this government when we are advancing development projects such as diamond mines, and oil and gas and pipelines. This government should never have to fiscally spread its resources so thin that it affects health services and the social network that is so badly needed in our communities. So those are the prevailing thoughts that we have as we look at the upcoming discussion. Thank you.

DEPUTY SPEAKER: I would just like to remind the House that we have certain rules. In regards to the Members, when you direct your question, direct your question so that you are getting an answer. Also for the Ministers on the other side, if you can be specific answering the question, keep it short, brief as I have quite a few people on the list and I know we don't have much time. So I would just like to mention that we do have other Members out there who want to ask questions, so be brief, be specific and be to the point.

---Applause

Item 6, oral questions. Member for Hay River North, Mr. Delorey.

Question 124-14(6): Efficiency And Cost Of Medevacs

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Health and Social Services on the medevacs that we have in the Territories and some of the cost drivers that affect both the cost of medevacs and the

effectiveness of them. One of the things we keep hearing about is closure of the airport, the municipal airport in Edmonton? I would like to know from the Minister if you could tell us, in light of the fact that 100 percent of our medevacs land at the municipal airport in Edmonton, would the Minister bring us up to date on the closure of the municipal airport in Edmonton. We keep hearing this issue come up that they are thinking about closing it down. What is the latest on that? Could the Minister inform us? Thank you, Mr. Speaker.

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

Return To Question 124-14(6): Efficiency And Cost Of Medevacs

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I understand the issue is still being discussed. We, along with other jurisdictions, use Edmonton for health reasons. I've made our case but it's a significant municipal issue and it has not yet been finally resolved as far as I know. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Delorey.

Supplementary To Question 124-14(6): Efficiency And Cost Of Medevacs

MR. DELOREY: Thank you, Mr. Speaker. What would be the effect in the Northwest Territories on our health and social services system if the municipal airport was to close down in Edmonton. How bad an effect would it have on our medevacs here in the Territories? Can the Minister bring us up to date on that? Thank you, Mr. Speaker.

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

Further Return To Question 124-14(6): Efficiency And Cost Of Medevacs

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, we would continue to have medevacs as required to Edmonton. The difference would be the location where the plane would land and the need for a longer travel time from where the medevac arrives in Edmonton to whichever hospital the patient is being medevaced to. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Delorey.

Supplementary To Question 124-14(6): Efficiency And Cost Of Medevacs

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, I guess the issue with the airport closing down is the time that it would create on the other end for patients trying to get to the hospital. Does this government have any input with the Alberta government or the City of Edmonton in expressing our views as to how important that municipal airport is for us and our medevacs? Do we play any part in that at all in any consultation? Thank you, Mr. Speaker.

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

Further Return To Question 124-14(6): Efficiency And Cost Of Medevacs

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, we are one of the stakeholders and users of the service. We have an agreement with the Capital Health Authority that we just signed. As well, we have an MOU between the Northwest Territories and the Alberta Government that covers a host of issues including transportation and health ones. So, we have a venue to make the case. We have articulated our concerns, and the City of Edmonton is dealing with it as a municipal issue. Thank you.

DEPUTY SPEAKER: Final supplementary, Mr. Delorey.

Supplementary To Question 124-14(6): Efficiency And Cost Of Medevacs

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, medevacs from anywhere, I guess, don't come very cheap and especially from the North getting down to Alberta. I know, in looking at some of the documents on medevacs, that we also provide medevacs for Nunavut patients. I was wondering if the Minister could inform us what kind of arrangement we have with Nunavut, as far as medevacing patients from Nunavut? Thank you, Mr. Speaker.

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

Further Return To Question 124-14(6): Efficiency And Cost Of Medevacs

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, the arrangement that we have with Nunavut is if there are patients here that require further, more specialized services than cannot be offered here, then the medical arrangements are made through Stanton and then we have a billing back arrangement with Nunavut that covers the costs.

DEPUTY SPEAKER: Thank you. Item 6, oral questions. Member for Frame Lake, Mr. Dent.

Question 125-14(6): Responsibility For Loan Guarantees

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, my question today is for the Minister responsible for the Financial Management Board Secretariat. Yesterday, in Committee of the Whole I was asking the Minister about loan guarantees and he advised the House that the government had to make good on a \$2.6 million loan guarantee, which apparently the parent company is going to pay back over a five- to 10-year period without interest. Is there a reason that the section of government that deals with loan guarantees for emerging businesses is within the Executive and within the FMBS?

DEPUTY SPEAKER: Minister responsible for the FMBS, Mr. Handley.

Return To Question 125-14(6): Responsibility For Loan Guarantees

HON. JOE HANDLEY: Mr. Speaker, I would have to check back in the previous government to find out exactly why it was put in the FMBS and why it wasn't instead put into the Business Credit Corporation, for example, who also have the authority to give loan guarantees. I expect, Mr. Speaker, that the reason was that we, as a government, wanted to maintain hands-on on the loan guarantees. Also the amount of the loan guarantees could quickly use up the surplus positions or money the Business Credit Corporation would have available to it. So I expect those are the reasons, but I would have to check with the previous government to find out exactly why.

DEPUTY SPEAKER: Supplementary, Mr. Dent.

Supplementary To Question 125-14(6): Responsibility For Loan Guarantees

MR. DENT: Thank you, Mr. Speaker. I know the Business Credit Corporation has a cap of some \$50 million and I don't believe it's very close to that \$50 million right now. So would the Minister look into why this is being maintained and get back to this House as to whether or not there's a reason to shift the position of the loan guarantees?

DEPUTY SPEAKER: Minister responsible for the FMBS, Mr. Handley.

Further Return To Question 125-14(6): Responsibility For Loan Guarantees

HON. JOE HANDLEY: Mr. Speaker, certainly I will look into that. There may be reasons to change the arrangement, I am not sure yet, particularly when we are creating the new business corporation that the Minister of RWED is looking at right now. I will look into it, Mr. Speaker. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Dent.

Supplementary To Question 125-14(6): Responsibility For Loan Guarantees

MR. DENT: Thank you, Mr. Speaker. It would appear that we have three different agencies involved now. We have RWED, the Business Credit Corporation and we are going to have the new super corporation the Minister just referred to and we have FMBS. This would tend to indicate that we have a number of people involved in assessing the financial risk of a new business in the Northwest Territories. Would there not probably be savings in people if we were to consolidate this?

DEPUTY SPEAKER: Minister responsible for the FMBS, Mr. Handley.

Further Return To Question 125-14(6): Responsibility For Loan Guarantees

HON. JOE HANDLEY: Mr. Speaker, there really are only two agencies involved in the loan guarantees. That's the Business Credit Corporation, which is operated by a board appointed by

the Minister of RWED and then we are doing it through the FMBS. Would there be savings if we were to do some of the collapsing? I think that's exactly the question we are looking at through the deputy ministers' task teams that will be reporting to us and all of the Members. Thank you.

DEPUTY SPEAKER: Item 6, oral questions. Member for Deh Cho, Mr. McLeod.

Question 126-14(6): Funding Dedicated To Aboriginal People

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, as a result of the line of questions and my Member's statements regarding the harmonization issues over the last couple of days, I have had a lot of phone inquiries regarding education, health and housing when it comes to aboriginal commitments by this government. I would like to ask the Premier if he could tell me if there is a way to break out what the dollars are within our formula finances and within our budgets that are committed to aboriginal people. Thank you.

DEPUTY SPEAKER: The question is directed to the Premier. Mr. Kakwi. Mr. Handley, Minister of Finance.

Return To Question 126-14(6): Funding Dedicated To Aboriginal People

HON. JOE HANDLEY: It would be very difficult to break it out exactly what percentage of the budget is for aboriginal people versus other people in the Territories. I suppose there could be estimates done by departments, but it would be a very difficult task to try to be exact with that. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. McLeod.

Supplementary To Question 126-14(6): Funding Dedicated To Aboriginal People

MR. MCLEOD: Thank you, Mr. Speaker. This has been an area that's been fairly hard to distinguish what dollar is earmarked for what. Can the Minister indicate if there are any dollars that are very clearly identified for aboriginal people in the North? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Finance, Mr. Handley.

Further Return To Question 126-14(6): Funding Dedicated To Aboriginal People

HON. JOE HANDLEY: Most of our money that comes through the formula is money that comes from the federal Department of Finance and it's meant for all of the Northwest Territories. It doesn't identify aboriginal people or other people, but there is other money that is received that is earmarked specifically for aboriginal people. In health, for example, there is money that is clearly for aboriginal health. The same thing applies with education. We administer some programs that are clearly earmarked for aboriginal people. Mr. Speaker, there are probably other areas as well where we have money. I think in some of the economic development programs, there is money available to aboriginal people that isn't available to anyone

else, the aboriginal economic development fund, for example. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. McLeod.

Supplementary To Question 126-14(6): Funding Dedicated To Aboriginal People

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, we put in a lot of safeguards in different areas, including affirmative action, including protecting the rights of our aboriginal people. We have obligations through aboriginal rights through treaty obligations and treaty commitments, yet we don't know what dollars are identified. We don't know what's rolled into our budget and we can't protect it if we don't know what dollars are for what. I think it's time we clarified that. Would the Finance Minister commit to a procedure to break out what dollars are for aboriginal people in the North?

DEPUTY SPEAKER: Minister responsible for the FMBS, Mr. Handley.

Further Return To Question 126-14(6): Funding Dedicated To Aboriginal People

HON. JOE HANDLEY: Mr. Speaker, I can undertake to provide a list of programs that are specifically for aboriginal people and, in most cases, give you a dollar amount for those programs. There is other funding that we get through the formulas, as I mentioned, Mr. Speaker, that is provided to us through the formula. It's up to our discretion in this House to decide how it's being spent. So it's very difficult to break out a Transportation budget and say this much of the highway is for aboriginal people and this much is for somebody else. The best I can do, Mr. Speaker, is break out some of the programs that are specifically for aboriginal people. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Final supplementary, Mr. McLeod.

Supplementary To Question 126-14(6): Funding Dedicated To Aboriginal People

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, I can recognize that it's a very difficult exercise to go through. I think it's time that this government, including the Finance Minister, sits down with the Government of Canada and spells out what is our jurisdiction and our responsibility for our aboriginal people in the Northwest Territories, otherwise we will have Ministers walk away and we won't know and we can't enforce it. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister responsible for the FMBS, Mr. Handley.

Further Return To Question 126-14(6): Funding Dedicated To Aboriginal People

HON. JOE HANDLEY: Mr. Speaker, as a government, clearly we have responsibility for all people in the Northwest Territories. In addition to that, there are some specific programs that are earmarked for aboriginal people and we have a responsibility to ensure that money is spent for the purposes

that the federal government provided it to us for. The other money is for everyone. How we spend it in smaller communities, for example, where the majority of people are aboriginal versus large centres is something that we, in this House, have to decide. Thank you.

DEPUTY SPEAKER: Thank you. Item 6, oral questions. Member for Inuvik Boot Lake, Mr. Roland.

Question 127-14(6): Electrical Power Rate Riders

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, following up on my earlier line of questions on the NWT Power Corporation, I would like to know from the Minister if there are other communities that are facing the same rate riders that the community of Inuvik is. Thank you.

DEPUTY SPEAKER: Minister responsible for the Power Corporation, Mr. Handley.

Return To Question 127-14(6): Electrical Power Rate Riders

HON. JOE HANDLEY: Mr. Speaker, my understanding is that all of the communities face the shortfall rider. It goes right across the Territories. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Roland.

Supplementary To Question 127-14(6): Electrical Power Rate Riders

MR. ROLAND: Thank you, Mr. Speaker. Is that shortfall based on the whole Territory or is that based on the rate zones that exist today? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister responsible for the Power Corporation, Mr. Handley.

Further Return To Question 127-14(6): Electrical Power Rate Riders

HON. JOE HANDLEY: Mr. Speaker, that shortfall is based on the cost of operating the NWT Power Corporation as a whole. The amount of the shortfall rider is based on the rate application that was put forward originally in 2001. My understanding is that applies everywhere, whether it's hydro communities or diesel communities. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Roland.

Supplementary To Question 127-14(6): Electrical Power Rate Riders

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, is the rate rider after the power subsidy applied or is it taken in before the power subsidy is applied? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister responsible for the Power Corporation, Mr. Handley.

Further Return To Question 127-14(6): Electrical Power Rate Riders

HON. JOE HANDLEY: Mr. Speaker, in the diesel communities, including Inuvik, power rates are adjusted back to the Yellowknife rate. The Yellowknife rate is based on the actual costs here, so the shortfall rider wouldn't be applied in the Yellowknife case. It would have increased the costs in Yellowknife, therefore the indirect effect would be to increase the costs in all of the communities across the Northwest Territories in the diesel communities. Thank you.

DEPUTY SPEAKER: Final supplementary, Mr. Roland.

Supplementary To Question 127-14(6): Electrical Power Rate Riders

MR. ROLAND: Thank you, Mr. Speaker. The Minister in his earlier answer said this rate rider is from the whole Power Corporation funding situation and is applied to all communities. All communities, not just the diesel and gas, but all communities?

DEPUTY SPEAKER: Minister responsible for the Power Corporation, Mr. Handley.

Further Return To Question 127-14(6): Electrical Power Rate Riders

HON. JOE HANDLEY: Yes, Mr. Speaker, the shortfall rider, in my understanding, going back to the original rate application, applies to all communities, to everyone. There is a bit of a difference in the calculation because all the diesel and gas communities are adjusted back to the Yellowknife rate for the first 700 or 1,000 kilowatts. That doesn't apply to the hydro communities which are on a lower rate. Thank you.

DEPUTY SPEAKER: Item 6, oral questions. The Member for North Slave, Mr. Lafferty.

Question 128-14(6): Harmonization Of Income Support And Social Housing

MR. LAFFERTY: Thank you, Mr. Speaker. My question is for the Minister of Education, Culture and Employment. I would like to ask the Minister if he can clarify his answer to Mr. McLeod's questioning. Mr. McLeod's supplementary said: "I would like to ask the Minister, Mr. Speaker, yesterday the Premier stated he would talk to Cabinet about withdrawing this initiative and the Minister had some time to consider that. I would like to ask him what his position is." In his answer, Mr. Speaker, I believe the Premier stated that he would speak with his Cabinet colleagues on this and they haven't discussed that yet, Mr. Speaker. I would like the Minister to give me clarification because I had a different answer from the Premier the day before. The Premier stated that he did discuss it with the Ministers. Thank you.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Return To Question 128-14(6): Harmonization Of Income Support And Social Housing

HON. JAKE OOTES: Thank you, Mr. Speaker. The Premier, the day before, had referenced this item that it had been discussed between Members and the Premier and that he felt we, as Members, should ask Cabinet to discuss it as well, but we didn't get into the discussion, Mr. Speaker. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Lafferty.

Supplementary To Question 128-14(6): Harmonization Of Income Support And Social Housing

MR. LAFFERTY: Thank you, Mr. Speaker. The Minister did answer part of the question. I just want to ask for clarification. He did say we didn't discuss it. I would like to know if they discussed what they were going to do or did they say that they would discuss it later. I would like to get a clear answer, Mr. Speaker.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 128-14(6): Harmonization Of Income Support And Social Housing

HON. JAKE OOTES: Thank you, Mr. Speaker. It was discussed that we would discuss it later, Mr. Speaker. Thank you.

DEPUTY SPEAKER: Item 6, oral questions. The Member for Inuvik Boot Lake, Mr. Roland.

Question 129-14(6): Application Of Electrical Power Rate Riders

MR. ROLAND: Thank you, Mr. Speaker. Again, my question is to the Minister responsible for the Power Corporation. I am trying not to get too muddled into the little details here. Looking at what the response has been so far, he stated that the power subsidy or the rate rider that is applied in Yellowknife bumps up everybody in the Territories because we are all back to Yellowknife -- those who are higher than Yellowknife--so are the communities paying more than Yellowknife getting hit twice; once, because it has been blended into the Yellowknife rate and then we are being tacked on after that? Looking from the power bills from my constituents, you see it very clearly. It's like the \$18 surcharge that happens. It's over and above. Thank you.

DEPUTY SPEAKER: Minister responsible for the Power Corporation, Mr. Handley.

Return To Question 129-14(6): Application Of Electrical Power Rate Riders

HON. JOE HANDLEY: Mr. Speaker, rather than talking about the price per kilowatt and so on, just talk about what it costs for consumers and people who have to pay their bill. The shortfall rider is a flat rate that starts and is applied equally right across

the Territories to all consumers. There may be adjustments made as a result of the adjustment back to the Yellowknife rate, but I believe all of that is picked up by the territorial power support program. The amount the consumer is actually paying should be the same increase, to my understanding, in Inuvik as it is anywhere else. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Supplementary, Mr. Roland.

Supplementary To Question 129-14(6): Application Of Electrical Power Rate Riders

MR. ROLAND: Thank you, Mr. Speaker. Can the Minister then explain, because he says it's applied equally across the board and because this is a shortfall rider because the Power Corporation overall hasn't made money, are constituents of Inuvik paying more based on their own rate zone?

DEPUTY SPEAKER: Minister responsible for the Power Corporation, Mr. Handley.

HON. JOE HANDLEY: Mr. Speaker, I am not sure what the Member's question was, if they are paying higher than their own rate zone. I don't quite understand that. Thank you.

DEPUTY SPEAKER: Could you clarify your question, Mr. Roland?

MR. ROLAND: Thank you, Mr. Speaker. Right now in the NWT there are rate zones across the Territory and that's what hit the fan a couple of months back about changing rate zones. My understanding is Inuvik right now falls into its own category. Because most are on gas and it's almost a 15 percent savings, consumers in Inuvik are paying a rate because the Power Corporation overall didn't make as much as they thought they would or is it because Inuvik has lost some money here? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister responsible for the Power Corporation, Mr. Handley.

Further Return To Question 129-14(6): Application Of Electrical Power Rate Riders

HON. JOE HANDLEY: Mr. Speaker, again, I will say the result of the shortfall rider on the consumer should be the same for Inuvik as it is for anyone else. Inuvik is already enjoying a 15 percent lower cost as the result of the gas fire generators than they would have if they had stayed on diesel, but most of that increase is balanced out through the territorial power support program. The end result should be that Inuvik is paying no more than its fair share as are all the other communities. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Roland.

Supplementary To Question 129-14(6): Application Of Electrical Power Rate Riders

MR. ROLAND: Thank you, Mr. Speaker. I would ask the Minister if he could put that down in written form so I can share

with my constituents how this rate rider affects them and is paid before the power subsidy is applied and on what costs based on the Inuvik rate that we are paying. Thank you.

DEPUTY SPEAKER: Minister responsible for the Power Corporation, Mr. Handley.

Further Return To Question 129-14(6): Application Of Electrical Power Rate Riders

HON. JOE HANDLEY: Yes, Mr. Speaker. I will put it on paper. I think that would be the easiest way. It is complicated. Thank you.

DEPUTY SPEAKER: Item 6, oral questions. Mr. Dent.

Question 130-14(6): Loan Guarantee Payment Schedule

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, my question is again for the Minister responsible for the Financial Management Board Secretariat and has to do with loan guarantees. Yesterday in the House, the Minister confirmed that the government had had to make good on a loan guarantee for \$2.6 million. I was wondering if the Minister could confirm if there has been a definite payment schedule set up with the company that is making good on that loan guarantee.

DEPUTY SPEAKER: Minister responsible for the FMBS, Mr. Handley.

Return To Question 130-14(6): Loan Guarantee Payment Schedule

HON. JOE HANDLEY: Mr. Speaker, yes, there has been a payment schedule worked out. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Dent.

Supplementary To Question 130-14(6): Loan Guarantee Payment Schedule

MR. DENT: Thank you, Mr. Speaker. Could the Minister advise the House whether or not the payments have started to be received or are the payments on schedule? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister responsible for the FMBS, Mr. Handley.

Further Return To Question 130-14(6): Loan Guarantee Payment Schedule

HON. JOE HANDLEY: Mr. Speaker, the schedule was worked out recently. I am not sure of the exact date. It was within the last few months. However, I don't believe the first payment has

come due yet. So the company is not in default at all in their payment schedule.

DEPUTY SPEAKER: Supplementary, Mr. Dent.

Supplementary To Question 130-14(6): Loan Guarantee Payment Schedule

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, does the government have any recourse, if the company should not make payments as scheduled?

DEPUTY SPEAKER: Minister responsible for the FMBS, Mr. Handley.

Further Return To Question 130-14(6): Loan Guarantee Payment Schedule

HON. JOE HANDLEY: Mr. Speaker, we would have the same recourse we would have with any company that didn't continue to make the payments that are owed to the government. We could seize the assets, for example. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Final supplementary, Mr. Dent.

Supplementary To Question 130-14(6): Loan Guarantee Payment Schedule

MR. DENT: Thank you, Mr. Speaker. Is the value of the security, the assets that we have in place, enough to cover the amount of the \$2.6 million? Thank you.

DEPUTY SPEAKER: Minister responsible for the FMBS, Mr. Handley.

Further Return To Question 130-14(6): Loan Guarantee Payment Schedule

HON. JOE HANDLEY: Mr. Speaker, yes, the company has had to show us that they have the ability to pay it and I don't think there's a problem in terms of the worth of the company to be able to back that up. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Item 6, oral questions. Member for Yellowknife South, Mr. Bell.

Question 131-14(6): Loan Guarantee Interest Liability

MR. BELL: Thank you, Mr. Speaker. My line of questioning is the same as Mr. Dent's to the Minister responsible for the FMBS. He indicated yesterday in the House that we would have to absorb some interest because there would be an interest-free period for the first five years at least. What is that computed to be? What is the amount of the interest that we will absorb over those five years? Thank you.

DEPUTY SPEAKER: Minister responsible for the FMBS, Mr. Handley.

Return To Question 131-14(6): Loan Guarantee Interest Liability

HON. JOE HANDLEY: Mr. Speaker, I would have to work that out. The cost would be whatever the \$2.6 million would have earned us given the borrowing rates the government will have over the next five years. I don't know exactly what that will be,

not being able to project the interest rates we are looking at.

DEPUTY SPEAKER: Supplementary, Mr. Bell.

Supplementary To Question 131-14(6): Loan Guarantee Interest Liability

MR. BELL: I am curious about the assets involved as security. Could the Minister indicate what these assets are, if in fact they are assets that are now being operated by another company doing the same or similar work. If we were to seize those, we would basically be putting another operation out of business. Can the Minister give us some assurance that the assets are not those and they are something else? Thank you.

DEPUTY SPEAKER: Minister responsible for the FMBS, Mr. Handley.

Further Return To Question 131-14(6): Loan Guarantee Interest Liability

HON. JOE HANDLEY: The payments are secured by revenue that the parent company has that are, in our view, secure. It's not based on a third company, so I don't think we are going to put anybody else out of business. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Bell.

Supplementary To Question 131-14(6): Loan Guarantee Interest Liability

MR. BELL: Thank you. So when we talk about the parent company and the security, if we had to seize assets, we aren't talking about going in and seizing a building that's being used for cutting and polishing or something like this. It's some other group of assets? Thank you.

DEPUTY SPEAKER: Minister responsible for the FMBS, Mr. Handley.

Further Return To Question 131-14(6): Loan Guarantee Interest Liability

HON. JOE HANDLEY: Mr. Speaker, it could be assets. We are really speculating here -- and I don't like doing this -- that this company is going to not honour its payments to us. I believe they will. It could be a combination. It could be assets the company owns. It could be a building that's in some business here or it could be a claim against revenues by that company. Thank you.

DEPUTY SPEAKER: Final supplementary, Mr. Bell.

Supplementary To Question 131-14(6): Loan Guarantee Interest Liability

MR. BELL: The Minister indicated that it would be future revenues. That's not the same as assets like a building or something like this and it's very speculative. Can he confirm that that is part of the security, future potential revenues?

DEPUTY SPEAKER: Minister responsible for the FMBS, Mr. Handley.

Further Return To Question 131-14(6): Loan Guarantee Interest Liability

HON. JOE HANDLEY: Mr. Speaker, yes, that is part of the security.

DEPUTY SPEAKER: Item 6, oral questions. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to Opening Address. Item 10, petitions. Item 11, reports of standing and special committees. Mr. Dent.

ITEM 11: REPORTS OF STANDING AND SPECIAL COMMITTEES

Committee Report 8-14(6): Report On The Review Of The Report Of The Auditor General To The NWT Legislative Assembly For 2000 And 2001

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, I would like to present the Report on the Review of the Report of the Auditor General to the NWT Legislative Assembly for 2000 and 2001. This is a report from the Standing Committee on Accountability and Oversight.

The Standing Committee on Accountability and Oversight met on December 2nd and 3rd, 2002 to review the Report of the Auditor General to the NWT Legislative Assembly for 2000 and 2001.

On December 2nd, briefings on issues raised in the report were provided by the committee analyst and staff from the Office of the Auditor General represented by Mr. Roger Simpson, principal and Mr. Daniel Stadlwieser, director.

A public meeting was held on December 3, 2002, during which committee members took the opportunity to hear from several witnesses. The list of witnesses included: Mr. Lew Voytilla, comptroller general, Financial Management Board Secretariat, FMBS; Mr. John Carter, assistant comptroller general, FMBS; Ms. Catherine Praamsma, assistant deputy minister, operational support branch, Department of Health and Social Services, HSS; Mr. Warren St. Germaine, director, financial services, HSS; Ms. Debbie DeLancey, deputy minister, Department of Municipal and Community Affairs, MACA; Ms. Margaret Melhorn, deputy minister, Department of Finance, Finance; Mr. Doug Doak, director and superintendent of insurance, Finance; Mr. Tom Beaulieu, president, Northwest Territories Housing Corporation, NWTHC; Mr. Jeff Anderson, chief financial officer, NWTHC; Mr. Bob McLeod, deputy minister, Department of Resources, Wildlife and Economic

Development, RWED; and Mr. Doug Doan, assistant deputy minister, Resources and Economic Development, RWED.

Formula Financing Agreement

The formula financing agreement determines the amount of the grant from Canada. The agreement is negotiated regularly between the Government of the Northwest Territories and the

Government of Canada. The current agreement came into effect, April 1, 1999 and is due to expire March 31, 2004 unless it is extended. The grant accounts for 70 percent of the territorial government's income.

Two major factors in the grant calculation are the NWT's population and spending by other Canadian jurisdictions. Final figures for both components are frequently unavailable for up to seven years and may require subsequent adjustments to grant transfers.

There is a risk that revenue figures for any given year are too high or too low. If they are too high, the risk is worse. It will then mean that the government would have to pay some monies back to Canada. Conversely, if they are too low, then Canada owes additional monies to the government. Either situation makes it more difficult for the government to properly plan and budget for its activities. The Auditor General suggested that the government, by carefully managing its revenue risks, could increase the amount of lead time it has to adjust for the inevitable shifts in grant revenues.

The committee and the government agreed with this recommendation. Conservative, yet realistic forecasts would significantly contribute to decreased revenue risks and improved financial planning and management. The committee encouraged the government to ensure a more reliable revenue stream is incorporated in the upcoming agreement negotiations.

Revenue Income And Cost Recovery

The government also receives a significant amount of income from Canada's payment for hospital and medical care costs for Indians and Inuit. At the end of March 2001 and March 2000, Canada owed the government \$19.3 million and \$26.5 million respectively. The Auditor General pointed out that this is tantamount to lending the federal government money interest free. As a rough estimate for the two years, at a nominal 5 percent, the cost or loss in interest income to this government would be more than \$1 million.

The Department of Health and Social Services explained that it did not receive funding from Canada on a timely basis as its agreement with the federal government was not signed until late into 1999-2000 and thus it could not bill monthly. Further, the required audit for the 1999-2000 claim year had not been completed and as such, Canada held back payments for the 2000-2001 fiscal year.

The Office of the Auditor General recommended the government reach an interim billing agreement with Canada to better manage its cash flows, and the department should review its processes to ensure claims are finalized and audited on a more timely basis. The Auditor General did not encounter any federal regulation that would prohibit DIAND from entering into such an agreement.

The committee and the Auditor General encourage the department to enter into an interim agreement with DIAND for the timely reimbursement of hospital and medical care costs for Indians and Inuit. Committee members stated there is no reason the GNWT should fund the program. Timely

reimbursement is especially important given the government's forecast cash deficit. The government advised that they are requesting an interim funding agreement with DIAND be put in place. At the time of the review, the government had not received a response. Mr. Speaker, I seek your consent to have my colleague from Range Lake continue with the committee report.

DEPUTY SPEAKER: Ms. Lee.

Business Development Funding And Grants To Small Businesses

MS. LEE: Thank you, Mr. Speaker. The next section of the report deals with business development funding and grants to small businesses. The department of Resources, Wildlife and Economic Development administers both the Business Development Fund, (BDF), and the Grants to Small Businesses, (GSB), programs. Both programs provide funding to small businesses.

According to the department's website, the BDF is made up of nine program schedules that are roughly tied to the business development process. The BDF provides assistance up to a maximum of \$30,000 per year with certain exceptions. The Minister of RWED may direct the department to provide up to \$250,000 in BDF funding to any one client in any fiscal year. Contributions made within the program may be repayable. The government distributed \$3,000,000 and \$4,096,000 in BDF funding in 2000-2001 and 1999-2000, respectively.

The GSB Program was developed to provide relatively small amounts of money to individuals who operate small businesses. These small businesses may include artists, craftspeople, renewable resource harvesters, trappers and home-based businesses. The program provides funding up to a maximum of \$5,000 per individual over their lifetime. The government dispensed \$229,000 and \$316,000 in GSB funding in 2000-2001 and 1999-2000, respectively.

The Auditor General reviewed both business assistance programs and identified a number of deficiencies in eligibility criteria, program administration and performance measurement and evaluation. These concerns are addressed in greater detail in chapter three of the report.

The Auditor General tested a sample of 20 files from the 1999-2000 GSB Program and 46 files from the 1999-2000 BDF program. Fifteen files or 33 percent of the BDF sample had no accounting in their files and a further five files or 10 percent had incomplete accounting, in that they did not provide enough receipts to demonstrate that they had spent all of the contribution on the project as agreed. The Auditor General also found in its sample of GSB files, that there were a number of approved projects where it was not clear if the eligibility criteria of the program was met. The department has taken steps to rectify the deficiencies identified in the report.

Committee members pointed out that many projects were approved for GSB funding to pay for extraordinary costs. Although the GSB does allow funding for extraordinary costs, no parameters or guidelines were evident and the category is subject to wide interpretation. The committee suggested that

"extraordinary costs" be clearly defined in order to ensure the fair and effective distribution of GSB funding.

The committee was especially concerned about the lack of eligibility and accounting for a significant number of BDF files reported by the Auditor General. The department advised that keeping track of all BDF and GSB files to a high level of accountability may incur a bureaucratic nightmare, as many of the distributed funds are small. Department officials reported that in some cases, the amounts are in the hundreds of dollars. The Office of the Auditor General agreed that the cost/benefit of any controls put in place must be considered against the need for consistent application of policies and procedures.

The Auditor General and the committee also pointed out that Schedule G of the BDF program is subject to wide interpretation and lax accounting. Schedule G or the community initiatives program provides funding to projects that support community-based strategies for the development of a stable economic base. Of the 15 files in the BDF sample, 6 or 40 percent did not have adequate accounting in them. In 1999-2000, contributions made under Schedule G were worth \$2.2 million, while \$1.9 million were awarded under all the other BDF schedules. The department reports that all accounting has now been provided.

The committee replied there needs to be some form of accountability to ensure a Government programs and services are achieving their objectives. Both the Auditor General and the committee stated that if policy makers lack meaningful information on program performance, they would not be able to decide if programs are working, or if they need to be changed. As a more practical solution, committee members suggested a sliding scale for accountability. In other words, for a greater amount of funding, there should be a higher level of accountability. Mr. Speaker, I seek consent to have the Member for North Slave continue with the report. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Member for North Slave, Mr. Lafferty.

Northwest Territories Housing Corporation - Borrowing And Risk

MR. LAFFERTY: The Auditor General noted the corporation purchased a detoxification facility from a non-profit organization which had defaulted on its mortgage. In doing so, the corporation purchased the property without obtaining the specific approval as required under legislation.

Committee members and the Auditor General were concerned that any borrowing by public agencies adds to the government's overall debt; and when agreements of this nature are entered into, all implications and risks should be identified and undertaken prior to receiving approval.

The corporation explained that under the Social Housing Agreement with Canada Mortgage and Housing Corporation, CMHC, it is responsible for making payments to CMHC even if it does not receive payment from individual mortgage holders. However, the Auditor General pointed out that it was not clear that the Financial Management Board had given the corporation a "blanket" approval to take over individual

mortgages.

In its response to the Auditor General's recommendations, the corporation, as noted in the report, gave notice that it had already entered into another similar transaction where the third party, a non-profit organization, had defaulted on its mortgage. The corporation added that in this case, it had gone through the process to request and receive the approval of the Financial Management Board, FMB, to acquire the asset and assume the debt.

The committee concurred with the Auditor General's recommendation that the corporation seek clarification from the FMB and the Executive Council on whether they approved the assumption of mortgages at the same time as approving the social housing agreement. The report added that for any future arrangements of this type, the corporation should specify each condition that requires approval relative to existing legislation, and request that each be approved by FMB.

Furthermore, committee members were in agreement with the Auditor General's suggestion during the meeting that the corporation should go back to FMB and the Executive Council to better clarify its mandate. The government added that it is currently reviewing the mandates of all government organizations and departments and will ensure the concerns of the committee and the Auditor General are incorporated into the evaluation process.

Northwest Territories Housing Corporation - Mandate And Risk

The report found that the corporation had entered into a deal to act as a general contractor in the construction of housing units in Alaska. The Auditor General is of the opinion that it is not clear whether the corporation has the legal authority to engage in out-of-territory activities, thereby exposing itself and the government to financial risks.

The Auditor General found that the corporation may have interpreted its own mandate too broadly, allowing itself to engage in any activities that may have some connection to housing. The corporation was created to address housing needs for the residents of the Northwest Territories. The Auditor General is concerned the corporation may have exceeded its mandate and authority by acting as a general contractor in Alaska.

The report warned that if the corporation is involved in unauthorized activities, the corporation's normal rights and protections under the law would not apply including enforceability of contract, particularly revenue collection, and liability limitations enjoyed by public sector corporations.

Committee members pointed out that it is to the advantage of the Alaskan organization to choose the corporation as the general contractor over private firms. There is minimal risk to the client as the corporation is secured by the territorial government.

The committee also responded to the corporation's assertion that the project was successfully completed with minimal risk.

Committee members commented that while the project came in at \$1.1 million and revenues came in at almost \$1.2 million, the slim profit margin is barely enough to cover overhead costs such as marketing and other management responsibilities. For example, the committee noted that the corporation has been developing the Alaskan market over a number of years and committee members have not seen the amount of money expended to date on the corporation's marketing initiatives. The corporation rationalized the return on investment is secondary to economic and other development opportunities for northern businesses. In the report, the corporation made a commitment to not pursue any further general contracting activities in other jurisdictions without a clear legislative framework to support its activities.

Committee members remain concerned about the corporation's activities outside of its mandate and their associated risks. Despite assurances during the review that there were no issues outside the corporation's mandate other than the Alaskan housing development, the committee noted the corporation is also developing and marketing software. According to the corporation, this fits in with their mandate as the software can be used to manage social housing services. Moreover, it had developed the maintenance management operation system, which was provided to the Department of Municipal and Community Affairs School of Community Government.

In conclusion, committee members and the Auditor General recommended the corporation go back to the Financial Management Board or the Executive Council to clarify its mandate. Many committee members noted that the corporation had clearly moved beyond its original social housing obligations to include other activities.

Conclusion

The Standing Committee on Accountability and Oversight requests the Executive Council table a comprehensive response to this report within 120 days in accordance with Rule 93(5) of the Rules of the Legislative Assembly. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Mr. Dent.

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, that concludes the report on the Standing Committee of Accountability and Oversight on the review of the report of the Auditor General.

Motion That Committee Report 8-14(6) Be Received By Assembly and Moved Into Committee Of The Whole, Carried

I move, seconded by the Honourable Member for North Slave, that Committee Report 8-14(6) be received by the Assembly

and moved into Committee of the Whole. Thank you, Mr. Speaker.

DEPUTY SPEAKER: The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

DEPUTY SPEAKER: Question has been called. All those in favour? All those opposed? The motion is carried.

---Carried

DEPUTY SPEAKER: Item 11, reports of standing and special committees. Item 12, reports of committees on the review of bills. Item 13, tabling of documents. Mr. Kakfwi.

ITEM 13: TABLING OF DOCUMENTS

Tabled Document 32-14(6): GNWT Response To Committee Report 1-14(6): Interim Report Of The Special Joint Committee On Non-Tax-Based Community Affairs

HON. STEPHEN KAKFWI: Mr. Speaker, I wish to table the following document titled GNWT Response to Strengthening GNWT Support to Smaller Communities Interim Report of the Special Joint Committee on Non-Tax-Based Community Affairs. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Thank you. Item 13, tabling of documents. Mr. Miltenberger.

Tabled Document 33-14(6): Telehealth System Wide Usage April 1, 2002 To December 31, 2002

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I wish to table two documents. I wish to table Telehealth System Wide Usage April 1, 2002 to December 31, 2002.

Tabled Document 34-14(6): GNWT Policy 49.07: Extended Health Benefits

Mr. Speaker, I also wish to table a document entitled GNWT Policy 49.07: Extended Health Benefits.

DEPUTY SPEAKER: Item 13, tabling of documents. Item 14, notices of motion. Item 15, notices of motions for first reading of bills. Item 16, motions. Item 17, first reading of bills. Item 18, second reading of bills. Item 19, consideration in Committee of the Whole of bills and other matters: Bill 2, Bill 3, Committee Reports 3-14(6), 4-14(6), 5-14(6) and 6-14(6) with Mr. Delorey in the chair.

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

CHAIRMAN (Mr. Delorey): I call Committee of the Whole to order. We have a number of issues to discuss in Committee of the Whole. What is the wish of the committee? Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I recommend Committee continue consideration of Bill 3 and Committee Reports 3-14(6), 4-14(6), and 5-14(6) concurrently to start, first of all, considering the budget of the Department of Executive and if we should conclude that, then perhaps moving on to Justice.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Dent. The

committee will call a short break and come back and review the Department of Executive.

---SHORT RECESS

Bill 3: Appropriation Act, 2003-2004

Department Of Executive

CHAIRMAN (Mr. Delorey): I will call the Committee of the Whole back to order. We are here to review the Department of Executive. Does the Minister have any opening comments? Premier Kakfwi.

Minister's Opening Comments

HON. STEPHEN KAKFWI: Thank you, Mr. Chairman. Mr. Chairman, the Department of Executive is requesting a budget of \$14.733 million for fiscal year 2003-2004. This represents a 3 percent decrease from the main estimates for the Executive in 2002-2003. This decrease has come about as a result of the transfer of the Energy Secretariat to the Department of Resources, Wildlife and Economic Development.

As we enter the last year of our mandate, the Department of Executive will continue to provide support to Cabinet and leadership to the government on a number of key policy and strategic initiatives. The department will also continue to provide a coordinating and advisory role on interdepartmental working groups relating to government priorities.

Building on past successes, the department will continue to coordinate two important components of the Maximizing Northern Employment Program. During 2002-2003, 371 summer students were hired under the Northern Student Employment Program. Fully one-third of these students were hired outside of Yellowknife. Under the Northern Graduate Employment Program, 43 of the 47 interns placed this year were able to secure continuing employment at the end of their internship.

Through our intergovernmental affairs and strategic planning division, the department will continue to foster positive relationships with federal, provincial and territorial governments, as well as with international organizations such as the Circumpolar Conference. The GNWT's involvement in Premiers' conferences, First Ministers' meetings and other intergovernmental forums has given us a strong voice, nationally and internationally, one that the government will continue to use to the greatest possible advantage.

The communications division is spearheading the development of the GNWT's new visual identity program. The key components of this program are the development of a revitalized polar bear logo, the publication of a visual identity program manual and the development of a new copyright and trademark policy for this government.

The department is undertaking new initiatives for which no additional funding is required. A new executive director has been hired for the Beaufort-Delta region to assist with the need for coordination of self-government implementation initiatives in

this region.

The department has reallocated \$300,000 from other areas to support this office on a one-year trial basis. If this initiative proves to be successful, consideration will be given to the continuation of this office and the addition of executive directors in other regions.

Additionally, the Department of Executive is coordinating a corporate review and transition planning exercise. Included in this process is a detailed headquarters review intended to identify potential economies that the government may be able to take advantage of. The exercise will also provide vital statistical program and environmental scanning information for consideration by the 15th Legislative Assembly in developing its own agenda. This work involves overseeing the deputy ministerial task team process and preparing transition documentation, a normal activity of all governments leading up to an election.

The department is not seeking additional funding resources in relation to this initiative.

Requested Increases To Base Funding

The Department of Executive is requesting two budget increases in these estimates. A forced growth increase of \$398,000 is requested to meet the requirements of the collective bargaining agreement ratified by the UNW in July 2002.

The department is also seeking approval for an adjustment of \$108,000 for a grant-in-kind to the Native Women's Association to assist them to remain in their current accommodations. This adjustment covers fiscal years 2003-2004 and 2004-2005.

Transfer Of Responsibilities

Mr. Chairman, the government must always look for ways to improve its efficiency and its effectiveness. As reported to you, in September 2002, responsibility for the Energy Secretariat was transferred to the Department of Resources, Wildlife and Economic Development. The \$1 million budget earmarked for the Energy Secretariat was transferred accordingly. As a result, there was a net decrease of \$494,000 in the Department of Executive budget for fiscal year 2003-2004.

Mr. Chairman, this concludes my opening remarks. I am now prepared to answer any questions that committee members may have. Thank you.

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

Standing Committee On Accountability And Oversight Committee Comments

MR. BRADEN: The Standing Committee on Accountability and Oversight met with the Premier on January 13, 2003 to review the Department of the Executive's draft 2003-2004 Main Estimates.

The Department of the Executive is proposing an increase of \$32,000 to its proposed operations expenses budget from the amount presented to committee in September, when we reviewed the Business Plans for 2003-2006. The increase is due to an increase in the grant-in-kind lease for the NWT Native Women's Association.

Growth In Department

As the committee reviewed the department's proposed increase in operations expenditures, Members expressed concern about the ever-expanding resource allotment for non-service departments of the GNWT.

Members of the committee are particularly concerned that departments such as the Executive and the Ministry of Aboriginal Affairs, that do not deliver services to the public, have significantly increased their yearly budgets.

Prior to the division of the NWT and Nunavut, the Department of the Executive's budget was approximately \$10 million, 1998-1999 Main Estimates. The budget for 2003-2004 is projected to be almost \$15 million, a growth of over 50 percent since the beginning of this Assembly. Post-division, one would expect that costs should have decreased, if anything. Members encourage the department to find ways to limit growth and address new priorities from within the department rather than continually increasing their annual budget.

Social Agenda - Support For NGOs

During the review of the 2003-2006 business plans the Standing Committee on Accountability and Oversight pointed out a lack of resources for implementation of the recommendations from the social agenda report.

Shortly afterwards the government tabled Doing Your Part - The Government's Response to the Social Agenda in the Assembly. A subsequent briefing was provided to the committee outlining a proposed investment of \$1.4 million for the 2003-2004 fiscal year.

The committee reviewed the intended investments and noted a planned expenditure of \$170,000 for the Department of the Executive from the social agenda funding. A total of \$50,000 was to be allotted for administration related to the implementation and communication of social agenda recommendations while the remaining \$120,000 was to address a shortage of space available to the Status of Women Council of the NWT.

The committee sent a letter to the Premier outlining their support for the allocation of resources for the social agenda but also expressing concern that funds appeared to address long-standing concerns of departments rather than front-line actions. For that reason, the committee recommended that the need for additional funding by the Status of Women Council of the NWT be addressed within the department of the Executive's budget rather than under funding labelled as responding to the social agenda recommendations.

After reviewing the draft 2003-04 main estimates it appeared that the Department had chosen instead to cut the social

agenda-related funding to \$32,000. Then Members became aware that the Status of Women Council of the NWT had recently moved into new offices leased by the GNWT.

The Premier explained that the Status of Women Council of the NWT is actually a public agency, pursuant to legislation enacted by the legislature, and is therefore entitled to occupy government-owned or leased premises. The government decided to move the council office into space in the Northwest Tower. The department then provided an additional \$32,000 in grant-in-kind funding to the Native Women's Association of the NWT to allow them to expand into the Status of Women Council's previous office space.

The standing committee is pleased to see that their concerns about labelling social agenda funding were at least partially addressed and that the subsequent decision adequately accommodated both women's organizations without incurring a significant increase in resources.

Restructuring Government

During the review of the business plans, the Premier informed the committee that as part of planning for transition to the 15th Assembly, a number of task teams of deputy ministers are looking at possible ways of restructuring and streamlining government services and departments. These task teams are referred to as the cost mitigation task teams. The Premier stated that a draft plan would be available in March 2003 that would contain their general and specific recommendations.

A subsequent briefing on the corporate review and transition planning project indicated that four interim reports would be made available to the committee in order that Regular Members would be able to review proposed changes and offer input. These reports were to be provided in November 2002 and February, June and September 2003.

During the review of the main estimates however, the Premier indicated that a draft report would not be made available until May or June of this year. Members are concerned that this leaves little time for them to have adequate knowledge of and input to the proposed changes for the new government of the 15th Legislative Assembly.

A letter was sent to the Premier requesting confirmation that the interim reports will be provided as initially indicated during the review of the business plans.

Executive Director For Beaufort-Delta

Regular Members noted that a new executive director position for the Beaufort-Delta had been created. The Premier stated that this was a commitment he had made during a conference in the Beaufort-Delta to assist in regional co-ordination in preparation for the implementation of a final self-government agreement.

Members asked when other regions participating in self-government negotiations would be entitled to similar positions within their own regions. The Premier advised the committee that as other groups progress in their negotiations that the government will consider adding positions as they become

necessary.

During the review of the main estimates members asked for and received a copy of the job description for the position. Members also became aware that this new regional office was being implemented on a one-year term basis and the effectiveness of the new division would be evaluated before permanent status would be given.

Members are interested in knowing more about the evaluation process and potential measuring sticks to be used to gauge effectiveness of the office. Members are somewhat concerned, as well, by the short period of time that the director has to prove the division's usefulness to the region and department.

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

HON. STEPHEN KAKFWI: Yes

CHAIRMAN (Mr. Delorey): Does the committee agree? Sergeant-at-Arms, please escort the witnesses in.

Premier Kakfwi, for the record, could you introduce your witnesses.

HON. STEPHEN KAKFWI: Thank you. Mr. Chairman, I have on my left the deputy minister for Department of Executive, Liz Snider, and on my right, the director of finance and administration, Carl Bird.

CHAIRMAN (Mr. Delorey): Thank you, Premier Kakfwi. General comments. Ms. Lee.

General Comments

MS. LEE: Thank you, Mr. Chairman. I just want to make some comments about the Maximizing Northern Employment Program. As I stated many times in this House, I do believe that it is a very good program. It's one that is getting lots of good feedback from those who are able to take advantage of it; northern graduates, who need assistance to get their feet in the door, whether it be with the public service or in private sectors and also the nurses and social workers and teachers whose jobs are being guaranteed with the GNWT upon graduation.

One area that I have been talking about that I think could have been addressed under this program that has not been addressed concerns the post-secondary students with disabilities. Mr. Chairman, I tabled a document in the House called Information on the Northern Graduate Employment Programs. That is a component of maximizing northern employment. The reason why I tabled that is because it came into my possession, I think it is a publicly available document, but someone came to my office with an issue under that on a different topic and when I was reading through it, I noticed that in the section where it defines what northern graduates are there is a note that says, "The above would exclude disabled individuals who were attending specialized facilities outside the NWT immediately prior to attending a post-secondary institution". Special consideration would have to be given to

these situations. I was curious about this section because I wanted to know what was available for students with disabilities under maximizing northern employment.

So, I've inquired about that and what I've learned is there is special consideration for those students who are northern residents but had to be in southern schools because of their disability. This does not cater to what I thought it might have meant, which would be to help those students with disabilities who get post-secondary education to come back and get help just like the other student. So, I wanted to bring this issue to the attention of the House as well as the Minister and whoever is working with this program.

So, I'm wondering if I could get information as to whether or not, when this program was being designed, was there any thought given to what we, as a government, could do to help those graduates, who get out of school and who have disabilities. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Ms. Lee.

MS. LEE: Thank you, Ms. Lee. Mr. Premier

HON. STEPHEN KAKFWI: Thank you. Mr. Chairman, I don't have the wording or the information that the Member is referring to but it's my advice that students like that, even though they may not qualify under the criteria, will still be given special consideration. So, that is my understanding of what was intended there. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Premier. Ms. Lee.

MS. LEE: Yes, and I agree and I accept that. I was told that special consideration would be given for this particular case, for those who fit into that section. I understand that there has been no one who has taken advantage of that but, I guess, my point is that there is a gap in this. There are people, students with disabilities, who are excluded from this still. Even with this provision and those are students who would not qualify under this program because the schools that they are attending would not be considered a post-secondary education by conventional definition because here you have to have a diploma or a degree.

I have been pursuing this with the Minister of Education, Culture and Employment over the last three, four, five days in the House and months beyond that outside of the House in my communication with him, and I keep repeating this, and I think this is a really important point, because there is a gap in our law and our policy to deal with students with disabilities, who are not able to be in a conventional post-secondary educational setting. This sort of special consideration caters to more than physical disabilities, for lack of better words. But, what about those students who have disabilities that impede their learning and those who get through inclusive schooling that we provide up to grade 12 and then various other programs that they enter into.

The one I've been talking about is a vocational transition program. For me and to the people that are in this program, that is their post-secondary education. That would allow them

to move into a career that would get them to maximize their talent and potential. Although it is not a degree or a diploma program, in the conventional sense, that is what is going to keep them away from the income support line or from continuing to have to rely on their family. It is post-secondary education as much as any other, whether it be with the student financial assistance under the Department of Education, Culture and Employment or with this special government program that has been highly successful. That section of our society is being ignored. I acknowledged that the Minister of Education, Culture and Employment indicated that he is working with the federal government and there is a program called employability being set up and so forth. But my question still to the Premier and the government is, when we have a Minister designated for disability and when we espouse the principle of protecting and acknowledging the rights of disabilities, why do we continue to forget to add their situation into consideration when we are making a policy? Thank you.

CHAIRMAN (Mr. Delorey): Thank you. Mr. Premier. Ms. Snider.

MS. SNIDER: Thank you, Mr. Chairman. I can't speak to all of the policies of the government, but certainly the point raised by the Member is an important one. The footnote I think she's referring to-- I don't have the document in front me--is to acknowledge that there are special circumstances and that we should take those special circumstances into consideration in terms of the summer student program that's coordinated by our department. So it's to acknowledge that there are exceptions and that we need to take them into consideration.

DEPUTY SPEAKER: Thank you, Ms. Snider. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. I wonder if I could read that to mean then that there is an acknowledgement and understanding under this program that there are special considerations to be had. Would the government be prepared to open the policy to those students who are in post-secondary education or who are completing their program when they return to the North? Would they be given consideration under this program if they are not in this conventional diploma and degree program as defined by student financial assistance?

CHAIRMAN (Mr. Delorey): Thank you. Ms. Snider.

MS. SNIDER: Yes, we will look into that.

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

SOME HON. MEMBERS: Detail.

Detail

Commissioner's Office

CHAIRMAN (Mr. Delorey): We are on page 2-13, commissioner's office, operations expense, total operations expense, \$202,000.

SOME HON. MEMBERS: Agreed.

---Agreed

Ministers' Offices

CHAIRMAN (Mr. Delorey): Page 2-15, Ministers' offices, operations expense, total operations expense, \$3.694 million.

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Delorey): Ministers' offices, grants and contributions, grants, \$158,000.

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Delorey): Contributions, \$485,000.

SOME HON. MEMBERS: Agreed

---Agreed

CHAIRMAN (Mr. Delorey): Total grants and contributions, \$643,000.

SOME HON. MEMBERS: Agreed

---Agreed

Cabinet Secretariat

CHAIRMAN (Mr. Delorey): Cabinet secretariat, page 2-19, operations expense, total operations expense, \$10.176 million.

SOME HON. MEMBERS: Agreed.

---Agreed

Public Utilities Board

CHAIRMAN (Mr. Delorey): Page 2-21, Public Utilities Board, operations expense, total operations expense, \$361,000.

SOME HON. MEMBERS: Agreed.

---Agreed

Beaufort-Delta Regional Office

CHAIRMAN (Mr. Delorey): Page 2-23, Beaufort-Delta regional office, operations expense, total operations expense, \$300,000.

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Delorey): Page, 2-24, information item, active positions.

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Delorey): Page 2-25, detail of work performed on behalf of third parties.

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Delorey): Total department, \$33,000.

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Delorey): Page 2-26, information item, lease commitments, infrastructure.

SOME HON. MEMBERS: Agreed

---Agreed

CHAIRMAN (Mr. Delorey): Go back to page 2-11, Executive offices, program summary, operations expense, total operations expense, \$14.733 million.

SOME HON. MEMBERS: Agreed

---Agreed

CHAIRMAN (Mr. Delorey): Does the committee agree that the review of the Department of Executive is concluded?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Delorey): Does the committee agree that the Executive offices are concluded?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Delorey): I would like to thank the Minister and witnesses for appearing.

As agreed previously by committee, we will go on to the Department of Justice. Does the committee agree?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Justice

CHAIRMAN (Mr. Delorey): Does the Minister have any opening comments? Mr. Allen.

Minister's Opening Comments

HON. ROGER ALLEN: Thank you, Mr. Chairman. Today I am pleased to present the Department of Justice's main estimates for 2003-2004. The Department of Justice's proposed main estimates for 2003-2004 is \$75.256 million. This is an increase of seven and a half percent or \$5.672 million from the 2002-2003 main estimates.

The capital acquisition plan budget is \$14.092 million. This is a reduction of 33 percent or \$4.754 million from the 2002-2003 fiscal year. The estimated revenues for the department are \$9.803 million which is an increase of \$3,000.

I will now highlight the major changes in the main estimates from last year's budget. In 2003-2004, an additional \$200,000 will be made available so that 10 more communities can hire a part-time justice coordinator. This is the second year of a three-year program that will provide all communities with the opportunity to receive this funding. These additional funds for communities are new spending.

The following changes to the department's budget are all as a result of forced growth.

To address a concern brought forward by the Canada Labour Code regarding the safety of RCMP officers in single-officer detachments, three new RCMP positions will be funded. These positions will be added to the detachments in Wha Ti, Holman and Paulatuk.

The Department of Justice is spending an additional \$293,000 to improve services to the public. Three positions in the maintenance enforcement office will now receive funding to meet the current workload of the office. This will help ensure that those families who are owed financial support receive it.

Legal registries will also receive a new position to meet an existing increased demand for service. However, the revenue from increased registrations will offset the cost of the position.

To improve security in the courts, four new deputy sheriff positions will be funded. The deputy sheriff will now be based in the courts in Inuvik and Hay River. Two additional deputy sheriffs will be assigned to the Yellowknife Courthouse.

On April 1, 2003, the Youth Criminal Justice Act comes into effect and replaces the federal Young Offenders' Act. This new legislation has resulted in forced growth of \$361,000. Part of this increase can be attributed to a new sentencing approach under the act. Youth convicted of Criminal Code offences will now be required to serve the last third of their sentence under supervision in the community. The department will fund three new probation officers based in Fort Providence, Norman Wells and Inuvik. These positions will add to existing probation officers located in Inuvik, Tuktoyaktuk, Fort McPherson, Rae-Edzo, Fort Good Hope, Deline, Yellowknife, Hay River, Fort

Smith and Fort Simpson.

I will now update committee members on issues raised during the review of the business plan.

On the issue of policing, the department received a resourcing request from the RCMP at the beginning of February. We are reviewing the proposal and will meet with the RCMP to discuss resourcing and funding levels for policing services in the NWT. We anticipate these discussions will be completed within the next two months and plan to come forward with an additional request for additional resources by June.

As I recently said, in the Legislative Assembly, addressing family violence is a priority for the department. In response to recommendation six of the social agenda, the department is working with the local office of Justice Canada and the RCMP to find ways to collect data on family violence in the NWT.

As a member of the Coalition Against Family Violence, the department is supporting the development of an action plan on family violence. This plan will improve the way that governments, communities, departments, agencies and service providers work together to reduce family violence and serve the victims of family violence. This reflects recommendation two of the Social Agenda.

The department is also looking at other ways to reduce family violence. We have completed the first phase of our research into family violence legislation and plan to begin public consultations as soon as possible. The department plans to use the results of these consultations as the basis for legislation that we plan to introduce during the June session.

Meeting the legal aid needs of northern residents remains a challenge. Funding legal aid is a problem across Canada. All provinces and territories agreed to a national review of legal aid and we expect the results of the review this spring. In October, I met with the federal Minister of Justice and raised with him the unique issues and costs facing legal aid in the North. The recent federal budget did include additional funding for legal aid. How much money the GNWT will receive should be known within the next three months.

I mentioned earlier the federal Youth Criminal Justice Act. The existing Northwest Territories Young Offenders Act was based on the federal Young Offenders Act that will be repealed April 1, 2003. The department is developing territorial youth justice legislation based on the federal Youth Criminal Justice Act. New territorial legislation is required to ensure that a consistent approach is taken to young offenders for both territorial or Criminal Code offences.

The upcoming fiscal year will be the first year of full operations at the North Slave Young Offender Facility. We will also see the opening of the adult facility in the spring of 2004. The majority of our capital budget for the upcoming 2003-2004 fiscal year will support construction and completion of the adult facility.

These new facilities will make our communities safer by providing the level of security and programming necessary to assist offenders with their rehabilitation and reintegration back to their home communities.

Mr. Chairman, the activities described in the main estimates will help fulfill the roles identified in our business plan and in Towards a Better Tomorrow. These activities will help the department fulfill its mandate of administering justice and maintaining safe and secure communities. I look forward to reviewing the main estimates with members of the committee. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Minister Allen. I will call on the Chair of the Standing Committee on Social Programs for their comments. Mr. Bell.

Standing Committee On Social Programs Committee Comments

MR. BELL: Thank you, Mr. Chairman. The Standing Committee on Social Programs met with the Minister and his officials on January 16, 2003, to discuss the draft main estimates for the Department of Justice.

Since reviewing the business plan in September of 2002, the standing committee notes a reduction of \$218,000 for the department's amortization of infrastructure and a \$150,000 increase to develop and implement the new intensive rehabilitation custody and support program required under the new federal Youth Criminal Justice Act.

Additional Policing for the Northwest Territories

Members of the Standing Committee on Social Programs were pleased to see this budget deals with the issue of single-member detachments. There is an additional \$560,000 to pay for equipment and one additional RCMP officer each in Wha Ti, Holman and Paulatuk.

However, the committee would be remiss if we did not point out that the initiative to eliminate single-member detachments was more or less forced on the GNWT because of a recent Labour Board of Canada decision and was not the result of any forward planning on the part of the Department of Justice.

Members of the Standing Committee on Social Programs have been calling for an increase in the number of RCMP officers for the last three years. The RCMP in larger communities such as Yellowknife and Inuvik are taxed to the limit given the rise in population and an increase in criminal activity associated with improved economic opportunities. Police in these communities also spend a disproportionate amount of time dealing with public intoxication.

Police in other communities are also impacted by inappropriate behaviour associated with the increase in disposable income. Other issues such as the RCMP having to dedicate already stretched resources to highway patrol, policing in Wood Buffalo National Park, court appearances, shift scheduling, maternity leave and training requirements are also impacting on the ability of the RCMP to have a strong presence in NWT communities.

The Standing Committee on Social Programs was first made aware of the RCMP preparing a business case justifying an increase in the number of RCMP officers during the review of the 2001-2002 main estimates. Members are disappointed that the Department of Justice has been unable to arrive at consensus with the RCMP on increased policing requirements

for the Northwest Territories in the past two years.

The committee pointed out in last year's main estimates review that the Government of Nunavut provided funding for an additional 14 RCMP officers in their 2002-2003 budget. It was hoped that the Minister of Justice would show the necessary political will to prepare a submission to the Financial Management Board advocating an increase in the number of police in NWT communities.

There appears to have been no tangible progress made on increasing the number of RCMP officers in the NWT since the committee discussed the issue with the Minister and his officials during the business plan review in September of 2002.

Alcohol and Substance Abuse Policy for Yellowknife

As previously mentioned, Yellowknife in particular, has a serious problem with public intoxication. The standing committee was told over the past year just over 5,000 people were lodged in cells for public intoxication. Admittedly, many of these people were repeat offenders.

Committee was interested to hear the Yellowknife RCMP is developing a plan to deal with the issue of public intoxication in Yellowknife, with a particular emphasis on repeat offenders.

The committee supports such an effort and hope that an interdisciplinary approach can be developed that is inclusive of all agencies involved in the treatment of addictions and of homelessness.

Legal Aid Funding

The federal Department of Justice is due to release a report on the state of legal aid in Canada this spring.

Like the department, the Standing Committee on Social Programs hopes the federal government will accept its responsibility to adequately fund legal aid in Canada. In addition, the committee hopes the federal government will recognize the increased costs of delivering justice in the Northwest Territories and not just fund on a per capita basis.

The standing committee looks forward to discussing the federal Report on the State of Legal aid in Canada with the territorial Minister of Justice when it is released. Mr. Chairman, I would like to turn over the reading of the report to the Member for Great Slave, Mr. Braden.

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

Capital Allocation Concerns And The NWT Women's Correctional Centre

MR. BRADEN: Thank you, Mr. Chairman. Members of the Standing Committee on Social Programs were first made aware of the plan to replace the NWT Women's Correctional Centre in Fort Smith during the 2003-2006 business plan review in September of 2002.

The Standing Committee on Social Programs does not dispute the fact the NWT Women's Correctional Centre needs replacing. What members do dispute is a cost-estimate of \$10 million to replace a facility that, on average, has 10 inmates.

On the face of it, it appears to committee members that major capital projects are being parachuted into the capital allocation process without any regard for design or utilization factors.

Members of the committee have noted a trend of poor planning and consultation in the building of capital projects for the Department of Justice. Even leaving aside the issue of cost overruns on the North Slave Correctional Centre and the female young offenders' facility in Inuvik which the department had little control over, the whole history of the Dene K'onia Young Offender Facility with its proposed land swaps and subsequent lack of community consultation on locating such a facility, coupled with the lack of planning on the Territorial Women's Correctional Centre, have raised serious concerns for committee members.

The deputy minister of the department commented that in reviewing their material in preparation for the meeting with the standing committee the department noted the figure of \$10 million for replacing the Women's Correctional Centre "seemed a large number for a small number of people".

The department has promised to revisit its estimates on the cost of replacing the Territorial Women's Correctional Centre. In advance of that promise, committee members were extremely concerned that leaving the \$10 million figure in the capital allocation plan would result in the number becoming "institutionalized", and thus hard to change in subsequent capital allocation plans.

The Standing Committee on Social Programs passed this concern onto the Standing Committee on Accountability and Oversight. In a letter to the Minister of Finance, the Standing Committee on Accountability and Oversight has asked that the replacement of the Territorial Women's Correctional Centre be removed from the capital allocation plan until such time as it can be justified to the standing committees.

The response from the Minister of Finance indicates the Minister of Justice has agreed the functionality and cost estimates for the project need to be reviewed.

The response also indicates the Territorial Women's Correctional Centre will be a 20-bed facility housing both minimum and maximum security inmates. This is the first time committee members were made aware the department had plans to house maximum-security inmates in this facility. In fact, during the in-camera review of the main estimates, committee members had asked whether the replacement would mean higher security and had been told it was just a replacement of the existing minimum security facility.

Maximum security inmates also imply the department would be seeking opportunities to enter into the return of service agreements with Corrections Canada for the repatriation of NWT residents in the federal system. This was also not mentioned to committee. This further compounds the committee's sense of frustration and fosters the belief the department is adjusting programming to justify capital spending.

Community Justice Committees

Committee members remain committed to the concept of community justice committees and are generally pleased with the department's efforts to expand this program to all

communities in the Northwest Territories.

Alternative sentencing arrangements, such as sentencing circles, allow young offenders and some adults to avoid contact with the criminal justice system and provide them with a genuine opportunity to change their behaviour.

Members are also aware that some community justice committees have gone beyond the mandate envisioned by the Department of Justice and are actually working with inmates from their communities to assist in their eventual reintegration to the community.

The standing committee has commented previously on the need for a program of, for lack of a better word, "aftercare" for persons released to the community after serving time in a correctional facility.

It is recommended that the department seriously consider providing funding to those community justice committees that are willing to engage their community in assisting in the reintegration of offenders into the daily lives of their community.

Treatment Versus Incarceration

One thing the 14th Assembly can take dubious credit for is the replacement of the majority of correctional facilities in the Northwest Territories. It is unfortunate that a significant portion of funding available for capital infrastructure during the life of this Assembly had to be expended on replacing aging correctional facilities.

The reason replacing the Yellowknife Correctional Centre was so expensive was the need to provide adequate programming space to run the programs to help inmates reintegrate into society upon their release. While providing the necessary programming space is important for rehabilitating offenders, it is equally important to provide the programming and services that keep people from coming into contact with the criminal justice system in the first place.

The Department of Justice is tasked with keeping residents of the Northwest Territories safe and in providing the programs and services that will help offenders reintegrate into the community. The committee believes the department now has the infrastructure to accomplish their mandate. The other government departments' roles are to ensure residents have a solid education, have access to adequate housing and access to programs and services that encourage a healthy lifestyle.

We will have spent roughly \$76 million in replacing the correctional and young offender facilities in the Northwest Territories by the end of 2003-2004. It is time now to concentrate on the programs and services that encourage residents to live a healthy lifestyle, to deal with their addictions and mental health issues to ensure we will not have to build more correctional facilities to house residents who have come into conflict with the law.

Family Violence Protection Legislation

The Standing Committee on Social Programs is convinced there is value in introducing and passing legislation on family violence protection that would allow the RCMP to remove perpetrators of violence from the family home.

The current situation almost always results in the victim of violence being forced to flee the family home in search of protection.

The Standing Committee on Social Programs has expressed its frustration in the past on the lack of movement by the department in addressing the need for family violence protection legislation in the Northwest Territories. In the absence of any clear commitment on the part of the department and government and in response to clear direction by various non-governmental organizations, including the government's own social agenda, the Standing Committee on Social Programs offers the following recommendation: The Standing Committee on Social Programs recommends the government introduce family violence protection legislation at the earliest opportunity for consideration by this Legislature prior to the dissolution of the 14th Assembly.

Mr. Chairman, that concludes the report of the Standing Committee on Social Programs on the Department of Justice.

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

HON. ROGER ALLEN: Yes, Mr. Chairman. I would be pleased to do so.

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

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Delorey): Sergeant-at-Arms, would you escort the witnesses in, please?

Mr. Allen, for the record, please introduce your witnesses.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Mr. Chairman, to my far right is the assistant deputy minister of Justice, Shirley Kemeys-Jones; to my immediate left is director of corporate services, Kim Schofield; and, to my immediate right is Donald Cooper, deputy minister. Thank you, Mr. Chairman.

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

General Comments

MS. LEE: Thank you, Mr. Chairman. I have some questions on the Minister's opening comments. The first one has to do with the staffing of RCMP or the resources to staff RCMP positions. The statement and the report by the Social Programs committee speaks about the additional staffing for those communities that had just one officer posted, but the issue that has been urgent for a long time is the need for extra resources in Yellowknife. It's been pointed out many times in the media and in the House in various forms that the contingent of RCMP resources in Yellowknife has remained the same over at least 10 or 15 years, even though the city has seen an enormous growth not only in the population, but also in the number of incidents where RCMP intervention is necessary. So I would like to know where is the hiccup in arriving at an agreement with the RCMP?

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. I would like to put this in some context in relation to our fiscal situation. It's always difficult to try to appropriate sufficient funds to support all of our government's initiatives and certainly that doesn't prevent us from having to deal with the RCMP staffing issue. We have been working from an official level with the chief superintendent's office to try to find appropriate solutions over the last several years. I must admit it must be hard going to try to work within the original policing agreement. As Minister, I also had the privilege last spring of meeting with the chief superintendent on a similar issue. As well, I have been in communication with our lead officials and keeping up to date. Recognizing that they say that there is a manpower shortage, which has been acknowledged, we were also awaiting the final results of their audit. So we are now in the process of seeing what those preliminary results are and furthering some discussion on it. Again, I reference the fact that we are in a government-wide deficit and I am not sure how much we can even contemplate providing further support at this point. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Allen. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. A couple of follow-up questions on the basis of what the Minister has stated. First of all, I would like to know if the funding for the RCMP detachment in Yellowknife is 100 percent funded by the GNWT? The second question is, the Minister mentioned a feasibility study that has been concluded. That raises more questions for me because it's tough to fathom that the Minister might not be aware of the need already because we know this has been an ongoing issue for many, many years. The Social Programs committee pointed out that at least for the last two years, the department has been engaged in negotiations. So, to be doing a feasibility study on something that's that old, I'm going to need an explanation on that. I guess related to that is, the Minister states on page 3, "We anticipate these discussions will be completed within the next two months and plan to come forward with a request for additional resources." At the same time the Minister is stating there are not enough resources, he's doing a study. But what makes him think he could get this done in two months? So, there are three questions there I would like answered. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Ms. Lee. Mr. Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I'll provide an answer for two now and then I will rely on my deputy minister to answer the third in respect to the percentage of our funding for the police. First of all, I want to refer back to the response to the committee's report where they state that their statistics, I must say, should rely on that. If we are spending time responding to 5,000 pick ups for public intoxication, then certainly that is to be acknowledged and that's the type of work expected of the police force, certainly we know that it is their overall goal to achieve more funding for more policing. However, I think we need to be aware, as well, that our fiscal reality, and I am going to emphasize that if I may, Mr. Chairman, is going to, perhaps, limit us as to what we can possibly do in the next coming year. We want to further that discussion with the chief superintendent so that we are on the same page. I believe we need to ascertain our position and so, like I said, we will probably need two to three months to discuss fairly eloquently with them to give them some certainty that this is an issue from both their and our perspective. So, with that

Mr. Chairman, I would like to call upon your permission to allow the deputy minister to respond to the Member's question about the funding we provide under the RCMP agreement. Thank you.

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

MR. COOPER: Mr. Chairman, the funding agreement with the RCMP calls for the territories and provinces to pay 70 percent of the cost of a member and related overhead costs. Some members of the RCMP "G" Division here are federal members and they are classified as federal so they are 100 percent funded but the general rule is we pay for 70 percent of all costs.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Cooper. Ms. Lee.

MS. LEE: Thank you very much Mr. Chairman. I don't believe I still have a clear answer from the Minister as to why...okay, let me just put this another way. This has been an ongoing issue for a very long time, I used to work in Justice years ago when this was an issue so I can't imagine the Minister needing any more information to figure out whether or not there is a need for this. Is that still a problem or has the Minister not come to the conclusion that the RCMP detachment in Yellowknife needs more resources? Can he tell me that, please? Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Ms. Lee. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. I believe we are acknowledging that there is a need based on the socio-economic factors that impacts the Northwest Territories as well as those growing communities. We're saying we just need to further the discussion to ascertain what level of funding we can develop legitimately to try to address the overall issue and the requirements for further resources and I'm just ascertaining the point at which we need to further that discussion with "G" division based on the preliminary reports. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Allen. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. Mr. Chairman, could I ask the Minister whether or not he has gone to the Cabinet for any additional resources for the RCMP in his time as a Minister?

CHAIRMAN (Mr. Delorey): Thank you, Ms. Lee. Minister Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. Yes, I articulated in my address that we have established RCMP training positions and we have secured funding for those positions which were to be in the detachments in Wha Ti, Holman and Paulatuk. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Allen. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. Thank you for that answer from the Minister but I'm interested in the resource

funding in the RCMP Yellowknife detachment. Could I ask the Minister whether or not he's ever brought this issue, whether by a FMB submission or any other submission, to either Cabinet or FMB during his time as a Minister?

CHAIRMAN (Mr. Delorey): Thank you, Ms. Lee. Mr. Allen.

HON. ROGER ALLEN: Thank you, Mr. Chairman. We have discussed it on a number of occasions in a general sense, not specifically related to Yellowknife. But I will ask Ms. Schofield, just to give you a quick overview of the level of funds we have attempted to secure. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Allen. Ms. Schofield.

MS. SCHOFIELD: Thank you, Mr. Chairman. We have not, in the last several years, gone into Cabinet or FMB for additional resources specific to the Yellowknife detachment. The resources we have thought that would affect them would be salary increases for the RCMP. As the GNWT, we are not allowed to deal with RCMP operations and we have not received any formal requests for additional resources for the RCMP directly specific to the Yellowknife detachment.

CHAIRMAN (Mr. Delorey): Thank you, Ms. Schofield. The Chair will recognize Mr. Bell.

MR. BELL: Thank you, Mr. Chairman. I also have a couple of questions about, first of all, the policing resources and I'm wondering if the Minister can explain to me, I appreciate the 70/30 typical funding split but I'm wondering if, in effect, we just took a random number and determined that we needed resources for an additional three police officers in Yellowknife, would it still be up to the federal government to approve that funding or do they automatically put in the 30 percent when we come up with the 70 percent? Can the Minister explain to me how that works? Thank you.

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

HON. ROGER ALLEN: Mr. Chairman, I will ask Ms. Schofield to reply to that specific question.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Allen. Ms. Schofield.

MS. SCHOFIELD: Thank you, Mr. Chairman. The process for the RCMP are to provide 30 percent of the funding is involved with the Treasury Board. The GNWT or the Department of Justice provides a letter to the Solicitor General identifying that we are providing the 70 percent funding for additional resources and that goes into the Treasury Board, they call it a ARLU process which sets aside funding levels for all jurisdictions involved in the RCMP police contract.

CHAIRMAN (Mr. Delorey): Thank you, Ms. Schofield. Mr. Bell.

MR. BELL: Thank you. So, there are a couple of hurdles here then, potentially. I suppose we could potentially, maybe likely, be refused at the Treasury Board level. I am wondering if the

Minister can indicate, in recent years, maybe the last five or 10, when we've gone back for additional resources to the federal government, if they have ever turned us down on a funding request for additional police resources.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Bell. Ms. Schofield.

MS. SCHOFIELD: Thank you, Mr. Chairman. In the past, the federal government has not funded their 30 percent side of the RCMP for additional resources. That process changed two years ago when there was a commitment to fully fund any additional resources that the provinces and territories put forward. They have now changed the mechanism on how they are funding the RCMP. So, yes, in answer to the question there have been times when the Treasury Board or the Solicitor General have not provided appropriate funding on the RCMP side for their 30 percent.

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

MR. BELL: Thank you for that clarification. I am sure we have our work cut out for us and I know that Social Programs will be supporting additional policing resources if the Minister comes forward, as he indicates, with a request in June. I wonder if the Minister would be prepared to share with committee the business case the RCMP are making for resourcing and funding levels in the Northwest Territories. Can we get a copy of that submission and proposal? Thank you.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. I would address his question specifically by saying that I would like to have the opportunity to review it myself first and to get an analysis done of what the requirements are. As I said, I have received it very recently and I haven't had a chance to absorb it in depth, and I would like to have a chance to review it and get back to the Member. Thank you.

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

MR. BELL: Okay. I will await a formal response and I can appreciate that the Minister hasn't had time, just receiving it, to go through this in-depth. I think I would be most interested in seeing it if it were to come with the potential request that he is coming forward with in June. So, if we could have both documents at that time, it would allow committee to see exactly what kind of a case the RCMP were making and how far we were prepared to come in meeting them. So I will await the Minister's response on that formally.

The other question I have is about wilderness inmate camps and their success rate and their operations. I know in the past, we did a review of the amounts of money paid to camp operators because operators had approached the department and suggested that it wasn't viable for them with the current per diem. We did raise the per diems in some measure to try to address this concern. I am wondering if we are having any more concerns about the adequacy of these per diem rates raised with the department by the operators.

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

HON. ROGER ALLEN: Thank you, Mr. Chairman. I will seek the Chair's permission to allow Shirley Kemeys-Jones, the assistant deputy minister to respond to that question.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Allen. Ms. Kemeys-Jones.

MS. KEMEYS-JONES: Thank you, Mr. Chairman. We recently had an opportunity to meet with the present camp operators and the per diem rates no longer seem to be their primary concern. It was the numbers of inmates that we had in camp and the numbers are high in the camps right now. We continue to work with them, so the per diem rates are not a concern at this time.

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

MR. BELL: Okay. I know they have been in the past and one of the revelations that was interesting for me was that camp operators end up, at times, paying inmates for various chores and had to use some of that per diem money to do so. I wonder if this meets official department policy and whether or not camp operators have the freedom to make determinations on how much they are going to pay for certain chores, these types of things. It struck me as strange in the first place that they would even be able to do that and I thought that might point to some of the problem with being able to adequately fund the camps if the per diems, which were not originally meant for paying out these stipends for various chores, were having to accommodate that as well, I could see why they were coming up short. I wonder if the Minister can give me an indication whether this is official policy, whether he was aware that this was going on and what we are currently doing about it. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Bell. Ms. Kemeys-Jones.

MS. KEMEYS-JONES: Yes, Mr. Chairman, on that issue, inmates in camps receive incentive pay through the department, which is separate and apart from the per diem rates that the camp operators are paid. The incentive pay is set at \$5 a day, the same as in the facility and this allows them to buy personal products out in the camps. We have recently heard, following our meeting with the standing committee, that one of the camp operators pays a nominal fee, approximately \$2.50 a day more, for those inmates who are working in kitchens preparing meals. We believe the rationalization for this is, presently in the two camps, they take part in activities. One is a fishing camp and in the other camp, sometimes they are able to harvest furs. There are decisions on where some of the money from the harvesting of the fur may go back to the inmate, whether it's to support the family or pay restitution or whatever, but there is still an opportunity to earn a small income aside from the incentive pay. Those people working in the kitchens don't have that opportunity, so it's a very nominal rate of \$2.50 a day more. It's not our policy that inmates receive a salary of any kind in the camps for doing the chores.

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

MR. BELL: I guess my question would be whether or not then, since the department is aware this is going on, the department

approves this additional salary being paid to those inmates who are cooking and cleaning for, in effect, themselves and any other camp attendees. If you weren't aware that it was going on, how do we know it's \$2.50 for cooking and not \$40 a day for cooking or \$20 a day for cooking or something of this nature? Inmates do have a choice as to which camps they go to, so certainly it's a competitive environment for inmates if you are trying to make a go of a camp. I ask the question again if the department approves of this practice and, if so, how can they be certain this is the actual amount being paid?

CHAIRMAN (Mr. Delorey): Thank you. Ms. Kemeys-Jones.

MS. KEMEYS-JONES: Thank you, Mr. Chairman. The department does not approve of the practice. In fact, when we found out about it, we did speak with the camp operator to find out the amounts he was paying. He felt it was his discretion. We discourage such payments and we recently had a meeting with him on that very issue. I haven't had an opportunity to talk with him yet to find out his decision on that or whether he is going to continue the practice, but for the very reasons that Mr. Bell mentioned, that's why the department does discourage the practice of paying inmates any type of a salary in the camps.

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

MR. BRADEN: Thank you, Mr. Chairman. I move we report progress.

CHAIRMAN (Mr. Delorey): There is a motion on the floor. The motion is not debatable. All those in favour? All those opposed? The motion is carried. The Chair will rise and report progress.

DEPUTY SPEAKER: Item 20, report of Committee of the Whole. Mr. Delorey.

ITEM 20: REPORT OF COMMITTEE OF THE WHOLE

CHAIRMAN (Mr. Delorey): Mr. Speaker, your committee has been considering Bill 3, Appropriation Act, 2003-2004, and committee reports 3-14(6) and 5-14(6) and would like to report progress and, Mr. Speaker, I move that the report of the Committee of the Whole be concurred with.

DEPUTY SPEAKER: Do I have a seconder for that? Member for North Slave. The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

DEPUTY SPEAKER: Question has been called. All those in favour? All those against? The motion is carried. Item 21, third reading of bills. Mr. Handley.

ITEM 21: THIRD READING OF BILLS

Bill 6: Electoral Boundaries Commission Act, Carried

HON. JOE HANDLEY: Mr. Speaker, I move, seconded by the honourable Member for Inuvik Twin Lakes, that Bill 6, Electoral Boundaries Commission Act, be read for the third time. Thank

you, Mr. Speaker.

DEPUTY SPEAKER: The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

DEPUTY SPEAKER: Question is being called. All those in favour? All those opposed? The motion is carried.

---Carried

---Applause

DEPUTY SPEAKER: Bill 6 has had third reading. Item 21, third reading of bills. Mr. Handley.

Bill 7: An Act To Amend The Legislative Assembly And Executive Council Act, Carried

HON. JOE HANDLEY: Mr. Speaker, I move, seconded by the honourable Member for Thebacha that Bill 7, An Act to Amend the Legislative Assembly and Executive Council Act, be read for the third time. Thank you, Mr. Speaker.

DEPUTY SPEAKER: The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

DEPUTY SPEAKER: Question is being called. All those in favour? All those opposed? The motion is carried.

---Carried

---Applause

DEPUTY SPEAKER: Bill 7 has had third reading. Item 21, third reading of bills. Mr. Handley.

Bill 8: An Act To Amend The Elections Act, Carried

HON. JOE HANDLEY: Mr. Speaker, I move, seconded by the honourable Member for Yellowknife Centre, that Bill 8, An Act

to Amend the Elections Act, be read for the third time. Thank you, Mr. Speaker.

DEPUTY SPEAKER: The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

DEPUTY SPEAKER: Question is being called. All those in favour? All those opposed? The motion is carried.

---Carried

---Applause

Bill 8 has had third reading. Item 21, third reading of bills. Item 22, orders of the day, Mr. Clerk.

ITEM 22: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Speaker, a meeting of the Standing Committee on Accountability and Oversight at adjournment today and again at 8:30 a.m. on Monday, also at 10:30 on Monday and at 12:00, the Standing Committee on Accountability and Oversight.

Orders of the day for Monday, March 3, 2003:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognitions of Visitors in the Gallery
6. Oral Questions
7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address
10. Petitions
11. Reports of Standing and Special Committees
12. Reports of Committees on the Review of Bills
13. Tabling of Documents
14. Notices of Motion
15. Notices of Motions for First Reading of Bills
16. Motions
17. First Reading of Bills
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 2, An Act to Amend the Territorial Parks Act
 - Bill 3, Appropriation Act, 2003-2004
 - Committee Report 3-14(6), Standing Committee on Accountability and Oversight Report on the Review of the Draft 2003-2004 Main Estimates
 - Committee Report 4-14(6), Standing Committee on

Governance and Economic Development Report on the Review of the Draft 2003-2004 Main Estimates

- Committee Report 5-14(6), Standing Committee on Social Programs Report on the Review of the Draft 2003-2004 Main Estimates

- Committee Report 6-14(6), Report on the Review of the Access to Information and Protection of Privacy Commissioner's 2001-2002 Annual Report

20. Report of Committee of the Whole

21. Third Reading of Bills

22. Orders of the Day

DEPUTY SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until 1:30 a.m., Monday, March 3, 2003.

---ADJOURNMENT

The House adjourned at 1:34 p.m.