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The Honourable Jackie Jacobson, Speaker			

Legislative Assembly of the Northwest Territories

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YELLOWKNIFE, NORTHWEST TERRITORIES

Friday, February 6, 2015

Members Present

Hon. Glen Abernethy, Hon. Tom Beaulieu, Ms. Bisaro, Mr. Blake, Mr. Bouchard, Mr. Bromley, Mr. Dolynny, Mrs. Groenewegen, Mr. Hawkins, Hon. Jackie Jacobson, Hon. Jackson Lafferty, Hon. Bob McLeod, Hon. Robert McLeod, Mr. Menicoche, Hon. Michael Miltenberger, Mr. Moses, Mr. Nadli, Hon. David Ramsay, Mr. Yakeleya

The House met at 10:01 a.m.

Praver

---Prayer

SPEAKER (Hon. Jackie Jacobson): Good morning, colleagues. Orders of the day. Item 2, Ministers' statements. The honourable Minister of Education, Culture and Employment, Mr. Lafferty.

Ministers' Statements

MINISTER'S STATEMENT 133-17(5): INCREASE TO THE MINIMUM WAGE IN THE NWT

HON. JACKSON LAFFERTY: Mr. Speaker, I am pleased to advise Members of this House that starting on June 1, 2015, the minimum wage in the Northwest Territories is going up.

The minimum wage in the NWT will increase from \$10 per hour to \$12.50 per hour, making it the highest in Canada today. This is the first increase to the minimum wage in the Northwest Territories since 2011.

In 2013 I appointed a Minimum Wage Committee consisting of business, non-governmental organizations and other community representatives, which included the NWT Chamber of Commerce and the Northern Territories Federation of Labour.

This decision to increase the minimum wage was informed by the thorough and considered research of the Minimum Wage Committee, which reviewed relevant information including social and economic factors as well as current minimum and average hourly wages in other Canadian jurisdictions and the cost of living across Canada.

The committee provided three options on the minimum wage rate. The option chosen carefully balances the needs of our minimum wage earners with the cost to small businesses that employ them.

The average minimum wage for each jurisdiction in Canada is about 45 percent of its average hourly wage. In 2013 the average hourly wage in the NWT was \$27.80. The present minimum wage of \$10 per hour only reflects 36 percent of the average hourly wage in the NWT. Increasing the minimum wage to \$12.50 per hour brings it up to approximately 45 percent of the NWT average hourly wage, which is in line with the average for Canada.

Most employers in the NWT already pay more than the minimum wage because this is what is required to attract and retain employees in the NWT. It is anticipated that a higher minimum wage may improve employee retention, enhance recruitment opportunities and attract more people to the workforce.

On its own, increasing the minimum wage rate is not an effective means of fighting poverty. Across this government we have many strategies in place to help Northerners achieve their goals, support their families and live healthy, successful lives: the Early Childhood Development Framework, the Anti-Poverty Strategy, the NWT Housing Corporation Transitional Rent Program, the Income Assistance program, the Mental Health and Addictions Action Plan, Community Wellness Plans and Child Care User Subsidy that help to support the most vulnerable in our society. The increased minimum wage joins these strategies to help Northerners.

Mr. Speaker, we have a shared vision of a prosperous NWT where people can afford to support themselves and their families. Raising the minimum wage is one part of creating a vibrant and diversified economy supported by a strong labour force that will share in the economic prosperity and opportunities emerging in the NWT. We believe increasing the minimum wage in the NWT to \$12.50 an hour is a much needed, tangible and practical way to help make that happen. Mahsi, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Lafferty. The honourable Minister of Public Works and Services, Mr. Beaulieu.

MINISTER'S STATEMENT 134-17(5): COMMUNITY FUEL PRICES

HON. TOM BEAULIEU: Mr. Speaker, I would like to update Members on some recent activities of the Department of Public Works and Services with regards to fuel prices in communities served by its petroleum products division.

Recent changes in the market have seen oil prices go from all-time highs to record lows over the past year. This current market pricing has provided the petroleum products division with an opportunity to lower its costs and pass on these savings to residents.

The lower wholesale prices for fuel have made it possible to pass savings on to residents now, during the peak of the winter heating season. Mr. Speaker, on Monday February 2nd, the petroleum products division dropped the price of heating fuel in all 16 communities that it serves.

Those reductions included an eight cent per litre decrease in the communities of Lutselk'e, Wekweeti, Jean Marie River, Wrigley, Tulita, Fort Good Hope, Deline, Tsiigehtchic, Paulatuk and Ulukhaktok, while the communities of Whati, Gameti, Nahanni Butte, Trout Lake, Colville Lake and Sachs Harbour received a nine cent per litre decrease in heating fuel.

With our winter resupply underway, the department expects that further reductions to the price of heating fuel and future reductions to the price of gasoline are possible in the coming months should current market prices continue.

Mr. Speaker, lowering the cost of living for NWT residents is a priority for our government. While dramatic shifts in the international market for oil have made it possible to pass on savings to residents, we cannot rely on prices staying low. We still need to be looking for long-term ways to reduce energy costs.

Energy efficiency and alternative energy solutions offer a stable, longer term solution to living in the North. Through its other programs, the Department of Public Works and Services will continue to advance our goals as a government to reduce our costs and dependency on imported diesel.

I am encouraged that as a government we continue to look at all ways to reduce the high cost of living in the NWT. I am pleased that we are able, when the market allows, to provide some much needed relief in our smaller communities during the peak of the heating season. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Beaulieu. Item 3, Members' statements. The honourable Member for Hay River South, Mrs. Groenewegen.

Members' Statements

MEMBER'S STATEMENT ON HOLISTIC ANIMAL MANAGEMENT TRAINING AT THE NORTHERN FARM TRAINING INSTITUTE

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Today I'd like to tell you about a new way of raising animals. It's called Holistic Animal Management. This approach is good for animals, good for the environment, good for employees and good for the bottom line. The Savory Institute is an international organization that supports this innovative approach to animal management. The core of their business model is to establish 100 locally-owned, led and managed savory hubs by 2025. Their method is to demonstrate, educate, support and coordinate the adoption of holistic animal management around the globe. To accomplish this, they are establishing partner hubs around the world. They have already partnered with organizations in Mexico, the United States, Africa, Turkey and Scandinavia. Now the Savory Institute has chosen to partner with Hay River's Northern Farm Training Institute.

I'm told that there was very stiff competition and that, to date, the Northern Farm Training Institute is the only savory hub in Canada. This is a real honour, Mr. Speaker, and much credit goes to the leadership of the Northern Farm Training Institute and particularly Jackie Milne, who applied for this designation literally at the 11th hour out of a very, very wide variety of applicants and candidates and got Hay River in there.

Over the next year, the Northern Farm Training Institute will receive specialized training from the Savory Institute's world-class staff. The Northern Farm Training Institute, in turn, will be able to collect revenue by offering holistic management courses, which will be of interest to people all over Canada.

A side benefit is that the institute will become an even more popular tourist attraction in the Hay River area. This is a huge boost for our community and the Northwest Territories. I would like to extend sincere congratulations to the forward-thinking staff of the Northern Farm Training Institute, and I'm eager to support and build on their achievements.

I'd also like to take this opportunity to thank MLA Bromley and MLA Hawkins who joined MLA Bouchard and myself to attend a large crowd of people who came out to hear this announcement made in Hay River, and I encourage anyone who has the opportunity to find out more about this exciting opportunity to do so. You will not believe it; it is unbelievable.

With that, congratulations again to Jackie and the Northern Farm Training Institute. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Member for Mackenzie Delta, Mr. Blake.

MEMBER'S STATEMENT ON RESOLUTION OF DISASTER COMPENSATION CLAIMS

MR. BLAKE: Thank you, Mr. Speaker. Since the spring of 2013, we've had a number of issues come up with disaster compensation claims that were put in in the Mackenzie Delta. With that, 13 people have filed claims, and over the last almost a year

and a half now, only one has been approved. But over the last month, I got the latest update from the department and 10 out of 13 were approved. On behalf of my constituents, I'd like to thank the Minister and the Department. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Blake. Member for Range Lake, Mr. Dolynny.

MEMBER'S STATEMENT ON CATASTROPHIC DRUG COVERAGE

MR. DOLYNNY: Thank you, Mr. Speaker. By all accounts, it's estimated that 10 to 25 percent of our Canadian population is uninsured or underinsured for prescription drugs. When unforeseen illnesses, disability and medical complication strike, this portion of the population is vulnerable to financial hardship. In essence, those unable to afford these drug costs are placed in serious situations of life or death.

To put in perspective where drug costs are going, just last week I saw a bill for a new Hep C drug, called Harvoni, for the 12-week therapy of \$92,000. Shocking, I know.

Efforts both nationally and internationally have tried to address this. Yet, in the NWT there is still no concrete action on catastrophic drug coverage programs designed for people with serious medical conditions or that would protect against undue financial hardship resulting from prescription drugs.

Nationally, this issue has been bounced around with First Ministers in 2003, supporting a \$16 billion reform fund to improve provisions of catastrophic drug coverage to a 2004 National Pharmaceuticals Strategy and a creation of a task force and, finally, in 2008, with Health Ministers reaffirming that catastrophic drug coverage would be implemented. However, as of 2015 this matter still remains unaddressed in part because of disagreements over the federal government's cost sharing responsibilities. But moreover, Mr. Speaker, I believe it's the lack of political will.

During this time, and as of today, provinces and territories were exempted or expected to employ a patchwork of public and private drug coverage plans in the absence of a national strategy. In essence, there are seven provinces and Nunavut that have an official catastrophic drug coverage plan in place. Unfortunately, NWT is not one of them.

In the NWT, First Nations and Inuit residents are covered for all medications through the Health Canada's often complex and red tape burdened Non-Insured Health Benefits, NIHB, formulary. Although the GNWT does not provide catastrophic drug coverage for non-Natives and Metis residents, it does however, using this plagued NIHB formulary as a guide, and through its extended health benefits, provide Pharmacare for seniors and residents with specific disease conditions.

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

---Unanimous consent granted

MR. DOLYNNY: I could dissect our Pharmacare program ad nauseam with my two decades of private practice and advocacy on this topic. So let me just say that in a 2012 review of policy options prepared by the Alberta Blue Cross, it was noted that this NIHB formulary did not align with coverage in many provincial jurisdictions including Alberta and, of course, our own NWT Extended Health Benefits Program. Add all this up, the GNWT continues to still use a flawed, square design to deal with a round hole when it comes to those who cannot afford their medication.

So yes, Mr. Speaker, I will have questions later today for the Minister responsible. Thank you.

MR. SPEAKER: Thank you, Mr. Dolynny. Member for Nahendeh, Mr. Menicoche.

MEMBER'S STATEMENT ON MARTIN ABORIGINAL EDUCATION INITIATIVE IN FORT SIMPSON

MR. MENICOCHE: Mahsi cho, Mr. Speaker. In the winter semester of 2014, the Thomas Simpson Secondary School became the first in the Northwest Territories to have its high school students access to the Martin Aboriginal Youth Entrepreneurship Program and still is the only school in the NWT to offer this program.

A big and special commendation and thanks to Enbridge Pipelines Inc. and the Department of Education for being the primary sponsors with the Martin Aboriginal Education Initiative. This foundation is created by none other than our former Prime Minister of Canada, Paul Martin himself.

Since the program began, over 35 students have enrolled. Thirty students completed full business plans and 12 former students have graduated high school. Plans included restaurants, tourism, fish farming, mobile apps and supports in the business service sector. Each course has always ended with the students presenting their business plans to community business leaders in a Dragon's Den type format and receiving feedback from their ideas.

Exceptional secondary sponsors include the Liidlii Kue First Nations, Dehcho First Nations, Metis Local 52, the Dehcho Divisional Council, department and staff of ITI in Fort Simpson and the mayor of the Village of Fort Simpson.

Students receive business presentations on ideas such as helicopter charters, tourism charters, Parks Canada, e-commerce businesses, green energy businesses and how to manage them. Today the TSS and teachers are getting requests from schools and school boards, asking how they can be involved in such an exceptional program.

The Martin Aboriginal Education Initiative provides teacher training, student workbooks, course materials and ongoing supports. Paul Martin told the Northern Journal during his visit to Fort Simpson for the first graduating class in May of 2013, the purpose of it is to essentially give young First Nations, Metis and Inuit an opportunity to know what business is all about in order to determine (a) whether they would get into a business when they graduate from high school or (b) just to teach them what the economy is all about.

Since the three years of its operation, I have personally been participating by speaking to each of these classes in the past five semesters.

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

---Unanimous consent granted

MR. MENICOCHE: I shared with them an outlook of the GNWT economy and my shared personal experience of being involved in the business world. It was great to have a discussion with these young adults, aged 14 to 17, about their ideas for starting their own businesses and discussing the economy of the GNWT and Canada as a whole.

In closing, congratulations to the students, the Thomas Simpson School and teachers, and keep up the good work in getting our youth to see their potential and their place in this world. I would like to see this expanded to all our schools in the NWT so our youth can understand the importance of the business sector and what keeps our economy going. Mahsi cho, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Menicoche. Member for Deh Cho, Mr. Nadli.

MEMBER'S STATEMENT ON IMPACTS OF CLIMATE CHANGE

MR. NADLI: Thank you, Mr. Speaker. The science is irrefutable. In polar regions the climate is changing faster than anywhere else in the world. The climate change does not receive due attention in this government's strategic and long-range planning. I offer a few snapshots to illustrate the need for urgent action.

Sea ice is changing rapidly. The Arctic Ocean will be almost ice-free by mid-century. Glaciers and ice caps are melting at an accelerated rate. This is increasing the fresh water flow and impacting ocean circulation. Permafrost is warming and losing integrity. Ocean currents are shifting, leading non-Arctic species to encroach on northern water ecosystems. Caribou populations are declining. Caribou are becoming confused by changing seasons and conditions. At one time elders could predict and tell you where the herds would be, based on the time of the year, but that's no longer the case.

Contaminants are entering the ecosystem at an accelerated rate. Tundra shrubs are expanding and choking out berry-producing plants. This will obviously impact the health and culture of Northerners.

Forest fires are expected to increase in number and size. Fire temperatures can cause forests to be drier, fires to start more easily and also make fires harder to put out.

Scientists have demonstrated a direct link between climate change and fossil fuel emissions. This government should be taking the science more seriously. It should be demonstrably divesting from fossil fuels and investing in climate change alternatives. As Global Divestment Day approaches on February 13th, I call on the government to articulate a stronger commitment to climate-friendly energy sources. Mahsi, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Nadli. Member for Sahtu, Mr. Yakeleya.

MEMBER'S STATEMENT ON DECLINING FUEL PRICES

MR. YAKELEYA: Thank you, Mr. Speaker. I first want to say thank you to the government for lowering the diesel prices in the Sahtu communities and other communities. When the Minister of Transportation and I did a tour in the Sahtu at the beginning of January, that was one of the issues that Fort Good Hope, Tulita and Norman Wells talked about, the high cost of gasoline and diesel fuel. The Minister made a point of telling people in Fort Good Hope and Tulita that there are things in play that maybe could bring the costs down. So, true to his word, the Minister told the people that if things work out well, that the price of heating fuel would go down. Certainly, he has been true to his word by his statement this morning. So I want to thank the Minister, that something as important as this in our small communities means a lot to our people.

Ever since man has invented machinery that is fueled by diesel or gasoline, we have created dependency on it. From the Northwest Territories point of view, for myself, from wood-heated stoves to a furnace, we have moved in that evolution, from dog teams to skidoos to four by fours and trucks. We know that is a given that we have created some dependency on fossil fuels in the Northwest Territories.

Recently, we have seen in the news that the world prices have gone down and people in the Sahtu have been saying, how come our prices have not gone down in some of our communities? They want to know why Yellowknife is paying \$1.03 while Colville Lake pays \$1.99 for gasoline. Why are those differences in the prices here? We wanted to raise that concern.

The other thing that the people wanted to know is will the price of gasoline go down in the Sahtu as it did with the heating fuel. Eighty-six percent of homes in Colville Lake are owned by private homeownership, so they definitely are going to benefit by the low cost of heating fuel in their community.

I will have more questions for the Minister on the price of fuel. Thank you.

MR. SPEAKER: Thank you, Mr. Yakeleya. Member for Yellowknife Centre, Mr. Hawkins.

MEMBER'S STATEMENT ON COST OF LIVING

MR. HAWKINS: Thank you, Mr. Speaker. It is never too late for this McLeod government to be reminded about what is truly important. Even when they pay little attention to whatever advice Regular Members offer to share, I continue, once again, to feel the need to remind this government about the great crisis of our time.

The crisis I speak of is affordability. It's known by many names, all of equal value, but whatever name you choose to use, it is always the same problem to the same families.

If you can't afford to live, there are very few – ridiculously few – options for people to turn towards. The cost of living is the millstone carried by the everyday family. Unfortunately, it's not viewed that way by this government. Unfortunately, it continues to weigh heavier on those families trying to get by each and every day.

As the bricks continue to pile up, respite is far from in sight. While we all know that it's not easy for this government to sit on their perch of power and it's a job that only can be done by a very few, but we on the ground can see the results. We see the poverty; we see the families struggling, trying to get ahead. So, as we watch the cost of living continue to grow for the everyday family, why isn't this the primary call to duty by this government to fight this particular crisis?

Families are leaving the North every day, not because of the lack of work, in many cases, but it is because they can't find affordable work. They can't find housing they can afford to rent. They can't afford to pay their power bills. These are burdens that stop the everyday family from getting ahead. Families work because they need to afford to go to work. That is the crisis.

Our Bureau of Stats, which I am very thankful for and am often surprised that they still exist considering how many times I thank them, this government has the facts before them. Workforce participation numbers shrink, our unemployment rates increase, unemployment rates decrease, numbers speak for themselves. The government has all the information. Our population continues to leave because of the times and the problems before us.

If it weren't for our birthrates, that are actually quite notable in consideration to other places in Canada, our population would be a tragedy in itself.

The cost of living must be fought and it must be a call to duty by this government. Thank you.

MR. SPEAKER: Thank you, Mr. Hawkins. The Member for Inuvik Boot Lake, Mr. Moses.

MEMBER'S STATEMENT ON SUPPORT FOR SMALL BUSINESSES IN THE NWT

MR. MOSES: Thank you, Mr. Speaker. We heard some good news in the House today: the minimum wage increase as well as dropping fuel prices. That's great for our residents and great for people in the Northwest Territories. Today I want to speak about the small business sector and possibly how this minimum wage increase can affect our small businesses in the communities who are trying to get ahead, employ our residents and now they're going to have to deal with the wage increase as well. I will be asking questions of the Minister of ITI if there's a possibility that we can subsidize this.

The reality is that our small businesses, our big businesses are struggling in the Northwest Territories. We know there's a high cost to doing business in the North – transportation, freight, moving things in and out of the small and remote communities – and another reality is there is a downturn in our economy. We see it in the Sahtu; we see it in the Beaufort-Delta and we've got to start looking at ways to support the small businesses and the big businesses in our communities so they can stay afloat.

So I'll have questions today for the Minister of ITI, specifically on the SEED funding. It's a program that we fund to our entrepreneurs to increase economic development and talk about when was the last time we had increases in the funding, when was the last time the policy was looked at. Due to the economic downturn in the North and in our territory, what are we doing to offset those so that the small business, the mom and pop businesses in the communities can stay afloat, some of them which have been residents of the Northwest Territories for a very long time.

So today I'll talk about small businesses in the Northwest Territories, how we can continue to support them so that they can support our economy and the Northwest Territories and get people in the Northwest Territories working. Thank you. **MR. SPEAKER:** Thank you, Mr. Moses. The Member for Weledeh, Mr. Bromley.

MEMBER'S STATEMENT ON REDUCING FOSSIL FUEL PRODUCTION TO MITIGATE CLIMATE CHANGE

MR. BROMLEY: Thank you, Mr. Speaker. Good morning, colleagues. Recent articles in the prestigious Nature science journal show that in order to salvage even a 50 percent chance of stopping dangerous climate change, as mentioned by my colleague Mr. Nadli, most of the untapped fossil fuels worldwide need to stay in the ground. Specifically, 80 percent of known coal reserves, 50 percent of gas and 30 percent of oil reserves must be left untapped over the next 40 years to keep to the internationally agreed upon limit of a two degree increase in average global temperature.

With additional study and taking into account regional costs of extraction, researchers determined how and what regions must reduce their fossil fuel production. They calculated which resources could be extracted the most effectively. Results show all of the current producers must make sacrifices, a painful move for countries that are economically depending on fossil fuel resources.

It's particularly bleak for Canada and the North. The researchers found that extraction of Arctic fossil fuels must be completely avoided with essentially all of our hydrocarbons left untouched. None of the oil or gas reserves in the Northwest Territories make the cut.

What happens if these stranded reserves are burned? Dr. McGlade, an author of the Nature article, says things get "worse and worse as we head towards higher temperatures." Without effective action, we are heading for four or five degrees rise right now. A two-degree rise is dangerous, but the effects of a three-degree rise are terrible. The differences thereafter are catastrophic. With more pronounced effects on weather, we risk hitting tipping points that will cause runaway climate change with severe implications for civilization as we know it.

Here in the Northwest Territories we are seeing cumulative climate change impacts already with exceptional drought, fire and shipping-related costs of over \$100 million so far this year. Despite these facts, our Premier and Cabinet are off touting hydro carbon development to the world, putting out calls for exploration and exploitation and developing fracking protocols. They must know this means committing our land and our people to the most weak and vulnerable form of economic development, resulting in the destruction of our communities, our economy and our future. Mr. Speaker, I seek unanimous consent to conclude my statement. Mahsi.

---Unanimous consent granted

MR. BROMLEY: They must also know that we must turn to renewable energy-based development in order to minimize the destruction and begin to build a sustainable future. On behalf of the people of the Northwest Territories, what will it take to reverse this participation in the insane march to destruction and shift to a truly beneficial and progressive renewable energy-based economy?

As the great Canadian Ms. Naomi Klein says, "It's time to stop digging poisons from the deep and shift with all speed to powering our lives from the abundant energies on our planet's surface." Residents of the North call upon our Premier and Cabinet to make it so. Mahsi.

MR. SPEAKER: Thank you, Mr. Bromley. Member for Frame Lake, Ms. Bisaro.

MEMBER'S STATEMENT ON WOMEN IN POLITICS

MS. BISARO: Thank you, Mr. Speaker. There's an obstacle I've encountered throughout my life as an elected official and it is that of being a minority gender on an elected body. It's quite obvious, as you look around the Chamber here, that the NWT Legislature does not have gender parity; we're not even close; and there's not even an inkling of any balanced gender differential in Cabinet.

Across Canada the best percentage of women in elected office is 36 percent in British Columbia, and the NWT is a long way from that.

Today and tomorrow the NWT Status of Women Council is holding a Campaign School for women, an event intended to encourage and prepare women to run for office in our upcoming territorial and municipal elections. Some 40 people have registered for the two-day school, people who will be candidates, campaign managers, agents and other campaign workers. They'll learn about and discuss all the elements associated with an election: campaigning, that of talking to constituents, going door to door, funding a campaign, the rules of an election and so on.

Some may think that it's too early to be thinking about an election which is eight or nine months away, but it is not. We need more women in this Legislature and in our municipal councils. Women are 50 percent of our population and we ought to be represented in that same proportion on our elected bodies.

I encourage NWT women to seriously consider running for an MLA seat this fall. Give it some thought, make a decision and start planning now. So I don't get accused of being sexist, to NWT male residents, you do the same. Think about challenging your current MLA. Better yet, don't think about it, do it.

I look forward to the excitement of the 2015 NWT Election. I hope to see a female candidate in every one of our 19 ridings, and my fervent wish is that the result of the fall election will be far more female MLAs in the 18th Assembly than the current two of 19.

I am pleased to be part of the Campaign School, along with my only other female colleague here, Mrs. Groenewegen, as well as Mr. Abernethy and Ms. Lisa Dempster from the House of Assembly in Newfoundland and Labrador who has come to help us out. I know it will be a busy but constructive weekend, and I wish all the participants the best. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Bisaro. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. The honourable Premier, Mr. McLeod.

Recognition of Visitors in the Gallery

HON. BOB MCLEOD: Thank you, Mr. Speaker. I'm very pleased to recognize visitors in the gallery who are participating in the NWT Campaign School today and tomorrow, so at the end of this year I expect some of them will be sitting down here. Tina Gargan, president of the Status of Women Council; Lisa Dempster, Newfoundland Parliamentarian; participants Pertice Moffat, Darlene Sibbeston, Jan Fullerton, Debbie Dechief, Gail Cyr, Karen Willy, Sarah Pope, Diana Pellissey, Amanda Kanbari, Kathy Paul-Drover, Caroline Cochrane-Johnson, Laura Boileau; and Status of Women Council staff Lorraine Phaneuf, Samantha Thomas and Annemeike Mulders. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. McLeod. Mr. Abernethy.

HON. GLEN ABERNETHY: Thank you, Mr. Speaker. I'd also like to recognize a few Great Slave constituents who are here, who are either participating or involved in organizing the NWT Campaign School. They are Karen Willy, Kathy Paul-Drover as well as Samantha Thomas. Thank you all for coming today.

MR. SPEAKER: Thank you, Mr. Abernethy. Mr. Moses.

MR. MOSES: Thank you, Mr. Speaker. I'd like to take this opportunity to welcome Mr. Mark Prins to the House today. He's a physician up in Inuvik and hopefully he'll be a long-time resident and providing the health care and services to people in Inuvik and the Northwest Territories.

I'd also like to take the opportunity to welcome all participants from the Campaign School and recognize the staff of the Status of Women Council for putting on such a great program. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Moses. Mr. Bromley.

MR. BROMLEY: Thank you, Mr. Speaker. I'd also like to recognize the lady in the pink house, the irrepressible Gail Cyr, a resident of Weledeh. I also appreciate very much the work that's being done and the people who are attending the school. So, hats off to the Status of Women Council staff. Mahsi.

MR. SPEAKER: Thank you, Mr. Bromley. Mr. Menicoche.

MR. MENICOCHE: Thank you very much, Mr. Speaker. I'd like to say welcome to Ms. Darlene Sibbeston out of Fort Simpson to the gallery, and to everyone in the Campaign School, have a great weekend as you learn about valuable public service to the public. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Menicoche. Ms. Bisaro.

MS. BISARO: Thank you, Mr. Speaker. I'm really pleased to welcome all the ladies up there who will be working at the Campaign School this weekend, working for and in and about. I would specifically like to mention a Frame Lake constituent, Laura Boileau, and I would also like to give my thanks at this point to Ms. Lisa Dempster, who is the Member of the House of Assembly for Cartwright-L'Anse au Clair in Labrador. I'm not sure if Lisa is up there, but I wanted to say thank you to her for coming to see us this morning and to help us with the school. Thank you.

MR. SPEAKER: Thank you, Ms. Bisaro. Mr. Bouchard.

MR. BOUCHARD: Thank you, Mr. Speaker. I'd like to recognize Debbie Dechief, one of my constituents. She is a participant in the NWT Campaign School. Thank you.

MR. SPEAKER: Thank you, Mr. Bouchard. Mr. Dolynny.

MR. DOLYNNY: Thank you, Mr. Speaker. I'd like to introduce, to you and through you, a resident of Range Lake, Ms. Candace Johnson, and of course all participants of the NWT Campaign School. Good luck this weekend; have fun. Of course, the NWT Status of Women Council, great job for hosting. Good luck with that. Thank you.

MR. SPEAKER: Thank you, Mr. Dolynny. Mrs. Groenewegen.

MRS. GROENEWEGEN: Thank you, Mr. Speaker. I'd like to also recognize folks who are in the gallery today who are involved in the Campaign School. I look forward to meeting with you this afternoon. I'd like to recognize two former Hay Riverites, Sarah Pope and Samantha Thomas. You have to claim some, you know, credit. Also, a constituent of mine, Diana Pellissey from Hay River South. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Mr. Nadli.

MR. NADLI: Mr. Speaker, I too would like to acknowledge the presence of all the potential candidates that more than likely will be campaigning along with us, perhaps, this fall. In particular I wanted to recognize a constituent of mine. She's the president of the Status of Women Council. She's a strong leader in her own right. She served as mayor for a long time in Fort Providence and I wanted to recognize Tina Gargan. Mahsi.

MR. SPEAKER: Thank you, Mr. Nadli. Mr. Hawkins.

MR. HAWKINS: Thank you, Mr. Speaker. It's an honour to recognize constituents in this House, as every Member enjoys. I would like to recognize Pertice Moffat, who is a constituent of Yellowknife Centre. I would also like to first say thanks to the Status of Women Council for the excellent initiative that they launched. I often have said to get more women elected, you have to get them to campaign and this is exactly what it's doing, getting people out there and giving them the right tools. So, specifically, Lorraine Phaneuf and Annemieke Mulders are constituents of Yellowknife Centre.

Finally, I want to acknowledge two other ladies in the gallery. Although I may have grown up with both of them, they are both way younger than I, and I want to acknowledge the leadership that they both played in their communities and that's Tina Gargan for the many accolades she deserves and certainly Darlene Sibbeston for the leadership she provides in her community. Two women I grew up with who are doing great work today. Thank you.

MR. SPEAKER: Thank you, Mr. Hawkins. I would like to welcome everyone here in the public gallery today. Thank you for taking an interest in our proceedings. Welcome.

Item 6, acknowledgements. Item 7, oral questions. Member for Sahtu, Mr. Yakeleya.

Oral Questions

QUESTION 564-17(5): LOWERING COMMUNITY FUEL PRICES

MR. YAKELEYA: Thank you, Mr. Speaker. My question is to the Minister of petroleum products. I want to ask the Minister on lowering the fuel prices on the heating diesel costs in our communities. As you know, in Colville Lake 86 percent of residents own their homes. There are 20 percent of single parents in Colville Lake, so this will greatly help them.

I want to ask the Minister, how did this come about in regards to lowering the costs and will we see more reduction in the heating fuel costs in these communities?

MR. SPEAKER: Thank you, Mr. Yakeleya. Minister of Public Works and Services, Mr. Beaulieu.

HON. TOM BEAULIEU: Mahsi cho, Mr. Speaker. We were able to lower the costs by seeing that the fuel that we buy is referred to as fuel at rack prices that came down quite drastically over the last few months. We are anticipating that by the time you get the fuel into the community, it will be at a much lower cost. We are sort of blending at this point and lowering the costs. We do anticipate additional costs for heating fuel when we actually deliver the fuel sometime between the middle of this month and the middle of next month. Thank you.

MR. YAKELEYA: Certainly it is good news for the private homeowners to see the lower costs of the heating fuel, especially for the high percentage of single families in the Sahtu region.

We also have about 112 trappers. In Fort Good Hope, 77 percent of the families rely on country foods, food from the land. The residents of the Sahtu are asking, will this also happen with the gasoline prices?

HON. TOM BEAULIEU: Mr. Speaker, we are anticipating that the cost of gasoline will be lowered in the communities as well. In the case of gasoline, we want to deliver the gas before we make the adjustment. It appears to be a little more volatile and the gas price could actually go back up and we do believe that some of the gas prices have been rising down south and we could feel the impacts here and in other communities. We are going to wait until we do purchase and deliver before we lower it, but we do anticipate that it would be coming down from what the current prices are now. Thank you, Mr. Speaker.

MR. YAKELEYA: That is anticipation, waiting for good news from the government. I want to ask the Minister, would that happen before the closing of our winter roads, which is usually about March 30th or 31st, depending on weather. Thank you.

HON. TOM BEAULIEU: Yes, Mr. Speaker, it will be. We will be moving gasoline into communities on the winter road. Thank you.

MR. SPEAKER: Thank you, Mr. Beaulieu. The Member for Nahendeh, Mr. Menicoche.

QUESTION 565-17(5): BIRTH REGISTRATION POLICIES

MR. MENICOCHE: Thank you very much, Mr. Speaker. My questions are for the Minister of Health and Social Services. Recently there was an incident from Fort Liard, well not so much of an incident but more of a miracle, she had a child in

our Stanton Territorial Hospital. Unlike many women from the small and remote communities, she was able to come here and wait at our facilities for the birth of her child, but the father was not able to be with her. When that happens, at the time of the birth she's given the required forms for registration to fill out and the father was not available at this time, which is probably the case in many, many instances in our North. So she went back home. She did fill out the father's information, but when the birth certificate arrived to her, it was just her name on the certificate. So she said okay, I'll just add the father's, but our system requires a \$30 registration fee to add the father at a later date.

I'd like to ask the Minister, can he change this rule or procedure? Thank you.

MR. SPEAKER: Thank you, Mr. Menicoche. The Minister of Health and Social Services, Mr. Abernethy.

HON. GLEN ABERNETHY: Thank you, Mr. Speaker. If the name had actually been provided on the registration form in the beginning, there would have been no additional fee. We go to the steps of printing forms and mailing them out, but to do changes later there are significant costs to doing that. That's why there is a fee for changes at different times. Thank you.

MR. MENICOCHE: Thank you very much. Of course there are lots of other administrative changes that may have to occur, but in this case I'm saying that because the family, the father could not travel in this case and I'm making the case, as well, that it happens throughout the North, not only from my riding, that the father has to add his name at a later date for an extra \$30 cost.

So I'd like to ask the Minister, what kind of rule or guideline is this that you have to add the biological parent at a later date for a \$30 fee? Thank you.

HON. GLEN ABERNETHY: At the birth of a child the parents can put their names on the birth certificate, and the name of a parent who is not present, the father in this case, could have been included on the certificate, as well, and it would have required no additional fee. To change a certificate after the fact there is some administrative requirements and as a result there is a fee, but I would strongly encourage parents to get their names on their certificates when they first fill out their application, both mother and father.

MR. MENICOCHE: Thank you very much. I was just trying to speak on a general basis, but I would be glad to let the Minister know about this other specific case. In general, I think the policy that I saw says that after 60 days that they have to pay a fee and that's the issue I'm getting at, is that constituents in small, remote communities cannot always travel for the birth of their child. So why do

we have to charge them an extra \$30 to get their name on the certificate? Thank you.

HON. GLEN ABERNETHY: I hear the Member and I'm certainly willing to have a conversation with the department to see if we can extend the deadline or the amount of time it takes for individuals to get their names on the forms, but for changes after the fact, it does involve reprinting forms, it does involve reprinting certificates where there is a significant expense. So the fee for those changes would have to stay in place, but I would certainly talk to the department to see if we could extend the time for individuals who live in small, rural and remote communities. Thank you.

MR. SPEAKER: Thank you, Mr. Abernethy. Final, short supplementary, Mr. Menicoche.

MR. MENICOCHE: Thank you very much, Mr. Speaker. I guess I think part of the issue, too, is that I'm not too sure if it's the department's requirement that they fill out the registration while they're in the hospital in Yellowknife, or can they wait five or six days when both parents can be together in their home community, especially if that's the case. Thank you.

HON. GLEN ABERNETHY: I'm not quite aware of the specific details as to why they can't fill it out on that day or whether they have to wait a couple days, but I'll certainly get that information and provide it to the Member. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Abernethy. The honourable Member for Weledeh, Mr. Bromley.

QUESTION 566-17(5): IMPACTS OF FOSSIL FUEL DEVELOPMENT

MR. BROMLEY: Thank you, Mr. Speaker. I would like to follow up on my Member's statement with questions to the Premier. It's kind of a wild idea, obviously, given the direction we're headed and so many jurisdictions around the world are.

Is the Premier and his Cabinet familiar with the science suggesting that 80 percent of the fossil fuels known reserves must stay in the ground if we are to avoid dangerous climate change and also the most recent publications in Nature that deal with those areas and types of resources that can be tapped into and still avoid that condition? Thank you.

MR. SPEAKER: Thank you, Mr. Bromley. Honourable Premier, Mr. McLeod.

HON. BOB MCLEOD: Thank you, Mr. Speaker. I'm not familiar with that theory or recent publications in Nature magazine that the Member is referring to, but I do know that greater than 80 percent of our oil and gas reserves are already underground and stranded here in the Northwest Territories. Thank you. Page 5344

MR. BROMLEY: Thank you to the Premier for that response. I will share some of those resources with the Premier and, hopefully, Cabinet. My colleague mentioned February 13th Divestment Day. I'm sure the Premier has heard that many billions of dollars have been divested away from fossil fuels around the world. It's a bit of a movement from people recognizing the extreme degree of action that's required. The Rockefellers and so on have divested their interest in fossil fuels.

Will this government recognize that sort of thing and bring that into their thinking? The science clearly says that we must be moving away from fossil fuels with consideration of that science. Mahsi.

HON. BOB MCLEOD: I guess we're not all Rockefellers here in the Northwest Territories, but we are taking action in that regard with the Energy Charrette. We are moving in that direction. We are waiting for the outcomes of the Energy Charrette and we are committed that we will take action when we have those results. Our government is taking a balanced approach to development and we expect that going forward we will be, as we stated in our second Energy Charrette, that those are the kinds of things we are looking at doing to reduce our reliance on fossil fuels. Thank you, Mr. Speaker.

MR. BROMLEY: Thanks to the Premier. That's exactly why I'm bringing this up, although it's extreme. The science is recognizing that we are dealing with an extreme situation and the government is thinking about these things, so it's an opportunity. The regional expectations are great. Hopes and dreams are based on fossil fuels. I know this sort of thing will be very disappointing to them, but on the positive, renewable energy development is much more labour intensive, much more equitable in spreading the benefits around and produces a much more durable economy.

Does the Premier agree with that and is he going to take that and pursue every opportunity to follow that model of development? Mahsi.

HON. BOB MCLEOD: Certainly, we are headed in that direction. We expect to be spending significant amounts of investment in alternative and renewable forms of energy. Just to show some of the things we are already doing in our government of the 17th Assembly, through alternative energy products, building retrofits, biomass projects, cumulative savings of over \$3.3 million have been achieved in the last three fiscal years; the energy conservation projects have helped reduce the Government of the Northwest Territories' reliance on fossil fuels, heating oil in particular. Since 2007, Public Works and Services energy conservation projects have displaced the equivalent of 13 million litres of fuel oil and reduced greenhouse gas emissions by 35.000 tonnes by the end of 2013-2014. We are planning on investing much more in those areas.

When you see the results of the Energy Charrette, contrary to what the honourable Member across the way was talking about yesterday, it's more than just a report. It is a report that is being promoted across the Northwest Territories. This government will respond to the recommendations and we will take action. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. McLeod. Final, short supplementary, Mr. Bromley.

MR. BROMLEY: Thank you, Mr. Speaker. I think I heard the Premier say he will respond to my recommendation and get us out of the fossil fuel business. The science is clear. It's peer reviewed in the most prestigious science journal we have globally. Yet, the Premier is pursuing fossil fuel development in his expensive travels about the world and so on.

Will the Premier, in fact, shift the resources? I believe looking at the budget we have about \$5 million in fossil fuel development. Will he shift those resources in pursuing a sound and sustainable economy that's based exclusively on renewable energy? Mahsi.

HON. BOB MCLEOD: I think the Member is putting words in my mouth. At the Energy Charrette we were told we have very complex 65 megawatts and we will still need to burn fossil fuels in order to have redundancy. You reference our travel around the world and I think many of the Members here have travelled around the world as well. They should see the value in doing that. We see oil and gas development having a future in the Northwest Territories, but we will be investing millions of dollars in alternative and renewable forms of energy. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. McLeod. The honourable Member for Range Lake, Mr. Dolynny.

QUESTION 567-17(5): CATASTROPHIC DRUG COVERAGE PLAN

MR. DOLYNNY: Thank you, Mr. Speaker. Two days ago was World Cancer Day where it was said one in 10 patients don't take the medication they need due to cost. Earlier today I mentioned the fact that the GNWT is one of the few jurisdictions left in Canada without a catastrophic drug coverage plan. Under the current Extended Health Benefits Program, the GNWT does cover many diseases and conditions under a plagued, misaligned NIHB formulary while other conditions are sorted through a complicated consortium of case-by-case management policies. My questions today are for the Minister of Health and Social Services.

In 2010 the Department of Health and Social Services undertook a review of a supplementary health benefits program. This joint working group recommended an income-tested catastrophic drug

coverage plan which was never implemented. Can the Minister indicate why not?

MR. SPEAKER: Thank you, Mr. Dolynny. The honourable Minister of Health, Minister Abernethy.

HON. GLEN ABERNETHY: Thank you, Mr. Speaker. As a man with a passion for pharmaceuticals, I am happy the Member has raised this question here today. The department is not at this time pursuing a catastrophic drug program here in the Northwest Territories. Rather, we're working on the development of a pharmaceutical strategy which is building on the work that has been done over the past few years, including the report the Member mentioned that was done by Alberta Blue Cross – Pharmaceutical Strategy Options for the Government of the Northwest Territories – as well as ongoing work that is being done by the Program Review Office in the Department of Finance.

The pharmaceutical strategy is going to adhere to a number of principles moving forward and those principles are access, safety, effectiveness and appropriateness for use, as well as system sustainability.

Among other things, part of this pharmaceutical strategy is actually going to include a program to cover catastrophic coverage or provide catastrophic drug coverage, a program to cover expensive drugs for rare diseases, exactly what the Member is talking about, as well as moving to an NWT-specific formulary. So we're not moving forward with a specific catastrophic drug program. We're moving forward with a pharmaceutical strategy that will include the types of things the Member is talking about today. Thank you, Mr. Speaker.

MR. DOLYNNY: I do appreciate the Minister reminding us about this pharmaceutical strategy that had not ever come to light here in the Assembly. It is not the panacea for all the solutions to the questions today.

So with that, in 2010 the honourable Minister Abernethy, in his former capacity as a Regular Member, recommended that the GNWT create a benefits plan for low-income families that do not have prescription drug coverage. The Minister responsible has been acting in this capacity for the past 585 days.

Can he inform the House if he has made good on his very own recommendation? Thank you.

HON. GLEN ABERNETHY: Recognizing that we do have an Extended Health Program, we are moving forward with the pharmaceutical strategy, which is going to actually cover the exact types of issues that the Member is talking about. We will continue to move forward and work with other provinces and territories who are trying to put forward programs to address the high cost of pharmaceuticals as well. Thank you, Mr. Speaker.

MR. DOLYNNY: I'm trying to create a pattern of a department dragging its heels. In February 2013 the deputy minister of Health and Social Services, Ms. Debbie DeLancey, stated in this Legislative Assembly, "We need to look at our catastrophic drug coverage, expense of drugs and possible review of our formulary."

Can the Minister indicate why his department had not followed through with this promise two years ago? Thank you.

HON. GLEN ABERNETHY: It's not a matter of dragging our heels; we are in fact working on this particular issue. However, lack of in-house pharmaceutical expertise does make the project of this nature quite challenging.

The department has actually hired an expert consultant on pharmaceuticals to assist in the guiding of the understanding of this complex issue. As a pharmacist. I know the Member does understand how complex this can be. We have made recent amendments to the Pharmacy Act to enable a prescription drug monitoring program to be implemented here in the Northwest Territories. The Program Review Office is completing a review of pharmaceutical management, purchasing, coverage and regulation. The final report is expected this winter. We're also doing a review of the current use of group purchasing organizations by authorities to identify cost-saving opportunities by improving formulary management, drug purchasing as well as looking at moving away from the NIHB formulary to an NWT formulary. We certainly look forward to input from committee as we move forward.

So, it is moving slowly but it is in fact moving forward and we will get this done. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Abernethy. Final, short supplementary, Mr. Dolynny.

MR. DOLYNNY: Thank you, Mr. Speaker. Things are moving slowly. Issues and concerns surrounding the efficiency of our current Extended Health Benefits Program are well-enshrined in this House.

As I indicated earlier, the Minister has been acting in office for 585 days, has had ample time to review this file and has made unfulfilled promises to committee and to its residents.

Can the Minister indicate how many more days he needs to implement a proper catastrophic drug plan for all Northerners? Thank you.

HON. GLEN ABERNETHY: If committee would like, I'd be happy to come and have a briefing with committee to show them where we are to date and help us get some advice and guidance as we move forward. Thank you, Mr. Speaker.

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MR. SPEAKER: Thank you, Mr. Abernethy. Member for Hay River North, Mr. Bouchard.

QUESTION 568-17(5): IMPACTS OF INCREASED MINIMUM WAGE

MR. BOUCHARD: Thank you, Mr. Speaker. I have questions to the Minister of Education, Culture and Employment about his statement today on increasing the minimum wage in the Northwest Territories.

Can the Minister indicate to me, did the department look at the economic impact of increasing this minimum wage?

MR. SPEAKER: Thank you, Mr. Bouchard. Minister of Education, Mr. Lafferty.

HON. JACKSON LAFFERTY: Mahsi, Mr. Speaker. As I stated, we did establish a committee that did their research across the Northwest Territories and outside the Northwest Territories with our provincial counterparts. So we did look into those matters as well. Mahsi, Mr. Speaker.

MR. BOUCHARD: I sent that information out when the department sent out the minimum wage, and I got a pretty good response that most people had concerns about it affecting the minimum wage people, the students and those people that are around the minimum wage.

Does this entice businesses to cut back on employment by increasing this minimum wage? Has that been looked at?

HON. JACKSON LAFFERTY: Those are just some of the areas that we did seriously look at, as well, whether it be small business or big business. But at the same time, I did make a statement that most of the organizations pay well beyond \$10 an hour and there's just a small number that's still paying \$10 an hour. So those are areas that we explored. We did our research. We have worked with businesses as well. We had the Chamber of Commerce, both NWT and Yellowknife, so that covers the broad sector of organizations. We want to make sure we cover all areas, which we have done. Mahsi.

MR. BOUCHARD: That is exactly my point. I think most people think it's a good thing to get an increase in wages, obviously, but the minimum wage earners that are there are the students out there, the students that are coming back, the students that are working after school. If we have increased that minimum wage by 25 percent, I am thinking that some of those employers will consider cutting back on those types of positions, so have we looked at that impact?

HON. JACKSON LAFFERTY: Yes, we have looked at those potential impacts, and the research is telling us that there is minimal impact in those areas.

Again, most of the businesses are paying well beyond \$10 an hour. When we did our research, \$12 to \$15 per hour is the starting point for these businesses. We have talked to a lot of businesses and they have already told us, a lot of them, that they are way beyond \$10 per hour. Mahsi.

MR. SPEAKER: Thank you, Mr. Lafferty. Final, short supplementary, Mr. Bouchard.

MR. BOUCHARD: Thank you, Mr. Speaker. Does this increase in the minimum wage include, have we considered the impact on the subsidy programs that we do for students in the summertime? Thank you, Mr. Speaker.

HON. JACKSON LAFFERTY: Mr. Speaker, these are just some of the areas that we have initiated as a department. We have considered those areas for our students as well. As Minister Miltenberger has indicated, we have met with various students in Ottawa. That's a starting point for us. We want to track those students to come back to the North and create employment for them here in the Northwest Territories. This is a really good starting point as an increase in minimum wage from \$10 to \$12.50 an hour on June 1st. That is a really good news item. We have shared that with the students, as well, and they are quite happy with that as well. Mahsi.

MR. SPEAKER: Thank you, Mr. Lafferty. Member for Deh Cho, Mr. Nadli.

QUESTION 569-17(5): IMPACTS OF CLIMATE CHANGE

MR. NADLI: Mahsi, Mr. Speaker. My questions are for the Minister of Environment and Natural Resources. It's pretty clear that over the course of the past summer the NWT experienced the worst forest fire season in history. Water levels tend to fluctuate in terms of the mighty Mackenzie and other tributaries that flow into the NWT, plus we have seen anomalies in terms of the migration patterns of the wildlife.

My question to the Minister, as I said earlier, is that science is irrefutable and climate changes are affecting the Arctic regions in dramatic ways. Will the Minister elaborate on this government's plans for reversing climate change? Mahsi.

MR. SPEAKER: Thank you, Mr. Nadli. Minister Miltenberger.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. There are two things, two main approaches we need to take as we deal with the impacts of climate change.

First, we are going to have to adapt to the changing world, and the changes that are coming have been coming for decades and the changes that were needed to be put into effect are going to take decades to be impacted. In the meantime, we have been adapting to the permafrost issues that the

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Member has mentioned. We are adapting and paying for issues like low water, but at the same time we are investing millions, tens upon millions of dollars on alternate energy, changing our consumption patterns, looking at leading the country on biomass, investing in solar, investing in wind. The borrowing limit that we are talking about with the federal government is focused on two main areas. One is roads, the other is looking at the energy issues to bring down the cost of living and reduce our dependence on diesel. Those two areas have been centrepieces to just about all the work we've done. Adaptation has affected our roads; we had to replace all the piles in various houses, those types of things. We don't argue with the science. We know it's there, we live it every day, and every budget we've had in this House reflects that. Thank you.

MR. NADLI: I think one prominent point that I fail to hear from the Minister is the measurable gauge that every country in the world has been using and that's the emissions of greenhouse gases and I didn't hear that from the Minister.

I would like to thank the Minister for highlighting the major initiatives that this government has taken. I think we all, in the NWT, really enjoy the beauty of the NWT. We have very nice cultural areas, but at the same time very prominent are some of the special areas that we value. There are calving grounds and, more recently, the encroachment of invasive species that people bring up from other parts of the country. Minerals, oil and gas development threaten a number of sensitive ecological areas.

Will the Minister articulate the government's position on protecting delicate ecosystems, such as the Peel Watershed at the Yukon-NWT border? Mahsi.

HON. MICHAEL MILTENBERGER: We have a Greenhouse Gas Strategy, as well, to address the Member's initial comment on his second question. It is up for renewal this year. We are going to hit the targets we have in there. We are looking at modernizing and updating it to reflect the current realities.

When it comes to development, we have a very fundamental approach of sustainability and balance that's required with protection of the environment and resource development. We have quite a rigorous environmental assessment and review process for all project applications where ENR, ITI and Lands work together collaboratively to administer the new responsibilities post-devolution that are going to see us make sure we address all the requirements and all our obligations. ENR, as well, is moving forward with the protected areas that were there pre-devolution and we are looking at concluding some of those and working with communities and regions on areas of specific concern and sensitivity.

In regards to the Peel Watershed, we are in the process of renewing and revitalizing our transboundary water agreement with the Yukon government. Thank you.

MR. NADLI: I would like to thank the Minister for his reply. Climate change is a big concept. At the community level, people are, in some respects, anxious in terms of its implications. At the same time, they want to see some mitigated measures that they can see at a practical level.

This government has not shown a clear commitment to sustainable, renewable energy sources in our small communities. With electricity prohibitively expensive, economic development becomes less viable.

What is the government doing to ensure that renewable and affordable fuel sources are available in our small communities? Mahsi.

HON. MICHAEL MILTENBERGER: I would argue that we have shown an enormous interest and support for alternative energy in the communities. In the Member's riding, for example, we have been working very, very closely with the communities. In Fort Providence, for example, and Fort Resolution to formalize forest management agreements that is going to allow the business opportunity to put in a \$20 million pellet plant, creating not only environmental benefits but a huge economic opportunity. We lead the country in biomass applications here in the Northwest Territories. We have put in a significant array in Fort Simpson. We are going to look at combining solar with diesel along with batteries in Colville Lake. The government facilities that Public Works is administering across the North in all the communities have biomass. We have rebate programs, incentive programs and we see industry, as well, with Diavik putting a significant array of wind which is going to cut their costs.

I would suggest to the Member that we should be recognized collectively for the work we have done in that area and we are paying very, very close attention and definitely putting our money where our good intentions are. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. Final, short supplementary, Mr. Nadli.

MR. NADLI: Thank you, Mr. Speaker. I would like to thank the Minister for highlighting a lot of the initiatives that the 17th Assembly has accomplished. I think we could do more and it's good that there has been a strong working relationship, especially at the community level.

I wanted to ask, in terms of this year's budget, the '15-16 budget and going forward, what are some of the prominent and significant, perhaps, commitments that the Minister's department will be focusing on? He has mentioned biomass initiatives, he has mentioned forest management agreements that are still in the development stages and looking forward to addressing the overall concerns in terms of trying to mitigate climate change and how those policies and initiatives could take on a prominent and significant form. Mahsi.

HON. MICHAEL MILTENBERGER: The budget lays out our ongoing commitment to alternative energy, to the rebate incentive programs, to working with communities, but I think the biggest commitment is there in the charrette, and the Premier referenced it in one of his earlier responses, that as we deal with our borrowing limit and we get the borrowing limit raised, one of the key areas we're looking at, and the budget address says this, as well, that we know that energy issues, especially generation issues in Yellowknife and all the thermal communities are critical issues to bring down the cost of living, reduce our reliance on fossil fuels and be more environmentally friendly. We're intending, once that borrowing limit is resolved in a favourable way, to put the very, very many tens upon tens of millions of dollars that are needed to start that process in a very serious way. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. The Member for Yellowknife Centre, Mr. Hawkins.

QUESTION 570-17(5): POWER RATES AND DISTRIBUTION PROCESS

MR. HAWKINS: Thank you, Mr. Speaker. We all know that the trappings of progress may be marching forward in a way that not only are helping us but on some days they put us in peril. You've often heard the peril argument from Mr. Bromley, but that's not what I'm here to describe.

The benefits of progress sometimes provide us the opportunities such as power and being able to turn your lights on and the great opportunities that they create.

My question for the Minister of the NWT Power Corporation is: Can he explain in simple terms how power can be supplied to a particular community in single digits, such as the Hay River region to the Pine Point area, picked up by the franchise holder and sold to its customers at over 30 cents a kilowatt? I'm trying to understand how the distribution works, the fairness of how it works and certainly the evaluation the NWT must be keeping a keen eye to this particular problem. Thank you.

MR. SPEAKER: Thank you, Mr. Hawkins. The Minister responsible for the Northwest Territories Power Corporation, Mr. Miltenberger.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. I would like to observe first, though the budget address is replete with references to the cost of living, an issue that the Member raised earlier in the House and about the McLeod government not paying close enough attention. I would suggest when you read the full budget address you would note that it's replete and I'm somewhat offended at the fact that the Member didn't notice that when he perused it in great detail because they are standout in significant numbers.

As it relates to the issue that the Member raised, I think the fundamental piece that we're looking at as a territory that ties into the Member's statement is the cost of living and how do we bring down the cost of living, we bring it down by reducing the cost of energy, and when we do he has raised some good points about how we do the generation, how are we structured to deliver power and distribute power and how are the costs distributed. Those are all good, legitimate questions that we intend to address as we move forward with the whole initiative of bringing down the cost of living. Thank you.

MR. HAWKINS: I want to thank the fine, old Minister because he was calling me young Member yesterday. So the very old and elderly Minister of NWT Power Corporation of pointing out the budget dialogue that he read. By the way, I followed it keenly word for word, I enjoyed reading and I will enjoy reading it for years to come if I ever get sleepless and have to find ways to cure that.

---Laughter

On a serious note, though, it's my understanding that some hydro communities are subsidized. Rather than pointing out a particular hydro community, one over another, maybe the Minister can put officially on the record which communities are subsidized and to what cost they're being subsidized. Furthermore to the point, what are we doing about that subsidized problem to hydro communities that were supposed to be baseline costs for power? Thank you.

HON. MICHAEL MILTENBERGER: The intent of the Territorial Power Support Program was to make sure that thermal communities are subsidized to the Yellowknife rate, and as the Members have heard, there's one hydro community whose rates are higher than the Yellowknife rate and that's Hay River. Thank you.

MR. HAWKINS: One of the particular problems I've noted is that power, in my view and the view of many others, by the way, including the mayor of Hay River, Andrew Cassidy, is power, in our opinion, should be delivered a lot cheaper than it is.

Competition could be argued as a good thing for everything, but maybe not, as well, but the argument I usually see is competition is good. So the question for the Minister of the NWT Power Corporation is: In their capacity as an organization, why have they not bid to provide the distribution services in these types of communities that do have franchise agreements in communities like Yellowknife and Hay River, which would create a bit of competition and hopefully those who've been receiving these sole-sourced franchise agreements would probably have to really sharpen their pencil? Thank you.

HON. MICHAEL MILTENBERGER: The ability to put out a franchise call is the community's responsibility and right. They've done that. We can't speak to the past. There is a current one coming out. We've been asked to consider bidding on it and we are considering that and we're looking at it, as we discussed in this House earlier this week.

I would just point out that when it comes to the NWT Power Corporation, and I believe all of us in this room, we would see that provision of electricity is an essential service and the same as we deliver and we look after all the fuel in the small, off-road communities to ensure that there are those essential services there, we provide that service at cost. Our interest is keeping the cost of energy down, keeping the cost of living down and the Power Corporation over the years has evolved out of Alberta and out of Edmonton coming north and it's a vehicle for our Energy Strategy and our fiscal policy and we are intent on, across the land as we've said as a priority, looking at the cost of living and energy is one of those key factors. We'd have to look at all facets of how that issue is generated and delivered. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. Final, short supplementary, Mr. Hawkins.

MR. HAWKINS: Thank you, Mr. Speaker. I'm really glad that the Minister described it as an essential service because that's very important. We all know that the government, or I should say the Power Corporation through the government is working to create generation of power as cheaply and efficiently as possible. We know without more customers it's difficult to continue getting it any cheaper without, of course, technology as well.

We know customers are encouraged through energy efficiency programs and encouraged to reduce their consumption, and that's a very important element, but the distribution side seems to continue to be the solution, or maybe the obvious problem that's evading us. The Minister did say the other day about how they are looking at this. Perhaps the Minister could explain a little further into the detail as how they're evaluating the distribution process in these communities, if not in all communities, how we can lower the cost of that delivery of power to our citizens, which is absolutely an essential service.

HON. MICHAEL MILTENBERGER: We're looking at a number of things. In fact, we're looking at the whole range of challenges as we look at how we're structured historically and as we look to the future,

distribution is definitely one. The question was posed at the Energy Charrette, it was posed by myself to the attendees at the charrette with the question of how many distributors of power do we need in the Northwest Territories to make this as efficient as possible. That is a question that we have to look at. We know we have to look at generation in thermal communities, bring down the costs. Total reliance on diesel is not acceptable and we've made a commitment with the government that with the borrowing limit one of the big areas we would make critical economical investment would be in the thermal communities and Yellowknife to look at using alternative energy, looking at generation where there's a significant need in Yellowknife and the small communities.

I might as well put on the record again here, I put it on the record in the budget yesterday, that does include looking at the efficacy and value of liquid natural gas as well as other alternative energies like biomass and solar, batteries, wind. Anything that's better and cheaper than diesel is being considered. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. The honourable Member for Mackenzie Delta, Mr. Blake.

QUESTION 571-17(5): DEMPSTER HIGHWAY REPAIRS

MR. BLAKE: Thank you, Mr. Speaker. I would like to ask the Minister of Transportation a few questions about the flooding of Georgetown, as it's known, across from Tsiigehtchic at kilometre 140. Over the last 15 to 20 years, we've had flooding there almost every year.

Will the Minister ensure that the culvert is replaced over this summer and have a heat trace line in place? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Blake. The honourable Minister of Transportation, Mr. Beaulieu.

HON. TOM BEAULIEU: Thank you, Mr. Speaker. The Member is correct that both ourselves and the Housing Corporation have spent substantial sums of money to resituate the house, rent equipment to remove ice from that area. Recently, the Member has indicated to me that there may be a solution, so we've just begun discussions with the department from my office to talk about that solution of maybe placing the culvert at a different angle and maybe using some heat trace so it doesn't freeze in there. We're just beginning to look at that now, Mr. Speaker. Thank you.

MR. BLAKE: We actually have five places along the Dempster that have overflow over the winter months. As I travel through the Yukon, close to Dawson City I saw where they have heat trace lines. Where we have flooding, all they have to do

is put a generator there and plug it in and that thaws out the culvert.

Will the Minister ensure that this is in place as we fix the culvert? Thank you, Mr. Speaker.

HON. TOM BEAULIEU: I don't have the expertise to indicate here in the House whether or not that would be a solution, but I would definitely go back to the department and discuss a solution with the deputy minister. If there are areas in addition to that one specific area referred to as Georgetown where flooding occurs at all times and the solution is something just south of our border there in the Yukon, we'll have discussions with them and maybe be able to resolve that problem this winter. Thank you.

MR. BLAKE: I would like to ask the Minister what is the department's plan to address the flooding that happens every year at Georgetown. Thank you, Mr. Speaker.

HON. TOM BEAULIEU: I do believe that the department feels that they have been assisting with the situation. My understanding is that although the unit that was in jeopardy was moved, the member does not live in that unit so it continues to be in an area where it has flooded or has flooded frequently. We are looking at that now, as I indicated. We do plan to resolve the issue if we can, if we can work in that area and do something with the culvert, as the Member advised. If that is a solution, then we'll work towards that. Thank you.

MR. SPEAKER: Thank you, Mr. Beaulieu. The honourable Member for Inuvik Boot Lake, Mr. Moses.

QUESTION 572-17(5): REVIEW OF SEED PROGRAM

MR. MOSES: Thank you, Mr. Speaker. In a followup to my Member's statement talking about small businesses and how we can support them, I have questions today for the Minister of Industry, Tourism and Investment. Every year we go through our budget process and we give out close to \$12 million in grants and contributions to businesses across the Northwest Territories, particularly Support to Entrepreneurs and Economic Development funding, SEED funding.

Has this funding been utilized every year to its maximum potential, and when was the last time the SEED funding increased? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Moses. The honourable Minister of Industry, Tourism and Investment, Mr. Ramsay.

HON. DAVID RAMSAY: Thank you, Mr. Speaker. The SEED program has been in place since 2008. We are currently reviewing the program. Also, we've added sectorial support through the SEED program for fine arts and crafts, the film sector and the Prospectors Grubstake Program as well. We certainly look forward to reviewing the program in an effort to try to make sure we have the best program to support small business here in the Northwest Territories. Our budget last year was just under \$4 million. Thank you.

MR. MOSES: I'm glad to hear that the policy and the program are being reviewed. When you go on the website for ITI, you'll notice there's an online database that's really helpful to businesses to get the funding they can access.

Under the section for grants and contributions – because we've heard today about the high cost of doing business, the high cost of power rates in some of the communities and we also heard earlier today that there is going to be an increase in the Minimum wage, so all this has an effect on the really small business, entrepreneurs in the communities – can any of this funding be accessed and used to offset some of the high cost of doing business such as power and some of the wages? Thank you, Mr. Speaker.

HON. DAVID RAMSAY: There's a provision under the SEED policy for emergency-type funding that is included under entrepreneur support. However, this is not an ongoing subsidy and businesses would be considered on a case-by-case basis should they attempt to access support through that entrepreneurial support program. Thank you.

MR. MOSES: The emergency funding, I know it's not supposed to be ongoing to help our businesses, but over the summer we had low water levels on the Mackenzie River which resulted in some businesses having to ship their materials by air, which increases the costs.

What is the total amount for this emergency fund and heard on a case-by-case basis? We've heard our population is decreasing; people are leaving. The economy is low, so what is the total cost of the emergency fund that businesses can access? Thank you, Mr. Speaker.

HON. DAVID RAMSAY: I will get the actual figure for the Member. I don't have that with me today, but I will get that figure for the Member. Thank you.

MR. SPEAKER: Thank you, Mr. Ramsay. Final, short supplementary, Mr. Moses.

MR. MOSES: Thank you, Mr. Speaker. My last question is, over the years the cost of doing business continues to increase, so when we have these policies and programs in place since 2008, obviously in our government we handle the forced growth situation department by department.

Is there something in some of these grants that will allow these small businesses to reflect the forced growth that they see in their businesses? Is there some type of program with the SEED or other grants and contributions that we have? Thank you, Mr. Speaker.

HON. DAVID RAMSAY: Under the SEED program, currently we have entrepreneur support, sector support and also I mentioned earlier the emergency support for businesses on a case-by-case basis. But as we move to review the program in its entirety, I think some of the points the Member has made today would be good to be looked at.

There are a number of businesses across the Northwest Territories, as the Member indicates, that are incurring high utility costs and operating costs. Again, it's important the government has the supports in place to support business in the Northwest Territories, and through this program we hope to do just that. We look forward to concluding the review in the near future. Thank you.

MR. SPEAKER: Thank you, Mr. Ramsay. The honourable Member for Range Lake...Frame Lake, Ms. Bisaro.

QUESTION 573-17(5): INCOME SUPPORT POLICY

MS. BISARO: Thank you, Mr. Speaker. I think my colleague got excited that he got a second chance at questions.

---Laughter

I have some questions today for the Minister of Education, Culture and Employment and I'd like to go back and revisit some of the questions I asked the Minister the other day about income assistance policies.

The Minister suggested in Hansard, and I'd like to quote from Hansard of the other day, "If an individual client presents, say, a suggestion to us, then we will seriously look at it," and again, "From the general public, if there is more than one policy that they want us to make some amendments to, those are areas we will seriously consider looking at." He also said that reviews are based on feedback they received from the clientele and the general public.

So I guess I'd like to know from the Minister, I asked about a review of policies. The Minister suggested to me that they have reviewed policies based on complaints from the public, complaints from clientele. So I'd like to know from the Minister, my question was a comprehensive review of policies, and I'd like to know if the Minister will commit to a comprehensive review of income assistance policies with a view to providing the best for our income assistance clients and to iron out some of the contradictions that seem to be in our current policies. Thank you.

MR. SPEAKER: Thank you, Ms. Bisaro. Minister of Education, Culture and Employment, Mr. Lafferty.

HON. JACKSON LAFFERTY: Mahsi, Mr. Speaker. When we did a comprehensive review back in 2004-06, based on the feedback that we received, we made some drastic changes in 2007. As I stated, there were some changes along the way, as well, with our income security programing in 2011.

We are always open to make changes as necessary, as long as it benefits the community and also the clientele. Those are some of the areas that we'll continue to push forward within our department of income security programming. Mahsi, Mr. Speaker.

MS. BISARO: Thanks to the Minister and I guess I would have to say that 2007 is seven years ago, almost eight years ago now, and I think it's about time that we have a comprehensive review of income securities policies. Piecemeal changes do not necessarily produce the best product.

I'd like to go back to the Minister's statement that a RRSP for an income support client is a rainy day fund and needs to be used up. Yet, there is also an Income Support Policy which allows clients a RDSP, a Disability Savings Plan, or a RESP, an Education Savings Plan. Those do not have to be cashed in, yet a RRSP does.

So, knowing that RRSP is a protection for old age, and I'd like to know from the Minister how we can have two plans which are protectionist, so to speak, which do not need to be cashed in, and we have one which is a protectionist program and it does need to be cashed in. So how does the Minister reconcile keeping two and having the one that needs to be cashed in? Thank you.

HON. JACKSON LAFFERTY: Mr. Speaker, as I stated, a RESP or disability insurance, child disability benefits and CBS, they're all exempt from the child tax benefits through our income security programming. RRSP is considered as funding that could be available.

We have to be fair because we are dealing with public money, and we're dealing with the communities, 33 communities, and when an individual has a surplus of funding through an RRSP and an individual in small communities do not have any. So, as a department head, Minister responsible for Income Security Program, I have to focus in those areas. It's public funding and we have to be fair to all the constituencies throughout the Northwest Territories. Those are just some of the areas that we are seriously looking at and how we can get around the system as well. Mahsi, Mr. Speaker.

MS. BISARO: To the Minister, I hardly consider it fair that we're going to penalize somebody because they happen to be proactive and they happen to have the opportunity to save a little bit of money. Because I don't have a RRSP, my next door

neighbor has to cash it in because we both need a little bit of income support. That's hardly fair and I think it therefore puts income support clients longer on the government dole and I really don't think that's where we should be going.

It seems to me that we penalize everybody in the income support programs because there are a few people that we feel either are scamming the system or they, in case, have a RRSP.

I would like to know whether or not the Minister will consider revising our policy so that the majority benefit, not the minority, and that the minority are dealt with as they should be. Thank you.

HON. JACKSON LAFFERTY: Mr. Speaker, as I stated, we must be fair and equitable when we are delivering the Income Security Program. As I stated before, when an individual has an RRSP, it could be a substantial amount, we don't know the actual number, but we could use, let's say, a figure of \$200,000 to \$250,000, for example. If the individual has that compared to other small community members who do not have any of that, we just have to be fair to these individual clientele. Having individuals receiving \$1,200 from a small community that does not have anything versus an individual that may have RRSP of the same amount, we have to deal with this public money fairly and equitably.

As I stated with policies, any policies that require amendment or changes, I am always open to that. What Member Bisaro is referring to is an area that we should look at, so by all means, my department will look at options that we may consider down the road. Mahsi.

MR. SPEAKER: Thank you, Mr. Lafferty. Final, short supplementary, Ms. Bisaro.

MS. BISARO: Thank you, Mr. Speaker. I will be short. I guess I have to say to the Minister that the idea of fairness apparently is individualized, because I certainly don't agree with the Minister's characterization of fairness.

My last question, since he mentions that RRSPs need to be cashed in, I would like to know from the Minister what it costs the department to allow people to keep a RRSP. What extra money is the department spending to allow me to keep my RRSP and to give me a little bit of income support? Thank you.

HON. JACKSON LAFFERTY: As the Member knows, within our GNWT department there are various areas of subsidies that individuals can qualify for, whether it be training on the job or productive choices, those are some of the areas that we have provided over the years. Again, when we talk about income security as a basic needs subsidy programming, those that are in desperate need of subsidizing in a community, we found that over the years and have made some changes in

2007 and 2011 and we will continue to make those changes. Mahsi, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Lafferty. Time for oral questions has expired. Mr. Menicoche.

MR. MENICOCHE: Thank you, Mr. Speaker. I seek unanimous consent to return to item 5, recognition of visitors in the gallery. Mahsi.

---Unanimous consent granted

Recognition of Visitors in the Gallery (Reversion)

MR. MENICOCHE: I would like to take this time to recognize the Aurora College business admin class that's in the gallery above me. A special welcome to Danita Allaire, she is a Fort Simpson constituent, as well as Sasha Hazenberg, a former resident of Fort Simpson. Also, welcome to the teacher and other students present with them. I hope you are enjoying question period as part of your introduction to a government course. Mahsi.

MR. SPEAKER: Thank you, Mr. Menicoche. Item 8, written questions. Item 9, returns to written questions. Item 10, replies to opening address. Item 11, replies to budget address, day two of seven. Item 12, petitions. Item 13, reports of standing and special committees. Item 14, reports of committees on the review of bills. Item 15, tabling of documents. Item 16, notices of motion. Item 17, notices of motion for first reading of bills. Mr. Miltenberger.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. I move, seconded by the honourable Member for Yellowknife South, that Bill 43, An Act to Amend the Borrowing Authorization Act, be read for the first time.

MR. SPEAKER: Thank you, Mr. Miltenberger. Thank you, colleagues, I would like to remind the Member that we are not on the first reading of bills yet, we are on notices of motion. It caught me off guard too. Item 18, motions. Item 19, first reading of bills. Mr. Miltenberger.

First Reading of Bills

BILL 43: AN ACT TO AMEND THE BORROWING AUTHORIZATION ACT

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. I appreciate the second opportunity to try to get this through the House. I move, seconded by the honourable Member for Yellowknife South, that Bill 43, An Act to Amend the Borrowing Authorization Act, be read for the first time.

MR. SPEAKER: Thank you, Mr. Miltenberger. Bill 43 has had first reading.

---Carried

Item 20, second reading of bills. Item 21, consideration in Committee of the Whole of bills and other matters: Tabled Document 188-17(5), Northwest Territories Main Estimates 2015-2016; Bill 38, An Act to Amend the Jury Act; and Bill 41, An Act to Amend the Partnership Act, with Mr. Dolynny in the chair.

Consideration in Committee of the Whole of Bills and Other Matters

CHAIRMAN (Mr. Dolynny): Good afternoon, committee. I would like to call Committee of the Whole to order. What is the wish of the committee? Ms. Bisaro.

MS. BISARO: Thank you, Mr. Chair. We would like to consider Tabled Document 188-17(5), Northwest Territories Main Estimates 2015-2016.

CHAIRMAN (Mr. Dolynny): Thank you, Ms. Bisaro. Does committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Dolynny): Okay. We will commence after a short break. Thanks.

---SHORT RECESS

CHAIRPERSON (Mrs. Groenewegen): I'd like to call Committee of the Whole back to order. We have Tabled Document 188-17(5), Northwest Territories Main Estimates 2015-2016, before us. We have agreed to begin with general comments. I'd like to ask the Minister of Finance if he'd like to bring witnesses into the Chamber. Minister Miltenberger.

HON. MICHAEL MILTENBERGER: Yes, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Does committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Agreed. Thank you. I will ask the Sergeant-at-Arms to please escort the witnesses to the table.

For the record, Minister Miltenberger, would you please introduce your witnesses.

HON. MICHAEL MILTENBERGER: Thank you, Madam Chair. I have with me the deputy minister of Finance, Mike Aumond; and the deputy secretary to the FMB, Sandy Kalgutkar. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Minister Miltenberger. I will now go to Members for general comments on main estimates. Mr. Yakeleya.

MR. YAKELEYA: Thank you, Madam Chair. My comments focus on the chapter on looking ahead on page 11 of the budget address. The looking ahead section looked fairly uncertain and bleak.

That's how I would characterize it. Our aspirations as a territory, our expenditures are growing, especially in the small communities where we want to have programs and services. In some we aren't able to do it because of the rising cost of doing business outside of the larger centres; for example, having a nurse in Colville Lake, the operations expenditures of having one nurse in Colville Lake or an RCMP in our small communities. I think there are about 10 or 11 communities without full-time RCMP members and there are about eight communities without nurses. So it's bleak for us in the small communities. There are certain programs and services we aren't able to do because of the cost of having that. So there are only certain programs and services that are in operation in some communities. Some communities say good luck, see if you can get it.

The revenue is not there for us. The Minister is right when he stated that our expenditures cannot be above our revenue. Our revenue right now, our biggest source for government comes from the federal government. That's what it says; \$1.8 billion comes from one source. These are the transfers the government gets in various departments. Our small population of 42,000, maybe growing less now, because the population is also a contributing factor to our territorial formula financing, so if we don't have the numbers, we don't get the amount of money that we want to have. There's a plan in place to bring in 2,000 people by 2019-20. That's something that we need to look at again, to see if it's realistic, if it's something that's achievable.

I want it to say in the budget that it's really about tightening our belts with what we have now. We should be happy with what we have now, be happy with the programs we have. It means that we have a huge number of government employees, well 5,000. There are 2,400 government over employees in Yellowknife alone. That's a whole industry itself. So it's self-sustaining here. I wouldn't mind having a tenth of that in the Sahtu. That is a self-sustaining industry itself, government employees, so it's a high number here. We are talking about devolution, decentralization, so I am looking ahead to see what this is going to be like in the Sahtu communities or the communities outside of Yellowknife in regards to not going to the edge, as the Minister has said, not to be pushed over the edge. Some of our communities know that already. Some of the programs are not offered in our small communities and we fight for them.

One of the things that we need to look at is the economy. That is what pays for programs and services. The economy right now is not very good. It's okay down in this area because you have your activities around the mining and diamond mines. That brings in a lot of dollars into the southern parts of the Northwest Territories. The economy is good here, so good that the Premier wants to consider looking at a road to the mine. He wants to look at 150 kilometres, do a study, from Yellowknife to one of the mines. That's how good the economy is with the mines.

We need the economy up in our region where the unemployment rate is fairly high. The employment rate is below 50 percent in four of my Sahtu communities, except Norman Wells, which is an oil and gas town. That oil and gas town really drives the unemployment rate down and it's a good source of business for people that are working.

Looking ahead, I guess, we really have to look at some of the major factors in our budget. The one right now that I would like to have some discussion, hopefully before this Assembly is concluded, is the cost of living in our small communities in the Northwest Territories. We have the NTPC and NUL, I think it's called - Northland Utilities. There are two distributors of energy power into the communities. The high cost of power to our communities... We have to have some good news as to the petroleum products and lowering the costs of heating fuel, gasoline. We just recently had a report out by the Auditor General on the Nutrition North Program, the cost of food, transporting food into our small communities. Economic activity in our small communities, we need to look at how we get costs down in our small communities.

Another big factor is the growing sensation of having GNWT employees hired. When do we stop and say that's enough, there are more employees than the population? When do we say enough is enough and how can we have this discussion here? In that sense, I look forward to some discussion and how we start doing some of the things in our communities more efficiently and effectively with the type of money that's coming into the Northwest Territories?

Again, 1.2 billion of our dollars come from the federal government. Basically we are like a provincial type of government but we don't wear the coat of a provincial government; we're still a territorial government as the budget tells us. The reality that we may be able to control all things is not quite enough to where we think we should be getting more of the dollars to serve our people, based on the remoteness and the type of living that we have in the Northwest Territories.

I guess for me it's a real shift in responsibility in our communities. I guess one of the things is to accept the realities of living in Colville Lake or Deline and say this is the cost of living here, or do we change that, or do we change that to something that may not be real?

I want to just say those are my comments to the Minister, Madam Chair. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Yakeleya. Any response, Mr. Miltenberger?

HON. MICHAEL MILTENBERGER: Thank you, Madam Chair. I was under the understanding that we were going to respond every third... Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Minister Miltenberger. The next person I have on the list for general comments is Mr. Bromley.

MR. BROMLEY: Thank you, Madam Chair. Welcome to the Minister and his guests.

I'll just start by saying I appreciated the budget as the Minister laid it out. I thought it was a reasonably good budget as far as it went. It was certainly a good budget speech, although we might want to think about how to present in additional engaging wavs and response. But there was much that was unsaid as well. I don't expect the Minister to be able to cover everything. But I want to acknowledge that it was a very frank and honest budget, acknowledging fully many of our challenges. The unsustainable nature of our current budgeting and fiscal situation was clearly laid out. Primarily, of course, our annual increase in expenses is five times or more greater than our annual increase in revenues, so that's something that needs to be addressed.

I think I'm on record as supporting many of the initiatives that were highlighted in the address and are incorporated in the budget. The economic outlook as laid out is somewhat grim, and I think this budget goes some way to recognize those realities, although we're still waiting to hear about our new borrowing limit and so on and discuss what we'll do with that.

In some areas I see us trying to do the same thing hard. You know, this situation is being faced by many jurisdictions in Canada and globally and it's related to how we've gone about business in the past, and I don't think trying to do the same thing harder is necessarily the best response. I try to profile that in my approach to our House business.

The Minister mentioned a perfect storm of shocks. I think those things used to be rare. I remember when the term was coined, a perfect storm and a book that came out on the perfect storm. Unfortunately, that's now becoming part of our everyday jargon. So when we budget, we must budget with the likelihood that these perfect storms will be coming more frequently when we do our fiscal planning and so on.

The Minister said no increase in taxes. You know, that's the reality. I think we can do different things with taxes beyond just having no net increase, and I'd like to see this government wrestle with that a little bit one of these days soon. Again, just for the record, the \$1.1 million to the Wellness Court, I'm very appreciative of that and I'm glad to see that finally happening. The integrated approach to case management across departments, \$440,000 I think that's dedicated, is long overdue and well recognized by my colleagues and Cabinet. I'm glad to see we're putting our toe in the water a little bit more firmly on that.

Employment service officers, support for seniors, all things that I support equally. The transfer of \$1.6 million from ECE to the NWT Housing Corporation is something I very much appreciate. I think the government was listening when we brought up issues on that. I would like to see that built upon. I would like to see this as an initial effort, with some evaluation, of course. I think there's an opportunity to improve our service to income assistance clients who are struggling with housing issues by putting our housing experts in charge and, through that, gaining some financial efficiencies as well.

The \$1.1 million for Early Childhood Development is long overdue. I know my colleagues will recall when the House recommended and put forward \$1.1 million, \$1.3 million in the very first year of this Assembly. Nothing much happened with that, so my question to the Minister is: Is this finally going to do that work that we called for several years ago, and is it new dollars or is this just re-profiling existing dollars? That was not clear.

On the economy, the Economic Development Strategy, I support that work. Again, \$2.5 million for a whole range of activities – agriculture, film, tourism, commercial fisheries, entrepreneurship – all of that great stuff, but is that just re-profiling those \$2.5 million, or if those are new dollars, how much are new dollars? How much are we really putting money where our mouth is here?

Again, the 1.7 million new dollars, that's clearly laid out in the budget for yet more mineral development strategies subsidies. I was able to attend a meeting of the Mineral Industry of Canada recently and they're on the march for more and more subsidies. so their lobbying is apparently being successful in every jurisdiction, including the Northwest Territories. I think we want to take a close look at that. I actually don't have difficulties if, in fact, it's vetted through a public interest policy lens, and that's not happening. This is being directed by industry and we know the pain that comes from that. We're very familiar with that, probably more than any other jurisdiction. So again doing the same thing harder without learning the lessons.

Infrastructure comments in the budget, not really purvey of this budget specifically, but I think we want to be careful. I would say the cost of living should be our number one. Of course, this government is on record as believing that very large, expensive, rarely used infrastructure is the way to go, and of course, we have a record of failure generating that economic development. Again, trying to do the same thing harder without any evidence of success just seems a bit crazy to me. Brick walls are easy to find; it's tougher to find the right path.

Also, I would say something that's not spoken to in the budget, other than note the quiet front on the fossil fuel development side, is we need to come to grips with the realities and become responsible leaders. We've devolved authority from Ottawa. Let's now use it and provide, unilaterally if necessary, the leadership that Canada is looking for in the Northwest Territories. I know this is very hard for Cabinet and for my colleagues whose regions have come to believe the rhetoric that this is the answer to their economic development, but I think it's abundantly clear now what the consequences of that are.

We're looking now for leadership, somebody who's actually willing to recognize the facts, recognize the science and recognize the opportunities. A renewable energy-based economy is one that provides distribution of benefits across our residents, do not accumulate to that 20 percent that's getting ever richer while our 20 percent gets ever poorer. We are the most disparate jurisdiction in Canada, as we know. There are huge opportunities there, both for economic development and for things that strengthen our social structures, our employment opportunities and so on.

I recognize that this is going to be a painful process, but we've dealt with things like this before and shifted our society. I'm excited about the opportunities in the Northwest Territories to again provide leadership.

The low fuel prices right now provide for an opportunity to deal with the energy infrastructure that we have put on hold, some of our hydro resources and so on. Soaring costs were mostly related to those. At the same time, renewable energy costs are declining rapidly, 80 percent for solar, similar source of declines for wind and so on.

I'm out of time, but I'm generally pleased with this budget and the recognition of a number of things that my colleagues and myself have raised in the House and the realities that it recognizes. I'll look forward to contributing to the debate over the next few weeks and look forward to some responses to a few questions.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bromley. Next on the list for general comments I have Mr. Menicoche.

MR. MENICOCHE: Thank you very much, Madam Chair. I just want to say that in our final budget for 2015-16 I'm glad that the Minister and the finance staff were able to maintain our targets and not have a deficit budget this fiscal year. But they do correctly point out that as we try to take advantage of federal programming, we are reaching our borrowing limit, so those are challenges there. When it comes to deficits and borrowing, I know that the outlook of government is a little bit different than a business. However, it's still debt. But at the same time, I believe that for the benefit of the communities and the people of the Northwest Territories that we do have to do what Cabinet is doing and going to Ottawa and saying look, we do need more borrowing room, we do have an infrastructure deficit, and we do want to stimulate our economy. For these reasons I'm supportive of us looking at further debt. Whether it's an additional billion, I'm questioning that right now, but I do know that in order to move forward we will need more debt. I'm convinced by the Minister and his staff that we do have the capacity to handle that debt. But it's in the news, like Ontario, theirs is out of control in the next three or four years there. They're not too sure what to do. But for us, I don't see that kind of imminent situation that we're in, but we are acquiring more debt. I don't know if additional billing is the answer, but certainly we do need more, because I know that these investments will protect the Northwest Territories, our communities and regions in the future.

I just want to say that this week has been a particularly busy one, especially with the onset of preparing for the budget, and I forgot to mention my favourite two words in my three Member's statements this week, which is Highway 7. But of course, I'm well aware that this is an operation and maintenance budget, but I'm certain that maybe at the appropriate time when we're discussing the Department of Transportation, I'll be looking at what kind of an additional or O and M expenditures will be happening with Highway No. 7.

Some of the things that are concerning in my region and communities, in the small communities, most particularly Fort Liard, was about retaining our mental health workers, even nursing staff. I'm not too sure what strategy government has in retaining staff in the smaller communities. I believe that we need some kind of retainment strategy. In fact, it's probably not only my riding or region that sees it all the time, is that somebody gets hired, they move to a smaller community and, for whatever reason, probably less than a year, they're moving out and we've got to restart everything. In the meantime, it's our constituents and people who suffer because those resources aren't there to help them, particularly in Fort Liard. It's almost every summer for the past four or five years, a mental health worker guits or moves on by May or June, and throughout the summer months there have been several incidents, some of them fatalities, and people are grieving, people needed additional help and the resources weren't there. It's never planned that way, of course, but I do believe we need consistent mental health workers and nursing in our

small communities. I don't know if there's a strategy to retain workers in our smaller communities.

In the budget it speaks about the addition of five additional government service officers, and I think that's excellent because we've seen how some of these workers really help out the residents of the smaller communities, able to fill out forms, address different departments and handle a lot of those issues. I just want to say that before the government services officers were there, the residents would actually - for me anyway - wait until I do my community tours, go into the communities and ask me specifically about which forms to fill out, how do they address these concerns. Now with the resident government services officer and with all the training that they're doing, they're our new front-line workers, they're handling a lot of these routine administration questions by the residents and the things that government needs. I'm really grateful for their work, and I look forward to the other five as they do the work for our smaller communities.

I know that with our Aboriginal and Regional Recruitment Strategy, we continue to move forward with that, and I see a little bit of improvement, but we're still stuck at around our 30 percent Aboriginal employment numbers. But certainly I know that Human Resources is doing all they can to hire from the North, but I still see some barriers. People are telling me they are having a hard time getting their foot in the door of government. I hope we continue to be aware of this, reassess it and continue to work and improve on our Aboriginal Recruitment Strategy.

One of the other things education-wise is my region supports junior kindergarten. I'm pleased that Premier McLeod and Minister Beaulieu were able to come with me as we were able to view some of the junior kindergarten in the Nahendeh riding. We saw how it works, but I think the parents, the teachers, everybody likes how it works but I really believe there's a need for further support. I know the concept is that as there are more students in your school, funding will go up because we fund districts per capita. So it's self-sustaining. I know that the Province of Ontario, when they implemented their junior kindergarten about 10 years ago, there was actually a \$1.5 billion investment. They provided the extra facilities and extra teachers. We only committed to the increased revenue from increased students. I don't think that's manageable, Madam Chair.

So I'm looking at this government, as we review junior kindergarten, to say, if we're going to continue to go down this road, we will need to provide additional resources. I am saying they will need more teaching ability or teachers who are specialized to deliver junior kindergarten. I will be speaking later on in this session about that. For the smaller communities, we have to continue our small community job creation programming. I see that's still on the books. They considered cutting that back, but I'm glad that it's still there. It's very important to the small communities to continue our job creation programming.

I see that our economy is in a bit of a decline. The Nahendeh region has always largely been government-dependent, so should we start looking at increasing fiscal restraint? We really have to balance it off, the ability of people having jobs and sustaining their own small community economies. With that, I conclude. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Menicoche. I guess that was three speakers. I will turn the floor over to Minister Miltenberger.

HON. MICHAEL MILTENBERGER: Thank you, Madam Chair. I thank the Members for their comments. I will address the broad issues we've made note of. There are some fairly specific departmental issues the Ministers will be addressing when they appear before the House to defend their budgets.

With regard to some of the common issues, I appreciate the positive comments on the budget. It is a challenge to balance the many competing needs with not enough resources. The reality is this is not so much about restraint as it is about living within our means. We are spending almost \$2 billion for 42,000 people and we have expenditure growth that is starting to exceed our revenues. It's not that our revenues are being cut back. They are not growing as fast as we'd like, but they are increasing very modestly. The way we have come to expend money has not declined or not flattened out the same way as our revenue has, so we are spending \$2 billion and we just have to figure out how to spend it most effectively. There are some hard questions being posed by the Members.

Mr. Yakeleya talks about employees, the size of government. It's a legitimate question. What is the limit to growth? How many employees can business or government or the \$1.8 billion afford?

At the same time, Mr. Yakeleya often pointed out the often contradictory positions we find ourselves in. As he asked in one breath about the number of employees and that we have too many, he pointed out that we still need nurses in every community and RCMP in every community. It's a challenge we all face, addressing the contradiction that we want to have increased services at our community levels, but at the broad macro level in this Legislature we have to come to an understanding about the size of government, for example.

We've been having some discussion in the House about energy and the cost of living and how we're structured. How do we bring the costs down? Those are very fundamental, broad issues. We know we have to generate power more cheaply, and we've indicated that investing in alternative is the way to do that. At the Energy Charrette, as the Premier pointed out earlier today, the guest speaker pointed out we have the most complicated 65 megawatts of power that he's ever seen. So not only are there generation issues but we have to look at a system that is very complicated and how do we make it more streamlined and effective. We have to look at all the aspects of that.

So the concern is about the future looking grim and bleak, to me we just have to come to a balance with our expenditures. We are not talking cutbacks; we are not talking reduced budgets. We are just saying we as a government have an appetite for growth that exceeds our ability to sustain it. We have been growing so consistently that people now consider not growing as a cutback. It's a distinction, a very important distinction that people see not growing as restraint that somehow we must restrain ourselves when all of us around the table know when we get our paycheques, we look at what we can afford. Our income is coming in, our income is some of the highest in the country, but we have tastes and appetites that put us in a situation where we spend more than we bring in.

I would just like to make an observation, as well, about our debt. We have debt and the biggest number, about \$400 million, is long-term debt. It's debt that is self-financing. We still have to keep it on our books, like the Power Corp debt, some \$180 million, the bridge debt, most of that is being paid for by our revenue stream that is separate from this budget. At the same time, we have our short-term debt, \$272 million. That is the kind of debt that I get every month when I put all my expenditures on my credit card, and when the bill comes in, I pay it off, short-term debt. We all do that.

So when you put all those numbers together, some folks try to say we can't handle the money, you're out of control, we don't deserve any more money. I would argue the actual debt we do have, real debt that's not paid off by outside revenue streams or that's not just short-term debt that we pay off every year, is very modest for a corporation that has almost a \$2 billion budget. That's why we have an Aa1 credit rating and all our indicators are strong and why we are going to negotiate and get agreement from the federal government in the next few weeks, hopefully, to bump up our borrowing limit. That's why we can afford to say we need to make these critical investments in roads, in energy and generation. That's because collectively we've managed these budgets year after year in a way that's put us in that position, and it's allowed us, if you think back, 2007-08, when there was a huge economic downturn, the worst since the Great Depression, we survived that in fairly good shape. We rebuilt and things have regenerated.

We're still about 25 percent down from where we were during the glory days when the mines were being built and everything was getting into operation, but we have rebuilt and we had enough flexibility in our budgets to withstand almost \$80 million just in the course of a few months, costs that came because of these perfect storm events that Mr. Bromley talked about, the fire, the drought, the low water. Once again, we've managed our way through that. It has taken out our flexibility to a great degree, but we are still on solid financial ground.

Now we just have to look at the hard questions that we've been talking about here just in the last few minutes with the Members' comments about the size of government, what do we do to control our costs. We know one of our biggest costs, about half a billion dollars, roughly, is tied to staffing and all the related costs to that, so it is an area where there is going to be all sorts of activity here starting in the next few weeks. The Power Corp folks are going to be looking at bargaining. We know that right after that all the other collective agreements in the government are going to come due. We've talked and I've talked about fair and affordable arrangements with the staff, the debate about the size of government. I looked at the numbers yesterday. I asked on the vacancies. We have roughly 1,000 vacancies of different kinds, some that are in the process of being filled, some that are vacant, some that are because they haven't been deleted, but some that have to remain empty but there's a... We have a significant amount of things to look at when we look at how to manage the money.

Mr. Bromley asked specific questions about new money or re-profiling. He referenced the education initiative and the wellness courts, and those are new money. It's not re-profiled money. The one that is re-profiled money is the income support, changing income support into folks to help people get jobs and the taking of money from income support to put it into housing. That's re-profiled, transferred money.

I would also argue that as we come to grips with fossil fuels, we've been on that trek now really seriously, in my mind, this is year eight. The beginning of the last Assembly, if my memory serves me correctly, we came back from one of our retreats as a government early on, we put \$60 million on the table to start the work. We're looking at building our own biomass industry. We're looking at converting our own buildings. We're investing tens of millions of dollars in encouraging people to look at more energy-efficient ways of doing business. We're investing in solar. We're investing in looking at wind, and we've committed to putting our borrowing limit towards very significant investments in the thermal communities to the transition that Mr. Bromlev talks about. But it is a

transition. It's not a stop one thing and start another. Even our guest speaker at the charrette said clearly you have to move or you can move or should move to solar and batteries and other alternative energies, but keep your diesel as backup because you need that failsafe and redundancy. This is a transition.

One of the big challenges for us... We can deal with those costs, of course, but our transportation costs, all over the world, I mean, the North is no different. Transportation costs are a very significant part of our fossil fuel consumption and there are not many viable alternatives to that at this point, be it for flying airplanes or driving down a road in your vehicle going to another community or going south. But where we do have control, we are making that transition, and I can accept that it may not be, and I do accept, because I've served with Mr. Bromley now for, this is the eighth year that he would like us to move much faster than we are, but we are continuing that investment.

He made a comment about a record of failure on projects. We have done a lot of projects. We, as I indicated in the budget address, by the end of this coming year, we will have started or are working on and are committed to about \$1.5 billion in projects. I do remember some particularly in my time at this table that stick out that were problematic, two. One was the North Slave Correctional Facility, which goes back maybe three governments, which ended up as a cost-plus project. We got it done but it wasn't as efficient and as effective as we would have liked. We did and we do acknowledge that the bridge project had some rough patches as well. But on all those projects, at the end of the day, we did end up with some infrastructure that is critical for territory building advancement. On the bridge one in particular, I don't think anybody would now say they'd like to go back to the good old days of winter roads and ferries. We learn and we keep learning, and we're going to do that as we look at things like the P3 at Stanton.

The issue of investments is going to be a critical one. We made a commitment already that the minute we hear the final outcome of the discussions between the Premier and the Prime Minister, that we will gather around the table collectively to talk about what that means and how do we move forward on those critical investments and what do we do as an Assembly and how do we set things up for the incoming Assembly.

I believe that there are with every challenge, I think, significant opportunities. We know what those opportunities are. We've got some very good feedback on energy. We know the things we have to continue to keep investing in, and we've done that again this budget, which is in the social program area, programs and services where we spend about \$1.6 billion, and we're going to continue those commitments. But we are in the situation now in the life of this government where we're going to be starting to make those tougher decisions that we talk about that can no longer be avoided and the need to talk about the things that we've never come to grips with like the size of government and what is affordable. Not just government but all the boards and agencies tied to government as well.

We have a lot of good things on the go and we have a lot of challenges, but of the five Assemblies I've been in, every one has faced challenges. They ask me what was the most difficult time as my time as Finance Minister. Have there been some really tough circumstances? I can tell you, looking back right now, the most difficult time was the 13th Assembly when the federal government cut their transfers overnight with almost no notice. I think it was 5 or 10 percent. We came in as a new government. We thought we had about an \$80 billion deficit. By the time we staggered home at Christmas in shock, we were cutting \$150 million out of the budget back then for the whole territory, and we had less than a billion in the budget. It was an incredibly traumatic time for the whole territory, including Nunavut. Everything since then has been on the road forward and up. Still challenges, but the first year after devolution I think we have a very good foundation to build on, things we've got to take care of, but this is just good management, and I'm confident that as we keep working together that we can do that.

CHAIRMAN (Mr. Dolynny): Thank you, Minister Miltenberger. Continuing on with general comments, I have Mr. Bouchard.

MR. BOUCHARD: Thank you, Mr. Chairman. I guess I just had some general comments. I had some yesterday. I know some of the detail will be in the different departments.

One of the first comments I have is about the debt. The Minister talked about the debt. I know a couple of years ago we re-evaluated the way we calculate that debt. I know he talked about some of that Power Corporation debt that didn't used to be there. I wonder if the department has some of the information the way we used to calculate debt. I know the federal government has changed the way we play ball. Can we get some of that information to compare apples to apples? Right now we're comparing apples to oranges. The new way we calculate debt is quite a bit different. I know we had a threshold of \$600 million for a long time. Now we're back up to \$800 million and I know that's not straight from spending. The recalculation has been part of that issue. I am wondering if we could get the comparables to the years past so we can compare all the way through.

I think Mr. Yakeleya talked about some of the priorities the government has been announcing

about the roads into the Slave Geologic area and some of that study. Obviously, we've been discussing the Mackenzie Valley Highway a lot throughout this Assembly. We've agreed on the Tuk-Inuvik highway as the first portion of that and it almost seems like we are now shifting gears and refocusing. I hope that's not the case. We still need that Mackenzie Valley process to go forward. Maybe if there is opportunity in the other direction, I think the other direction needs to be some sort of partnership. Those mines that are creating work in that need to be part of the solution. I mean, I understand there's an economic benefit for the GNWT to see some of those resources, but industry is the one that's benefitting the most. We get questioned quite a bit from our constituents about the benefit that we're getting from those operations. I'm a pro-business person, but I asked the Minister the other day about how do we get those 2,000 people, how do we decrease the flyin/fly-out traffic and try to keep people in the North.

I understand the concept of us building that resource. I was just in Vancouver talking to some of the mine companies in Nunavut that are interested in that area and are serviced out of Yellowknife, but that's private industry. I think there needs to be more of a partnership and I'm not sure if that's the direction the government is going with that road to the Slave Geologic area.

From my area, I have a couple of big questions. Obviously, we don't, in this budget, talk about any dredging studies. If we're talking about the roads, which used to be all federal responsibility, now we know dredging was a federal responsibility and I think we need to investigate what the cost of dredging in the Northwest Territories is. I know that Mr. Yakeleya has brought it up in several of our discussions, other Members have brought it up and I know Tuktovaktuk is interested in some dredging programs. We have to look at what dredging is required. If there's a federal responsibility there, then we need to keep the pressure on them. I think there is some merit of our government looking at the opportunity. That's an infrastructure area that we're not spending a lot of money on. I've met with some of the marine people and they see us putting a lot of money into transportation, but more into the road side. The marine resupply, marine support needs to be there as well. We've depended on that to support a lot of communities in the Northwest Territories. Obviously, I have a strong interest in Hay River being a hub and a transportation hub for that type of stuff, but we need to look at that as infrastructure as well. I think we've left that to the side and focused on highways. We have to look at that as an opportunity as well.

The other questioning I get is the economic spin. We have seen the Tuk-Inuvik highway. We are pushing the Mackenzie Valley road up to the North and we've seen the megaproject coming forward with Stanton and that's a territorial project, but it's a big project in the Yellowknife area. We often get the question in the Hay River area or the South Slave area, what's the big project for the South Slave now that we know we've parked the concept of the hydro expansion now that it's a \$1.2 billion project. What's the megaproject that's going to help the economy in the South Slave? We have to work on that. I know we have a few ideas. We need to upgrade the rail to keep that transportation hub going. We also look at the cost of living. Everyone in our communities talked about the cost of living. We know there's gas in the Cameron Hills being taken from the North. Is there an opportunity to bring natural gas to the South Slave to service Hay River, Enterprise, Kakisa and even go towards Fort Smith?

We've talked to a couple of proponents that are interested in that expansion and are questioning southern companies that have the knowledge to find out some of those costs. We think if we had natural gas in the South Slave, we'd reduce that cost of living in these areas. If we see a reduction, especially if we can use some of that to generate power, it benefits everyone as well.

Those are my main comments. I think we have a lot of comments in many different areas. Obviously, we have quite a few questions in the Hay River area on the intension of taking over the Hay River Health Authority. If we are going to have a one-health system, how we are going to do that? Our system is different. We aren't part of the GNWT. What would that cost be? We still haven't got that in place. How do we move forward on that?

Mental health has been an issue. Last week was Mental Health Week and we get a lot of people talking about that. The treatment centre on the Hay River Reserve has been shut down. We're looking for a replacement to use that facility. Drug and alcohol is a big issue in our territory. We need to have some of those facilities in the Northwest Territories. I understand we're sending people out to southern programs, but we want to do a homegrown program. It's difficult that we have that asset sitting in the Hay River area and it's not being used and there are a lot of people who are very frustrated that that got shut down very quickly and there has been no replacement for it or use for it.

We have many different issues dealing with economics, contracting, BIP manufacturing. Hay River is a big area for BIP manufacturing but we're not seeing some of that implementation, whether it's from Public Works or ITI, and recognizing some of the BIP manufacturers. How can we build that industry? Supplying things we buy typically from the South, how do we replace it and build it in the North?

Those are some areas I would like to see covered going forward. There are many more in different

departments, but those are some of my opening comments. Thank you, Mr. Chair.

CHAIRMAN (Mr. Dolynny): Thank you, Mr. Bouchard. Continuing on with general comments, I have Mr. Nadli.

MR. NADLI: Thank you, Mr. Chair. Some comments regarding our budget for this year and most likely our last, generally the budget presents itself as being very balanced in terms of ensuring our expenditures do not exceed our revenues. That has always been the basic approach and tenet of any good organization that tries to deliver service to its citizens or its constituents. This government has done a fair job over the last few years, at least from being an MLA during that time.

The riding that I represent is the Deh Cho riding. We are in the southern part of the NWT and we enjoy the conveniences of being on the highway. We also see a greater influx of tourism coming up. If people choose to travel with their families by vehicle, we are the first communities that people see. At the same time, if there is anything that is fairly universal in terms of how the constituents in the Deh Cho riding look upon the needs and expectations of this government, it is in the areas of jobs and businesses and how it is that this government could try to position itself to try to invigorate business opportunities and enhance jobs at the local level. It's been something that I have consistently hearing throughout the been communities. At the same time, there are still some basic needs that communities want to see more of and that's in terms of programs and services.

For the past three years, I've seen at least the Minister and his department come up with a budget. It's always, I think, a great challenge to try to deal with the complexity of what we're faced with in terms of how we live up here in the North and have very high social needs. We have our social sector in terms of our programs and services for health and social services as one of the biggest areas that we have for programs and service delivery from this government. So that coupled with a small corporate sector that does business in the NWT and, of course, obviously our tax base is fairly small. So we're quite heavily dependent on federal funding and that's always been a challenge. But from what I've seen for the past three years, it's been a remarkable feat for us to try to deliver and meet the needs of our people up here in the NWT. I think that's been quite commendable, at least in my eyes.

There's always a push, from my perspective, to try and encourage this government to settle a land claim. If you settle a land claim, especially in the Deh Cho and to come up with a self-government agreement, it's going to add to the certainty of the entire North. The Akaitcho Government is still negotiating their land claim too. I always try to be a bystander. I've been involved with that process before. I'd like to see the timely conclusion of an agreement at some point. I was really hoping that we would come up with the bilateral agreement with the Dehcho First Nations and this government by the end of the 17th Assembly and we still have some time. I really am optimistic and hopeful that this leadership or this government will do that and enable the variables to take place and let it happen.

I'm a bit concerned that the government that we're trying to operate on behalf of our citizens is becoming more centralized in a way that most of the workers and government services are held in Yellowknife and the regional centres. I've heard the term very loosely of decentralization thrown around conveniently for some time, but I haven't really seen anything in terms of direct benefits for small communities. I understand that there are perhaps some logistical challenges in terms of having available housing, adequate services to try to attract people to live out in the communities, but I think more could be done in terms of trying to decentralize some positions out in the communities. That's not to say that this government has made some very commendable achievements. One primary achievement has been the government services offices that have been established in a majority of the communities in the NWT.

Some other general comments in terms of some of the initiatives that this government is undertaking like the Economic Development Strategy that I look forward to seeing in terms of having this government unveil how it is that it wants to invigorate the economy. It's always interesting to watch and see how those major initiatives and strategies will be unveiled and implemented, but also at the same time how it is that we're going to monitor and ensure that there's a level of control in ensuring that they are successfully implemented and made to work at the community level and for the entire North.

One area that I think I'm fairly passionate about is our territorial parks. In my riding we have, as I said, some very prized territorial parks that people have come across. In fact, I think last summer one of our parks in the South Slave in the Enterprise area was recognized as being one of the top 10 parks that people would visit. So I think this government has to make better efforts in trying to enhance our parks, work with the employees that are working there if they're contract employees. These people, the front-line workers, tourists, when they travel up north, they engage with people and those are the people that ITI or this government puts in place. We put our trust in them, and at the same time, we put our confidence in them that they're going to create a good service for tourists that travel up here in the NWT. At the same time, they are given the resources to deliver a good service so that people can come back up here to the North. Similarly to

that matter, I look forward to perhaps more initiatives in trying to enhance tourism so that we also tap into the fishing market in terms of developing guides.

Specifically, some other hopeful optimism that I have on behalf of my constituents is looking at the funding systems that are in place in terms of the investments that we put into the communities and the businesses, especially the service sector. We have hotels, we have restaurants and perhaps lodges where we need to ensure that we market them well so that people know that they exist out there and they use them and that we work with those businesses so that we help them along as well.

Some other general comments in terms of the constituents that I represent, their concerns are health. Health has to ensure that it's responsive to the needs of our citizens in the NWT, in our communities. It also needs to be accessible so that it's readily made available to our people. One example is I've been really, really pushing the idea of the enhancement of the Pharmacare program. I know I've heard this before. We have an aging population. At some point it's going to make more sense for us to provide services at the local level. So we need to enhance, as an example, our Home Care Program staff so that they're professionally trained, they're tapped into the local labour markets and we have people working from the communities at the same time. It could be that we have our RNs working with our local people in the Home Care Program when they visit elders in their communities to bring foot care, or doing diabetes awareness, you know, the preventative care so that people can stay at home as long as they can.

There are still things that could be made available in terms of how it is that this government engages with the local communities. Schools have been, I think, very consistent in terms of trying to brandish the goals to students that education is the best alternative at this point of trying to improve our lives in our communities, and we need to keep focusing on that goal and inspiring our students to continue with their education.

Of course, the riding that I represent sometimes is challenged with being caught between those two district centres we have, the Deh Cho district with service out of Fort Simpson and sometimes we're serviced out of the South Slave office, either Hay River or Fort Smith, and sometimes it's challenging to try to figure out which district you're supposed to operate out of.

Just briefly in closing, there are some things that I think still need to be focused on and it's just cost of living. I think this government is making steps to try to address that. The transportation corridors, does it include pipelines, does it include railroads? Those are just some comments that I have, and with the

budget process there has to be a public element of ensuring that people have their opinions expressed and that they're listened to as well. I think hopefully the Borrowing Authorization Act will go down that line. Mahsi.

CHAIRMAN (Mr. Dolynny): Thank you, Mr. Nadli. Again, continuing on with general comments, I have Mr. Moses.

MR. MOSES: Thank you, Mr. Chair. It's an honour to actually give some general comments and feedback on our last operations budget for the 17th Legislative Assembly. When you look at the budget and see all the work that's been going on over the life of this Assembly and the collaboration that Cabinet and Regular Members and standing committees have worked on and addressed, it's great to see things like the Economic Opportunities Strategy, the Mineral Strategy, as well as Early Childhood Development Action Plan, the Mental Health and Addictions Action Plan, as well as the Anti-Poverty Strategy, and even to a bigger extent the Education Renewal and Innovation taking the whole education system and trying to change it so that we can get more of our residents with quality education and also seeing the investments that we've had in early childhood development. Mind you, I know there have been a lot concerns about junior kindergarten and that focus should have went on the most critical years, which was from zero to two, to get our residents the development enhancement as they move forward going into school.

Another big thing I'd like to compliment the government on is the integrated case management support that we're moving ahead with and taking a different approach in how we deal with our residents, whether it's in the justice system that we have justice, health and education all working together to make people healthy and part of society again.

A couple other big things in here, being the Member for Inuvik Boot Lake and working with residents up in the Beaufort-Delta, is the Inuvik-Tuk highway. We've seen the benefits arising from that in terms of the economy, people working in the communities, fewer people going on income assistance, so some benefits from creating that infrastructure.

You've heard here today about the debt wall and the volatility in taxes and our revenues, and I'll also do a plug here. I did a statement on it yesterday in the House, and that's the Mackenzie Valley Fibre Optic Link. I think that will provide this government with the sustainable revenue not only for Inuvik but the Northwest Territories, and we won't have to go through the ups and downs of wondering where we're going to get our revenues from to take care of these \$1.6 billion budgets. Not only that but I think as the cable is being laid right now, that the government should start looking at how the fibre optic link is going to affect programs and services that we have in the Northwest Territories and the cost effectiveness of it. Do we have all the resources available in the communities that, you know, we can cut down travel costs, we can cut down shipping costs, things of that nature where we can see this \$1.6 billion budget kind of lowered? When you listen to people in the public and you talk to people that are interested in this budget, we've got to ask ourselves, is this \$1.6 billion budget sustainable? Are we going to be able to cover it next year and the year after that? Not to mention the forced growth that we see each year within departments.

Our government provides some of the best programs and services to residents of the Northwest Territories. When you look at it that way, you've almost got to ask yourself, is government making people rely on government instead of empowering them to go out and live healthy lifestyles? I was in Ottawa for the NWT Days and speaking with the Scandinavian countries and the way they work with their residents to get them healthy, to get them educated, to get the residents of those countries investing in the programs and services through a tax-based system. Somewhere along the line in the life of all governments, that was overlooked in terms of how we can do that. Obviously, I think it's too late to even try to impose a tax because of the high cost of living that we have in the Northwest Territories right now.

We all know the economy is pretty slow right now. We have oil and gas companies that are not doing much exploration or work in the North. We see it in the Beaufort-Delta. We see it in the Sahtu. In times like this, I think that as a government we've got to start looking and focusing on our other big resource, and that's the people, so that when oil and gas activity starts to increase again we'll have educated, trained, skilled people in those areas that can take those jobs so we don't get the fly-in and fly-out workers taking these jobs from our northern residents. I think in slow times like this that we've got to invest in our people to get them healthy and educated so when the economy picks back up, they're ready to fill those roles, hit the ground running, which will have an impact on our income assistance, our housing and things of that nature.

A couple other things. I'm glad to see that this government is doing more investment in energy, commercial energy, as well as just the regular residents of the Northwest Territories, and looking at biomass, looking at ways we can decrease carbon emissions but also decrease the cost of living in the Northwest Territories. As I said earlier, the collaborative work that all Members did on such investments in prevention, promotion, health, education and training, I think over the last four years or three years, going into our fourth year here, seeing those improvements and seeing the enhancements in those, and I know people of the Northwest Territories are very appreciative that we're actually taking a different approach.

As I stated earlier, the integrated case management, I think, is going to prove to be a success in terms of working. But moving forward, even on that basis, doing an integrated case management, do we have the resources in place to assist those that are actually doing that type of work? I know it's a new project and a new way of doing things, and I just want to make sure that as we progress and see how this is making people healthier and part of society, that any challenges that we see that we fix them up right now.

I was also glad to see the Western Arctic Centre for Geomatics up in Inuvik and putting that investment in place before the fibre optic link is up and running.

A couple things that need to be noted here is last summer, having that extreme fire season, the low water levels. Have we prepared ourselves to cover those costs should it happen again this coming summer, and do we have the borrowing capacity to do it and does that put us as a government at risk? That's only the two that we know from last summer. Something else could happen: floods, other emergencies, Inuvik, Norman Wells has got gas issues. Something happened there. Do we have the money to bail these communities out?

A couple other things that I would have liked to have seen here. One, since we shut down Nats'ejee K'eh, the treatment centre and the mental health support that we have for our residents of the Northwest Territories and detox beds. Detox beds so we can observe patients who come off of substance abuse and see what kind of medical attention they need afterwards. Funding for the child and family services support system. As I mentioned, the Education Renewal Initiative, do we have the dollars to address those, you know? Those are some really big concerns of mine, because we don't want to do things, change things and have them fail.

With that said, we talked about the increase in the debt wall, and if we do get that increase, it doesn't mean that we have to spend it, you know? I know we have some plans on the go. We had the Premier make an announcement during NWT Days. If we do get that increase in debt wall, do we have to spend that money? Can we pay off the debt we currently have and continue to provide the programs and services that we do while also taking a practice on how we can spend dollars more efficiently?

We also heard about the increase in population. If we do get that increase, do we have the infrastructure in place? Do we have other programs in place? Licenced daycares? Do we have the housing in place for all these people coming in? If it wasn't for all the births over the last few years... We've seen interprovincial migration in 2013 of over 500 people. In 2014 it was over 600 people. Our budget has increased in that time by over \$200 million. Health has increased substantially as well. I mean, we have to look at ways where we can be more efficient in how we run our programs and services in the Northwest Territories. Collectively, we've got to do that as 19 Members. We have to look at where we can make the necessary changes but also support the programs that are being brought forth and get everybody's comments on those.

So, tough times ahead and I think that we shouldn't leave this for the 18th Assembly and that we have to start addressing some of these concerns now in the months that we have left in the 17th Assembly. Thank you.

CHAIRMAN (Mr. Dolynny): Thank you, Mr. Moses. In keeping with our convention protocol today, we'll go to Minister Miltenberger to see if he can reply to Mr. Bouchard, Mr. Nadli and Mr. Moses. Minister Miltenberger.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. I will try to be brief and I will not repeat all the things I said the first go-round. There were some consistent themes here about the borrowing limit, the sustainability of our budgets and the need to start making those hard decisions now, which we concur with.

In regard to Mr. Bouchard, he asked for some history and information of the borrowing limit, how did we get to where we are and just note for the record that we will provide that information to committee. He had some queries about the ice road, the Tibbitt Lake-Contwoyto ice road possibly being converted as a project to an all-weather road and what is the benefit and are we losing our focus on the Mackenzie Valley Highway. The answer is no. The Mackenzie Valley Highway is a very critical piece of our transportation infrastructure. It will form part of the National Highway System when it's complete, and the piece from Wrigley to Norman Wells is going to be the critical next step and we are very committed to that. However, the ice road conversion is also a very potentially important and beneficial project that would see that ice road converted to an all-weather road, opening a window for the mines that are currently there as well as creating another opportunity for other development in that North Slave Geologic Province. Industry is interested and we are talking to industry and working with industry as we do the technical and business casework about investing in having that happen. So, while they are going to benefit, they are also going to be putting money on the table to help pay for that, and as we've done on the bridge, there are other options to look at, as well, such as tolls and things.

I just want to point out the value when we say industry benefits. The whole point in terms of the cost of living is expanding our economic base. If one of mines closes, it's \$400 million, roughly, a year and about 1,200 jobs gone. So when we put in infrastructure that helps add to mine life or enables another mine to start up that might not have been economically viable until we put that infrastructure in, the benefit to everybody in the Northwest Territories is significant in terms of expanded tax base, jobs, money being spent in the North, and we have to keep that in mind as we look at those kinds of investments.

As well, there have been questions about the increase to population, and we indicated that we're hard at work at that in the House. I talked about it at some length to the press yesterday, but we're into year four. The Minister of Education is going to be standing up here soon to give us an update on all the significant opportunities that are going to be created with the revamping of the immigrant Nominee Program and the fast-tracking process to get folks in here in as little as six months.

Mr. Bouchard does, as well, raise a good point about the marine resupply and the low water, the dredging, and that's an issue that has yet to be satisfactorily resolved, but we know it's of pressing urgency to Hay River.

With the big projects for the South Slave, there is not a megaproject, but recently and in the next few years we're concluding an almost \$60 million hospital in Hay River. They're just finished a \$35 million retrofit in Fort Smith; there's a new jail going in. Res and Providence are getting health care centres and we're spending significant amounts of money on the highways, South Slave Highway No. 6, unfortunately not Highway No. 5, but Highway No. 6 and other highways. So it's not a megaproject, but when you put all of those dollars together, there's well over \$150 million worth of investment. So at the same time we want to keep our eye on whatever other economic opportunities are there.

I do appreciate the comments from the Members about the budget. In regard to Mr. Nadli's comments, we are working hard with Aurora Wood Pellets, for example, on the setting up of a biomass wood industry in the South Slave where Providence, Resolution, Kakisa, maybe the Hay River Reserve will be beneficiaries through forest management agreements and opportunities to provide the timber and the wood required for the wood pellets. That's a very good deal.

As the Premier indicated yesterday in regard to the land claims agreements, the government made a very, very generous offer, far in excess of anything that was on the table previously to the Dehcho, both in terms of land quantum and addressing the issue of subsurface. So I think we've really stepped up on that one.

I indicated in the budget address, as well, that this government will probably have moved, and this Assembly will have moved, more jobs outside of Yellowknife, I think, than any other government in recent memory. There will be 150 when we conclude the decentralization as referred to and there's going to be some more coming as we look at other departments that have yet to come forward, like Environment and Natural Resources.

I want to just quickly touch again on the revenue issue. I talked about the debt previously. There's talk about revenues being flat. In actual point of fact, our own source revenues, which are \$425 million, are forecasted to be growing at about 3.5 percent a year for the next five years, which is, by a lot of standards, pretty healthy when you compare it to the overall projections when you factor in what happens to our formula because of all the economic uncertainty and debt and restraint down south. It flattens out our overall growth with the big \$1.2 billion we get from our formula down to barely half a percent, but our own economy is actually doing fairly well. It just gets lost with the leveling out of the other pressures from down south.

The Mackenzie Valley Fibre Link, the big opportunity is going to be the final mile for communities up and down the valley, the hooking in of either the microwave or the fibre link into the communities through businesses, dev corps and putting in all the services that are going to be possible with cable and wiring the town. So there's going to be significant opportunity there.

If this government and this Assembly, when we get the borrowing limit sorted out, the questions we have to answer are similar to some of the questions that Mr. Moses mentioned. Do we have to spend the money? Not necessarily. The big point for us is that as a government, though, we should have the flexibility to in fact have that choice, and if we need to make investments, we should be able to do it and decide on which investments. Thank you.

CHAIRMAN (Mr. Dolynny): Thank you, Minister Miltenberger. We'll turn it over to Ms. Bisaro for the wish of the committee. Ms. Bisaro.

MS. BISARO: Thank you, Mr. Chair. I move that we report progress.

---Carried

CHAIRMAN (Mr. Dolynny): At this point I'd like to thank our witnesses here for joining us today. Could I get the Sergeant-at-Arms to please escort our witnesses out of the Chamber. Thank you. Committee, I will now rise and report progress.

MR. SPEAKER: Can I have the report of Committee of the Whole, Mr. Dolynny?

Report of Committee of the Whole

MR. DOLYNNY: Thank you, Mr. Speaker. Your committee has been considering Tabled Document 188-17(5), NWT Main Estimates 2015-2016, and would like to report progress. Mr. Speaker, I move that the report of Committee of the Whole be concurred with.

MR. SPEAKER: Thank you. Do we have a seconder to the motion? Mr. Beaulieu.

---Carried

Item 23, third reading of bills. Mr. Clerk, orders of the day.

Orders of the Day

CLERK OF THE HOUSE (Mr. Mercer): Orders of the day for Monday, February 9, 2015, at 1:30 p.m.:

- 1. Prayer
- 2. Ministers' Statements
- 3. Members' Statements
- 4. Returns to Oral Questions
- 5. Recognition of Visitors in the Gallery
- 6. Acknowledgements
- 7. Oral Questions
- 8. Written Questions
- 9. Returns to Written Questions
- 10. Replies to Opening Address
- 11. Replies to Budget Address
- 12. Petitions
- 13. Reports of Standing and Special Committees
- 14. Reports of Committees on the Review of Bills
- 15. Tabling of Documents
- 16. Notices of Motion
- 17. Notices of Motion for First Reading of Bills
- 18. Motions
- 19. First Reading of Bills
 - Bill 44, An Act to Amend the Hospital Insurance and Health and Social Services Administration Act
- 20. Second Reading of Bills
 - Bill 43, An Act to Amend the Borrowing Authorization Act
- 21. Consideration in Committee of the Whole of Bills and Other Matters
 - Tabled Document 188-17(5), NWT Main Estimates 2015-2016
 - Bill 38, An Act to Amend the Jury Act

- Bill 41, An Act to Amend the Partnership Act
- 22. Report of Committee of the Whole
- 23. Third Reading of Bills
- 24. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. Accordingly, this House stands adjourned until Monday, February 9th, at 1:30 p.m.

---ADJOURNMENT

The House adjourned at 1:58 p.m.