



# **15<sup>th</sup> Legislative Assembly of the Northwest Territories**

## **Standing Committee on Accountability and Oversight**

Report on Transitional Matters

Chair: Mr. Jackson Lafferty

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August 23, 2007

SPEAKER OF THE LEGISLATIVE ASSEMBLY

Mr. Speaker:

Your Standing Committee on Accountability and Oversight is pleased to provide its Report on Transitional Matters and commends it to the House.

Jackson Lafferty, MLA  
Chairperson

**STANDING COMMITTEE ON  
ACCOUNTABILITY AND OVERSIGHT  
REPORT ON TRANSITIONAL MATTERS**

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## STANDING COMMITTEE ON ACCOUNTABILITY AND OVERSIGHT

### REPORT ON TRANSITIONAL MATTERS

#### INTRODUCTION

The Standing Committee on Accountability and Oversight is pleased to present its Report on Transitional Matters. As the 15<sup>th</sup> Assembly draws to a close, this report captures our recommendations for improvements to Committee processes, as well as our thoughts on several ongoing and emerging issues we expect will require the attention of the next Assembly.

#### COMMITTEE PROCESSES

Many people think of Session as the time when Members of the Legislative Assembly do most of their work. However, much of the detailed discussion and decision-making that results in changes to legislation, policies, programs and spending happens in Standing Committee meetings. Throughout this Assembly, Members have been concerned that many of our constituents seem unaware of the work that Committees do, and in particular of the opportunities they have to influence that work through written submissions and presentations at public hearings.

One of the major obstacles to public awareness and understanding of the work of Standing Committees is that so many of our meetings are held behind closed doors. There are times when information must remain confidential and meetings must therefore take place *in camera*. However, there have been many occasions when Committees have met with Ministers to receive briefings or updates that could easily have taken place in public.

The Committee believes it is time that closed-door meetings are made the exception rather than the rule. We respectfully recommend that the 16<sup>th</sup> Assembly establish at the outset a convention that all meetings of Standing Committees be open to the public, unless the Committee is satisfied that there is a compelling reason to hold a meeting *in camera*. The details of this convention should be developed and agreed to by both Regular Members and Cabinet.

We also believe that a more focused effort is required to promote public awareness and understanding of the role of Committees. The soon to be launched legislative broadcasting system will provide an excellent tool to achieve this, as it has the capacity to bring Committee meetings, as well as formal

Session, to the televisions of people across the Northwest Territories. We respectfully recommend that the 16<sup>th</sup> Assembly take full advantage of the new broadcast system in order to make Committee meetings accessible to all NWT communities.

## **ONGOING AND EMERGING ISSUES**

### **Legislative Agenda**

Early in the 15<sup>th</sup> Assembly's term, Members agreed to strive for completion of a number of legislative items. Several were achieved, for example: The new *Liquor Act*, *Tourism Act*, *Northwest Territories Hydro Corporation Act*, *Workers' Compensation Act* and *Public Health Act*, as well as substantial amendments to the *Child and Family Services Act*. However, the Government failed to bring several others forward, despite consistent prodding from Committees. These include: the *Species at Risk Act*, the *Wildlife Act*, the *Planning Act*, the *Residential Tenancies Act* and amendments to the *Maintenance Enforcement Act*. We encourage the next Assembly to keep these initiatives as priorities and introduce these items early in their term.

### **Review of Boards and Agencies**

During the 15<sup>th</sup> Assembly, a joint Cabinet/AOC Working Group completed a tremendous amount of data compilation and policy work toward better coordination of the Government's 112 assorted boards and agencies. Further progress on this initiative stalled because the Government chose not to allocate the recommended resources. Given the efficiencies that can be realized through better administration of boards and agencies, we encourage the next Assembly to pursue this issue at their earliest opportunity.

### **Support for Frontline Agencies**

Throughout our term, we have heard repeated concerns from frontline agencies that they are near to or have reached a crisis point as a result of the inadequacy of Government support. While some improvements have been made over the life of this Assembly, particularly in the area of multi-year funding, these improvements are not consistent across all Departments, and are not adequate to ensure continued operation of many agencies the Government depends on to deliver essential services. We expect that this will continue to be a critical issue for the 16<sup>th</sup> Assembly.

## **Loan Guarantees**

The Committee has had several concerns with the provision and management of loan guarantees by the Government, most recently for diamond manufacturing companies and the Deh Cho Bridge project. Concerns centre on how much risk Government undertakes with taxpayers' money in granting these guarantees, as in the case of the Deh Cho Bridge Corporation, and conversely, how it goes about protecting its exposure, as in the case of Arslanian Cutting Works. Regular Members receive advance notification of loan guarantees, but do not have an opportunity to vote on them. We would encourage the Regular Members of the next Assembly to approach proposed loan guarantees with caution, and to ensure they hold the Government accountable for its handling of them.

## **Corporate Capital Planning and "Carry-overs"**

The Committee has observed a disturbing and potentially crippling trend of soaring cost overruns and delays on capital projects. This makes prioritizing and decision-making about infrastructure investments extremely difficult. The budget voted by the Assembly often bears little resemblance to what is actually spent over the course of the fiscal year.

A consequence of this is that projects are often delayed, or extended. This results in "carry-overs", where previously approved projects have to be re-approved by the Assembly - over \$70 million in 2007-2008. The greater impact, however, is for staff that must handle ever-increasing workloads.

We encourage the Regular Members of the next Assembly to press the Government to develop a new corporate capital planning process that demands more accurate cost and time estimates to allow the Legislative Assembly to make better-informed decisions about infrastructure investments and priorities. A review of the causes and consequences of carry-overs would also assist in more efficient project completion.

## **Infrastructure Projects**

At the time of this report, two massive infrastructure projects requiring some level of Government investment are being contemplated: The expansion of the Taltson Hydroelectric Facility and the construction of the Deh Cho Bridge. We would encourage the Regular Members of the next Assembly to press the Government to provide cost-benefit analyses and business cases for these projects before endorsing any further investment of public dollars.

## **Environment and Sustainable Development**

The Committee expects that the environment and sustainability will be some of the leading concerns for the 16<sup>th</sup> Assembly as resource development continues to grow within the NWT, demand for water by upstream industries increases, and the impacts of climate change continue. Earlier this year, Committee Members initiated formal motions to recognize water as a human right, to recommend that the Government adopt a comprehensive strategy to address climate change, and to support the work of the Inuvik Caribou Summit. We encourage the Regular Members of the next Assembly to pursue these issues with the Government.

## **Implementation of Land Claims Agreements**

The Government of the Northwest Territories has many outstanding obligations under land claims agreements, some dating as far back as the Inuvialuit Final Agreement, which was signed over 20 years ago in 1984. We strongly encourage the next Assembly to make it a priority to undertake a comprehensive assessment of the Government's outstanding land claim obligations and to develop a firm plan and timeline for fulfilling those responsibilities.

## **NWT Housing Corporation Audit**

In early 2006, Committee Members initiated a request for the Auditor General of Canada to conduct a performance audit of the NWT Housing Corporation. The request was made as a result of several serious concerns with the Corporation, many of which we documented in our 2006 Report on Pre-Budget Consultations. Unfortunately, the audit was not completed during our term, however, we expect that the report will be submitted early in the life of the next Assembly. We have found the reports of the Auditor General to be insightful and extremely useful in pointing to areas requiring action, and hope that Regular Members of the next Assembly will find likewise.

## **Whistleblower Protection**

At the Committee's urging, the Department of Human Resources has recently issued a public discussion paper to explore the options for implementing whistleblower protection. We encourage the Regular Members of the next Assembly to pursue this matter with the Government to ensure that the work on this issue progresses and public consultations are undertaken.

## **Review of Power Rates and Subsidies**

Over our term we have seen both increases in power rates and continuous, unsustainable growth in the Territorial Power Subsidy Program. A review of power rates and subsidies by the Government is underway. We expect that this matter will require the attention of the 16<sup>th</sup> Assembly early in its mandate.



## **Auditor General Investigations**

The Auditor General for Canada is also the auditor for all GNWT accounts. The Auditor General's office is also well versed in audits and investigations of other matters, as demonstrated, for example, in its 2006 audit of the Workers' Compensation Board. However, in any given four-year term, perhaps only two of these in-depth audits can be undertaken. Committees of the 16<sup>th</sup> Assembly might carefully consider which departments or agencies would benefit from compliance, performance and value-for-money reviews by the Auditor General.

Provinces and the Federal Government are also trending toward automatic five-year performance and compliance audits, especially of their Crown Corporations, in addition to annual fiscal audits. With the exception of the NWT Power Corporation, which is covered under the *Public Utilities Act*, no NWT Crown Corporation is subject to this kind of review. It will be well worth considering.

## **Access to Information and Protection of Privacy**

Every year, the Committee has met with the Information and Privacy Commissioner to review her annual reports, and has made recommendations to the Government as a result of these meetings. The Government has yet to move on several of these recommendations, some of which date back to the 14<sup>th</sup> Assembly. Of particular concern are the gaps in information and privacy legislation for community governments and the local private sector. The Committee encourages the Regular Members of the next Assembly to pursue these and other information and privacy issues with the Government to ensure they are addressed.

## **Addictions**

Throughout our mandate, this Committee has voiced concerns about the need to direct more resources to the prevention and treatment of addictions. Earlier this year, Committee Members initiated a motion recommending the Government implement a strategy to de-normalize alcohol abuse, building on the success of its Tobacco Action Plan. The need for such a strategy was most recently confirmed for us as we undertook public consultations throughout the NWT on the *Liquor Act*, and again heard firsthand about the devastating impact of alcohol abuse on individuals, families and communities. We encourage the Regular Members of the next Assembly to press the Government to make the de-normalization of alcohol abuse a strategic priority.

**CONCLUSION**

This concludes the Standing Committee on Accountability and Oversight Report on Transition Matters. We wish the Members and Committees of the 16<sup>th</sup> Assembly success in tackling the issues and meeting the challenges they will face during their term in their service to the people of the Northwest Territories.