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Response Of The Government Of The Northwest
Territories To The Recommendations Of The
Special Committee On The Northern Economy
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NORTHWEST TERRITORIES TO THE
RECOMMENDATIONS OF THE SPECIAL
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RESPONSE OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
TO THE RECOMMENDATIONS OF THE
SPECIAL COMMITTEE ON THE NORTHERN ECONOMY

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INTRODUCTION

The following material is a compilation of individual Departmental and overall Government initiatives which have been undertaken since the release of the report of the Special Committee on the Northern Economy (SCONE).

The responses are organized by SCONE recommendation number. The name of each department undertaking initiatives related to that recommendation is included to identify responsibility.

Overall Government direction or initiatives are listed as the responsibility of the Executive Council Office.

1. LAUNCH A LITERACY CAMPAIGN IN EVERY COMMUNITY

DEPARTMENT OF EDUCATION

The Department of Education has developed a Literacy Strategy for the NWT. The Strategy supports:
opportunities for literacy in all official languages;
access to literacy programs at the community level;
learner-centered and community based programs;
the responsibility of individuals, families and communities to promote literacy and education.

In April 1990, the NWT Literacy Council was formally founded. It has a Board of Directors Comprised of elected regional representatives and executive and has a network of community representatives throughout the NWT.

Through the Community Literacy Projects Fund, literacy projects have been funded in 15 communities. Arctic College delivers literacy and/or adult basic education programs in approximately 40 communities.

2. DEVELOP A STRATEGY TO HELP KEEP YOUNG PEOPLE IN SCHOOL

DEPARTMENT OF EDUCATION

Advanced Education organized and hosted two special events which provided school children with occupational/educational information and stressed the importance of staying in school to attain personal and career goals - a Post-Secondary Information Fair and a "Women at Work" Career Fair.

Advanced Education is planning, in coordination with Schools Branch, to deliver a series of workshops to High School girls entitled "Girls Do Math", to foster interest in this subject and stress the importance of math in broadening career options for young women.

Advanced Education staff attended and delivered career development workshops at the Youth of the 90's Conference held in Ft. Smith in mid November.

The Apprenticeship Division has developed a series of Trades Description fact sheets for distribution

in schools which outline the academic requirements and job duties of a variety of apprenticeships.

The Department of Education is utilizing a number of strategies to help keep young people in school. These are:

The School-Community Counselor Program;
Grade levels are being expanded in many of our larger communities;
Fostering the development of parenting programs at the community level;
Developing and implementing a number of specific initiatives at the Board and community level to prevent dropout.

3. REDUCE THE PUPIL-TEACHER RATIO

DEPARTMENT OF EDUCATION

No specific initiatives are underway in this area primarily due to restraint. A study of education financing currently underway is expected to give some direction on the issue.

4. SET UP OUTWARD BOUND-TYPE PROGRAMS

DEPARTMENT OF EDUCATION

In September 1990, the Department of Education began the pilot of a "Leadership Residence" concept in Ft. Smith. The program with its challenging academic, community, and land components incorporates many characteristics of Outward Bound. Studies are underway to examine expansion of the program to other centres.

5. REORGANIZE ADULT EDUCATION AND TRAINING **PROGRAMS:**
IMPROVE COURSES IN THE AREAS OF MANAGEMENT
TRAINING, BOARD DEVELOPMENT, **TRADES, AND**
ENVIRONMENT

DEPARTMENT OF EDUCATION

To allow greater program flexibility and responsiveness to the needs of the NWT population, modifications to the existing Training on the Job Program have been made. As identified in the Employment Development Strategy, changes include an academic component which allows for seat purchase

from an academic institution, extended training plans, increased salary subsidies, and support for management training.

The Northern Leaders Training Support Program continues to be well subscribed with approximately 30 applications to date. **Seven** candidates were supported by the program this year to financially assist them in their educational pursuits so that they are better able to administer land claims.

DEPARTMENT OF MUNICIPAL AND COMMUNITY AFFAIRS

In 1989, a Minister's **Advisory** Committee on Education and Training was established, with representation from the NWT Association of Municipalities, Arctic College, and the Department of Municipal and Community Affairs, to develop strategies for improved management training for municipal government administrators and staff. This is an ongoing initiative.

6. IMPLEMENT A SUSTAINABLE DEVELOPMENT STRATEGY

DEPARTMENT OF RENEWABLE RESOURCES

The Sustainable Development Policy was released during the fall 1990 sitting of the Legislative Assembly. The Department of Renewable Resources is presently working on an Action Plan to implement sustainable development, in cooperation with the Departments of Economic Development and Tourism and Energy, Mines and Petroleum Resources. The public and NWT Round Table on Environment and Economy will be involved in the development of the plan.

7. CREATE AND IMPLEMENT A **TRADITIONAL** HARVESTING SUPPORT **PROGRAM** IN **COOPERATION** WITH NATIVE ORGANIZATIONS

DEPARTMENT OF SOCIAL SERVICES

Under the direction of the Minister of Social Services, a committee of Deputy Ministers has been working on the development of a Harvesters Support Program, in conjunction with a Working Committee. The Working Committee is chaired by the Deputy Minister of Renewable Resources and includes Aboriginal leaders in its membership. It is responsible for recommending program options to the Deputy Ministers' committee.

8. **CONDUCT A REVIEW, WITH THE FEDERAL GOVERNMENT, OF ALL TRANSFERS AND PAYMENTS AND FEDERALLY FUNDED PROGRAMS**

EXECUTIVE COUNCIL OFFICE

The review of federal transfer payments and federally funded programs to respond to the unique needs of the NWT goes on as a matter of course under the individual mandate of each Minister of involved departments. Negotiations to pursue more advantageous program criteria for the NWT are undertaken by officials, at the direction of Ministers, on a regular basis.

Recent initiatives by the government in this area are:

- negotiation of a new funding formula with the federal government;
- negotiation of a new Economic Development Agreement;
- internal review by the Department of 'Social Services of Canada Assistance Plan financing;
- re-negotiation of an Employability Enhancement Accord to target training opportunities to social assistance recipients.

The Minister Responsible for the Economic Strategy is responsible for ensuring the overall coordination of program elements that directly affect the implementation of the economic strategy.

The monitoring and evaluation of initiatives such as those cited above, and their application, is coordinated through the usual Cabinet committee system process, and through interdepartmental undertakings initiated by individual Ministers.

Because the criteria for accessing federal programs are subject to frequent change, the kind of review proposed in the recommendation cannot be done on a one-time basis. GNWT departments are aware of the need to be prepared to respond quickly to changes in federal programs. For example, the withdrawal of the federal commitment to cost-sharing of child care programs required a significant shift in the program design process within the Department of Social Services.

The government has recently initiated a project to Review the Operation and Structure of Northern Government which will take place during the first six months of 1991. This initiative will further serve to identify any areas where GNWT access to federally funded programs might be enhanced or improved.

9. **SET UP A PUBLIC SERVICE COMMISSION; CONDUCT A REVIEW OF THE PUBLIC SERVICE, INCLUDING THE AFFIRMATIVE ACTION POLICY**

DEPARTMENT OF PERSONNEL

Cabinet has decided not to proceed with a Public Service Commission. The staffing appeals procedure, which was a major impetus for a Public Service Commission, has been changed.

Executive Council determined there were many checks and balances in place to prevent political interference in this process. These include staffing appeals, grievance and arbitration procedures, a court system, and human rights legislation.

Staffing appeal rights were extended in Jan. 1991 to non-employees who qualify under the affirmative action policy and who apply for positions within the bargaining unit of the Union of Northern Workers.

The Affirmative Action Policy will be reviewed in 1994 and, in the meantime, Departments are finalizing their Affirmative Action Plans.

10. **REVIEW GNWT BUSINESS PRACTICES TO PROVIDE MORE BUSINESS OPPORTUNITIES FOR LOCAL COMMUNITIES**

DEPARTMENT OF PUBLIC WORKS

DPW continues to implement the various policies, procedures, directives and special approaches as outlined in the Department's Local and Northern Involvement in Construction, Maintenance and Leasing Strategy. This strategy is an important component in the GNWT'S overall Economic Development Strategy. During 1989/90, 90% of the number and 80% of the value of all DPW construction, maintenance, leasing and consulting service contracts were awarded to Northern firms.

An analysis of all GNWT contracts, done by the Departments of Government Services and Public Works, for the first half of 1989/90 indicates that 71% of the number (1750 out of 2456) and 69% of the total value (\$133.4 million out of 193.9 million) of all contracts went to Northern or local companies.

In spite of the success currently being achieved, a series of discussion items have been developed to address a number of concerns which have been raised by businesses and MLA's and would increase the levels of support this government provides to business through its contracting for goods, services, consulting and construction. Cabinet has directed that these discussion items be circulated publicly, as part of a discussion paper to be sent to all NWT businesses, communities and business associations.

The committee preparing the discussion items includes representatives of the Departments of Transportation, Public Works, Government Services, and the Housing Corporation.

MUNICIPAL AND COMMUNITY AFFAIRS

The Department of Municipal and Community Affairs and the Department of Public Works have developed program and Project Authority Agreements which are signed by the responsible Ministers and enable signatory municipal governments to undertake greater local authority for municipal capital programs and projects funded by the GNWT. To promote greater opportunities for Northern business development, it is a condition of these Agreements that the signatory municipal governments adhere to the provisions of the Business Incentive Policy when tendering and awarding municipal capital works contracts.

NWT HOUSING CORPORATION

The NWT Housing Corporation:

limits its publication of tender calls to northern based media, with the exception of mechanical and electrical supply.

encourages Southern manufacturers to give distributorships to Northern vendors for products specified on tenders.

reviews specifications on an ongoing basis, to ensure that Northern manufacturers or suppliers

have equal opportunity to provide products for the Corporation's supply programs.

encourages contractors to utilize local accommodation, as well as hire **local labour**. To ensure that contractors will utilize available **local labour**, the wording of Corporation contracts was altered, introducing a stipulated percentage of all payroll expenditures to be local and northern, combined with a penalty clause in the event of non compliance.

In an effort to make the tendering process more accessible to local contractors, the Corporation conducts workshops discussing the tendering process throughout the NWT.

Corporation staff also hold monthly meetings with contractors who are contracted to the Housing Corporation, and the community to help assess local resources as well as provide a forum through which potential problems regarding tendering can be discussed.

DEPARTMENT OF GOVERNMENT SERVICES

Currently, business practices are being looked at by a committee of Deputy Ministers described above, of which Government Services is a member.

Also, three procedures are in place to maximize local business opportunities:

Tender Notification System - This involves posting a list of all tenders for goods and services.

Defined Market Place - Where there are two or more businesses providing a particular good or service on a retail basis in a community, tenders for that good or service are not advertised outside the community.

Buyer/Seller Program - Reverse Trades Shows have been held to acquaint business people with the kinds of materials and services various government departments and agencies require.

DEPARTMENT ECONOMIC DEVELOPMENT AND TOURISM

The Department of Economic Development and Tourism (ED&T) has initiated a "Buy North" strategy. A Buy North logo has been designed and an advertising

campaign to create an awareness of local opportunities is being developed.

The Department of ED&T in conjunction with Government Services and the NWT Housing Corporation are reviewing GNWT procurement expenditures to identify goods and services purchased by region and source of supply (North/South) . The objective of the review is to identify which southern suppliers can be replaced by northern suppliers where feasible.

A memorandum of Understanding is being negotiated between the GNWT and the NWT Chamber of Mines to promote Northern goods and services to exploration companies and operating mines. A directory of northern suppliers servicing the mineral industry is being compiled and will be distributed to members of the mining industry. The NWT Chamber of Mines in conjunction with ED&T has staged and will continue to stage Trade Shows and Reverse Trade shows to stimulate more northern purchasing by the industry.

A proposal has been put forward to require businesses receiving departmental contributions to adhere to the Business Incentive Policy.

11. ALLOW COMMUNITIES TO NEGOTIATE CONTRACTS OVER A FIVE-YEAR PERIOD

DEPARTMENT OF PUBLIC WORKS

Maintenance contracts DPW lets its vehicle maintenance contracts, in communities such as Cambridge Bay and Rankin Inlet for three year periods. Three year contracts are considered optimal since this does not make it impossible, in the long term, for new enterprises to start up and then compete for government work. In larger communities, where there are a number of contractors, the work is tendered annually to allow . . . all contractors to compete.

Leasing - leases may be let for up to twenty years.

Construction contracts providing all construction contracts in a community to one local company, for a fixed period of time is unfair to contractors, both locally as well as across the NWT

Negotiated Contracts The Department will, on occasion, negotiate specific contracts with individual Northern or local contractors.

DEPARTMENT OF TRANSPORTATION

The Department of Transportation is negotiating/tendering the majority of its maintenance contracts on a five year basis. Capital works are carried out over a period as appropriate to project scope and budget.

NWT HOUSING CORPORATION

The Corporation is restricted due to the nature of the cost-sharing agreement with CMHC, which prohibits the Housing Corporation from entering into long-term agreements with communities. The Corporation, through its efforts to develop its own economic development strategy, will endeavor to address such issues within these constraints.

One alternative is the initiation of demonstration projects, and to date the Corporation has approved several such projects throughout the North. A full assessment of the projects' impacts and costs has yet to be undertaken, but preliminary observations indicate that, with appropriate guidance and supervision and a desire on the part of the community to take advantage of employment and training opportunities, the construction of houses can be undertaken with greater community involvement.

The Corporation has an ongoing commitment to plan with communities for the delivery of social housing.

DEPARTMENT OF GOVERNMENT SERVICES

The only contracts which Government Services enters into for any length of time are the P.O.L. distributorship contracts. There are plans to increase these contracts from five years to ten or fifteen years.

12. ENSURE THAT INDIVIDUAL COMMUNITIES HAVE GREATER CONTROL OVER THEIR RESOURCES

DEPARTMENT OF RENEWABLE RESOURCES

The Department of Renewable Resources provides for public involvement in its programs. Community,

regional and land claim settlement area wildlife committees (Denendeh Conservation Board, Nunavut Wildlife Management Board etc.) are funded, consulted and given a degree of control over certain departmental programs - particularly in the area of providing assistance to renewable resource harvesters. The recent fire management policy makes provision for community involvement in determining priority areas for fire protection. In addition the Department participates in the Northern Land Use Planning Process which enables communities to participate in the development of regional land use plans.

DEPARTMENT OF ENERGY, MINES & **PETROLEUM** RESOURCES

Settlement of land claims will provide an important role for aboriginal people in the assessment and review of any resource development activities.

Devolution of oil and gas (through the Northern Accord) and minerals will provide for northern control over resource development.

Land use plans are being developed throughout the NWT with strong community input.

Environmental reviews (Water Board, FEARO) provide public fora for discussions on the terms and conditions of development.

Benefits agreements between developers and local communities are encouraged by the GNWT.

13. **DEVELOP AND IMPLEMENT AN IMPORT SUBSTITUTION STRATEGY**

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

To date, the Department has:

- initiated a pilot project for musk-ox harvest on Banks Island;
- is undertaking a test market study for canned arctic char;
- supported a test fishery for whitefish in the Mackenzie Delta;
- is exploring new means to harvest char quotas that were previously thought to be economically unviable;
- is developing a plan for exploring yet untapped marine fisheries resources;

is in the final stages of preparing legislation for a Northwest Territories Agricultural Products Marketing Act which will ultimately enable NWT agriculture producers to participate in national supply management schemes for agricultural production.

14. DEVELOP AND IMPLEMENT A REGIONAL DEVELOPMENT STRATEGY

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

The Renewable Resource component of the Departmental Economic Development Strategy outlines development plans for each of five sub-sectors which predominate in different regions. Each region has a Renewable Resource Development Officer. RRDO's are tasked with stimulating regional renewable resource development that meets with community and regional expectations while dovetailing with broader territorial economic development goals and objectives.

The arts and crafts sector is built on the proven skills and abilities in specific Regions. In addition, tourism opportunities exist and have been developed to varying degrees. Development plans reflect the strengths of the particular Region.

15. SET UP A COMPREHENSIVE EVALUATION SYSTEM FOR ALL ECONOMIC DEVELOPMENT-TYPE POLICIES, PROGRAMS, AND PROJECTS

NWT HOUSING CORPORATION

The Corporation has an evaluation function in place which will assess Housing Corporation programs and services in terms of how they relate, among other criteria, to the strategies and priorities of the Government, including economic development.

The Corporation is also developing an economic development strategy which will include an evaluation component for any subsequent Corporation initiatives relating to economic development.

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

The Department has developed, in conjunction with its new consolidated Business Development Fund program, a system for measuring the Economic Benefits of the program.

16. SET UP A COMMUNICATIONS **TECHNOLOGY RESEARCH PROJECT**

No specific action taken.

17. HELP EXTEND BANKING SERVICES TO MORE COMMUNITIES

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM/DEPARTMENT OF FINANCE

Officials of the Government have met with senior officers of major banks to discuss methods by which banking services could be extended to more communities. Each of the banks indicated that the provision of banking services would **not** be financially feasible in those communities that currently do not have branches. However, the officials of these banks have outlined that efficient procedures are in place to process loan applications in communities in which they do not have branches.

The Government of the NWT will continue to review northern banking requirements with banks, and as technological developments such as automated tellers continue to be refined, new **approaches** to the provision of banking services will be investigated.

Officials of the Departments of Economic Development and Tourism and Finance have provided input into a study being undertaken by Arctic Cooperatives Ltd. to determine the feasibility of establishing credit unions in the Northwest Territories. A third phase of this study, currently underway, will assess the economic impact that credit unions would have in communities .

18. **DEVELOP A TOURISM STRATEGY WHICH EMPHASIZES PRODUCT DEVELOPMENT AND INFRASTRUCTURE**

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

The Department, as part of its Economic Development Strategy, included a specific strategy for the tourism sector. Initiatives include:

Package Tour Development - Several new products were developed and existing packages upgraded or re-positioned to address the demand of growing international markets.

Transportation Links - Assistance was provided to two fishing and one naturalist lodge to improve runway conditions thereby extending current seasons! of operations.

Distribution Networks - Assistance was provided to develop a receptive tour operation for the Baffin Region and on-going assistance is provided to receptive operations in Yellowknife and Inuvik. These operators facilitate the development and marketing of tour products offered by smaller, less sophisticated operators.

Market Development

Cruise Industry - Negotiations continue with two cruise ship companies to develop tour packages into the Northwest Territories. Assistance will be provided to communities to develop appropriate ground packages to ensure economic benefits are realized by NWT residents.

Japanese Market - An advertising campaign and familiarization tours directed at the Japanese travel trade, encouraging new product development, was initiated for placement in the Japan Travel Journal. The Department's capital plan tripled to \$8 million allowing:

- major renovations totalling \$2 million to 5 existing parks
- the design and development of visitor centres which, in conjunction with EDA funding, totalled \$10 million over 2 years.
- development of interpretive signage and outdoor displays along the highway system and Eastern Arctic communities.

19. DEVELOP A SUPPORT PROGRAM FOR ARTS & CRAFTS

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

The Department's consolidated contribution program will make funds available to assist visual, literary and performing arts businesses with start-up capital, product and market development funds and business expansion funds in accordance with program guidelines.

A support to **industry** program is also being developed for the arts and cultural **sector** which may include any or all of the following:

- small tools and equipment grant;
- support to arts and crafts service association;
- carving shed construction program;
- print shop advisor program;
- award for excellence program.

The Small Tools program guidelines will be available March 21, 1991.

20. RECOGNIZE CO-OPS AS SMALL BUSINESSES WITH TWINING POTENTIAL

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

Since their inception NWT Co-operatives have been recognized as small businesses and as such are eligible for the whole range of programs and services available to small businesses including training programs.

21. SEEK AN EXEMPTION FOR THE NWT FROM THE NEW GOODS AND SERVICES TAX

DEPARTMENT OF FINANCE

The Government of the Northwest Territories has made strong and numerous representations to the federal government to change the GST legislation to include measures that would compensate residents of the Northwest Territories for the relatively high tax burden that the GST imposes on them.

The Minister of Finance submitted a brief to the House of Commons Standing Committee on Finance which explained the Government of the Northwest Territories' concerns and proposed amendments that included an increase in the sales tax credit and in the income threshold for eligibility to the GST tax credit in the North, an increase in the Northern Deduction and compensation to residents of the Northwest Territories for increased costs of utilities under the GST. The Minister of Finance and the Chairman of the Standing Committee on Finance met with Mr. Blenkarn, the Chairman of the House of Commons Committee, and department officials met with federal officials and members of the Committee to argue these positions.

The Minister of Finance submitted a similar brief to the Senate Standing Committee on Banking, Trade and Commerce and met with members of the Committee.

The Minister of Finance made **numerous** representations to the federal Minister of Finance in support of these same recommendations and is continuing his efforts to have amendments introduced to the Income Tax Act which would give effect to the government of the Northwest Territories' recommendations.

An amendment to the GST legislation to exempt all of Northern Canada from the GST was introduced in the Senate by Senator Watt. The Government of the Northwest Territories supported the private sector in 'lobbying for this amendment in Ottawa. The amendment was defeated by a slim margin.

DEPARTMENT OF MUNICIPAL AND COMMUNITY AFFAIRS

The Department of Municipal and Community Affairs will continue to monitor the impacts of the GST on NWT municipal governments and will review existing policies to identify opportunities for insulation of municipal governments from the effects of the GST wherever practicable.

22. **REQUEST THE FEDERAL GOVERNMENT TO ESTABLISH A PERSONAL AND CORPORATE TAX REGIME FOR NORTHERNERS**

DEPARTMENT OF FINANCE

The Minister of Finance and department officials have made representations to the federal government to change the federal personal income tax system to reflect the fact that northerners face higher costs. Representations have been made to increase the Northern Residents' Deduction, and to index it to inflation; to increase the federal sales tax credit, as well as the income thresholds at which the sales tax credit and the child tax credit are reduced or eliminated; and finally, to provide some compensation for the higher amount of GST paid by northerners as a result of the higher costs of utilities. With regard to corporate taxation, representations have been made to Finance Canada to maintain incentives for mining and oil and gas exploration in the north.

The Government of the Northwest Territories has a tax regime which recognizes northern circumstances and which is designed to encourage economic development. The NWT has the lowest Personal Income Tax Rate in Canada and the second lowest small business income tax rate. There is no sales tax, no payroll and no capital tax. Furthermore, the tax regime has been very stable over the past ten years, providing business with the ability to plan for the long term. The only changes made to Corporate Income Tax have been to cut in half the rate for small businesses and to impose a small increase on large corporations. The tax rate for large corporations is the third lowest in Canada.

23. **REQUEST THE FEDERAL GOVERNMENT TO PROVIDE THE MINERAL EXPLORATION INDUSTRY WITH TAX INCENTIVES FOR EXPLORATION**

DEPARTMENT OF ENERGY, MINES & PETROLEUM RESOURCES

GNWT continues to press the federal government to provide tax incentives for the mineral industry.

Other incentives for industry (such as geoscience mapping, prospectors assistance and technology development) are being pursued through a second Minerals Development Agreement as part of the Canada/NWT Economic Development Agreement.

24. **PROVIDE FOR THE DEVELOPMENT OF MORE QUALITY DAY CARE SPACES**

DEPARTMENT OF SOCIAL SERVICES

The NWT Interim Child Day Care Program continues to offer start-up grants and operations subsidies to licenced, nonprofit child day care programs. A user subsidy is also available for full time students with preschool children and for low income earners.

The Interim Child Day Care Program has directly contributed to the creation of approximately 600 new licenced, nonprofit child day care spaces and approximately 150 new jobs since its inception in 1989.

The Program is expected to offer similar levels of support in 1991-92.

25. **SET UP RESIDENTIAL-TYPE ALCOHOL TREATMENT CENTRES**

DEPARTMENT OF **SOCIAL SERVICES**

Construction is underway at Northern Addiction Services to add 10 new beds. 30 new beds are planned for the Hay River Reserve Treatment Centre. 16 new beds are planned for the new Tuvvik Treatment Centre.

A total of 56 new beds will therefore be added to the 22 existing beds by 1993.

26. **SET UP A PERMANENT, CABINET-LEVEL COMMITTEE FOR ECONOMIC DEVELOPMENT**

EXECUTIVE COUNCIL OFFICE

Earlier in the term of this government, the Executive Council reviewed the Cabinet committee system and considered the advisability of establishing new committees, for example, a committee to address social development issues, and a management review board. Members determined that, because of the unique structure of the Cabinet committee system in the NWT government, additional committees were not necessary and would not enhance the effectiveness or efficiency of Cabinet operations.

Because of the relatively small number of Ministers in the NWT Government, all Ministers are members of three main permanent committees of Cabinet - The Financial Management Board, Priorities and Planning Committee, and Legislation and House Planning Committee. This arrangement provides a coordinated perspective on priorities set by Cabinet in all committee deliberations. The requirement for Priorities and Planning and Legislation and House Planning committee recommendations to be approved by Cabinet provides an opportunity for "sober second consideration" .

The two special-purpose sub-committees - Political and Constitutional Development Committee, and Energy Committee - were established to address specific complex issues with a federal/territorial negotiations aspect. It is anticipated that the issues within their mandates - including land

claims, constitutional development, and the Northern Accord - will eventually be resolved. Thus, these are not permanent Cabinet committees in the sense intended by this SCONE recommendation.

Social and economic issues are within the jurisdiction of the Government of the NWT, and must be approached in a coordinated fashion consistent with government priorities. Thus, they can most effectively be addressed within the existing Cabinet committee system.

27. **SET UP A PERMANENT, CABINET-LEVEL COMMITTEE FOR SOCIAL DEVELOPMENT**

EXECUTIVE COUNCIL OFFICE

See response to recommendation 26.

28. **ESTABLISH, IN PARTNERSHIP WITH THE FEDERAL GOVERNMENT, AN ECONOMIC DEVELOPMENT AGENCY**

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

The Yukon, NWT and Quebec are the only regions in Canada without a Federal Government Economic Development Agency. Like these agencies, however, the NWT has had an Economic Development Agreement. The Government of Canada's position is that DIAND has the authority and responsibility for northern Economic Development.

The GNWT Executive is considering the costs and benefits of their current regional economic development relationships in comparison to the Federal/Provincial relationships which exist in other jurisdictions of Canada.

29. **PROVIDE FUNDING TO COMMUNITIES TO HIRE DEVELOPMENT OFFICERS**

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

A three year pilot test is being implemented. Negotiations are underway with Fort Good Hope, and Coppermine. A pilot test program review will be conducted to determine the effectiveness of this approach to economic development.

30. REORGANIZE THE DEPARTMENTS OF RENEWABLE RESOURCES
AND ECONOMIC DEVELOPMENT AND TOURISM

EXECUTIVE COUNCIL OFFICE

This matter was thoroughly reviewed by the
Priorities and Planning Committee early in the
mandate of the government. Cabinet was satisfied
with the resultant report of the two Ministers
regarding their respective mandates.