

Agenda for the New North:
Achieving our Potential in the 21st Century



Message from the Premier

DEVELOPING AN “*AGENDA FOR THE NEW NORTH*”—NOW IS THE TIME

As Northerners, we are at an important point in our development. With the historic milestone of division behind us, the time has come to turn our attention to how we can best work together for a secure and prosperous future for our families, friends and neighbours.

The new Northwest Territories is a place of tremendous opportunities—from our land and resources to our people and our spirit—we have vast potential that is unrivalled in other parts of Canada. It is true that we are facing some difficult challenges and circumstances, however, by uniting in a common vision I believe we can take the necessary steps to better the lives of all Northerners.

We are faced with serious and pressing social needs. We need to ensure the efficient delivery of health and social programs and provide the education and employment training that will allow Northerners to make the most of the opportunities that are out there.

Among our residents, the overall demand for the programs and services of government is increasing and outpacing the ability of government to meet these demands or provide new services with current financial resources. We must find new sources of revenue if northern governments, both public and Aboriginal, are going to be able to continue to meet the needs of our constituents in the years to come.

As well, the political structure of the new Northwest Territories is changing as land claims and self-government negotiations are settled. We need to work together to develop mutually respectful new relationships between public and Aboriginal governments.

ENCOURAGING DISCUSSION AND FINDING COMMON GROUND

We are proposing an ***Agenda for the New North*** to encourage discussion among all Northerners. The Agenda is based on a suggested vision of the Northwest Territories as a place where Northerners come first; where we are well educated and healthy; where all Northerners enjoy an improved quality of life; and where we work together to build a strong future.

We are hoping that the ideas we put forward may form the basis for reaching common agreement between northern governments and with the federal government on how Northerners can work together to take greater control of the future and become more responsible for our well being.

WE NEED YOUR INVOLVEMENT

To make progress in identifying a common vision and plan of action, the involvement, understanding and support of all Northerners will be critical. An ***Agenda for the New North*** was developed to stimulate discussion and continue the process of defining the place that we want the Northwest Territories to be.

I hope that you will take the time to think about our future and participate in shaping it. Working together, we can achieve the potential of the new north in the 21st century.

Jim Antoine
Premier

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AGENDA FOR THE NEW NORTH

We are entering a new era in the development of the Northwest Territories. Division has given us a renewed focus and a unique opportunity to work together to plan for our future.

We are facing some difficult challenges and circumstances. Today the Northwest Territories may be characterized by a combination of political change, social challenge, fiscal constraint and economic opportunity.

A SHARED VISION OF OUR FUTURE

To move together towards a prosperous and secure future for all residents of the Northwest Territories, we need to agree on and be guided by a shared vision of our future.

We propose a vision that includes:

- ❖ *A system of government that respects the **collective rights** of Aboriginal peoples and the **individual rights** of all Northerners.*
- ❖ *Northerners taking greater control of their future and becoming more responsible for their own well being.*
- ❖ *Modern healthcare, education, housing and social programs that are provided by and for Northerners.*
- ❖ *Sustainable development of the north's economic potential in a way that benefits all Northerners.*
- ❖ *Greater Aboriginal representation in the workforce and economy.*
- ❖ *Healthier, more self-reliant individuals, families and communities.*
- ❖ *Less dependence on federal transfer payments.*
- ❖ *A strong unified territory, taking its place in the federation and contributing to the prosperity of Canada.*

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Key words and concepts:

Collective rights:

Rights based on membership in a distinct group of people. In Canada, collective rights include Aboriginal and treaty rights, language rights, and education rights based on religion (denominational rights). Certain collective rights are recognized in the Constitution of Canada.

Individual Rights:

*Rights held by every person as an individual. They include such rights as freedom of speech, religion and association, equality before the law, freedom from arbitrary arrest, the right to live and work in any province or territory and the right to vote in federal, provincial and municipal elections. The most important individual rights are entrenched in the **Canadian Charter of Rights and Freedoms**. Individual rights are also stated in federal, provincial, or territorial laws—for example, the NWT's **Fair Practices Act**.*

ACHIEVING OUR POTENTIAL

In order to fulfil this vision, we need to identify the challenges we are facing and agree upon a plan of action for meeting these challenges. There are five key parts that set the framework for reaching our vision of the NWT. Together, these form the basis of our proposed Agenda. They are:

1. Getting Governance Right
2. Sharing Control of Northern Resources
3. Restructuring our Fiscal Relationship
4. Harnessing our Economic Potential
5. Improving our Social Well Being

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GETTING GOVERNANCE RIGHT

We must work together to create a system of government in the Northwest Territories that respects and protects both collective and individual rights and is fair, representative and responsive to the needs and concerns of all residents.

- **Land claims, self-government and treaty land entitlement** negotiations are happening in almost all regions of the Northwest Territories.
- At the conclusion of these negotiations, there will be agreements that will change the system of government in the NWT once they are implemented. For example:
 - The federal and territorial governments agree that Aboriginal peoples have an inherent right to govern themselves. This right may be implemented through constitutionally protected **treaties**.
 - The inherent right of Aboriginal people to govern themselves may be implemented through the establishment of Aboriginal governments as well as by establishing specific rights of participation in public governments. As a result, there will be different structures of government at the community, regional, and Aboriginal levels;
 - Certain powers and responsibilities of the federal and territorial governments will be shared with Aboriginal governments; for example, Aboriginal peoples, through their governments, will have law making authority and program delivery responsibility in such areas as culture, language, education, social services and aspects of health.
 - Funding relationships amongst northern governments and the federal government will correspond to changes in the division of powers and responsibilities.
- While self-government will change the powers, responsibilities and nature of the relationship between federal, territorial and Aboriginal governments, it will not change the structure of the territorial government.
- A new structure for the territorial government will be set out through the constitutional development process which presents all Northerners with an opportunity to design a constitution for the NWT.
- While self-government and constitutional development are separate processes, their combined outcome will result in fundamental change to the entire system of government in the NWT.

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- *Getting governance right* will result in clear roles and responsibilities for all northern governments, leading to greater certainty and an improved investment climate. An improved investment climate will better enable us to *harness our economic potential*.

The Government of the Northwest Territories is committed to:

- Ensuring that the outcomes of the various political development processes are compatible with and support the ***“Key Features of NWT Society,”*** including an overall effective, workable and affordable system of government.
- Negotiating agreements that will result in Aboriginal people taking control over their own social, cultural and political destiny and having greater self-determination.
- Negotiating practical agreements that can be implemented.
- Ensuring all governments have the human and financial capacity to exercise their powers and meet their responsibilities.
- Ensuring that all residents of the NWT continue to have access to essential programs and services.
- Maintaining a strong territorial government that can represent the interests of all Northerners.

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Key words and concepts:

Land Claims:

Land claims are based upon the occupation of an area by an Aboriginal people from the period before European settlement. Land claim agreements are negotiated by the Crown to deal with the Aboriginal rights or title in such an area. Land claim agreements address things like the rights of governments and Aboriginal people to land and resources, wildlife management and cash compensation. Land claim agreements may also deal with self-government. Land claim agreements are constitutionally protected.

Self Government:

The regulation by an Aboriginal people of its own affairs through an Aboriginal government. Self-government agreements may also provide for guaranteed participation by Aboriginal people in institutions of government which serve the whole population.

Treaty Land Entitlement:

A term used by the federal government for the entitlement or right of an Aboriginal people to have certain lands set aside for them according to a treaty.

Treaties:

Formal agreements between Aboriginal peoples and the Crown. Modern land claims agreements are considered to be treaties and, as such, are constitutionally protected. Self-government agreements, when negotiated, are also expected to have the status of treaties.

“Key Features of NWT Society”:

“Key Features of NWT Society” is a policy statement of the Government of the Northwest Territories which sets out the core values and principles guiding the GNWT in the negotiation and implementation of the inherent right to self-government of Aboriginal peoples. For the full text of this document, see the Appendix.

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SHARING CONTROL OF NORTHERN RESOURCES

Northern control over northern non-renewable resources is our greatest opportunity for increased self-reliance and reduced fiscal dependence on Ottawa.

- Responsibility for most high cost programs has been devolved from Canada to the Government of the Northwest Territories. This includes health, education, housing, renewable resources and transportation.
- Responsibility for the non-renewable resources program, which has significant revenue-generating potential, remains with the federal government.
- Unlike the provinces, in the NWT all non-renewable resource revenues flow directly to Canada. This is because the federal government still has ownership and control of non-renewable resources in the north.
- Yukon First Nations, the Yukon Territorial Government and the federal government are nearing completion of an agreement-in-principle on the management and control of northern resources.
- If northern governments owned and managed northern non-renewable resources, the concerns of the territorial government, Aboriginal leaders, communities and industry would be given greater priority than the federal government now gives them.
- Non-renewable resources represent the largest potential growth for the north, in terms of exports, jobs, business opportunities and tax/royalty revenues.
- Aboriginal people want greater control over non-renewable resources through claims and self-government agreements.
- Lack of consensus among northern governments has prevented us from sharing ownership and control of northern resources in the past.

The Government of the Northwest Territories is committed to:

- Reaching consensus among northern governments to allow us to share the revenues and the responsibility for decision-making that comes with shared control of northern resources.

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- Securing short-term measures, including:
 - The decentralization to the north of the responsibility for management of northern resource programs by Indian and Northern Affairs Canada.
 - A greater role for territorial and Aboriginal Governments in setting resource policies and making decisions.
 - A fair share of the benefits from resource development for Northerners, such as revenues and employment and business opportunities.

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RESTRUCTURING OUR FISCAL RELATIONSHIP

We must work together to develop a new fiscal relationship with the federal government that, over the long term, reduces the north's dependency on the federal government.

- The recently negotiated **Formula Financing Agreement** for the new NWT will result in a budget of about \$700 million for the 1999-2000 fiscal year, most of which will be in the form of a federal transfer payment (the **Formula Financing Grant**). The federal government largely sets the terms of the Formula Financing Agreement.
- The formula used to determine the amount of the grant is based on a number of factors including our population growth relative to that of Canada and provincial government spending.
- The formula also includes an Economic Development Incentive (sometimes referred to as the “tax window”) For every new dollar the territorial government raises through its own-source revenues outside of the grant (e.g. business taxes, income tax) the federal government reduces our grant by 80 cents. Conversely, for every dollar lost through economic decline, the grant increases by only 80 cents. Despite the inclusion of an “Economic Development Incentive” our current fiscal arrangements, in fact, provide little incentive for us to encourage development. However, they are an improvement over previous arrangements that contained a disincentive for economic development.
- Revenues from non-renewable resource development (primarily royalties and fees) go directly to the federal government and therefore provide no revenues to the territorial government.
- The population declined slightly in the Northwest Territories last year and our growth rates for this year and future years are forecast to be below Canada's. This is largely due to an economic downturn in the minerals sector, reductions in government spending and a resulting out-migration of people from the NWT. This means that for 1999-2000 we are expecting virtually no revenue growth over last year.
- The net outflow of people has also affected our tax base. As high-income earning people leave the NWT, we are losing income tax revenues. Although the tax window protects us against 80% of declines in our tax revenues, the drop we are experiencing is significant and will affect our ability to finance programs and services.

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- Because we have a very small tax base, there is little the territorial government can do to increase its net revenues. Increasing the tax rate will not bring in very much additional revenue and it will make life harder for taxpayers and discourage new investment.
- Current and projected resource developments in diamonds, oil and gas will give the federal government significant new revenues. Meanwhile, the territorial government's share from this new development will be a small fraction of what the federal government gets. It may not even cover the growing demand for services created by these developments.
- Without new sources of revenue, the territorial government and other northern governments will continue to be dependent on federal grants.
- Without new sources of revenue, the territorial government does not have the ability to generate new resources for:
 - Increasing demands for education, health care, housing and other social program needs.
 - Investments to encourage employment and reduce social programs.
 - Infrastructure, training and economic development.
 - The additional costs related to self-government agreements.
- Along with northern control of resource development, new fiscal relationship with the federal government will increase the overall amount of revenues to northern governments and the federal government

The Government of the Northwest Territories is committed to:

- Negotiating an increase to the "tax window":
 - This would result in higher territorial government revenues as the economy grows. While there is also a risk if the economy shrinks, our potential for resource development makes us optimistic about our future economic potential.
- Negotiating shared resource revenues:
 - Sharing some or all of northern non-renewable resource revenues with the territorial and Aboriginal governments would be a way for the federal government to finance the implementation of self-government.
 - Sharing resource revenues would reduce northern long-term dependence on federal transfer payments.

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- Sharing resource revenues would also provide the means and the incentive for northern governments to support economic development.

Key words and concepts:

Formula Financing Agreement:

*An agreement between the federal government and the GNWT that sets out the manner in which the **Formula Financing Grant** is made to the GNWT. A formula financing agreement is normally for a term of four or five years. The recently negotiated Formula Financing Agreement for the new NWT was signed in October 1998 and is for a five-year term ending March 31, 2004.*

Formula Financing Grant:

*The **Formula Financing Grant** is the largest single revenue source for the GNWT. The federal government provides it to the GNWT without any requirement to account for how it is spent. The Grant is calculated according to a formula outlined in an Agreement between the GNWT and the federal government that takes into account the difference between the GNWT's expenditure needs (as measured by the formula) and the government's ability to raise its own revenues.*

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HARNESSING OUR ECONOMIC POTENTIAL

We must attract new investment in our economy and ensure that Northerners have the skills to take advantage of these opportunities.

- A strong economy provides job and income opportunities and allows Northerners to provide for themselves and their families. When people are able to support themselves, their families and their communities are healthier.
- The current NWT unemployment rate stands at about 12%. This is above the national average. The unemployment rate is even higher among certain groups because of the following factors:
 - The unemployment rate does not include “discouraged workers.” These are people who have given up looking for a job.
 - Unemployment rates are much higher for those with the lowest levels of education.
 - Unemployment rates are much higher among Aboriginal people and residents in small communities.
- There is potential for growth and job creation in most sectors, including tourism, forestry, renewable resources and a range of service sectors.
- The largest potential, however, is the non-renewable resource sector (mining, oil & gas). These industries and the businesses they support hold the greatest potential for new higher paying jobs. Traditionally, too many of these jobs have been filled by southern labour and contractors.

The Government of the Northwest Territories is committed to:

- Encouraging new economic development and job creation by attracting new investments in the north.
- Ensuring that Northerners have the skills, opportunities and support necessary to take advantage of the jobs created.
- Ensuring that development takes place in a sustainable and environmentally responsible manner.

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- Building partnerships with Aboriginal governments, the federal government, industry groups and others in discussions on our economic future. This should lead to coordinated action to improve our economic prospects.

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IMPROVING OUR SOCIAL WELL BEING

We must promote healthy communities while ensuring that Northerners have access to an integrated and effective system of programs and services.

- The Northwest Territories has a young population and a high birth rate. Our people tend to have more health problems than average Canadians do and they tend to rely on social assistance more. Our social program demands and costs are steadily rising.
- Expenditures on social programs make up 60% of the territorial government's budget. We do not have the money to increase our levels of service. We are concerned about keeping the levels of service we provide now.
- Social well being is closely linked to economic prosperity. Healthy people and healthy communities are more likely to take advantage of opportunities for work and economic development. Healthy communities are less dependent on social programs and services.
- The federal government continues to have a significant social policy and program support role in the NWT in areas such as health, child welfare, youth and labour force development. There is room for improved coordination between these programs and the programs of the territorial government.
- Under the **Social Union Framework Agreement**, the GNWT is required to provide social programs to northern residents that are of comparable quality to those programs delivered by governments elsewhere in Canada. The agreement also requires the GNWT to report publicly on the progress achieved in its social policy and programming.

The Government of the Northwest Territories is committed to:

- Ensuring fair access to an integrated system of basic public programs and services that provides security for people who need it most. This system would also promote the development of healthy and independent individuals and communities.
- Ensuring that, regardless of where they live, territorial residents retain access to basic public programs and services.
- Identifying and focusing on initiatives which, in the long term, will improve population health, the labour market and labour force conditions.

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- Ensuring that social programs in the NWT are sustainable and affordable.
- Developing a Social Agenda linked to economic and political initiatives. The Social Agenda would promote greater integration between the economic, social and political development sectors.

Key words and concepts:

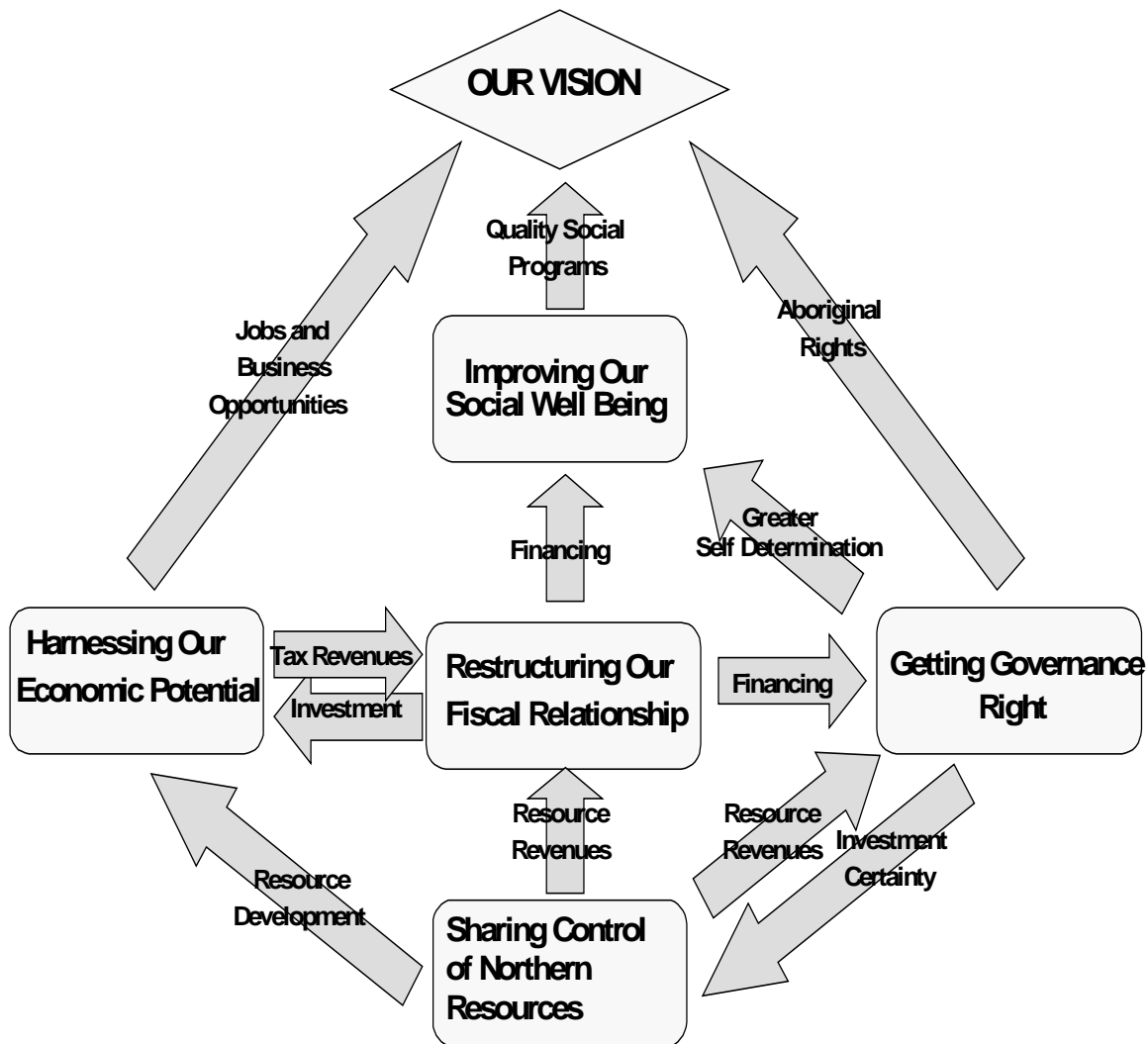
Social Union Framework Agreement:

*The **Social Union Framework Agreement**, an intergovernmental agreement, between Canada and all provinces and territories (except Quebec), on the delivery of social programs was signed on February 4, 1999.*

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PUTTING IT ALL TOGETHER

All key parts of this Agenda are connected to one another. This means that significant progress in one area cannot occur without an investment in all areas. It also means that to achieve our potential all Northerners must work together.



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THE CONNECTIONS

At the heart of an ***Agenda for the New North*** is a vision of a strong, stable and economically viable NWT. It sees the NWT as a place where our residents have access to quality programs and a fair and responsive system of government. It sees the NWT as a place where Northerners come first, where we are healthy and well educated and where we all benefit from an improved quality of life.

In many ways, the Agenda hinges upon *getting governance right*. Harnessing our economic potential, improving our social well being, restructuring our fiscal relationship with Ottawa, and sharing control of northern resources—all depend upon and support the goal of developing a system of government that respects the collective rights of Aboriginal peoples and the individual rights of all Northerners.

Getting governance right starts with the recognition of the inherent right of Aboriginal people to govern themselves. The GNWT acknowledges this pre-existing collective right of Aboriginal people and supports efforts to conclude Aboriginal and treaty rights negotiations in the NWT and implement workable self-government agreements.

By developing a system of government that better reflects the aspirations of all the people it represents and by sharing power and decision-making authority with the people that government serves, all Northerners have an opportunity to become more self-reliant. Northerners will have the tools to *improve their social well being* by setting their own priorities and making decisions about the programs and services that affect them.

However, we cannot succeed in redefining how we govern ourselves unless we have the fiscal capacity to support a new system of government. Therefore, it is essential that we *restructure our fiscal relationship* with the federal government. This will lead to less dependence on the federal government, giving Northerners a greater say in decisions that affect us. It is also essential for the implementation of meaningful, workable self-government agreements. Without adequate resources for their implementation, these agreements will not accomplish the goal of giving Aboriginal people the tools to control their future.

As well, *restructuring our fiscal relationship* will give northern governments the means and incentive to develop the northern economy and *harness our economic potential*. A healthy economy provides jobs and opportunities for Northerners, while having the fiscal capacity to provide quality education and training programs allows northern governments to ensure that Northerners are ready to take full advantage of economic development opportunities as they arise. This too will support greater self-reliance leading to *improved social well being*.

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Finally, *sharing control of northern resources* is an important element that goes hand in hand with a new fiscal relationship with the federal government. *Sharing control of northern resources* will provide northern governments with new revenues that can be used to implement self-government arrangements and to finance adequate social programs to *improve our social well being*.

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NEXT STEPS

- The Government of the Northwest Territories recognizes that in order to make progress in agreeing on a common vision and developing a plan of action, there must be broad-based support for an ***Agenda for the New North***.
- The Government of the Northwest Territories is committed to seeking and encouraging input, comments and support from all stakeholders and interested parties.
- Over the coming months, we intend to:
 - Make basic information about an ***Agenda for the New North*** readily available to residents of the Northwest Territories.
 - Discuss an ***Agenda for the New North*** with the public, Aboriginal governments, municipalities, community groups, business and industry.
 - Initiate or support opportunities for the federal, territorial and Aboriginal governments to have a frank discussion about the Agenda.
 - Encourage federal government understanding and support for an ***Agenda for the New North***.
 - Work towards identifying common ground, as well as potential challenges we must overcome. Work together with other governments (Aboriginal and public) and Northerners to build support for a common vision and develop a plan of action.
 - Make sure that we focus on the overall vision rather than just parts of it.

YOUR INPUT IS IMPORTANT

An ***Agenda for the New North*** belongs to all Northerners. We would like to hear your comments and input. Please feel free to talk to your MLA or, if you would like, forward your comments in writing to:

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APPENDIX

KEY FEATURES OF NWT SOCIETY

The Government of the Northwest Territories is committed to negotiating the implementation of Aboriginal Peoples' inherent right to self-government. It is also committed to creating a system of government in the NWT that is fair, representative and responsive to the needs and concerns of all residents. Therefore, the following core values and principles will guide the Government of the Northwest Territories:

- ❖ ***Building a respectful relationship*** – A system of government built on respect and cooperation will enable residents to work toward common objectives and achieve mutually beneficial results.
- ❖ ***Respecting the legitimate roles of all governments*** - Aboriginal and public governments have unique, necessary and complementary roles to play in serving territorial residents and should strive to do so through a partnership approach.
- ❖ ***Recognizing the rights of Aboriginal peoples*** – The Aboriginal and Treaty rights of Aboriginal peoples and their unique relationship with Canada will be respected and protected. As a result of implementing self-government, land claim and treaty land entitlement agreements, Aboriginal people will have greater control over decisions affecting their lives and future.
- ❖ ***Balancing individual and collective rights*** – The system of government in the NWT will recognize and protect the rights and freedoms of all residents.
- ❖ ***Guaranteeing mobility rights*** - Residents must be free to move within the NWT without compromising their political and economic rights, or being denied access to basic programs and services.
- ❖ ***Bringing decision-making closer to the people*** – The system of government in the NWT should ensure that community residents are able to develop priorities for programs and services to meet their needs
- ❖ ***Ensuring accessible and equitable programs and services*** - Basic services must be readily available to residents when they need them and must meet minimum, uniform standards.
- ❖ ***Creating an affordable and workable system of government*** – The system of government in the NWT must be viable. That means quality programs and services

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for all residents must be delivered through an affordable and workable system of government.

- ❖ ***Sharing the benefits of northern citizenship*** – The system of government in the NWT should provide for the sharing of wealth among all regions to ensure the provision of basic services for all residents.
- ❖ ***Creating a stable economic and political environment*** – The system of government in the NWT should assure investors and workers that political systems and regulations governing business and labour will be consistent and will encourage economic growth.
- ❖ ***Maintaining a credible voice in national affairs*** – The system of government in the NWT should provide for a strong territorial government representing the interests of all residents in territorial-wide matters and serving as the single, legitimate political voice in national affairs and provincial/territorial forums.