

## ORAL QUESTION—JULIE GREEN, MLA YELLOWKNIFE CENTRE

QUESTION 150-18(2): COST BENEFIT ANALYSIS FOR ALL-SEASON ROAD TO WHATI

June 2, 2016

**MS. GREEN:** Mahsi, Mr. Speaker. Mr. Speaker, I'm asking my questions of the Minister of Finance because the policy of favouring road infrastructure over social infrastructure is a matter of financial and political philosophy. Permit applications have been filed for a possible construction of an all-season road to Whati. Given the size of this project, I can only hope the detailed cost benefit analysis has been created to quantify benefits and returns. Has a cost benefit analysis been completed and if so, will the Minister table this document for all Members and the public to evaluate? Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Finance.

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, we're doing the preliminary work on the roads that are in our Mandate and for us to link them to the possible reductions exercise we're going through I think is unfair. And nowhere in this Budget are we debating the investment in the Whati road right now. We are doing the preliminary work and we are looking to try leverage federal funding for these particular projects. Thank you, Mr. Speaker.

**MS. GREEN:** Mr. Speaker, my question is whether there is a cost benefit analysis available on the proposed road to Whati and, if so, if it could be tabled here?

**HON. ROBERT MCLEOD:** I will have discussion with my counterpart at DOT. They normally do project description reports for these particular types of projects before we even get to an application stage for the funding, and if that is part of the work then it would be in that project description report. But I'm sure if you ask the residents of Whati they would be quite pleased to see a road into Whati which will have twofold benefits. People will be able to work on that road which will require some of our social spending to come down; and there may also be another spinoff effect where there might be some work done to develop a mine up there which would be put more people to work. And I think I've said on a number of occasions that the best social program is a good paying job.

**MS. GREEN:** Thank you to the Minister for that. I didn't say that the roads were without benefits of their own, but rather what I'm looking for is this business case and so I don't feel like I have that yet. When the Finance Minister considers how funds should be allocated for roads rather than housing, how does Finance determine the greater advantage of one over the other?

**HON. ROBERT MCLEOD:** Mr. Speaker, we will work with the federal government. I mean, we have three roads that we are looking at. One is the Mackenzie Valley Highway, which we've heard for the last 30 to 40 years is a priority for people up and down the Valley, and it would have huge benefits to everyone down in the Valley. And the other is the road to Whati and one is the road to the Slave Geologic Province. So we will work with the federal government and we can put applications in there. If they decide that one has more value than the other or one that they're able to fund at this point over the other then we'll start those discussions with them. And then we need to ensure that if they're 0.25 cent dollars then we need to ensure that we're in a position to come up with our 0.25 cent dollars.

So, again, it's working very closely with the federal government and what they're able to afford to help us finance. But ultimately, at the end of the day, we would like to see all three roads done because they would have huge benefit for people across the Northwest Territories.

**MR. SPEAKER:** Masi. Oral Questions. Member for Yellowknife Centre.

**MS. GREEN:** Thank you, Mr. Speaker. The Minister of Finance would like us to buy into the need for a \$150 million operating surplus to spend on infrastructure. Housing is not listed in that list in yesterday's budget but roads are. And so what I'm looking for is some justification, some quantification of the benefits of this road, and I'm wondering at what point in this process that that will be produced. Thank you.

**HON. ROBERT MCLEOD:** As we move forward to finalizing some of the applications for some of the work that goes there, and again, I will check with the department, we'll see what analysis has been done. As the Member said there was some mention, I believe, of housing. But, i mean, i have to say we make it sound like we're not spending any money on housing and then if you look at the Budget document that we're about to debate in the coming weeks, we have \$146 million invested in housing across the Northwest Territories. I think that's fairly significant and I would put the investment that we make in our housing per capita compare that to anybody else in the country. So we try and have balanced investments across the Northwest Territories. Sixty-three percent of our budget goes to social programs. And again, the best social program is a good paying job.