

ORAL QUESTION—JULIE GREEN, MLA YELLOWKNIFE CENTRE

QUESTION 231-18(3): MODULAR HOUSING UNITS

March 9, 2018

MS. GREEN: Mahsi, Mr. Speaker. Mr. Speaker, my questions are for the Minister responsible for the NWT Housing Corporation. In the last session, you may recall a number of my colleagues and I talked about modular homes, specifically about the contractor's failure to deliver all of the units by last summer, as the contract specified. Last we heard, the Minister was making alternative arrangements to complete and deliver these units. Can she please provide an update, and I will break this down into pieces, first on the three units that were partially complete when they were delivered to Ulukhaktok? Mahsi.

MR. SPEAKER: Masi. Minister responsible for the NWT Housing Corporation.

HON. CAROLINE COCHRANE: Thank you, Mr. Speaker. So, the original plan was to have 19 buildings from the Concept Energy. At this point, we are proceeding with the completion of 14 of those units. I do not know if all of them have been tendered out yet. I do know that five of the projects have been deferred because, there were two communities, one community was we had worked with the MLA and private market-holders who had expressed interest in building in that community, and so we try not to disturb the market within communities. Another one, we worked with the MLA because, I believe, they would be market units, and it was determined that those units were not necessary in that community at that time. So we are working with them all. The three units that were started, those were the easier ones, so I believe they have been tendered out, and they will be completed.

MS. GREEN: Thank you for that response, to the Minister. I would just like to get a little more detail. So, of these 14 units that have or will be tendered out, what are the completion times on that?

HON. CAROLINE COCHRANE: Some of the units are in process now. The majority are being conducted right away. Northern communities have a little bit more of a struggle because of the winter, because of the weather. A lot of them will be started with the warming of the weather. All units will be completed by the end of this annual year.

MS. GREEN: Mr. Speaker, now that the Minister has had some time to reflect on how this contract kind of went awry, what are the lessons that she is taking away from this experience?

HON. CAROLINE COCHRANE: So, the allocating of these 19 units was at the beginning of my term a couple of years ago, and I do appreciate the Member saying: what lessons did I derive from that experience. It's important to look on the things that we do and to reflect and to make sure that we make better decisions in the future. I believe in northern houses for northern people, done by northern contractors, so my initial goal was to actually have those units as a manufacturing strategy. There are a lot of modular units that come from the south, especially in our community of Yellowknife,

that are sold and the money is not staying here; it's going south. So the initial idea was to be able to build that industry within the Northwest Territories. It would bring jobs to communities. It would keep the money in our community. It would be spread throughout. It would bring apprenticeships and lots of opportunities.

The idea, though, was not a failure in the process. It was a business failure, Mr. Speaker. I learned from it that, if we are going to be start doing manufacturing, we need to start small so we don't set people up to fail. We need to provide better supervision of the units, but I haven't discounted it. I will still look for ways to ensure that we can promote manufacturing in the territories and promote jobs and keep our money in the north.

MR. SPEAKER: Masi. Oral questions. Member for Yellowknife Centre.

MS. GREEN: Mahsi, Mr. Speaker. Mr. Speaker, I appreciate the Minister's answer. One of the debates we had at the time that contract was going to go out was the relative advantages of module homes versus stick-built homes. Given what she has learned from this contract, does the Minister now have a preference for one kind of housing over the other? Thank you.

HON. CAROLINE COCHRANE: That was another lesson that was learned actually. We still need to have diversity in our options for housing. There is still a cost savings for residents to be able to access module units versus stick-built units. There's a substantial savings with that.

We had some difficulty actually getting those units, completed or half-completed ones, onto the barges. So we did learn, and the expense was more than we expected because of the barging and the cost with that. What we have learned through that is that module units are easily done within the southern communities where we don't have to barge them and where we don't have to deal with the transportation. We need to re-look at that within communities that aren't accessible by road, although I do want to state that Inuvik still has some buildings that are looking at module. I know that IRC might be looking at modules. It's not something that we're writing out of the northern communities. It's just we have to look at accessibility into those communities and the cost factors to getting them and then apply that to a cost analysis, module units versus stick-built. Thank you, Mr. Speaker.