

MEMBER STATEMENT—JULIE GREEN, MLA YELLOWKNIFE CENTRE

TLICHO ALL-SEASON ROAD ECONOMIC EVALUATION

February 27, 2019

MS. GREEN: Mahsi, Mr. Speaker. The government is ready to place a checkmark against another commitment fulfilled in the mandate of the 18th Assembly. The money is in place to build the road to Whati, and construction is expected to begin this fall, but let's take a moment to reflect on the cost of this project.

Mr. Speaker, two-and-a-half years ago I spoke in this House about the economic evaluation of the all-season road. The information came from a study by Nichols Applied Management of Edmonton, and it was completed in March 2015. To summarize the benefits, there will be a glut of construction jobs that will last, at most, three winters. The project will provide much-needed but short-lived jobs. A number of people will be employed afterwards for operations and maintenance.

Better returns on the road are available if and when Fortune Minerals builds its 50-kilometre spur road from its NICO project to Whati. There is no telling when that will happen. Fortune Minerals has the necessary permits, but the company has been unable to finance the \$600 million project, and with its stock trading at 12 cents a share, development looks like a dot on the distant horizon.

Those are the benefits. Let's now turn to the costs. The 2015 report that I just spoke about put the cost of the road at \$152 million. Two years ago my colleague from Yellowknife North asked the Infrastructure Minister for the all-in cost. His reply was \$175 million, but that estimate is also short of the mark.

Ten days ago, the Minister announced that the contract had been signed to build the road. The NWT will spend \$214 million for predevelopment and construction costs over the next three years, and a further \$198 million over 25 years to repay the principal and interest on the debt, along with operations and maintenance of the road. The total all-in cost is \$411 million, shared by the GNWT at 75 percent and Canada for the rest.

Mr. Speaker, let's focus on the opportunity cost. What else could \$411 million buy? If we spent it on infrastructure, it could have bought a segment of road to more marketable projects in the Slave Geological Province. It could have increased the life of the diamond mines by reducing the operating costs of a winter road, or it could have been spent on people. It could have wiped out our housing problems. Mr. Speaker, it could have met the needs of seniors who want to remain in their communities while they age. I don't think we have done enough to debate the opportunity cost of this and other infrastructure projects in this House. I recognize that it is too late for this debate to take place about the road to Whati, but it is not too late for other large infrastructure projects that the government is shopping around. It is time for the people to have their turn. I will have questions for the Minister of Finance. Mahsi.