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**ITI Budget and Need for Economic Diversification**  
**Committee of the Whole—2017-2018 Operating Budget Review**  
**Dept. of Industry, Tourism and Investment—February 15, 2017**

**MR. O'REILLY:** Thanks, Mr. Chair. Like my colleagues, I, too, want to talk about the economic diversification. It is in our mandate, yet there are no increases in economic diversification in the ITI budget. In fact, there are several cuts proposed. If you look at the budget overall, even in the Minister's opening remarks, this is a budget that overall is going to be cut, the department, by 7.3 per cent, \$4.4 million. This is, I guess, driven by Cabinet's fiscal strategy.

In terms of economic diversification and business support, there is a 17 per cent cut in grants and contributions, and that is largely made up by a 15 per cent cut to the Business Development and Investment Corporation, and I have to wonder whether this is really a prelude to getting rid of the corporation. Is that what the intention of Cabinet is and the Minister is, to get rid of this entity that helps with economic diversification and business support?

Regular MLAs, we have asked for that particular cut to be rolled back. We have also asked for cuts in community futures to be rolled back.

Then, where is the real investment in economic diversification in this departmental budget? Where is the agricultural strategy? Where is the money to back that up? We are still waiting for that. We have offered comments on that. We are still waiting for this agricultural strategy, and there is no new investment of money in this departmental budget around agriculture.

Where is the manufacturing policy that has been promised by this department? It is in our mandate, as well. There is no new money for manufacturing policy implementation or an action plan. So there are just no additional investments in real diversification in here. Regular MLAs, we have suggested that there be an extra \$1.2 million into the SEED program as one way to help spur further economic activity here in the Northwest Territories, promote economic diversification and support businesses. That is the kind of direction that my two previous colleagues have talked about, as well, but, in this department, in this budget, the Main Estimates, there is very little real economic diversification effort that is being expended.

I will have some other issues, Mr. Chair, that I will raise as we work our way through the Main Estimates for this department. One that I am concerned about is the slow pace of legislative changes. I have been on record in this House as talking about how not one word of the devolution mirror legislation has been changed in three years. This department is responsible for a number of important revisions to legislation that are supposed to be brought forward.

Recently, the request for qualifications on a Mineral Resources Act has been made public, and it looks like we are not going to get that, or the latest that we will get a new Mineral Resources Act is March 31, 2018, and we are contracting out that work, so I

really have to question what kind of capacity we have within the department to bring forth these legislative initiatives. I expect further delays.

There is also in the business plan supposed to be -- or the department is supposed to be looking at legislation for geothermal energy, and I will have questions for the Minister around the status of that legislation. There is also an oil and gas strategy that is supposed to be developed. That hasn't come forward yet. What is happening with offshore negotiations as a result of the federal government's decision to prohibit any exploration in the offshore for five years? We will have some questions for the department on that.

Lastly, Mr. Chair, I will have some questions with regard to the Environmental Studies Revolving Funds and its governance and how the money is being expended there. It is an interesting model, set up in legislation, and there are some interesting comparisons between that and, wearing a different hat, the Minister is talking about Yellowknife Airport Economic Advisory Committee that is done through terms of reference rather than legislation. This fund and how it is governed and so on might be an interesting example for the Minister to take away and have another look at, as well.

So, Mr. Chair, in conclusion, this government talks a lot about economic diversification but does not deliver with this budget and the funding for this department. Thank you, Mr. Chair.