

ORAL QUESTION—JULIE GREEN, MLA YELLOWKNIFE CENTRE

QUESTION 11-18(2): BUDGET CONSULTATION PROCESS

February 19, 2016

MS. JULIE GREEN: Thank you, Mr. Speaker. My questions are for the Minister of Finance. Today the Minister of Finance in his update is asking us to consider a 10 per cent cut in the territorial budget in the order of \$150 million. Yesterday in the Opening Address the government said they want people to see collaboration and collective decision making aimed at addressing pressing challenges together, so with those two things in mind, I would like to ask the Minister of Finance what the plan is for consulting the public about the next budget.

MR. SPEAKER: Mahsi. The Minister of Finance, Mr. McLeod.

HON. ROBERT MCLEOD: Mr. Speaker, given that the timing of the elections and the need to get our budget through, for this particular year our plan is to proceed working with committee and we're hoping that we get a lot of feedback from the public through the MLAs of this assembly. We've heard from a number of people their views on the budget, but given the timing of the election and our need to get the budget through, it was not in our plan to do an actual public consultation this year. However, that may change in the future when we have a bit more time to develop our business plan and our budget.

MS. JULIE GREEN: Mr. Speaker, I don't think that hoping the public will give their input into the budget process is a very systematic response to the scale of change that the government is planning to make. Therefore, I would like to hear that the government is going to attempt some consultation on the budget in the next few weeks, whether that means visiting communities, having an online tool available, or putting ads in the paper, that there is a mechanism for people to respond to the big changes that are coming their way.

HON. ROBERT MCLEOD: Mr. Speaker, we're not hoping the public responds. Speaking from past experience, we do know that the public is fairly plugged in and they do respond to a lot of the issues that we raise in this House. I take the Member's point, though. I'll work with the Department to see if there's an online tool that they could use as far as public consultation goes. To actually go out and visit the communities at this late stage of the game and the amount of money that it may cost, may not bring much value at this point. However, as I said before, we would consider doing something when we're developing the 2017/2018 budget.

MS. JULIE GREEN: Thank you for that commitment. I urge you to make good your promises for collaboration and open government by consulting people in whatever manner is feasible within the time that is available. This is a very significant change in direction for the NWT and I think that people will want to have their say on it. Further to your fiscal statement today, as you know, government jobs are very valuable jobs, especially in the small communities. I'm wondering whether you have done any analysis of the impact of the loss of jobs at the local level that you'd be able to share with us?

HON. ROBERT MCLEOD: Mr. Speaker, we are working on the options now, and for me to say anything in here about those options would pre-empt our consultation with committee. So we are going to have our meetings with committee and then through the business planning process, committee will have an opportunity for feedback to the government before we develop our main estimates for the May/June session. So committee will have an opportunity to see what some of the plans are for the upcoming budget. Then, during the business planning or the budget process, we have a number of different options in place as far as letting everyone know if they're affected or not.

MR. SPEAKER: Mahsi. Item 7, oral questions? Final, short supplementary, Ms. Green.

HON. JULIE GREEN: Mr. Speaker, I'm looking for a commitment from the Minister of Finance to follow evidence-based decision making in developing his budget. That would mean not only looking at the fiscal benefits of investing in infrastructure, but also in the potential problems of cuts, not only to the people who are working now, but to the possibility that they may also leave the territory and take their share of the Territorial Formula Finance funding with them. My question to the Minister is, will he commit to evidence-based decision making in this budgetary process?

HON. ROBERT MCLEOD: Speaker, the evidence points to the fact that our expenditures are rising a lot quicker than with our revenues, and with our limited base, we would put a terrible burden on those that are paying taxes. It could work both ways: we may have folks leaving if they're paying too many taxes or we could have folks actually come into the territories if we provide opportunity and a fairly steady, predictable tax rate. Again, as I said before, we will commit to working with committee, we have committed to working with committee in reviewing our budget and our options, and I need to point out that Newfoundland case has been mentioned in this House a number of times already. They're looking at reducing approximately 30 per cent of their budget, and they're consulting. I think it's a three-year process, and they're also consulting about a complete reorganization of their government. We're not quite there yet. Our scale, I think ours is about 8.5 per cent of our budget, so we need to be fiscally responsible and we will continue to do that in conjunction with committee members and Members of this Assembly.