

ORAL QUESTION—JULIE GREEN, MLA YELLOWKNIFE CENTRE

QUESTIONS 298-18(2) & 300-18(2)

REPORTING ON THE GNWT'S FISCAL PERFORMANCE

June 29, 2016

QUESTIONS 298-18(2):

MS. GREEN: Mahsi, Mr. Speaker. Mr. Speaker, as I said in my statement today, it is very challenging to follow the Government's spending intentions from the budget address to the main estimates to the public accounts. My question for the Minister of Finance is whether he'll commit to find a way of reporting on the GNWT's fiscal performance using plain language so that the results are available to all of us? Mahsi.

MR. SPEAKER: Mahsi. Minister of Finance.

HON. ROBERT MCLEOD: Mr. Speaker, also in the statement there was a comment that the Minister of Finance was unable to explain the public accounts, well which makes perfect sense because I was not at that briefing. It was a technical briefing given by the officials of the department. So I just wanted to make that point. To the Member's questions, I take her point, it is a very taxing document to read. I will make the commitment to work with my officials to have it available in a plainer language that's easier for us to understand.

MS. GREEN: I certainly take the Minister's point on that, that he had his officials there, which is the case. So in committing to providing the plain-language version of this reporting, could the Minister give us an idea of how this plain-language version may be made known to the public?

HON. ROBERT MCLEOD: The public accounts, I believe, is a tabled document. If we are going to put together a plain-language summary, then we would also make that as a tabled document, put it on our website and let people that are interested in a plainer version of the public account document to be able to access it, and hopefully we can understand it a bit better.

MS. GREEN: I'm going to move on to the other component of my statement, which is that it is my understanding, after reviewing the public accounts, that in fact the government did not meet its own requirements in its Fiscal Responsibility Policy, meaning that it didn't raise enough of a surplus to meet its spending criteria. So when that happens, which is what happened in 2014-15, what are the consequences? I guess the government has to borrow more money, but what are the consequences if the government fails to meet its own requirements of its Fiscal Responsibility Policy?

HON. ROBERT MCLEOD: I would have to sit down and have a conversation with the Member and try to explain how this works. You know, the cash that's generated from our operations in 2014-15 was about \$175 million, as was reported in the public documents. We were able to generate this level of cash from our operations because of the \$95 million surplus achieved in 2014-15, which included about \$80 million for non-cash items like amortization expense and all the GNWT needs to account for. Again, as I said before, it is a very difficult document to read without properly understanding it, and I would be glad to sit down with the Member and we can go over the document together.

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

MS. GREEN: Mahsi, Mr. Speaker. And thank you to the Minister for that offer. On that same page that the Minister is quoting from it says that the cash used for capital transactions was \$236 million, in round numbers. And so the math just doesn't add up, even I can appreciate that. So I guess I'm back to my original question of what the consequences are when the government has not abided by its own fiscal policy? Thank you.

HON. ROBERT MCLEOD: I'm not sure what the consequences are, maybe there's an empty seat here, I don't know. I will have a conversation with my officials, I'm sure we've met the requirements to the Fiscal Responsibility Policy, because I'm sure if we hadn't then we'd be called onto the carpet for that. But I will confirm that and I will have a conversation with my officials.

QUESTIONS 300-18(2):

MS. GREEN: Thank you, Mr. Speaker. I'm just going to carry on with the points that I was making earlier. So the Fiscal Responsibility Policy says that there was a requirement for financing infrastructure with 50 per cent of the operating surplus. So in the public accounts which we examined for the fiscal year 2014-15 their operating surplus was in round numbers, \$95 million, and the infrastructure expense was in round numbers, \$236 million. So using those numbers, it's clear in fact that the infrastructure was not funded 50 per cent from operating surpluses, but many millions less.

The point of this is what are the consequences if the Fiscal Responsibility Policy is not followed? Thank you.

MR. SPEAKER: Masi. Minister of Finance.

HON. ROBERT MCLEOD: Mr. Speaker, I'm going to take that question as notice.