



16th Legislative Assembly of the Northwest Territories

Standing Committee on Priorities and Planning

Report on the Review of the
2008-2009 Draft Main Estimates

Chair: Mrs. Jane Groenewegen

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SPEAKER OF THE LEGISLATIVE ASSEMBLY

Mr. Speaker:

Your Standing Committee on Priorities and Planning is pleased to provide its Report on the Review of 2008-2009 Draft Main Estimates and commends it to the House.

Jane Groenewegen, MLA
Chairperson

**STANDING COMMITTEE ON
PRIORITIES AND PLANNING**

**REPORT ON THE REVIEW OF THE
2008-2009 DRAFT MAIN ESTIMATES**

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STANDING COMMITTEE ON PRIORITIES AND PLANNING

REPORT ON THE REVIEW OF THE 2008-2009 DRAFT MAIN ESTIMATES

INTRODUCTION

The Standing Committee on Priorities and Planning is pleased to present its report on its review of the 2008-2009 Draft Main Estimates, which took place between March 31 and April 11, 2008.

The Committee's mandate includes the overview of the budget and fiscal framework. This report therefore focuses on government-wide implications of the proposed Main Estimates. Specific comments on individual Departments are provided in the reports of the Standing Committees on Economic Development and Infrastructure, Government Operations and Social Programs in accordance with their respective mandates.

GENERAL COMMENTS

Shortly after the fall 2007 election, all Members of the 16th Assembly undertook a strategic planning process, which resulted in the Vision, Goals and Priorities document "Northerners Working Together". The enthusiasm with which Regular Members embarked on this process has been dampened by a series of poor communications and unilateral decisions on the part of the Cabinet, culminating in this very disappointing budget in which we have had minimal input.

Reductions

The Committee understood that some reductions would be necessary in order for Government to make new investments in our strategic priorities, while continuing to live within our means. To assist with identifying reduction measures, the Committee undertook its own brainstorming sessions and produced a list of suggestions, which it provided to the Government for its consideration on March 5, 2008. The list was based on our own thoughts and experiences, as well as many straightforward, common sense ideas contributed to us by constituents and public service employees. While the Committee acknowledged that many of the suggested measures would require detailed analysis and costing and could not be implemented for this budget, certainly some of them could have been put in place immediately. The Committee finds it ironic that while the Government has put off our ideas in order to allow for more review, they have proceeded with reductions in this budget with apparently minimal analysis of alternatives and impacts.

Generally, the Committee is concerned that some of the proposed reductions are inconsistent with our Caucus priorities, and that overall the Government has placed too much emphasis on reducing positions rather than reducing expenditures by changing how the Government conducts its day-to-day business. The Committee was especially concerned that during the draft Main Estimate review process, some Departments were unable to provide complete information about the full impact of position reductions, such as severance costs and contracting fees that will be associated with privatization of some services.

Although the Committee is pleased to see the five percent across-the-board reduction to travel and materials and supplies budgets, we believe the reduction to travel expenses could have been increased to ten percent by restricting southern travel to the absolutely essential, and putting other cost-saving practices in place.

The Committee is also extremely disappointed that no revenue generation measures were included in this budget to offset some of the need for reductions. While the cost of living is already very high in the Northwest Territories and the Government must avoid exacerbating this, the Committee believes there are opportunities to increase revenues, and that the Government's failure to bring forward any options is a major oversight.

Strategic Investments

The Committee has difficulty supporting additional spending in the form of strategic reinvestments while the reduction exercise is only partially complete and we have not yet seen proposals for increasing revenues. Without the full fiscal picture, including possible revenue increases, the Committee is unable to assess the affordability of the proposed reinvestments.

The Committee is also concerned that some of the proposed reinvestments are not related to our Caucus priorities. Although the Committee believes that some of the proposed reinvestments are good ones, they should have been deferred until they could be considered in the context of business plans and a coherent strategy for our term as the 16th Assembly. Moreover, the Government failed to propose any investments in some Caucus priority areas, for example, support for a healthy and sustainable voluntary and not-for-profit sector.

This budget also fails to demonstrate a commitment to develop a coherent, government-wide approach to address the Caucus priority of mitigating climate change. The few investments intended to reduce greenhouse gas emissions are piecemeal and far outweighed by the forced growth and other costs that are directly or indirectly attributable to use of oil.

The Committee is not persuaded of the need for the proposed \$610,000 in strategic investments tied to the Mackenzie Gas Project, which was not one of our Caucus priorities. Further investments on top of the already substantial resources allocated to this project are not appropriate at this time given the recent announcement by the Government of Canada that socioeconomic funding will not be available this year as previously expected, and the estimated completion date for the Joint Review Panel's report, which is now delayed to mid-2009.

The Committee is also unconvinced that the \$1.5 million infrastructure investment in Parks Renewal, particularly the amount allocated to signage and displays, is a priority at this time given the reductions across Government.

Aboriginal Affairs and Intergovernmental Relations Function

This budget includes substantial changes to the Department of Aboriginal Affairs and Intergovernmental Relations. The Committee believes it is time for the Government to review the mandate and activities of this Department, and reintegrate it into the Department of the Executive. This would save on administrative costs, ensure investments are made in areas where they will be most effective, and provide for direct oversight by the Premier of this critical area.