

Return to Written Question

THE HONOURABLE ROBERT C. MCLEOD
MINISTER OF FINANCE

2014-2015 Public Accounts

Mr. Speaker, I have a Return to Written Question asked by Ms. Green on June 29, 2016 regarding the 2014-2015 Public Accounts.

1. *Can the Minister confirm that Government spending on infrastructure exceeded the operating surplus, as per page eight of the non-consolidated public accounts?*

I can confirm that the Government of the Northwest Territories (GNWT) spending in 2014-15 on infrastructure did not exceed the infrastructure financing provisions of the *Fiscal Responsibility Policy (FRP)*. The Government achieved sufficient cash from the operating surpluses during the 2014-15 fiscal year to finance at least 50 per cent of capital expenditures. Later today, at the appropriate time, I will table a document showing how the GNWT complied with the FRP.

2. *What are the consequences for Government not adhering to its own fiscal responsibility policy by failing to finance infrastructure from 50 per cent of the operating surplus?*

The *FRP* is focused on committing the GNWT to prudent borrowing to ensure long-term fiscal sustainability. If the GNWT did not achieve sufficient cash from operating surpluses to finance 50 per cent of infrastructure investments in a fiscal year, the GNWT would be required to adopt a fiscal strategy to ensure sufficient operating surpluses were achieved over the subsequent two fiscal periods to bring the GNWT back into compliance.

3. *What is the cost of the additional borrowing required for infrastructure funding?*

The GNWT would have had to borrow approximately \$56 million to fund infrastructure projects in 2014-15. Given that the GNWT incurs short term borrowing to have sufficient cash for operations and fund infrastructure investment, the actual cost of borrowing the \$56 million can only be estimated. Assuming that the \$56 million was borrowed in equal installments over the 12 month period, the estimated borrowing costs would be approximately \$325,000.

4. *Can the Minister commit to make the reporting on adherence to the fiscal responsibility policy available in plain language within three months of the review of the public accounts?*

A plain language report on the GNWT adherence to the FRP will be included in the Public Accounts.

Thank you, Mr. Speaker.