

MEMBER STATEMENT—KEVIN O'REILLY, MLA FRAME LAKE

REFLECTIONS ON THE BUDGET ADDRESS

June 1, 2016

MR. O'REILLY: Mahsi, Mr. Speaker. Now that the Finance Minister has revealed the contents of his Budget, our regular MLAs, media and the public at large may be wondering what the past 12 months of austerity messaging of gloom and doom have been all about. For the past year this government has barely made a public statement that wasn't prefaced with a reminder that this government must find money, now set at \$150 million, through cuts or more revenues.

The public and our civil service have lived in anxiety at the prospect of deep cuts. Businesses, investors and homeowners have been warned of lean times. People considering a move to the Northwest Territories may have had pause to consider whether a move north is such a good idea with layoffs and reduced spending.

As it turns out today, this has been much ado about much less than we have been led to fear. As the Minister of Finance reported today removal of \$27 million in program spending that sunsetted last year, and \$31 million in program reductions in this fiscal year are more than offset by \$35 million in new initiatives and \$29 million in forced growth. So spending will actually be higher than last year at 0.9 percent, almost matching the rate of inflation.

In all, Cabinet's messaging over the past year has been counter-productive. Throughout this budgetary process, regular MLAs have been firm in insisting that drastic austerity measures will not be supported, and cause more harm through removal of spending in local economies. Just as the federal government has turned to fiscal stimulus and messages of hope and change, our government is turning in the opposite direction. While the Budget may not seem as harsh as was expected, there will be real losses for the 58 GNWT employees that may be out of work, and in the wider economic impacts.

One has to wonder what the point of all of this has been. Throughout, Cabinet has based the budgetary discussion on the belief that programs and services must be cut to generate surpluses for unspecified capital projects like the so-called "Roads to Resources." And throughout the budgetary discussions, Members have insisted that this approach is not a foregone conclusion. Continued reliance on big capital

projects does not provide the economic diversification and development of local economies this territory needs in order to build economic stability and get away from the boom and bust as we have all agreed in our Priorities for the 18th Assembly.

Now we'll turn to debating the Budget and the public will have the opportunity to see where and how hard the axe has fallen and where we'll be devoting public funds to pursue opportunities. Over the coming days, I'll have questions for the Ministers on their vision for our economy, environment and society, and how a more forthright budgetary dialogue could improve cooperative development of tomorrow's NWT. Mahsi, Mr. Speaker.