

ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

QUESTION 135-18(2): IMPACTS OF GNWT JOB LOSSES

June 1, 2016

MR. O'REILLY: Merci. (no translation provided). I have questions for the Minister of Finance. First off, I would like to learn more, and the public deserves to know, how the government has studied and analyzed the impacts of the 58 GNWT job cuts in the budget, including the impacts on the territorial economy as a whole. In planning these cuts, did the government analyze how these job losses would take money out of the economy and our tax and transfer revenues and pursue cuts that were proven to have the least negative impact in these areas? Mahsi, Mr. Speaker.

MR. SPEAKER: Masi. Minister of Finance.

HON. ROBERT MCLEOD: Thank you, Mr. Speaker. I made the commitment while we were meeting with committee in Committee Room A that we would do the work in analyzing the effects that it would have. Historically, we have always been able to accommodate a lot of those folks that have been affected in moving them to other departments, and we are continuing to do that work. We will continue to keep committee apprized. In the briefing that I had with committee the other day, I did make a commitment that we would come before committee every Monday and give them an update on the work that we are doing to accommodate all those that are affected. Thank you, Mr. Speaker.

MR. O'REILLY: Thank you to the Minister for that response. We all know that loss of jobs in the public service ultimately results in loss of jobs in the private sector as customers move away or they stop spending. I have heard that for every ten government jobs cut in our economy, five jobs will be lost in the service sectors. What multiplier did the government use to evaluate the impact of government job losses into the private sector in the wider NWT economy?

HON. ROBERT MCLEOD: We are doing what we can to mitigate the impact of the reduction exercise that we are going through. I think we have been fortunate so far. We have been able to accommodate a lot of those folks that have been affected. I think the number is quite low right now. I did share that number with Committee the other day. As I said, we will continue to update them on the work that we are doing to accommodate those few government employees that are left.

MR. O'REILLY: I don't think I actually got an answer on the question about multipliers. But I also want to ask the Minister what this government has predicted from the job cuts in terms of losses to personal income tax, payroll, and other taxes and then the territorial transfer payments.

HON. ROBERT MCLEOD: Mr. Speaker, I did make a commitment in the past that we do our work in trying to analyze the effects that it has on the NWT. We will continue to do that work. We

share that with committee. For the particular detail on that, I don't have that detail right now as to what do I think we are going to lose if ten people leave the Northwest Territories. But we are doing what we can to mitigate the effect on the NWT as a whole.

MR. SPEAKER: Masi. Oral questions, Member for Frame Lake.

MR. O'REILLY: Mahsi, Mr. Speaker. I want to thank the Minister for his response. It is helpful to tell Committee but I would prefer that he actually table that information in the House. Lastly, I want to ask about the job losses and if the Minister would be willing to table in this House a list of the communities where the cuts will be made and how many jobs will actually be lost in each community. Mahsi, Mr. Speaker.

HON. ROBERT MCLEOD: I would be willing to share that information. I think I have shared it in the past. As we go through the budget, the Committee of the Whole process, I think there is an opportunity there too where a lot of the positions would be identified. I will commit to gathering the information and sharing it with the Member. It will be out there in the public as well.