



# KEVIN O'REILLY

## MLA FRAME LAKE



CONSTITUENCY NEWSLETTER

AUGUST 2016

## Review of Budget Shows Government Priorities and Mine

This past June, MLAs reviewed and passed the first operations budget of the new Assembly.

This budget was different in several ways. Because of the timing of the fall election, the capital budget was completed by the previous Assembly. The operating budget reviewed in June covered the last nine months of the 2016-17 fiscal year. Budget review was done in a very compressed time frame according to the government's "fiscal strategy", which establishes priorities and rules for spending.

Regular MLAs had no direct say in the development of the overall fiscal strategy, the reduction targets, or the actual draft business plans.

### Public Engagement Around the 2016-17 Budget

In the past, Finance Ministers have done both pre- and post-budget briefings and meetings with the public. Regular MLAs encouraged the Minister of Finance to conduct public consultations on this budget. A website and a discussion paper on revenue options were developed, but were a very poor substitute for real consultations. The Budget Dialogue Report that resulted was a grab bag of comments, with no analysis or summary. We must do a better job engaging our citizens. I'll be pushing for that in the next budget.

### Budget Contents

One of Cabinet's major budget priorities was the supposed need to cut \$150 million in spending. As it turned out, there were \$58 million in spending reductions, but \$64 million in spending increases. MLAs were left to wonder what a year of doom and gloom messaging was all about. Unfortunately, a total of 58 GNWT employees were cut, creating a hardship.

Throughout the budget, Regular MLAs were firm in insisting that drastic austerity measures would not be supported and would cause more harm through removal of spending in local economies.

Cabinet fiscal policy is driven by the belief that big projects and non-renewable resources are the preferred future for the Northwest Territories. We are locked into the roads to resources strategy when we should

be developing plans for adequate housing, getting our communities off diesel energy and diversifying our economy for protection against booms and busts. We should also develop a university in the Northwest Territories.

A major problem is that there are too many competing priorities without much guidance on how our scarce resources should really be allocated. Cabinet should show stronger leadership and work with the Regular MLAs to better refine our priorities and our allocation of resources through the budget.

The budget failed to seriously consider raising revenues for a more balanced approach to fiscal sustainability. We should be raising more revenues in ways that will promote healthier lifestyles and protect lower income families and remote communities. In the short term, increase taxes on cigarettes and liquor and bring in a tax on sugary and caffeinated drinks. Create a fifth personal income tax bracket for high incomes above \$150,000 and/or a high income surtax.

Over the longer term, we need to consider increases to our comparatively low royalty and taxation rates on mining and oil and gas and dedicate revenues into our Heritage Fund. Other measures such as a capital investment tax, a carbon tax or a resource tax should be analyzed. I look forward to a much more robust and objective consideration of raising revenues in the next budget so we can provide better services.

The Regular MLAs worked together to reinstate \$5 million in funding for programs, such as economic diversification, caribou, youth, environmental protection and other areas.

### The Future

This was a difficult budget for a number of reasons. I made suggestions to improve the process, highlighted the need for better public engagement, including clearer messaging. We need to diversify our economy with help from new federal funding with a more balanced approach that includes more revenues. Although we may disagree on a number of matters, there's some exciting initiatives in this Budget and I sincerely thank my Cabinet colleagues and their staff and my Committee colleagues for their hard work in a compressed timeframe.

## Here are the issues I asked about in reviewing the 2016-2017 operating budget.

You can see the full text of the questions and answers on my website [www.mla-framelake.ca](http://www.mla-framelake.ca)

### Education, Culture and Employment

[College Nordique and Dechinta University Funding](#)

[Federal Funding for French Education](#)

[Labour Market Agreements](#)

[Positions Cuts Information Table](#)

[Upcoming ECE Legislation](#)

[Federal Child Tax Benefit](#)

### Environment and Natural Resources

[Cumulative Impacts Monitoring Program](#)

[Environmental Fund](#)

[Upcoming ENR Legislation](#)

[Climate Change Strategic Framework](#)

[Environmental Liabilities Fund](#)

[Barren Ground Caribou](#)

[Electronics Recycling Program](#)

[Thaidene Nene Park](#)

[Water Strategy Action Plan](#)

### Executive

[Land Negotiations Position Cuts](#)

### MLA Input Into Negotiations

[Gender Equity on Boards](#)

[Net Metering for Electricity](#)

### Finance

[Revenue from Taxation](#)

### Health and Social Services

[Early Childhood Development Funding](#)

[Metis Health Benefits Funding](#)

[Midwifery Services](#)

[Extended Health Benefits Review](#)

[French Language Services](#)

[Non-Insured Health Benefits](#)

### Human Resources

[Safe Advantage Program](#)

[Staffing Appeals](#)

[Whistle-Blower Legislation](#)

### Industry, Tourism and Investment

[Fracking and Oil and Gas Operations Act](#)

[ITI Support for Renewable Industry Sectors](#)

[ITI Staff Cuts](#)

[Diavik Communities Advisory Board](#)

[Environmental Studies Research Fund](#)

[Tourism Diversification Program](#)

[Mineral Industry Advisory Board](#)

[Mining Incentive Program](#)

[Secondary Diamond Industry Support](#)

[Support for Agriculture and NIFTI](#)

[Support for Economic Diversification](#)

[Support for Aboriginal Pipeline Group](#)

[Support for Canadian Zinc](#)

[New Petroleum Resources Act and Oil and Gas Operations Act](#)

[Support for Chamber of Mines](#)

[Revenue from Non-Renewable Resource Royalties](#)

### Justice

[Access to Information Fees](#)

[Law Library Closure](#)

[Young Offender Facility](#)

[Access to Justice](#)

[Law Library Report Release](#)

[Law Library Transition to Research Centre](#)

[Legal Registries](#)

[Office of Regulator of Oil and Gas Operations](#)

### Lands

[Contribution Agreements Funding Uptake](#)

[Lands Inspections Capabilities](#)

[Surface Rights Board](#)

[Liabilities and Financial Assurances Division](#)

[Land Use Planning and Sustainability Funding](#)

### Legislative Assembly

[Independent Statutory Office Budgets](#)

### Municipal and Community Affairs

[Communities' Drinking Water Protection Cut to Community Association Funding Highway Rescue Services Review](#)

[Setting of Fees](#)

[Cities, Towns, Villages Act—Local Improvement Fees](#)

### NWT Housing Corporation

[Energy Conservation in Public Housing](#)

[Housing Needs Surveys and Planning](#)

[Contributions to Co-Op Housing](#)

[Maintaining GNWT Funding to Housing Access to Federal Housing Funding & Committee Consultation](#)

[RCMP Staff Housing](#)

### Public Works and Services

[Net Metering for Electricity](#)

[Arctic Energy Alliance—Low Water Funding Contribution](#)

### Transportation

[Yellowknife Airport Improvement Fee](#)

The budget for the three fiscal quarters ending March 31, 2017 implements the austerity measures and staff cuts outlined in the Impacts of GNWT Job Losses letter provided to Members.

## Your Input is Important

I need to know what you think and what actions you want to see.

Contact me

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## Coming Up This Fall

- Review of Capital Budget and O&M Business Plans
- Rules and Procedures Committee Public Hearing on 2015 Election— September 9
- Fall Legislative Assembly Session October 13 to November 3