

## ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

### QUESTION 325-18(2): GNWT FISCAL REDUCTION TARGET

October 14, 2016

**MR. O'REILLY:** Mahsi, Mr. Speaker. I think what we're seeing here today with the fiscal update is the beginning of the great budget battle for 2017-2018. When I heard the fiscal update, I just want to ask the Minister of Finance, if I may, does he recognize that the \$150 million reduction target was actually taken out of the mandate? I just want to know if he recognizes that and how that might play out into fiscal planning for the next budget?

**MR. SPEAKER:** Minister of Finance.

**HON. ROBERT MCLEOD:** Yes, Mr. Speaker, I am well aware that the \$150 million was removed from the mandate. Thank you.

**MR. O'REILLY:** I guess this side of the House, I can't speak for everybody, but certainly I'm trying to still understand what this cutting programs and services today, what that money is going to be used for in the future. So can the Minister of Finance tell us exactly what the surplus is going to be used for, how it's going to be invested in the last two years of our mandate?

**HON. ROBERT MCLEOD:** As I said before, I recognize that the \$150 million was removed from our mandate, but our fiscal responsibility still stands. As to what the savings might be used for, we still have to make that decision as an Assembly. We go through our Capital Plan and our Business Plan, we will have our discussions with committee as to where we can make those future investments through the budget planning process for both capital and O and M.

**MR. O'REILLY:** I'm wondering if the Minister of Finance, then, can tell me, can we still achieve our fiscal responsibility policy without \$150 million reduction targets?

**HON. ROBERT MCLEOD:** Mr. Speaker, \$150 million was the original target. As Members recall, we, I think, achieved \$66 million of it last year. We are currently in the business planning process for the upcoming 2017-2018 O and M budget and we are having discussions with the Members. Once we have those discussions and we get into our budget session in February/March, we'll make further decisions as to where any future monies are going to be invested.

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

**MR. O'REILLY:** Mahsi, Mr. Speaker. I think everybody recognizes the importance of the fiscal responsibility policy, but I don't think I really got an answer to my question, so I might try again. Can we actually achieve or comply with that policy without cutting \$150 million of programs and services? Mahsi, Mr. Speaker.

**HON. ROBERT MCLEOD:** As Members are aware, we have a very extensive mandate that requires a lot of investment. To meet that goal, we had looked at \$150 million. I did speak during the O and M budget session four months ago that it was going to be some short term pain for a longer term gain, and I did commit that the exercise would be over two years, even though there might be a residual effect in years three and four. But could we meet? We would need to have further investment, and we work very closely with our counterparts in Ottawa to try to get further investments. The better position we are financially, we're able to come up with our cost share dollars of some of the investments. So we are working very hard to try to meet our targets so we can make some more investments into our Mandate.