

KEVIN O'REILLY—MLA FRAME LAKE
Departmental Amalgamation Costs
Committee of the Whole—2021-2022 Operating Budget Review
Dept. of Infrastructure—March 1, 2021

MR. O'REILLY: Thanks, Madam Chair. Can someone explain to me the increases for department management and finance found on page 240? Thanks, Madam Chair.

CHAIRPERSON (Ms. Semmler): Thank you, Member. Minister.

HON. DIANE ARCHIE: Thank you, Madam Chair. I am going to get ADM Brennan to answer this.

CHAIRPERSON (Ms. Semmler): Thank you. ADM Brennan.

MR. BRENNAN: Thank you, Madam Chair. Yes. First, for the Department of Management, there was an increase there of about \$200,000, which related to salaries for, I guess it's for an unfunded position, what we'd like to refer as an inaccuracy of amalgamation whereby there wasn't enough funding provided there. On finance, again, it was a funding that was moved in there to cover mostly, I think it was \$600,000 for TSE chargebacks and some salary dollars, as well, for, again, an amalgamation inaccuracy. Thank you, Madam Chair.

CHAIRPERSON (Ms. Semmler): Thank you, Mr. Brennan. Member for Frame Lake.

MR. O'REILLY: Thanks, Madam Chair. I'm trying to understand what an amalgamation inaccuracy is. Can I get an explanation of that? Thanks, Madam Chair.

CHAIRPERSON (Ms. Semmler): Thank you, Member for Frame Lake. Minister of Infrastructure.

HON. DIANE ARCHIE: Thank you, Madam Chair. I will get ADM Brennan to answer that again. Thank you.

CHAIRPERSON (Ms. Semmler): Thank you. ADM Brennan.

MR. BRENNAN: Thank you, Madam Chair. Yes. I think that, when amalgamation happened, there's been some budgeting issues across the department, and we're trying to clean up some of the internal budgeting that we have. Amalgamation happened fairly quickly, although it's been quite a while since then, but they hadn't been dealt with. We've been, under their new leadership, trying to deal with some of those areas to make sure that we have the funding in the correct locations to deal with the people that we have hired to do those things. Thank you, Madam Chair.

CHAIRPERSON (Ms. Semmler): Thank you. Just to be clear, is it the old transportation and public works amalgamation, Mr. Brennan? Yes?

MR. BRENNAN: Yes. Thank you.

CHAIRPERSON (Ms. Semmler): Member for Frame Lake.

MR. O'REILLY: Yes. Thanks, Madam Chair. I was in the last Assembly, and one of the

reasons why they were being amalgamated was basically a cost-cutting, cost-saving exercise. Some people did lose their jobs, and I know there were efforts made to try to retain people through whatever the name of that policy is that GNWT has. There were less people working for Infrastructure than there was for the two separate departments. I'm just trying to square that with adding more money into the budget two or three years later to try to rectify this. It just doesn't seem to make any sense to me. Maybe someone can take another run at it. Thanks, Madam Chair.

CHAIRPERSON (Ms. Semmler): Thank you, Member. Minister of Infrastructure.

HON. DIANE ARCHIE: Thank you, Madam Chair. Yes. This was amalgamation a number of years ago where public works and department of transportation were put together. I'm not sure the history on that, and I'm just going to look at ADM Brennan to see if he knows some of the history. I'm looking between my deputy minister who might have been there the longest? Thank you, Madam Chair.

CHAIRPERSON (Ms. Semmler): Thank you. Is it going to be ADM Brennan? Okay.

MR. BRENNAN: Sure, yes. Thanks, Madam Chair. When amalgamation happened, and I was around then so I can speak somewhat eloquently to it, I hope, it did happen quickly based on the Cabinet decision to amalgamate the two departments for some reason, which I don't really know myself, but cost-cutting is as good as any other reason, I'm sure. When the budgets were formed, trying to amalgamate two big departments in a hurry, there were definitely some challenges going forward. The department has been looking at some, internally, how do we allocate resources to the people who are there. Yes, there were some positions cut during that time, but the positions that were left over weren't funded properly because errors were made in moving the budgets into the proper location at that time. Those errors have not been corrected until now. We're starting to address some of them in this budget here. Thank you, Madam Chair.

CHAIRPERSON (Ms. Semmler): Thank you, Mr. Brennan. Member for Frame Lake.

MR. O'REILLY: Thanks, Madam Chair. If there's any lessons to be learned from that is: you don't amalgamate departments quickly and think you're going to save a bunch of money. Yes. That's kind of what I was saying in the last Assembly. Okay, been confirmed. Thanks, Madam Chair.