

KEVIN O'REILLY—MLA FRAME LAKE
Budget Carry-overs
Committee of the Whole—2021-2022 Supplementary Infrastructure Expenditures
Budget Review
June 2, 2021

MR. O'REILLY: Thanks, Madam Chair. So can someone tell me, is all of this carryovers, the -- I guess it's for some school work in Yellowknife and Inuvik. All of this is carried over from the previous year? Thanks, Madam Chair.

MS. SEMMLER: Thank you, Member. Minister.

HON. CAROLINE WAWZONEK: Sorry, Madam Chair, I'm just -- I'm on the wrong page but, yes, it is all indeed carryovers.

MS. SEMMLER: Thank you. Member for Frame Lake.

MR. O'REILLY: Thanks, Madam Chair. I raised this in previous a capital budgets. I had understood the Department of Finance was going to develop some kind of a tracking system for carryovers, because we've had growing and very significant carryovers over a period of time and that's another question I'll ask at some point, but. And the tracking system was supposed to kind of categorize the reasons for carryovers. Sometimes it's got to do with cash flow from another party or, you know, inability to get the money out the door or there's no contractors available to do the work, or weather, or whatever. Is that tracking system now in place and what are we learning from it? Thanks, Madam Chair.

MS. SEMMLER: Thank you, Member for Frame Lake. Minister of Finance.

HON. CAROLINE WAWZONEK: Thank you, Madam Chair. So, Madam Chair, there's certainly is a lot of work that's underway looking at broadly how the government manages carryovers and responds and reports on carryovers. So I can't say that I necessarily have a complete answer at this point. But, there are a few things in the works and perhaps I'll just pause. I'll turn it over to Mr. Koe, please, just to give an update as to what some of the most recent thinking is that we're at on that. Just knowing that, again, that some of that would have to, of course, come through -- any final decisions would have to come through of course this Assembly, as well as all -- any other process of consensus government. Thank you.

MS. SEMMLER: Thank you. Mr. Koe.

MR. KOE: Thank you, Madam Chair. So we've been working with departments on kind of the timing of their projects. These are -- mostly our carryovers are due to multi-year projects so we've been working with departments on the timing of those projects and their budget allocations and we work with them through the 21-22 capital estimates and we're working with them now on the 22-23 on those cash flows, so that is some work we've been doing with them recently.

We are developing a process right now to develop more standard substantiation sheets. I know members of the Financial Management Board and Members of the House would

see substantiation sheets with those capital estimates. What we're doing is kind of going to roll that same process in to the carryover process. So when we do have carryovers, there will be a substantiation sheet that we can provide as a package to everybody, which kind of has the details for why that project is delayed and needs to be carried over, the new timing of the project, and some level of detail. And within that, we can classify those to see some -- look at some of the trends. Thank you, Madam Chair.

MS. SEMMLER: Thank you. Member for Frame Lake.

MR. O'REILLY: Thanks, Madam Chair. So I think I -- what I can take from our guest is that we're just setting up the system now and that we'll have a clearer sense, I don't know a year from now, of what some of the reasons are for the large carryovers that we're incurring; is that I guess what I'm hearing? Thanks, Madam Chair.

MS. SEMMLER: Thank you, Member. Minister

HON. CAROLINE WAWZONEK: Thank you, Madam Chair. Madam Chair, there's a number of reasons why there'd be carryovers, and I think the goal right now is that rather than having each and every department provide the rationale or the reason, you know, department by department comes to MBS. MBS is going to be creating a system whereby it will be more uniformed so that it can be reported back to the -- to this chamber in a way that, you know, again, is -- well, is more uniform and so that rather than, you know, having -- taking a bit of the subjectivity out of it and being able to report back more clearly so that if there are in fact trends across the whole of government, that those can be identified more readily. As it is right now, and I am certainly conscious of time but I can certainly speak to some broad thoughts on why there are sometimes large carryovers on, particularly on the large projects which is then what leads to the large dollar signs that are there. And I think those trends -- some of those trends are already apparent. But what we'd like to do is, again, provide a method and a methodology of reporting that is more clear and more uniform. Thank you.

MS. SEMMLER: Thank you, Minister. Member.

MR. O'REILLY: Okay, thanks, Madam Chair, and thanks to the Minister for that. I guess this gets back to some of the reasons why I actually voted against the capital budget, because I just felt it was unrealistic and there was I think almost half of the money in the capital budget was a carryover from the previous year, and I just felt that there's no way we're actually going to be able to get all this money out the door during a pandemic, and I'm concerned about getting some of this money out the door even in this sup as well. So, yeah, until we get a better tracking system and a more realistic capital budget that doesn't overspend, in my humble opinion, I have difficulty approving some of these items. But I do understand the need for some of this work to carry on, and I think that's all I've got to say for now. Thanks, Madam Chair.