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Impact of New Deal Funding Formulas on Tax-Based Communities

MR. RAMSAY: Thank you, Mr. Speaker. Today I want to discuss the issue of the New Deal for communities and whether or not the New Deal is, in fact, a fair deal for the larger communities.

My colleague for Hay River South, Mrs. Groenewegen, has questioned the Minister extensively why the Town of Hay River has been negatively impacted by the water and sewer subsidy. Today I want to address the fact that the City of Yellowknife is also getting the short end of the stick when it comes to funding it receives from MACA.

Across the board, the City will receive \$600,000 less based on changes that occurred in how the funding is distributed. Let me be clear in my message today that all communities, both big and small, should be treated fairly. When developing a funding formula, the department should recognize that, by adjusting the base, they are negatively impacting tax-based communities.

There has been a steady increase in base funding from 1 percent plus per capita in gas tax monies to 1.5 percent plus per capita on MRIF dollars to now 2 percent plus per capita on capital. This just is not fair to everyone, Mr. Speaker. What the department should be striving for is consistency in funding allocations so that when dollars do become available, there is surety on the formula being used.

Mr. Speaker, having spent five years as a municipal councillor, I know first hand how difficult a task it is to raise revenues. I believe MACA is putting too much on the backs of tax-based communities to raise these revenues. If MACA continues to insist on raising base levels, it will have a very serious impact on the tax-based communities.

The New Deal has to be a fair deal, Mr. Speaker. The department just can't keep taking money away from communities that are counting on it. The higher the base, the more penalized the tax-based communities become. Consistency and fairness should not be too much to ask. Thank you, Mr. Speaker.

--- Applause