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Analysis of the Impacts of Expenditure Reductions

Mr. Ramsay: Mr. Speaker, I'd like to speak today about the reduction and reinvestment exercise currently being undertaken by the government. The Premier has said that this is a new way of doing business, and indeed, it is.

I agree with the government taking a look at spending. As I've said, our current spending levels are not sustainable, and something needs to happen. Whether, in fact, this is the right approach is debatable. What I am having difficulty with is how the government is entering into this whole reduction and reinvestment scheme without getting a baseline or an analysis done of information first and then thinking about what the possible ramifications of decisions will be.

I'm not sure that the Premier and the government are even aware that public comments made about reductions and job loss not only negatively affect their own public service but also have a ripple effect throughout our entire economy. Based on the average family size of 3.5 people, with every employee who would leave the Northwest Territories, we'd lose \$65,000 in transfer payments.

There is a real sense of uneasiness — especially here in Yellowknife — such as I haven't seen since the mid-'90s when the gold mines were closing down, and as I'm sure there is in other communities across the Northwest Territories that have large numbers of public servants. This government seems to lack the sense to understand that loose communications, poor messaging and lack of coordination is going to have negative impacts on small businesses, on the housing markets, and on our ability to attract employees.

Has the government thought about the negative impact to our economy? We should have gone out and done a thorough analysis that a zero-based budgeting exercise would have given us. Then we would have some solid information on which to base our decisions. We did not need to panic the public service. We did not need to disrupt our economy.

I'd be interested to know whether this government enlisted the services of our relatively new macroeconomic policy shop in the Department of Finance to try to better understand what impacts would be made by the decisions that they are making.

Based on my knowledge of how government works, if we cut \$135 million and reinvest \$75 million, it would seem that it would only take us three years to be back in the same fiscal position that we're in today. I question the logic of causing so much pain and agony when there was a need to base our decisions on solid data, not what departments are willing to sacrifice. How exactly will this plan leave Members three and a half years from now in the 17th Assembly? Mahsi.