

16th Legislative Assembly

Fifth Session Third Sitting May 11 - 20, 2010

MAY 12, 2010

Response to the Finance Minister's Fiscal and Economic Update

MR. RAMSAY: Thank you, Mr. Speaker. Today I'd like to respond to yesterday's fiscal and economic update which was provided to this House by the honourable Minister of Finance, Mr. Miltenberger. I listened very intently to the Minister's statement, both for what he was saying and what he wasn't saying.

It is my belief that our financial well-being is in grave danger. The Finance Minister does state that the economy shrank last year, as evidenced by a declining gross domestic product. What he fails to say is investment in our territory was down 24 percent last year. We lost a net of 900 jobs and close to 500 people left the Territory, for a net decline in population.

I'm not an economist or an accountant, but when faced with these types of declines, doesn't it stand to reason that our revenues would be adversely affected? These kinds of numbers will undoubtedly result in declines in personal income tax, payroll tax, corporate income tax, and not to mention eventually the grant we receive from Canada.

I don't believe we can continue to, as the Finance Minister states, hold the course on spending. The Government of Canada has agreed to increase our borrowing limit by \$75 million to accommodate the debt from the Deh Cho Bridge. However, we are skating very close to open water when it comes to our debt limit. We are still unsure of the disposition of the Opportunities Fund and how that money will eventually be booked.

Some very frightening items are on the horizon. Firstly, the Deh Cho Bridge, which has approximately \$93 million left in construction costs and yet we have in place only a \$3 million contingency. This is completely absurd. There's little doubt that this bridge will cost millions of dollars more. As well, an early spring brings with it a heightened fear of a bad forest fire season, which would require additional millions of dollars. With the numerous capital projects underway around our Territory, like the Inuvik schools, any slippage is going to really hurt us.

I do have to give credit to the government for its capital plan and the fact that we have been getting projects underway, stimulating the economy at a time when it needed it the most. What we are not doing is being more productive in planning and preparing for the challenging times which, looking at the statistics, are going to hit us sooner rather than later.

Like the last government did, we can't leave a mess for the next government to clean up. My recommendation to government is we should not start any new initiatives. Finish what we started. We should look at reigning in expenditure growth. Instead of 3 percent, how about zero percent?

We should get moving on the work conducted by the Program Review Office. Shelve the divisive changes to supplementary health. People will leave and we can't afford to lose any more residents.

Continue with making bigger our marketing and promotion campaign to attract new residents to our Territory. And we need to get more investment dollars into our Territory, especially any opportunities for federal positions and investments should be thoroughly explored.

We have one budget and a little over a year left in the life of the 16th Legislative Assembly. The opportunity will be there for each and every one of us to make a difference in what state we leave the Territory's finances in for the next government.