TABLED DOCUMENT 110-17(4)
TABLED ON OCTOBER 17, 2013

GOVERNMENT OF THE NORTHWEST TERRITORIES RESPONSE TO MOTION 21-17(4)
LIQUOR COMMISSION PROFITS TO PREVENTION

Motion

NOW THEREFORE I MOVE, seconded by the honourable Member for Frame Lake, that the Government of the Northwest Territories devote 10 percent of the net revenues generated by the Northwest Territories Liquor Commission to an alcohol abuse prevention and education campaign in communities throughout the Northwest Territories;

AND FURTHER, that the Government of the Northwest Territories provide a comprehensive response to this motion within 120 days.

GNWT Response

The GNWT consolidates most revenues (including those of the Liquor Revolving Fund) into the CRF and allocates the financial resources from the CRF on the basis of government priorities. The types and levels of programs and services funded by the CRF are determined annually through the budget process. This ensures that departments, boards and agencies are allocated financial resources for program delivery that reflect overall government priorities.

In some instances, the Legislature may create a special purpose fund within the CRF to be disbursed for a specific purpose. However, in general, the GNWT avoids the earmarking of revenues for the following reasons:

- Revenues raised through specific taxes do not equal expenditures on specific programs. In some cases, programs with earmarked revenues would still have to be supplemented by other revenues from the CRF.

- Earmarking revenues reduces the government's flexibility to allocate its limited fiscal resources. Earmarked revenues remove certain revenues from the GNWT budget allocation process. Too many earmarked revenues could mean that government priorities are not addressed in the way elected officials would address them if all revenues were in one fund to be allocated on the basis of current priorities. If an earmarked program is overfunded, it may mean that other government priorities are underfunded.

- Earmarking revenues could pose risks to the programs for which the revenues are used if revenues fall. Volatility in revenues could make program planning difficult, which may require a supplementary transfer from the CRF when revenues decrease.

If the earmarking of LRF revenues were to be permitted, the equivalent of the earmarked revenues would have to be cut from the budget available to other programs and services.

The GNWT will commit to continuing to look at the adequacy of prevention program funding through the annual budgeting process.