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No.

RESPONSE TO PETITION

3-13(3)

EXECUTIVE COUNCIL



Petition tabled by Mr. Ootes on March 25, 1996

Response by the Honourable John Todd
Chairman of the Financial Management Board

PUBLIC SERVICE LAY-OFFS AND WAGE REDUCTIONS

If the Government of the Northwest Territories' current expenditures are not reduced the result will be a projected deficit of \$150 million dollars in the 1996/97 fiscal year. The Legislative Assembly must address this situation. The members of the Legislative Assembly agreed to reduce wages and benefits as part of the overall expenditure reductions. Wages and benefits account for approximately one third of the Government's total expenditures and therefore it is essential to reduce them along with the other two thirds of the expenditures in order to avoid the potential deficit.

The Government must also reduce its high overhead costs. This includes such initiatives as consolidating departments and empowering managers and employees. These initiatives will result in a reduction in positions. However, it is the intention of this Government to achieve as many of these reductions as possible through attrition and thus minimize lay-offs.

