



RESPONSE TO PETITION

NWT GOVERNMENT LIBRARY



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EXECUTIVE COUNCIL

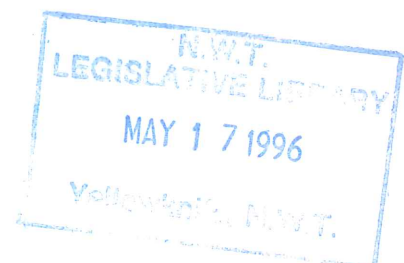
Petition tabled by Mr. Barnabas on March 21, 1996

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

CUTTING POSITIONS AND WAGE ROLL BACKS

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.



Petition tabled by Mr. Arlooktoo on March 27, 1996

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

PUBLIC SERVICE LAY-OFFS AND WAGE REDUCTIONS

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Petition tabled by Mr. Henry on March 27, 1996

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

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Petition tabled by Mr. Picco on March 27, 1996

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

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Response by the Honourable John Todd
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Petition tabled by Ms. Groenewegen on May 1, 1996.

Response by the Honourable Goo Arlooktoo
Minister of Public Works and Services

THE PROPOSED NEW BUSINESS INCENTIVE POLICY

The intent of the Business Incentive Policy (BIP) is to compensate Northern businesses for the higher costs of operating in the NWT. Proposed changes to the BIP are not intended to eliminate the ability of Northern businesses to compete with Southern businesses. The intent is to maintain a level playing field for Northern businesses in competition with Southern businesses while providing a more equitable relationship between businesses across the NWT.

In the past all firms obtained a 15% adjustment whether or not they operated fully in the NWT. Fifty-one percent ownership by NWT residents entitled many businesses to the same 15% adjustment as businesses which were 100% owned and operated by NWT residents. The Government of the Northwest Territories feels this is unfair.

The original circumstances under which the BIP was developed have changed. Northern businesses are much stronger and competitive, whereas the government's fiscal situation has worsened. A thorough review of the BIP was required to ensure that incentives match business requirements, recognizing that the Government of the Northwest Territories remains committed to fostering Northern business development.

The current proposal attempts to provide incentives to Northern businesses who invest in the NWT, operate in the NWT and employ NWT residents. The proposed changes will not provide incentives to businesses who, on paper, are only 51% owned by NWT residents, have invested very little in the NWT and are really managed and operated out of the South.

The Government of the Northwest Territories is prepared to work with the NWT business community to ensure that the BIP continues to be an important instrument, along with other business development programs, in influencing economic development in the NWT.