
Scrutiny of Expenditures in the NWT Legislative Assembly

by Henry Zoe, MLA

Many Canadians have a cynical view of their governments' budget processes. Unless their MP or MLA is a cabinet minister, they may not feel that their representative in Parliament or their provincial legislature can have any significant input into the process. It often seems to the public as if the budget is the product of faceless bureaucrats and cabinet ministers. The government backbenchers' role is seen as one of applauding at the right times during the budget speech, and not much more. In the legislature of Canada's largest territory, the budget process gives a greater role to individual parliamentarians. This article looks at some of the unique features of the Northwest Territories legislature.

In the parliamentary sense, the most notable difference is the lack of political parties in the NWT. After a General Election, voters know who the 24 MLAs will be. But we have no idea who will be in the Government. There is no "winning Party" from whom the Government will be chosen. The "Government" side of the House is decided through an election among the MLAs when they first meet after the General Election. Eight cabinet ministers are chosen, including one chosen separately who becomes the Premier.

Although, we do not have a formal party structure, the cabinet essentially functions like a minority governing party. Due to cabinet solidarity, there will be eight "yeas" for every Government issue. But the cabinet then has to ensure that at least a few "ordinary MLAs" are also on their side when any bill – especially the budget – comes before the House.

But ordinary MLAs are not bound by party lines, either. Their stands will vary with regional, cultural, and local issues. The cabinet cannot count on a particular group of four to six ordinary members to stand with them all the time. The practical result is what we call "Consensus Government". The cabinet has to form a consensus among most members on every important issue, since it

is politically undesirable to risk alienating some members by "converting" only a few to the Government side.

With "Consensus Government", we avoid much of the contention and discord often seen in other legislatures. All members work together to arrive at a consensus on different issues. Much of the work involved is done behind the scenes – in committee meetings, in caucus (which includes all 24 members), or in private discussions among members.

The cabinet cannot "force" a budget through the House, as is perceived to be the case in legislatures with one political party having a majority of seats. Cabinet has to curry the favour of most, and preferably all of the other members when budget time rolls around.

This is done by including all MLAs in the budgeting process quite early. This is especially true of the Capital Budget, although consultation also occurs with the Operations and Maintenance Budget. But the Capital Budget is perceived as having the greatest direct impact on communities, so it is the target of more attention in some ways.

Typically, the Government distributes the Capital Plan to communities – and to MLAs – about a year before the beginning of the fiscal year in question. Communities are asked to describe their priorities concerning capital projects. Perhaps they would rather see a community hall built rather than a curling rink, for example. The MLAs are included in this consultation process. They communicate with municipal councils, local native organiza-

Henry Zoe represents North Slave in the Northwest Territories Legislative Assembly. This article is based on a presentation he gave at the 18th Canadian Regional Seminar in Ottawa in November 1994.

tions, regional associations, and individuals in their constituencies. They may clarify things for their constituents – or their constituents may clarify things for them. So when the communities respond to the Government in the summer, the MLAs have already had significant input.

The Departments spend the rest of the summer preparing the Draft Capital Budget. This is then presented to the Standing Committee on Finance in September. Seven of the 15 “ordinary members” are on this Standing Committee, and any member can attend Standing Committee Meetings. Here, the budget is examined in detail, both in-camera and with the various cabinet ministers.

This year, the Standing Committee chose to concentrate more on general issues, rather than on a line-by-line examination of the Capital Plan. But individual members certainly still had time to approach the cabinet informally with concerns and issues. Members also consider specific issues in discussion in Committee of the Whole, which is taking place now.

The cabinet has to listen to those concerns. They know that if the budget does not meet most of the expectations of individual members, the stand a good chance of being defeated. Cabinet ministers make every effort either to meet the expectations of members, or to provide them with adequate explanations concerning the priorities outlined by the Government.

The Operations and Maintenance Budget is considered by the Standing Committee on Finance in January, and in the House in February and March. While there is less formal community consultation, the same principles of consensus and consideration apply. Even if we someday abandon the consensus model and move to party politics, this kind of detailed consultation would still continue. Although we are scattered over more than 3 million square kilometers, we are still like a small town in many ways. With instant communication across the North, through telephones, radio, and television, we are indeed in the same situation as in a small town elsewhere in Canada – “everybody knows just about everything of just about everybody”.

When an MLA sees a line for a particular capital project in the budget, there is a good chance he knows who will bid on the project and who will end up working on it. If it is in his constituency, or a neighbouring area, he may even recognize by sight the affected building or park or airport. The consultation process attached to the budget is much more personal in the Northwest Territories than it is in a province with millions of people. It would be impossible for individual parliamentarians not to be closely involved with the process, whether we continue with the consensus model or someday adopt political parties.

Now, this close involvement has its own set of negative perceptions attached to it. Finance Committee Members may suspect that ministers’ ridings get more than their fair share in the budget. Other members might suspect the same thing about the ridings of Finance Committee Members. The personal nature of the process means that such suspicions are to be expected. Is a contractor related to his MLA? Are they previous business partners, or hunting buddies? When the average constituency has less than 3,000 people, there is no escaping this kind of familiarity. Those who may not be “on the inside” might have suspicions about the results of such closeness.

We have other issues affecting the process, too. Two important issues relate to the lack of economic self-sufficiency we Northerners face. One is that 83 percent of the government’s budget comes from Ottawa. As a result, federal budget cuts and restraint measures affect us far more than anyone else in the country. Therefore, individual parliamentarians’ control over the budget is limited, as is the control of the cabinet itself, by the availability of funds from the Federal Government. This has been most noticeable in the area of social housing. The NWT needs over 3,000 new housing units to properly address the housing needs of Northerners. Yet the Federal Government cut social housing funding to the NWT from \$47 million in 1991 to zero in 1994. The Territorial Government does not have a sufficient revenue base to make up for those cuts. While a recent Federal announcement will provide the NWT with \$9 million in social housing funding this year, that might be enough to build 60 or so houses; that is, about 2 percent of the total need. Individual parliamentarians cannot do much about that.

Second, Government Spending in the NWT is a much more influential part of the Northern economy than is the case elsewhere in the country. Government Spending accounts for 71 percent of economic activity in the NWT. Proportionately, Government Spending decisions in the North have a far greater effect on individuals than similar decisions in the provinces. Therefore, individual Northerners have a much stronger impression that they should be involved in the Government budgeting process. Northern voters often have more detailed knowledge of Government Spending plans than does the average Southern voter. And those interested voters are, of course, much more likely to express their views to their MLAs.

In the Northwest Territories we have some advantages and some disadvantages resulting from our “smallness”. But the consensus model of Government provides its own advantages. By forcing the cabinet to rely on “ordinary members” for continuing support in the House, we ensure that all members – whether in cabinet or not – have an equal voice in guiding Government spending. ♦