

Budget Address

Mr. Speaker, I rise today to present the government's budget for the fiscal year 2015-16. This is the seventh budget that I have presented in this legislature. I thank all members for your continued support. I look forward to working with you for real and visible progress in building the foundation for Nunavut's successful, prosperous future.

Fiscal and Economic Overview

This is the second budget to be guided by *Sivumut Abluqta*. It funds initiatives for each of the four priorities: a skilled workforce, strong communities, responsible development and effective use of public resources.

I will describe our investments in each priority, but first I will describe the government's overall approach to developing this budget.

In the current fiscal year ending next month, we expect a surplus of \$35.7 million.

Next fiscal year, we expect revenues of \$1.72 billion dollars, an increase of five percent from this year's Main Estimates. Our expenditures next year will rise more than nine percent to \$1.67 billion.

We plan to spend less than we bring in. The net position next year will be a surplus of \$22.8 million dollars.

Looking at that expenditure of \$1.67 billion, members will know that our capital plan foresees about \$205 million of investments. That's about the same as last year. This money pays for projects that shape the future of Nunavut, like schools, community centres, and other public buildings and facilities.

Let me focus briefly on the revenues generated by our government. In the coming year, our own-source revenues will reach nearly \$187 million dollars. That's nearly 11 percent of our total revenue. We're seeing good growth in corporate and payroll taxes, and from personal income taxes, thanks mostly to growth in the mining industry.

In fact, the mining industry, the Iqaluit airport project and the Canadian High Arctic Research Station represent three significant growth drivers. They helped the Nunavut economy to grow 3.5 percent last year.

In short, there are reasons to be optimistic. At the same time, though, the current global collapse in oil prices may affect investment in energy sectors like petroleum. We saw how exploration retreated a few years ago when financial markets collapsed. Accordingly, we must balance our optimism with a good measure of caution.

***Sivumut Abluqta*: Four Priorities**

Having described our overall situation and our financial resources, let us turn to what we will accomplish through this budget.

When this government took office, we looked forward 20 years and described the Nunavut that we are all working together to build.

We are driven by a vision. We see a Nunavut whose people are happy and whose education, skills and self-reliance give us an advantage in the global economy.

We see a successful blend of traditional culture with modern life, making us better off. And Nunavut will be less troubled by addictions, suicides and social assistance.

We see Nunavummiut prospering from our resources and our knowledge, and take pride that we have sustained our natural wealth to benefit future generations.

And we see our government working effectively and efficiently to deliver the services that our people need.

These are the four priorities of *Sivumut Abluqta*. When we published this mandate, we said we wanted to make real progress on these priorities during this Fourth Legislative Assembly. That goal drives the allocations made in this budget.

Education and Training

Looking forward, we see that our territory has an incredible potential for development. Through responsible resource development aligned with Inuit societal values, we can build a better future for us all. To meet this goal, we must help today's workers to improve their job prospects, and help our children to prepare for their future careers.

Today almost one-third of Nunavummiut are below the age of 15. Now they are students, but tomorrow they will enter the workforce as contributors to our shared future. Their success depends critically on their skills, knowledge, and ability to learn throughout their career.

Over the years, our public school system has made some important gains. In the first 14 years of Nunavut's existence, the number of high school graduates almost doubled. That is excellent progress. Yet it is only the first step of many that we shall need to take together.

That's why our government is providing the Department of Education with a significant 10 percent budget increase, to nearly \$203 million. Also the budget for the Nunavut Arctic College rises five percent to \$48 million. Taken together, the two organizations represent an investment in our future worth a quarter-billion dollars.

We are increasing funding for instruction, regional school operations, and teacher professional development — an additional \$15 million into these three areas. We are also improving our focus on the subjects that our children learn, and introducing new graduation requirements in English, math and science. And we will be working more closely to engage families to promote school attendance and student success.

Early childhood education is essential to our success. It gives children a head start in preparing for modern life. It gives parents opportunities to enter the workforce or take training. In this budget our government is increasing support for early childhood education by 14% to \$7.4 million. The Education department is also thoroughly reviewing all early childhood education programs and services to improve their results.

In making these investments, we also recognize our responsibility to ensure that Nunavut's child care centres and schools are safe and secure. As this house knows, the Auditor General reported last year on a number of deficiencies. The Department of Education and the Department of Community and Government Services are working to ensure proper inspections and safe working practices. The Nunavut Teachers Association has joined us to implement proper methods for school safety and training for school staff.

These safety improvements, and these investments in better educational services, will help young Nunavummiut to succeed in an increasingly challenging world. But what about adult Nunavummiut? How are we helping them to gain the job skills that bring better paycheques?

Moving from our traditional economy into today's global business environment is difficult without proper education and training. Recognizing that long ago, the government placed a strong focus on helping adults to train for jobs in mining and construction. We succeeded, but now we can see that we still have more to do. As our economy grows and diversifies, we will need not only specific skills but also the ability to learn throughout our careers.

Getting a job or running a business is difficult without a high-school diploma. Advancing into middle and senior management is difficult without college or university. Our ability to

control our future depends on our ability to equip people with the skills they need. Today, one adult Inuk in 50 has a university degree. Two in five Inuit have a high-school diploma. If we are to take control of our future, these numbers will need to rise.

Not only that, but almost half of adult Inuit are not in the workforce. Their participation would certainly benefit the territory. That's why the Department of Family Services is working to develop better information about Nunavut's labour market — where the jobs are today and where they could be in future. That knowledge should help Nunavummiut position themselves better for employment, and take the training they may need. The department expects to begin publishing labour market information this summer.

Putting more adults on track to a high-school diploma is what the "PASS" program is all about. The Pathway to Adult Secondary School program is working well. The Nunavut Arctic College reports an increased demand for its services right across the territory. Now some 74 students are taking courses online.

Looking forward, we need to help Nunavummiut succeed in college and university. The Trades Training Centre in Rankin Inlet has made good progress in developing accredited apprenticeship programs. Now Nunavut Arctic College will set out a plan to become a university college. It aims to become a degree-granting institution within three years.

Strong and Resilient Communities

Let me turn now to the second of our *Sivumut Abluqta* priorities, to strengthen our communities.

The main idea here is "resilience." The word describes how we bounce back, how we recover from difficulties. Resilience means that we help and support each other, as friends, as neighbours, and as family. Our government is helping as well, by improving health care, taking action on violence and crime, and easing our housing shortage.

Improving health care is key to our future, given the wide gap between health indicators in Nunavut and the rest of Canada. Our indicators fall significantly below the national average.

We can raise these indicators by investing in both prevention and treatment. Investing in prevention will fight disease, save lives, and reduce future pressures on our health-care system. Everyone can participate, especially through physical exercise and stopping smoking.

This budget improves support for health care more than six percent to \$317 million. It gives better support to hospitals, physicians, and community health care. It improves funding for mental health care and residential long-term care.

In the coming fiscal year, the government will introduce a new Public Health Act. The current law has not changed in nearly 60 years. It's out of date. New legislation would better protect patient rights and better support health promotion programs.

We also look forward to tabling the Mental Health and Addictions Framework this year. We want to improve front-line service delivery across the territory. We will also raise our support to mental health and addictions programming by 35 percent, to \$20 million. All communities will benefit from improved psychiatric nursing services, counselling and programming.

We are also investing nearly \$4 million more in community health services, and taking steps to define and provide residential care services to our seniors.

In addition to these direct investments in better health care, our government is also promoting better health by helping Nunavummiut to enjoy active lifestyles.

This budget provides the Department of Community and Government Services with a 39 percent funding increase for sport and recreation administration. This investment will lead to better programs in sport, recreation and physical activity. We are also providing these programs with \$4 million next year, and we will review these grants to make service delivery more effective.

In building strong and resilient communities, we must also confront crime. For Nunavummiut, this is a serious issue. The territory's rate of violent crimes is about eight times higher than the Canadian average. The severity of crimes also far exceeds the Canadian average.

But there is some good news in these numbers. Looking at data for 2013, the latest numbers available, we see that Nunavut's crime rate dropped 15 percent from the year before. Violent crime was down 11 percent, property crime down 20 percent.

This trend is very encouraging. And through continuing improvements to crime-prevention services, we will help make our communities stronger and safer.

For example, we see a way to keep young Nunavummiut out of jail through the new Youth Intervention and Diversion program. It aims to screen out of the criminal justice system those youth who pose low or no risk. Even offenders who represent a higher risk will face a better future if we deal with them through community services rather than jail.

These efforts will also help us to relieve pressures on the Baffin Correctional Centre. Overcrowding remains a problem, but the new relief structure will open soon. This budget doubles funding for the new structure. Staff have been hired and are now training. They're preparing to take in prisoners in the next few months.

Meanwhile the Justice Department has hired architects to give us design options for the renovation of the correctional centre. Our priority is to create bed space so we can separate maximum security prisoners from the rest of the BCC population. We also want to make room to bring home Nunavummiut serving time in other jurisdictions.

Strengthening our communities also means finding a way out of our persistent housing crisis. We are making progress. But we see clearly that we will need significantly more resources than we have now.

In this year's budget, our support for housing rises six percent to nearly \$184 million. This includes an \$8 million rise in utility expenses.

It's encouraging to see that we are adding to the housing supply. The Sanikiluaq and Arviat public housing projects should be complete by December. And the Nunavut Housing Corporation is on track to complete 258 public housing units on time and on budget. The government is also investing \$20 million in housing for government staff.

In the big picture, we will have added nearly 1,300 homes in the past decade, thanks to three federal investments and our own contributions. We are going in the right direction.

Not only that, but rethinking our approach to housing design is also yielding benefits. NHC's new fiveplex design achieves savings and efficiencies worth \$700,000 per building.

Improvements and efficiencies are encouraging, but they get us only partway to our goal of providing Nunavummiut with options for affordable and adequate housing. The NHC tells us that about one-third of existing homes are overcrowded, and about one in four need major repairs. The demand for better housing, and more housing, remains strong.

Meeting this demand would greatly improve our social and economic situation. Better housing leads to stable families, better health, better school performance, stronger communities, and a better workforce. In short, better housing would make our goals more achievable.

We have repeatedly made the case for federal investment in housing Nunavummiut, and we will continue those efforts in the year ahead. At the same time the housing corporation will complete its action plan to implement our long-term housing strategy.

Responsible Development

In strengthening our communities, and educating and training Nunavummiut, we create favourable conditions for sustained economic development. Through economic growth, we will create jobs, reduce poverty, and improve the way we live.

There is strong demand for our vast wealth of natural resources. We will develop this wealth using a responsible approach that protects our environment, manages wildlife, and sustains our resources for future generations.

This budget provides the Department of Economic Development and Transportation with a 12 percent rise in funding. With a budget of \$68 million, the department will be well positioned to support projects essential to our growth.

We will also implement an updated NNI policy to ensure that Nunavummiut can better compete for government business.

Our economic development policies provide support for mining and petroleum exploration and development. They also support diversified development by focusing on specific sectors.

In the coming year, we will double our investment in developing tourism and cultural industries across the territory. We will also develop a new cultural industries strategy to replace the arts and crafts strategy, and launch a national marketing campaign for our unique arts and media sector.

We will continue to invest in transportation infrastructure to better connect Nunavummiut with each other and the world. The Economic Development and Transportation department receives an additional \$1 million in this budget for community transportation projects.

As well, we will complete the improvements to the Rankin Inlet and Cambridge Bay airports this year. We will also support fish harvesting by seeking further federal funds for small-craft harbours.

Our overall fisheries strategy will be updated this coming year. The government will also update our harvester support programs to make them more effective.

In addition, the Environment department will complete wildlife management plans for Baffin Island caribou, polar bears and grizzly bears.

This budget recognizes the importance of wildlife protection. It allocates about \$25 million to the Environment department. Overall spending rises more than seven percent, but funding for environmental protection rises by a substantial 43 per cent. And we will invest

in a new initiative to manage contaminated sites. Our initial investment of \$1 million next year will rise in later years to \$1.5 million annually.

Wise Use of Public Resources

In acting to support better education and training, stronger communities and responsible resource development, it is essential that we use our resources wisely. We must get the best value we can from public funds.

That is why my Finance department is working closely with the Department of Executive and Intergovernmental Affairs to coordinate a review of government programs. We will engage an independent external reviewer in the coming year.

My department is also working with all departments and territorial corporations to improve budgeting and results management. We are putting in place a planning horizon of three years. That way we can identify strategic opportunities and prepare for them more effectively than we are now.

At the same time, the government is implementing the Human Resources Strategy to recruit and develop our employees and improve client service. We are also gathering better data to support planning and decisions.

In addition, the strategy guides our effort to hire more Inuit into the public service. As of September 30th of last year, the government's ten departments had 3,955 employees. Of these, 50% were Inuit. We continue to see strong Inuit representation in our administrative support functions. But we need to see more Inuit in senior and middle management positions, and in the professional and paraprofessional categories.

We continue to place a priority on Inuit in our recruiting, in line with the Nunavut Land Claims Agreement. We project that Inuit participation will rise to 51% by the end of the next fiscal year.

Our government is also working to improve the integrity of our public service through the appointment of an Ethics Officer. We look forward to announcing this appointment very shortly, and to having this person take office April 1st.

Conclusion

Mr. Speaker, there you have it. I've given you a plan that aligns the government's financial and human resources with the vision that this assembly set out in *Sivumut Abluqta*.

In our vision, Nunavummiut enjoy a positive outlook on life within a strong, prosperous Nunavut. Our vision compels us to invest in our communities and our people, to develop our economy responsibly while using our resources wisely.

In closing, let me make two final points. The first is to recognize the work of our civil service. We count on them to deliver results for all Nunavummiut. The second is to say that my cabinet colleagues and I look forward to working with all members of this House in taking these next steps together, moving forward to our goal.