



# Budget Address

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## *Introduction*

Thank you, Mr. Speaker, for the opportunity to introduce our Government's proposed budget for 2021-22. This is the third budget I have had the privilege to present to this Assembly.

Before going on, let me thank all those who have worked behind the scenes to help shape this year's budget.

Since the early days of this Fifth Assembly, our work has been guided by *Turaaqtavut*, our shared vision for Nunavut rooted in our Inuit Societal Values. That vision and these values continue to guide our efforts to run a modern public government and deliver services to our growing population.

Each of our government's budgets have rested on *Turaaqtavut*. Our first budget set the stage to begin delivering its priorities. Our second set out a series of practical and responsible steps towards implementing them.

Last year, I presented a people-oriented budget of optimism tempered by fiscal responsibility. I likened our situation then to moving into young adulthood while still relying on the support systems that helped guide us through our adolescence.

Last year's tempered optimism was appropriate considering the challenges we continue to face, budget after budget. We are each familiar with these challenges, many of which relate to delivering public services across a territory as vast as ours.

Other aspects of our territory amplify these challenges. For example, when we began our journey as a public government we started behind every other Canadian jurisdiction in terms of our infrastructure and capacity to provide the programs and services other Canadians take for granted.

Mr. Speaker, we can tackle these challenges head on when we work together – as a government, as an Assembly, as communities, as regions and as a territory.

Having a strong federal partner that understands the benefits of working together is critical to our efforts. In last year's budget address, I prodded the federal government to recognize our needs in several areas, particularly health care and housing.

Our message—direct and carefully chosen—is beginning to resonate, and we are starting to see results.

We are gaining more and more traction in our discussions, and I hope we can continue to work collaboratively with them to tackle the issues we have been raising year after year.

I will have more to say about this later in my address.

### *Achievements*

But first, I want to reflect on just how far we have come during this Fifth Assembly. As Nunavut approaches its 22<sup>nd</sup> birthday, we have many successes to celebrate. Let me outline just a few.

In the last year and a half alone, our Government dealt with two serious events, each of which required our full attention. The first was a major Ransomware attack on our computer network that threatened to completely shut us down. The second occurred a few months later with the emergence of the COVID-19 virus and the resulting pandemic.

It may seem surprising that I refer to these incidents as successes. After all, government computer issues are not top of mind for most Nunavummiut, and we are still grappling with COVID-19 when, worldwide, it shows few signs of relenting.

I refer to them as successes because, as we navigate through crises, it has become evident just how capable and dedicated we are in protecting our territory and all Nunavummiut.

When the challenges came, we responded. And we turned them into opportunities to grow and become stronger.

We were able to do this because of our increasing skills, knowledge and confidence as a territory and our evolving maturity as a Government.

For each of these challenges we called upon one of the values passed down by our Elders – *qanuqtuurniq* – and applied it Government-wide.

Our capacity to adapt and innovate—coupled with the resourcefulness and willingness of Nunavummiut to rally in support of our efforts and of each other—helped us face both these events with courage and resolve.

We dealt with the Ransomware attack not by giving in, but by working tirelessly with experts to completely revamp our computer systems and make them more resistant to cyberattack. We now have a more secure system that is operating better than ever.

While our system was down, our public servants demonstrated resourcefulness, professionalism, and dedication. Working together, they were able to restore core services, rebuild the network, and keep the

business of government going.

Little did we know at the time, but pivoting to new cloud-based services and collaborative capabilities would position us well for working remotely during the pandemic. When COVID-19 hit, we were prepared and ready to respond.

Our teams had recent experience managing uncertainty, adjusting processes, and working together in new ways.

Our Government had already put the new *Public Health Act* into force.

In short order, we set up isolation hubs, conducted in-territory testing, produced thousands of made-in-Nunavut reusable masks, provided funding for food security and for small businesses and made sure the airplane links that are so vital to our communities could function safely and without interruption. We supported daycares, developed school opening plans, and put in place a variety of effective public health measures too numerous to mention here.

Throughout, we kept Nunavummiut informed about what was going on so we could be prepared for what was coming next.

We relied on our civil service to coordinate government-wide efforts to contain the virus, even while they tried to keep up with their usual work, juggle childcare, and support their own families and friends.

We appreciate that businesses and other organizations across the territory also faced challenges and contributed their own energies in support of their customers, employees, and colleagues.

In particular, I want to take a moment to acknowledge the outstanding efforts of hamlets in keeping their residents safe and supported during uncertain and unfamiliar moments over the last year.

By organizing community food deliveries, at-home activities, local radio programs that informed and entertained, and screening and vaccination clinics, hamlets put into action our Inuit Societal Values.

These collaborative efforts demonstrate – to me – what life in Nunavut is all about: caring for our communities, caring for each other, and overcoming challenges together.

As we continue to live with COVID, I want to acknowledge our federal counterparts for their efforts in trying to understand and support Nunavut's needs during the pandemic. We have had a good dialogue, and I appreciate their willingness to work with us to find solutions both logistical and financial to prevent the spread, manage the outbreak, and support recovery and vaccinations. I look forward to continuing this relationship.

Thankfully, not all our challenges and successes have been so dramatic.

One achievement that holds great promise for our future occurred in 2019 when, after many years of discussions, Canada, NTI and our Government finalized the Devolution Agreement in Principle that will guide negotiation of the final agreement to transfer jurisdiction over Crown lands and resources from Canada to Nunavut.

We followed this important step forward by declaring Nunavut Day to be a territorial statutory holiday, marking a significant milestone for Inuit and our territory, the day the *Nunavut Agreement* and *Nunavut Act* were adopted and received Royal Assent. Had these significant events not occurred, we would not be meeting in this Assembly today.

It is appropriate that Nunavummiut enjoy a day of reflection and be given an opportunity to take pride in how far we have come since those early days.

We're more capable than ever to take on bigger tasks that build our territory.

With funding from Canada, we are advancing major improvements to six of our airports, including a long-overdue expansion of the Rankin Inlet airport that will quadruple its capacity.

We have also made good headway in working towards an undersea fibre-optic cable to boost our internet capacity and speeds by complementing our current satellite-based network.

Once the cable's route has been finalized, enhanced connectivity will help us strengthen our links with each other, with the rest of Canada, and beyond.

In collaboration with Canada and NTI, we have set the foundation for work towards an addictions and trauma treatment centre to be built right here in Nunavut. This will help Nunavummiut recover in-territory, surrounded by friends and family and closer to our traditions, culture and language. We are very motivated to move forward with this work to benefit our people.

And, last year, we strengthened our relationship with NTI by signing the *Katujiqatigiinniq* Protocol. It clearly sets out our shared goal, and I quote: "to collaborate to improve the economic, health, social and cultural well-being of Nunavut Inuit, and to help Nunavut realize its potential as a healthy and prosperous part of Canada."

My colleagues and I look forward to seeing our shared vision transformed into action.

Allow me to mention something else worth celebrating: for the third year in a row, the Government of Nunavut has been recognized as one of Canada's top 100 employers for young people. Creating a work environment that will attract promising young Nunavummiut to public service can only make us stronger

and is something else we can take pride in.

These achievements show what we have done and what we can do.

### *Economic Prospects*

Mr. Speaker, let me move on to the year ahead.

To set the scene, the latest report of the Conference Board of Canada from October 2020 predicts our economy could expand by up to 11 per cent through 2021, driven mostly by mining.

This continues a trend that began several years ago that has been led by annual mining sector growth. If these forecasts hold true, 2021 has the potential to be another strong year of economic growth, despite the impact of the pandemic.

It is important to recognize that not all sectors are unscathed. The pandemic has been hard on other sectors, like tourism, construction, and food services. Their recovery in 2021 will depend on the course of the virus itself.

Jobs-wise, Statistics Canada predicts our territorial unemployment rate will continue to hover around 14 per cent, though this will also depend on how quickly we can get back to normal in the year ahead.

### *Fiscal Situation*

As for our government's overall fiscal situation, we expect to end the 2020-21 fiscal year in reasonably good shape. This is due largely to the \$130 million in additional funding Canada provided to help us deal with COVID and the \$78 million in new funding we received for medical travel under the Non-Insured Health Benefits program.

The federal COVID support remains critical to our efforts to fight the virus. The NIHB funding, while a one-time payment, brings the federal government closer to acknowledging the actual costs of delivering this important medical travel program on their behalf. We look forward to finalizing a long-overdue agreement with the federal government on this critical program before the end of March.

Frankly, Mr. Speaker, had we not received this federal support I would be reporting a significantly different fiscal situation today.

As you are aware, our actual year-end results will not be final for a few months. An added wrinkle this year is the likelihood that departments will have funds left over at year-end due to COVID-related disruptions.

The take-away for Members and Nunavummiut is that, from a fiscal standpoint, our government has emerged from the first year of the COVID pandemic in good shape.

Looking ahead to 2021-22, we forecast revenues of \$2.39 billion. As always, most of our revenues will come from the federal Territorial Funding Financing transfer. It has grown by 4 per cent over last year and will amount to just over \$1.78 billion. We also expect to receive another \$110 million through other federal transfers, including \$44 million that will come to us through the Canada Health Transfer.

As an aside for Members' interest, I – along with the Premier and Minister of Health – are working with our counterparts across Canada to encourage the federal government to enhance this transfer in recognition of the higher health care costs provinces and territories face over the long term. We have nothing more to report today but are hopeful these discussions will bear fruit for Nunavummiut and other Canadians.

In addition, we are budgeting to receive about \$240 million through third-party agreements.

We expect to generate about \$255 million in our own revenues next year. This includes nearly \$158 million in taxes. Other sources include staff housing rent, revenues from the sale of fuel and liquor, fees and other payments.

The budget in front of you proposes over \$2 billion in investments this coming fiscal year. This includes the \$164 million in capital spending the Assembly approved last fall. The remaining \$1.86 billion, proposed through these Main Estimates, are to support the core operations and maintenance of our government departments and agencies.

As in the past we will again set aside a contingency fund. We've seen over the past year just how important having this flexibility is. Last year we held back \$50 million. Given all the unknowns surrounding COVID, we think it prudent to hold back a bit more this year. For 2021-22, we have set aside \$75 million – about 3.5 per cent of our budget. This financial cushion will allow us to respond to unforeseeable events and pressures during the balance of this mandate without leaving the next government in bad shape at year-end.

We are projecting an operating deficit of about \$14.3 million. Even under COVID conditions, this is a smaller deficit than what we projected in last year's budget. This projection assumes we spend the entire contingency. If we do not, we anticipate being able to leave a small surplus for the Sixth Assembly.

I'd like to add that our credit rating remains strong. Even in these tough times, we remain squarely in the group of the most credit-worthy provinces and territories in Canada, right behind the triple A rating of the federal government.

In short, Mr. Speaker, we continue to manage our fiscal purse well. Despite the unforeseen challenges we faced this past year, our financial situation is such that we can be comfortable leaving it to the next government.

### *Budget Priorities*

*Turaaqtavut* continues to guide how we allocate our resources this year. As I said earlier, *Turaaqtavut* is our shared vision for Nunavut rooted in our Inuit values. We intend to spend the dollars available to us in support of those values.

### *Inuusivut*

Investing in our health is more important now than ever. The pandemic highlighted the importance of having health and social services available in the territory and in our communities.

With this in mind, we propose a budget of \$471.1 million for the Department of Health which includes about \$20 million more this year that we are reinvesting into health care. We can do this because Canada agreed to increase its co-pay towards medical travel.

We are enhancing the health care services available to Nunavummiut in different ways, including by hiring more health care professionals.

Some will be assigned to our new colorectal cancer screening program. This is a long-overdue measure to combat what is now the second most common form of cancer in Nunavut and is a wise investment for the future. Early cancer detection is not only more cost-effective than later stage treatment, but most importantly, it leads to greater patient success. We intend to allocate \$1.2 million in new funding to get this program up and running.

We also propose to invest \$405,000 to add four new positions to Iqaluit Health Services, including a CAT scan technician. This is part of a longer-term staffing plan to improve our ability to diagnose complicated health issues right here in Nunavut.

We know pharmacy services in our remote communities need a more cohesive approach. As a first step, we will provide our pharmacy division with new, director-level management and a territory-wide mandate, and will create two new clinical pharmacist positions at the hospital.

We know how unpredictable COVID is, and that it is not going away anytime soon.

As I said earlier, we are confident we can continue to manage this pandemic, but we need to back this



confidence with adequate human and financial resources.

For that reason, we propose to allocate \$4.8 million to fund our Pandemic Response Secretariat. This formally builds on the team we put in place this year and extends their work and mandate into 2021-22, helping ensure we maintain our dedicated team to tackle new pandemic threats that may arise.

More generally, and following up on the ongoing construction of two new community health centres in Sanikiluaq and Kinngait, we plan to allocate another \$4.5 million to improve health services across the territory, including enhanced security at our health centres.

Earlier in my address, I noted that we are preparing for a culturally appropriate, Nunavut-based addictions and trauma treatment centre. We look forward to this facility and programming being finalized by the next government.

In the meantime, we will maintain our current out-of-territory counselling and treatment supports. This budget proposes \$10.6 million to renew these mental health and addictions treatment contracts for the coming year along with another \$3 million to renew physicians' contracts.

The last two decades have shown that Nunavummiut are strong and adaptable. We are a vibrant territory and want to keep moving forward, together.

This begins with families. Building on investments we made in prior years, we propose to direct \$5.3 million towards the Department of Family Services.

First, we will increase our support for adults and children with complex needs by allocating \$2.7 million to better ensure their well-being in residential placements. We will invest a further \$600,000 on youth crisis initiatives across the territory.

Last year, we spent \$1 million to expand emergency shelters and plan new ones for the victims of family violence. Our work in this vital area will continue this year through an investment of \$825,000.

We know the housing spectrum needs to include homeless Nunavummiut. We will continue to boost our shelter capacity by investing an additional \$515,000 to help those who need immediate accommodation due to homelessness.

For low-income seniors, we will invest a total of \$660,000 to boost our supplementary benefits program. We continue to work on long-term care facilities that will allow us to bring seniors with complex needs back to Nunavut from southern care homes.

As we move forward to improve outcomes in our social portfolios, we propose to allocate a total of \$134.5 million for the Department of Justice in 2021-22. This is a well-justified increase of 5 per cent over

last year.

We will use these funds to support independent civilian oversight of serious incidents involving the RCMP, hire three new RCMP officers, increase public service employment opportunities for Inuit in local RCMP detachments and upgrade police radios to ensure police safety as well as more effective communications. These measures will cost just under \$3 million.

We plan to open the *Aaqqigiarvik* Correctional Healing Facility in Iqaluit this fall as a much-needed replacement to the Baffin Correctional Centre. We are seeking \$3 million to staff this new facility.

We have budgeted \$310,000 to create an independent Corrections Investigation Office, an important step to ensuring accountability and transparency within a modern and effective *Corrections Act*. This will be another first for our territory.

We are proposing another \$320,000 to expand the community-based therapeutic justice program currently operating in Cambridge Bay. This well-received program helps address the root causes of criminal behaviour, including mental health, addictions and trauma. In partnership with NTI we will expand this successful program to Arviat.

We are also planning to hire up to seven articling students next year from the Nunavut Law Program. We are seeking an additional \$330,000 to create three new positions for this purpose, and will fund the other positions from within.

#### *Pivaallirutivut*

At this point I would normally provide you with a list of economic and infrastructure development initiatives to help grow our economy in ways that align with our cultural values.

But these are not normal times – not here, not anywhere else in Canada, not anywhere else in the world. The revenues we would usually commit to economic development have largely been diverted to sustaining our businesses and supporting Nunavummiut during these difficult times.

Over this past year we have paid out over \$600,000 in business relief funding for small businesses and artists. We have also paid out \$2.8 million so far to help lower-wage Nunavummiut earn more on the job for the essential work they do.

As I mentioned earlier, among our earliest decisions last year was to support northern airlines. The goal of our support so far, which applied until the end of December, has been to help our airlines break even so they continued to fly, maintaining the vital connections our communities rely on. We are actively

working together with airlines and Transport Canada to discuss possible support through to June.

Of course, our success is based in helping the territory move forward. This means we must continue to address issues like our chronic housing shortage. This is something that simply cannot wait for better times.

That is why we propose to allocate 12 per cent of our overall budget to the Nunavut Housing Corporation. This is almost exactly what we allocated in last year's pre-COVID budget. Through this budget, we will provide the Corporation with nearly \$220 million for operations and maintenance. This will cover maintenance on the 90 new public housing units and 43 staff units we added this year, allowing us to develop plans to build a further 106 public housing units and to lease additional staff housing units in the upcoming year. In addition, we're exploring other opportunities to increase our housing stock this year.

Importantly, nearly \$48.5 million of the money allocated to the Corporation will be directed to maintaining and improving our existing housing stock. This includes grants and contribution agreements to fund remediation of mould issues in some housing units and to support local housing associations as well as homeowner maintenance and purchase programs.

Before I leave this topic, allow me to say that housing is another area where we have been able to make progress through a strong partnership with Canada. In 2019, the federal government agreed to provide us with \$290 million over ten years for housing, which has allowed us to make the long-term plans that support the proposed investments I have outlined here.

As our government has reiterated many times, long-term planning in collaboration with the federal government is how we will continue to make real progress in dealing with the challenges we face each year.

### *Sivummuaqpalliajjuvivut*

When thinking about progress and success over the long term we need to first think about our youth. We need to help prepare our young people so that *they* can succeed.

Our government is proposing to invest \$244 million through our Department of Education – nearly \$11 million more than last year. Better education leads to better opportunities, better jobs, better social outcomes, and better futures.

Most of these new funds—about \$8.7 million—will support the creation of 72 new educator positions across the territory. In addition to keeping up with population growth, we are proposing to improve the

student-educator ratio itself – the calculation that guides how many teachers and other educators a community has.

We know the importance of having strong and supportive educators. Increasing the number of educators is a meaningful way to help enhance our support for students so they can succeed in their studies.

We are also proposing to invest almost \$2 million to improve school bussing services throughout the territory.

Both of these changes will help ensure that our students have access to the instruction and the support they need to succeed in their studies.

As part of our emphasis on finding Nunavut-based solutions to social challenges we are committing a total of \$695,000 towards the development of a Bachelor of Social Work program right here in Nunavut. The Nunavut Arctic College will deliver the program in partnership with Memorial University, and will ladder the degree from the existing Social Service diploma.

Nunavut will be celebrating the graduation of students from the Nunavut Arctic College and University of Saskatchewan law program this spring. We expect 23 successful graduates of this program – a success rate better than most every other law program in Canada. This made-in-Nunavut program brings much-needed legal skills and knowledge to the territory, and we look forward to these graduates continuing their careers here at home.

### *Inuunivut*

Nunavut was created out of the need to give our Inuit language and culture the opportunity to grow and thrive in a world in which the more widely-spoken languages like English have come to dominate. And look at how much we've been able to accomplish in two decades.

During the course of this Fifth Assembly, we have created and distributed Inuktitut resources for early learning and child care programs. We have developed hundreds of teaching and learning resources for our schools as part of our holistic Inuktitut balanced literacy program. We are committed to continuing the development of these resources, ensuring the preservation and revitalization of Inuktitut for generations to come.

We will look to new initiatives like the Inuktitut Machine Translation tool to foster and grow the Inuit language. Developed with Microsoft, this modern technology will help preserve the Inuit language by allowing those who speak Inuktitut—and those who don't speak it yet—to access translations everywhere

there is internet access.

Last year I spoke with great hope about the 2019 federal *Indigenous Languages Act* as a way to further strengthen Inuktitut. Just two months ago we signed the Terms of Reference for the Nunavut Partnership Table on Language and Education, a joint federal, territorial and NTI venture that will develop collaborative approaches to address Inuktitut language and education issues in our territory.

As part of this initiative, I am pleased to report the GN and NTI have together secured \$42 million from Canada over five years to support Inuktitut language and education. We look forward to continuing this partnership to enhance, preserve and revitalize Inuktitut.

It is appropriate that I mention these initiatives today in the month of February, our fifth annual Inuktitut language month - *Uqausirmut Quviasuutiqarniq*. This is a time to celebrate and express our language in all its forms as a way of honouring Inuit culture and language.

### *Katujjiqatigiinnivut*

Mr. Speaker, I have provided many examples of our ability to work together to achieve our goals and realize our aspirations for Nunavut. This is *Katujjiqatigiinnivut*.

For the Government of Nunavut, this means working in partnership with Inuit organizations, the federal government and private sector organizations.

Of course, this does not mean *agreeing* with everyone all the time –we will all have our own opinions, our own aspirations, and our own goals. That’s okay. What matters is that we respect the views of others and that we work sincerely and diligently towards finding common ground.

Occasionally, working together towards a common goal can also mean trusting others enough to step back so they can get work done. It can be about seeing the big picture and recognizing how we best contribute to it. This, to me, demonstrates maturity and growth.

At the beginning of this address I reminded you of an analogy I made last year – Nunavut as a young adult, optimistically looking to the future while relying on the supports we needed as a teenager.

This analogy still holds. We still need support. We are still young. And I, for one, am still very optimistic about what the future holds.

But, I suggest we have also proven ourselves as a territory this past year. We have proven ourselves to be capable. To be resourceful. To be able to work together, and with others.

In short, we have demonstrated a maturity and confidence that may not have been on full display before, even to ourselves.

Others have noticed. We have made enormous progress in our relationship with the federal government over the past year. I have been encouraged by what appears to be a new understanding on the part of federal officials.

In changing their approach to the Non-Insured Health Benefits contribution agreement, in providing funds to help us with COVID and in other ways, federal officials at all levels appear more willing than ever to work with us for the benefit of Nunavummiut. I look forward to continued collaboration with Ottawa.

Does Nunavut still face significant challenges? Of course.

Most immediately, although our approach to rolling-out vaccines is working well, COVID and its increasing number of variants remains concerning, and very much in the foreground of our work. In the longer-term, our need for housing and other infrastructure, supports for our small economy, and solutions for our social challenges remain.

As we balance the urgency of the pandemic with our needs for the future, we remain optimistic and dedicated.

As my ministerial colleagues and I head into this Session, the next fiscal year and the last months of this Assembly, we do so with our goals firmly in mind. While this year has been tiring for many we remain determined to do whatever we can to help move Nunavut forward.

We are confident, too, of what we can still achieve by working together.

One of our key tasks will be to build on the cooperative relationships with our partners, and take the next steps of developing longer term, sustainable, and mutually beneficial arrangements.

Working toward this goal is one way I intend to spend my time during this last year of the Fifth Assembly, striving always towards *Turaaqtavut*.

We still have lots of work to do, and I encourage all Members of this Assembly to keep this in mind. I think we are all eager to bring this Assembly to a successful close and, in so doing, pave the way for an equally successful Sixth Assembly.

I know I am. In past speeches I've talked about putting my work boots on. To be honest, Mr. Speaker, I haven't had time this past year to take them off. Thank you, Mr. Speaker.

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