



# Budget Address

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Thank you, Mr. Speaker. It is my privilege to be here today, before you and all members of the Legislative Assembly, to introduce the Government of Nunavut's budget for 2023-24.

Just over a year ago, we came together as leaders of our communities and in the spirit of consensus to share our goals and priorities for Nunavut's Sixth Legislative Assembly.

We set a vision for our communities to become places of health and healing, where elders can age in dignity and continue to teach new generations the important lessons of the past.

We committed to reinvesting in education and expanding the housing continuum to provide youth and their families the foundation they need to become Nunavut's next generation of community builders.

Our promise to Nunavummiut was to forge the path ahead by working in partnership with others to create communities where elders, youth, and families enjoy comfortable, fulfilling, and happy lives.

Colleagues, it is my pleasure to present a budget plan on behalf of our government that invests in this promise and our common priorities to ensure a bright future for the territory and its people.

The investments we are making today move us closer to our *Katujjiluta* goal of healthy and resilient communities where all Nunavummiut can prosper.

Working as a team, we will always strive for improvement. Like the hard-working young Nunavummiut who represented us so well at the Arctic Winter Games this past month, and currently at the Canada Games in PEI, we will focus on our goals and take action every day to get better.

I am so proud of our athletes and their display of sportsmanship and comradery.

As a former athlete myself, I know the value for youth to be able display their skills for their families and communities and represent our territory on an international stage.

For many of our athletes, training starts the day after the last Games end. This tenacity and perseverance of spirit is why I am wearing basketball shoes today, Mr. Speaker – to honour the courageousness of our athletes and to tell them: *Keep going, we are still cheering you on!*

Mr. Speaker, maybe some people thought I was wearing these shoes because I wanted the chance to talk about how I put 50% of Team Rankin Inlet's points on the board one time when I competed, but I don't brag like that. But I did score four of our eight points in one game.

All joking aside, I hope everyone who attended the Games and cheered on Nunavut from home has memories of their experience that are as fond as mine.

Investing in the wellbeing of our youth, their families, and communities is a slam-dunk, and today's budget reflects our commitment to their futures.

Mr. Speaker, since I presented my first budget as Finance Minister to you last May, our government has been working hard to turn the promises of *Katujjiluta* into progress.

With this new budget, we continue toward the ambitious goals we set out to realize in partnership with others over the next few years.

Advancing our agenda isn't easy. Our fiscal capacity continues to be strained by our long-standing infrastructure deficit and the high cost of goods and services in the north, and new issues like global inflation, geo-political uncertainty, and the effects of climate change in the Arctic make our undertaking even more difficult.

Because of this, we need collaboration between partners who are committed to putting Nunavummiut first and who collectively contribute to our *Katujjiluta* ambitions.

Mr. Speaker, I will give credit where it is due.

In recent years, the federal government has demonstrated a willingness to better understand Nunavut's challenges in delivering programs and services that Nunavummiut need. Our colleagues in Ottawa have recognized that with the right funding, flexibility and support, we can contribute to national priorities in a meaningful way.

The announcement last year by our Premier and the Prime Minister to jointly create a new \$10-a-day childcare program in Nunavut by March 2024 was transformative.

Federal funding to create more than two hundred new early learning and childcare spaces over the next few years will help Nunavummiut children and their families to learn and thrive in our communities.

Programs such as this advance reconciliation and are essential to address the health and socio-economic disparities between Nunavummiut and other Canadians.

As our colleagues in Ottawa develop their own plans for future spending, we call on them to consider not only our needs, but distinct approaches to the way our government can help Nunavut and Nunavummiut grow and prosper.

- **2022-23 OVERVIEW**

Mr. Speaker, before I look ahead to next year, I will review our current fiscal situation.

It is a priority for all of us in government to be responsible fiscal managers and our balance sheet reflects that.

We began 2022-23 forecasting an operating surplus of just over \$40 million, which included a contingency of \$75 million for potential additional spending requirements.

Today, slightly higher revenue projections from federal transfers and our own-source revenues combined with the lapses forecasted in some departmental budgets are expected to leave us with an operating surplus in the range of \$75 million.

- **2023-24 PROJECTED REVENUE**

Looking forward, we project revenues of about \$3.06 billion in 2023-24.

This includes \$257 million from our revolving funds which leaves about \$2.8 billion for planning.

Of this amount, \$1.97 billion will be transferred to Nunavut by Canada through the Territorial Financing Formula, the largest federal transfer we receive.

About \$141 million is expected from other federal transfers and approximately \$418 million will be received through specific third-party funding agreements.

In addition, we expect to collect about \$265 million from our own-source revenues, including \$165 million in taxes, \$21 million in staff housing rent, and \$78 million from various other sources.

Mr. Speaker, one important change regarding our federal revenues relates to the Government of Canada's price on pollution – the carbon tax.

Due to a change in the federal government's carbon pricing rules, Nunavut was forced to cancel its direct subsidy on fuel – the Nunavut Carbon Rebate program.

Despite our government's best efforts to shield Nunavummiut from higher prices at-the-pump, these new federal rules no longer allow us to offer them a direct discount.

We know that Nunavummiut continue to rely on carbon-based fuels to power their equipment for hunting, provide electricity, heat their homes, and transport essential goods to our communities. We also know that climate change and the higher cost of living disproportionately affects Nunavummiut. It is important that measures meant to help us participate in federal climate change initiatives do not add bigger barriers.

That's why our government is proposing amendments to the *Income Tax Act* to introduce a new refundable tax credit – the Nunavut Carbon Credit – which will use carbon tax dollars to provide Nunavummiut a direct cash payment every three months to help offset higher fuel costs. We will seek the Assembly's support for this new program this sitting.

It's also why we intend to offer a one-time Homeowner Fuel Rebate this spring, to help Nunavut homeowners manage the higher cost of heating their homes this winter.

- **2023-24 PROJECTED EXPENDITURES**

On the expenditure side, the Government of Nunavut will be seeking authority to appropriate \$2.02 billion for its operations in 2023-24, which is in addition to the \$338 million for Capital approved last October.

This includes costs associated with our newly ratified collective agreement with the Nunavut Employees Union which will impact departmental spending by approximately \$39 million in 2023-24.

In addition to salary increases, we are also budgeting for inflation, such as the increase to electricity rates in October 2022, fuel prices in December 2022, and the planned carbon tax changes I noted earlier.

To help cover those costs, our budget provides \$29.2 million to various departments and public agencies.

It also includes a \$50 million contingency fund to prepare us for unanticipated costs and to help manage climbing construction costs, which is a particular risk given that next year's capital budget is our largest ever.

We expect to begin the next fiscal year with a modest operating deficit of \$8 million, which is just less than 0.3% of our revenues.

Mr. Speaker, when I introduced last year's budget, I outlined how our ambitious *Katujjiluta* plan and priorities for spending would see us dipping into our surplus over the term of this government.

There is a cost to all the progress we are making, even if the benefits are worth it.

Supports for people such as health care and education depend on investments in capital and infrastructure to keep communities going day to day.

This includes funding to build things like parking garages, invest in airport facilities, upgrade water systems and fuel tanks, and purchase equipment like fire trucks and rock crushers.

In this digital age, it also means investing in the tools and technology that can help government deliver more effective and efficient services.

In 2023-24, this includes \$17.4 million in capital funding for the Department of Finance to continue development of the Government's new Enterprise Resource Planning system and \$3.6 million to operate it.

Mr. Speaker and Members of this Assembly, these and other significant investments in Budget 2023-24 could only be possible with the prudent financial management of previous governments.

As I look to the future with excitement for the investments we will make, I look to the past with gratitude for those who laid the groundwork for us to be able to seize this day.

When it comes to supporting Nunavummiut to live happy and fulfilling lives, perhaps nothing is as important as investing in their health and wellbeing.

For Nunavut elders, families, and youth to thrive in our communities, access to health and social services at the same level as Canadians elsewhere is essential.

With our budget today, we are providing more resources for health than ever before, with funding for the Department of Health's operations increasing by a total of \$23.5 million, from \$446.1 million to \$469.6 million.

Our funding for health includes the promise we made in *Katujjiluta* to honour our elders in their golden years by supporting them with facilities here in Nunavut where they can age with dignity close to their families in the territory they worked so hard to build.

Already, we have committed over \$59 million in capital funding to build a new long-term care facility in Rankin Inlet.

To support existing facilities such as the Qikiqtani General Hospital and community health centres across Nunavut, we plan to spend \$2.1 million more to continue to deliver the essential and mandatory health services that Nunavummiut rely on. This is over and above the \$527,000 we have budgeted to cover the increased utility costs associated with health care operations.

To help address the workload of our nurses, we will provide \$230,000 to expand the Nursing Resource Program which deploys temporary nursing support to communities that require it.

This is in addition to \$881,000 for the territory's Chief Nursing and Midwifery Office to address Nunavut's long-term nursing and midwifery needs.

When it comes to attracting and retaining health care workers, one of the most important things we can do is provide a safe and secure environment for them to work.

To this end, Budget 2023-24 provides \$3 million for security services to ensure our health centres are places of healing and positive connections in the community.

Mr. Speaker, we want people to receive the services they need from the right specialists when they need it, which is why our budget invests in virtual service delivery as well as additional in-person care.

Nunavummiut must often travel great distances to access basic services, which is inconvenient and expensive. To help reduce this burden, our budget provides almost \$2.2 million for the Department of Health to implement a Virtual Nurse Practitioner program and invest in online specialist clinics.

To expand our capacity to deliver services in health centres across the territory, we are providing close to \$1 million to create new Radiology and Laboratory Clerk positions. The Department of Health will utilize their Basic Radiological Technician training

program to train Inuit to fill these important roles in our medical laboratories and x-ray suites.

Delivering health services that are culturally-relevant, safe, effective, and efficient increasingly depends on access to timely and accurate health data, and so we are investing \$350,000 to expand the capabilities of the Health Information Unit to oversee the effective management, utilization, and protection of Nunavummiut's health data.

Because providing health services in Inuktitut is essential no matter if they are online or in person, we are also increasing the capacity for the Department of Health to ensure communications materials provided to the public are accurately translated.

Mr. Speaker, our budget considers all aspects that affect our health and healing, and it invests in community safety and wellbeing initiatives that improve access to justice, such as increasing the victims' service fund by \$500,000.

It also provides \$2 million to continue staffing the Aaqqigiarvik Correctional Healing Facility which will provide a range of treatment and healing interventions based on Inuit cultural practices and values.

To support positive law enforcement practices in communities, our budget includes \$775,000 for the RCMP's Air Services Division and \$2.8 million to increase the number of RCMP members in several communities and \$1.2 million to enhance the First Nations and Inuit Policing Program over the next two years. Under the program, which is now more evenly cost shared by the federal and territorial government, officers will consult with the communities they serve and focus on community engagement, crime prevention, and public safety.

Mr. Speaker, as you and others here today will recall, reinvesting in education was something we were passionate about when we met in Cambridge Bay.

One of our most important commitments was to invest in the supports our children and youth need to strengthen their self-esteem, develop healthier relationships, and gain education and employment.

School-aged children constitute more than 30% of Nunavut's population and ensuring they have purpose and ambition to build meaningful futures is a priority for us all.

You will recall that our capital budget last fall included over \$39 million for education infrastructure, such as a new high school in Taloyoak and renovations to Sakku school in Coral Harbour. A major school renovation in Arctic Bay will also go into design.



Of course, long before schools became the hubs of communities they are today, our homes were where children learned their language, the ways of the world, and the traditions of their people.

Today, parents and families also rely on teachers and other educators to successfully ground students in a foundation of strong cultural knowledge and high academic standards.

This is why our government will continue to implement a new school staff funding formula that better reflects the needs of students and schools across the territory.

2023-24 will be the third year of a three-year commitment to improve the student-educator ratio in our schools. This budget provides the Department of Education \$3.7 million to continue the next phase of hiring new educators, student support assistants, school community counsellors, and other education support workers to help parents and families prepare the next generation of Nunavummiut to succeed.

This is in addition to \$1.7 million to fund the Department of Education's new collective agreement with the Nunavut Teachers' Association and \$7.6 million for their new collective agreement with the Nunavut Employees Union.

These resources will allow the Department of Education to continue implementing its inclusive education model, *Inuglugijaittuq*, which is designed to meet the needs of students and schools, help raise attendance rates, and foster stronger academic achievements.

Budget 2023-24 invests nearly \$3.4 million for the Coalition of Nunavut District Education Authorities to provide them with the tools they need to be a unified voice for parents and district education authorities in Nunavut.

As well, a new investment of close to \$5 million will provide students across the territory with the mental health supports they need for learning. This program will build on the best practices of the successful pilot project delivered in eight (8) communities over the last few years, some of which was funded from the Inuit Child First Initiative, a program that resulted from Inuit Tapiriit Kanatami's leadership in advocating for the needs of Inuit children.

On behalf of the Government of Nunavut, I am pleased to announce our investment to continue this important work, which we believe is an excellent example of what can be achieved when bridge-builders come together in the pursuit of tangible outcomes.

I am also pleased to increase our support for the Nunavut Arctic College, another key partner in learning. For Nunavummiut who want to better their skills and pursue their passions, NAC is the place to be.

By providing additional support for the College to hire staff to develop and deliver training that is focused on the needs of learners, we will help Nunavummiut achieve excellence and benefit from employment.

Mr. Speaker, language and culture are brought to life in our communities much as they are in our homes and schools.

Preserving the memory of our communities and helping local partners to develop and deliver their own revitalization initiatives is a priority.

In Budget 2023-24, our government will provide \$700,000 in capital for heritage facilities, including \$500,000 for public libraries. We will enhance our support for the Nunavut Archives Program, double our Inuit Societal Values contribution program from \$400,000 to \$800,000, and increase the elder and youth grants and contributions by over \$1.4 million.

Through the Department of Environment, we will strengthen the Wolf Sample Collection Program and invest in the Trapper Education Program.

The funding we are providing in this budget for education and Inuit Qaujimaqatunangit will empower communities, increase cultural pride, and continue our legacy of perseverance.

Mr. Speaker, it is not possible to measure our commitment to the wellbeing of Nunavummiut by simply tallying up the spending lines of health and education, even if they are the biggest parts of our budget.

We know there are other social determinants of health that affect our wellbeing such as income and housing, and in line with our *Katujjiluta* commitments, we are investing in these areas as well.

By increasing the budget for income assistance by \$7 million, our government will provide some relief against inflation and the increased price of food, which is the largest daily living cost of income assistance clients.

This will give people in need the breathing room they need to work toward their aspirations for self-sufficiency with the assistance of Income Assistance workers, whose budget we are also increasing.

For Nunavummiut who need even more assistance, our government continues to invest in residential care to provide a range of supports for children and adults with complex needs who require safe and supportive housing.

Addressing the demand across Nunavut's housing continuum is a priority for our government, which is why one of our most ambitious *Katujjiluta* goals is to provide at least 1,000 new housing units by the end of our current mandate.

In October 2022, we took a giant step forward in this regard by announcing *Igluliuqatigiingniq*, also known as the Nunavut 3000 strategy, our new forward-looking plan to create more public, affordable, and private market housing units in all communities across the territory.

Of course, the housing challenge in Nunavut is so pressing that no one organization can tackle the problem alone. We need everyone to contribute their knowledge, skills, and resources if we are to meet our ambitious goals.

This is why it is a priority for the Government of Nunavut to build enduring partnerships with Inuit organizations, the private sector, and other levels of government to expand the housing continuum. This includes our innovative Partnership Agreement with NCC Development, a firm that is 100% owned by Inuit, to create up to two-thirds of the housing units that are built through the Nunavut 3000 plan.

To create lasting capacity and a sustainable supply chain of housing for the future, we will leverage our capital investments in housing to create training and employment opportunities for Nunavummiut in their communities. In 2023, up to 80 training opportunities will be provided through our partnership with NCCD.

To provide Nunavummiut with greater choice and opportunity within the spectrum of housing, we will also review and improve the delivery of our housing programs to support Nunavummiut to move into affordable rental units or homes of their own as supply becomes available.

Already, the implementation of *Igluliuqatigiingniq* is off to a strong start. Our capital plan for the Nunavut Housing Corporation includes significant funding to build new public housing and today's budget provides \$6.2 million for Local Housing Authorities to operate and maintain it.

In Nunavut, energy efficient housing is important given the impact of climate change on our sensitive Arctic environment and the high cost of heating our homes.

As such, we will continue to invest in programs such as the Renewable Energy Homeowners Grant Program and work with builders to develop energy-efficient housing plans and designs.

When we presented our joint request for funding to the Prime Minister in October, the Government of Nunavut and NTI extended an invitation to Canada to become full partners in working towards the vision of more and better housing in Nunavut.

I am hopeful that the Government of Canada's next budget will include the funding we requested to help us meet our housing goals.

Mr. Speaker, I would like to conclude my remarks by thanking my staff and everyone who helped bring us where we are today, including all Members of this Assembly who represent their communities well by bringing forward their ideas and sharing their expertise to make Nunavut a better place.

We developed *Katujjiluta* to be an ambitious and forward-looking call to action that provides clear direction for us to achieve transformational change.

With the wisdom of our elders, the vision of our youth, the dedication of our public servants, the commitments of our partners, and the support of this Assembly, we will continue to achieve great things.

Although our goals are ambitious and require much hard work ahead of us, by working together, we will achieve our vision for healthy and resilient communities where Nunavummiut can build their families and homes for years to come.

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