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Building *Nunavut* Together
Nunavut iuqatigiingniq
Bâtir le *Nunavut* ensemble

Budget 2024-25

Fiscal and Economic Indicators

Department of Finance

Government of Nunavut

February 2024

About This Document

The Department of Finance prepares the Fiscal and Economic Indicators using the latest data available at the time of writing, a few weeks ahead of the official release of the GN Budget. Some information may change during the intervening period. This document may differ slightly from other government documents, due to rounding. If you have questions about the data we use, please contact us at info@gov.nu.ca.

Key Fiscal Indicators

The following describe the fiscal situation of the Government of Nunavut (GN). Figures are generally expressed in millions (\$M) and billions (\$B) of dollars, and include calculations of year-over-year change measured in percent (%) or percentage points (p.p.). Totals are subject to rounding. Unless otherwise noted, we measure change against last year's Revised Estimates rather than Main Estimates. Similarly, this document presents figures from core or 'non-consolidated' government operations, unless otherwise described. When used, 'f' denotes forecast, 'p' preliminary, 'r' revised, and 'na' not available.

Revenues

Total Revenues **\$2,974.5**
2024-25; non-consolidated +4.7%

Total revenues are the sum of all financial resources the GN raises and receives to fund its operations, investments, and other expenses. The GN expects to generate \$2.97 B in 2024-25 through federal transfers, revenues from third-party agreements, taxes, and other own-source revenues, including revolving funds and prior-year recoveries. This marks a 5% or \$132 M increase from the \$2.84 B revised forecast for 2023-24, reflective of healthy support from the federal government and a growing tax base.

Federal Transfers **\$2,237.6**
2024-25; GN Finance +6.4%

The GN receives fiscal transfers from the Government of Canada through various funding agreements and legislated arrangements. The largest of these, Territorial Formula Financing (TFF), will provide \$2,109.5 M in 2024-25, up a healthy 7% from last year. TFF is an annual unconditional 'no strings attached' payment that recognizes territories, with our small economies and narrow tax bases, are not able to raise sufficient revenue on our own to provide public services comparable to elsewhere in Canada. Other federal transfers include the Canada Health Transfer (\$52 M; 10% of total health spending), Canada Social Transfer (\$17 M), carbon levy (\$10 M), and a number of other arrangements through Health, Justice, and Family Services. Together, TFF and other federal transfers make up 75% of total GN revenues (for comparison, in New Brunswick this number is around 36% and BC 16%).

Revenues From Third-Party Agreements **\$431.3**
2024-25; GN Finance -0.6%

The GN receives revenues from the federal government (\$427 M or 99%) and other organizations (\$4 M or 1%) through agreements that set out specific requirements about how the GN must spend the money. These 'strings attached' revenues are different from revenues over which we have full control and can spend freely (e.g. transfers, taxes, etc.). The GN is budgeting to receive roughly \$431 M from third-party sources in 2024-25, 55% of which will go to O&M deliverables and 45% to capital projects. Third-party spending will be virtually unchanged from last year, as the federal government's post-COVID cost controls begin to take effect. The Main Estimates and Capital Estimates include appendices that list the latest agreements, though the largest are Non-Insured Health Benefits (\$131 M), the Nunavut Health Wellness Agreement (\$23 M), support for the Nunavut Recovery Centre (\$20 M), the Early Learning & Child Care (ELCC) Agreement (\$15 M), and Official Languages Agreement (\$10 M). Third-party revenues tend to be difficult to predict, as they are based on the funding choices, budgets, and timelines of external funding organizations. Additional agreements may be signed later in the year.

Taxes **\$170.5**
2024-25; GN Finance +5.8%

The GN expects to raise over \$170 M in taxes in 2024-25, or \$9.4 M more than what we currently expect in 2023-24 (+6%). Personal income (\$40 M) and payroll (\$44 M) taxes will be the largest contributors, both of which depend on the quantity and quality of jobs and wages in the territory. Fuel tax (\$22 M) is expected to grow as well, bouncing back from a slower-than-expected 2023-24. Taxes on tobacco (\$24 M, with another \$0.3 M in cannabis tax revenues) should hold steady, while property (\$16 M) may rise slightly. So too should corporate income tax (\$21 M), which depends on the profits of incorporated firms. Together, taxes are expected to make up 6% of the GN's total revenues, the same value as last year. Tax revenue across provinces and territories grew by 10% in 2022-23 (the most recent year available), a strong rebound from COVID. While a slowing national economy and higher borrowing costs on heavy COVID-induced debt burdens will test public finances, Canadian governments managed to improve their fiscal outlooks in 2023-24. 2024-25 will be a good test of whether this fiscal discipline (and good economic fortune) can continue.

Revenues	Main Estimates	Revised Estimates	Main Estimates	Actual
	2024-25	2023-24	2023-24	2022-23
TFF and Other Federal Transfers	2,237.6	2,102.1	2,112.9	1,993.1
Revenues From Third-Party Agreements	431.3	433.9	418.1	323.7
Taxes	170.5	161.1	165.3	150.4
Revolving Funds	54.4	42.7	42.7	44.7
Other Own-Source Revenues	66.7	88.5	86.2	66.0
Prior-Year Recoveries	14.0	14.0	13.0	16.0
Total Revenues	2,974.5	2,842.3	2,838.2	2,593.9

	2024-25	2023-24(r)	2023-24	2022-23
Personal Income Tax	39.6	38.1	34.0	27.8
Corporate Income Tax	20.9	18.7	24.8	22.7
Payroll Tax	44.3	42.3	43.2	41.1
Tobacco Tax	24.0	23.5	22.1	23.5
Fuel Tax	21.9	19.7	22.8	17.8
Property Tax	15.9	15.1	14.8	14.4
Insurance Tax	3.6	3.4	3.4	3.1
Cannabis Tax	0.3	0.3	0.2	-
Total	170.5	161.1	165.3	150.4

Territorial Tax-to-GDP Ratio

3.0%

2024-25; GN Finance

no change

One way to measure both the sophistication of an economy and the relative burden of a tax regime is the government's tax take as a share of total gross domestic product (GDP). In Nunavut we forecast the 2024-25 share will stay unchanged at 3%, a low figure (Ontario's ratio is about 10%, while PEI's is roughly 15% and Alberta's 7%; federally the ratio is 10%) that reflects the territory's small tax base and the high level of federal transfers that sustain government operations.

Revolving & Other Own-Source Revenues

\$121.1

2024-25; GN Finance

-7.7%

The GN generates revenue in a number of ways aside from taxes. In 2024-25, for example, we expect to collect \$21.3 M in rent from GN employees in staff housing, and expect to collect another \$45.4 M from a wide variety of miscellaneous revenues (down \$21.8 M from last year, as we expect fewer cash investments to come due). Examples of revenues in this 'other' category include money collected from licensing and service fees, penalties and fines, insurance proceeds, and interest proceeds.

The GN also raises revenue through its revolving funds, in particular the Petroleum Products Division (PPD; \$41.0 M, net of goods sold worth \$251.2 M; PPD's net revenues are expected to rise by \$10.6 M) and Liquor and Cannabis Commission (NULC; \$13.4 M, up \$1.1 M and net of goods sold worth \$7.9 M). Revolving funds hold money collected from user charges (such as fuel or liquor sales), up to a limit specified in law (\$15 M in net assets for the NULC, for example). Net profits are paid into the Consolidated Revenue Fund (CRF), much like a dividend.

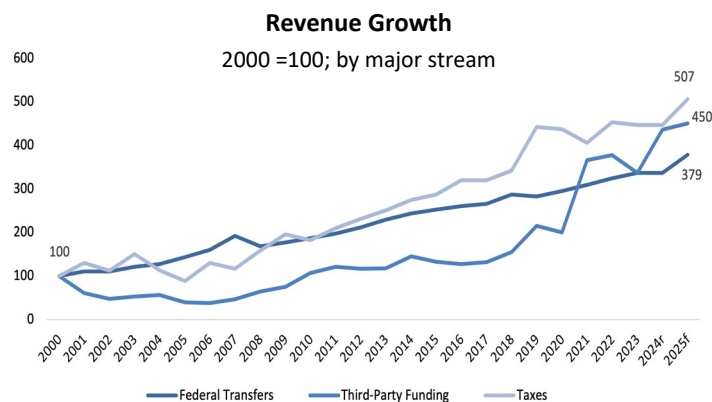
Prior-Year Recoveries

\$14.0

2022-23; GN Finance

no change

The GN expects to report roughly \$14 M in prior-year recoveries in 2024-25. These revenues are earned when the GN recovers money after spending it; for example, when the GN is provided a refund for the purchase of goods subsequently returned.



Carbon Pricing: On April 1, 2024 the price of carbon in Canada will rise from \$65 to \$80 per tonne. While the federal government committed in October 2018 to exempting fuel consumed in the territory for aviation and public electricity generation, gasoline and diesel used by Nunavummiut to run their vehicles and warm their homes is subject to the levy. Because Nunavut residents and businesspeople have far fewer options to lower their fossil fuel use than other Canadians, the GN created the Nunavut Carbon Credit to make carbon pricing more affordable. Payments are issued directly to Nunavummiut (worth \$308 per person in 2024) by the Canada Revenue Agency, paid quarterly—similar to other rebate programs like the GST. In October 2023 the Prime Minister announced heating oil would be exempted from 2023 to 2027, bringing further relief to Nunavummiut.

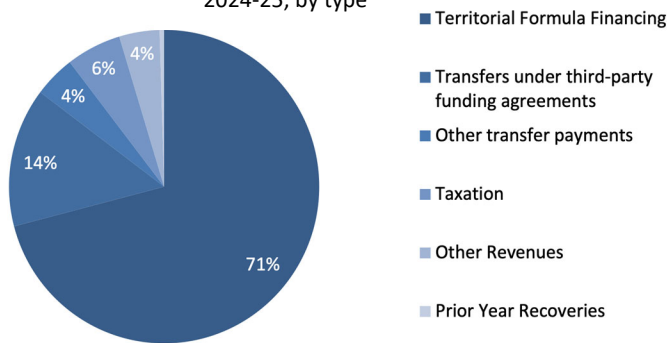
Revenue Commentary

2024-25; GN Finance

- On July 1, 2024 the CRA will begin collecting Nunavut tax on vaping products sold in the territory. Rates are set at \$1 per 2ml of vaping product (and \$1 for each 10ml after the first 10ml) and will be levied in addition to the (currently identical) federal rates. While revenues are expected to be modest, taxes are an important tool in the fight against vaping. Statistics Canada reports that almost half of Canadians aged 15 to 19 have tried vaping, reinforcing concerns about the harmful effects of vape products—as well as the potential to undo the progress made in reducing youth smoking rates.
- A liquor tax on all alcohol consumed or imported into the territory was introduced into the Assembly in May 2022. The tax received three readings and became law in spring 2023. It has yet to be put into force, however, as the government finalizes rates and other administrative matters.
- Property tax mill rates for the General Taxation Area (GTA)—all properties outside of Iqaluit—will be set for the 2024 tax year, with Tax Notices issued to all property owners by early fall. Mill rates were increased by 10% in 2023. This year properties will be subject to General Assessment, a comprehensive revaluation of their taxable value that takes place every 10 years.

Total Revenues

2024-25, by type



Expenditures

Departmental Expenditures

\$2,490.3

2024-25; GN Finance

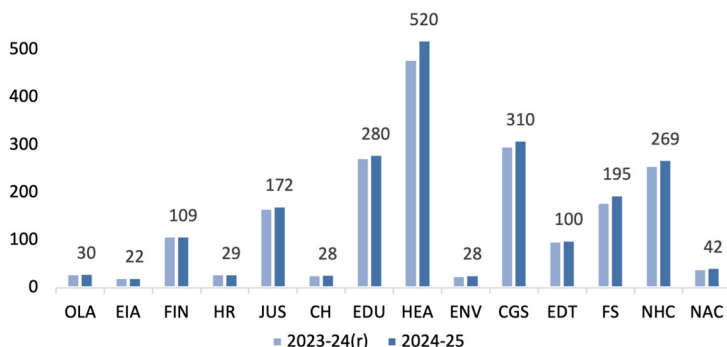
-2.2%

The GN is budgeting \$2.50 B worth of departmental spending in 2024-25, down 2% from last fiscal year. This is the total amount the GN seeks to appropriate through the Capital Estimates and Main Estimates. Of this, \$2,134.6 M will go to operations and maintenance (O&M) and \$355.8 M to new capital projects.

For **operations and maintenance (O&M)**, the GN is appropriating \$98 M more for O&M than the \$2,036 M included in the 2023-24 Revised Estimates (5%). Most of this net increase will come because of higher spending by the Departments of Health (\$41 M, or 9%) and Family Services (\$16 M, also 9%). Housing (NHC budget up \$12 M, or 5%) and community services (CGS up \$12 M, or 4%) will be key drivers as well. Going forward, health and education are likely to remain serious cost challenges for all Canadian jurisdictions, including Nunavut. A young population and aging Nunavummiut ensure growing demand for schools and health care—to say nothing of the price inflation recently witnessed at rates not seen in decades. For all non-Health and Education spending, we expect total O&M growth of 4%.

O&M Spending

'24 Revised vs '25 ME; \$M



*NHC nets out public rental recoveries and CMHC housing contributions from its O&M total.

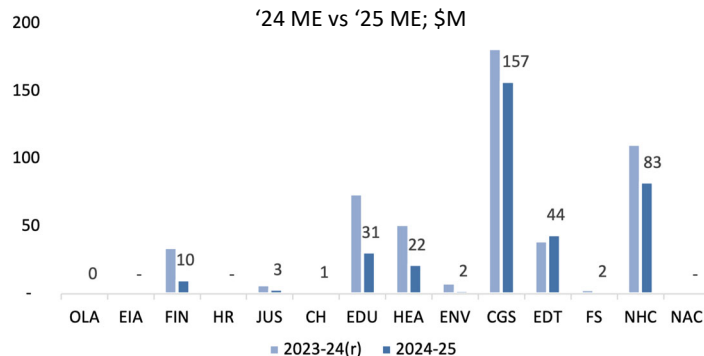
In addition to the capital projects mentioned below, the GN is introducing the following major spending initiatives in 2024-25:

- **\$7.7 M** to help Local Housing Authorities cover the costs of additional housing.
- **\$7.5 M** to enhance support to Nunavummiut in need of safe and supportive housing.
- **\$6.0 M** annually to operate the new Rankin Inlet Long Term Care facility.
- **\$3.6 M** to local governments to hire more staff to deliver municipal programs and services.
- **\$3.1 M** to hire 31 new positions at the Department of Family Services, with child protection as the top priority.
- **\$3.0 M** to improve security at territorial health centres.
- **\$2.2 M** to fight food insecurity.
- **\$1.9 M** to enhance support for homeless shelters.
- **\$1.4 M** to hire more RCMP officers.
- **\$1.1 M** for the Nunavut Arctic College to expand its social worker program.
- **\$0.9 M** to enhance operations at Nunavut's territorial parks.
- **\$0.8 M** to support the First Nations and Inuit policing program.
- **\$0.6 M** in new funding to help eliminate harassment, abuse, and discrimination in sport.

In terms of **capital**, we forecast \$356 M in new spending in 2024-25 (up 5% from what was appropriated in the 2023-24 Capital Estimates). While this figure appears to be a sharp decline from the \$511 M ultimately appropriated through the Capital Estimates and Supplementary Appropriations in 2024-25 (Revised Estimates, -30%), capital carryovers—capital spending that is pushed to future years, largely due to construction delays associated with the difficulty of building in the Arctic, but now also due to supply chain shortages and a national scarcity of construction labour—mean these two numbers are not comparable. The revised 2023-24 figure, for example, includes not only the \$338 M appropriated for new capital in the 2023-24 Capital Estimates, but also net \$170 M 'carried over' from uncompleted 2022-23 projects. The remaining \$3 M went to supplementary (that is, projects approved after the Capital Estimates were introduced) capital projects. We expect a similar amount for capital carryovers in 2024-25.

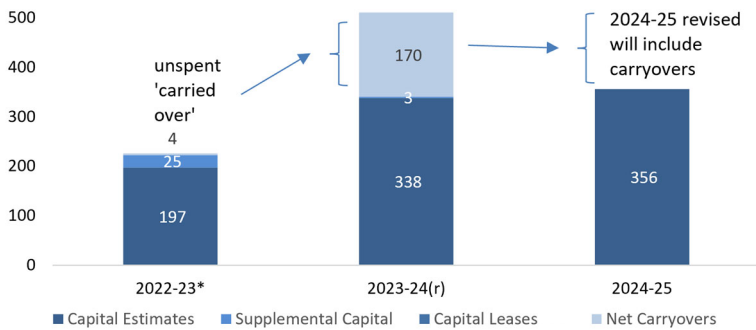
Capital Spending

'24 ME vs '25 ME; \$M



Carryovers in Action

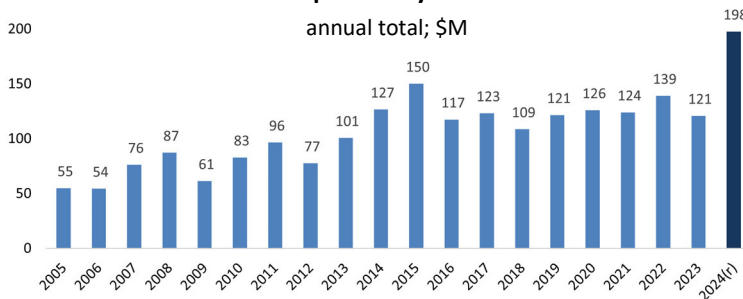
non-con \$M, by accounting period



Carryovers are authorized through supplementary appropriations, generally early in the new fiscal year.

Capital Carryovers

annual total; \$M



2024-25 to 2028-29 Capital Plan

Each year, the GN asks the Legislative Assembly for funds to build public infrastructure (appropriations made through the Capital Estimates), but plans its capital spending needs over many years, in a document known as the Capital Plan.

This plan includes funding allocations for planning (preparatory activities like sites visits, consultations, and geotechnical surveys to identify whether a proposed project is necessary or even feasible; the money is paid from a general funding envelope administered by CGS), design (architectural drawings and other plans), construction (building materials and labour), and other capital spending (including housing, small/minor capital, lifecycle repairs and maintenance, IT equipment, fire trucks and other vehicles, etc.). A typical project requires 1 year to design, 2 years to build, and 1 year of warranty work.

Note that since the onset of COVID-19, governments worldwide have faced escalating challenges in executing capital projects, with costs dramatically increasing due to disrupted supply chains and increased material prices. Shortages of skilled labour have only compounded these difficulties, significantly prolonging project timelines and complicating logistical planning.

2024-25 to 2028-29 Capital Plan

Approved November 9, 2023

Capital approved 2024-25: \$359.6 M in projects for the first year of the plan, including \$157.1 M for new community infrastructure (CGS).

Capital planned until 2028-29: \$1,424.9 M in capital projects proposed over the five years of the plan.

Total value of projects in plan: \$2,107.6 M in total capital projects linked to the plan (including all prior and future spending outside the five-year plan).

Projects under construction: 44 (up from 26 in 2023-24).

% devoted to housing: 23% of the 2024-25 capital appropriation (\$82.7 M) is to support housing and related programs.

New Capital Projects

2024-25 Capital Estimates; GN Finance

The Plan includes money in 2024-25 to bring the Qikiqtarjuaq Health Centre and Arctic Bay Wildlife Office replacement projects into the design stage. It also introduces the following major new capital project:

- **Kingait Wastewater Facility**
(Start: 2024-25 Proposed Finish: 2026-27)

Current Capital Projects

2024-25 Capital Estimates; GN Finance

The GN will work in 2024-25 to finalize the new 24-bed **long-term care** facility in **Rankin Inlet**.

Six **air terminal buildings** are being replaced or expanded through the National Trade Corridors Fund and GN support.

Further work will be done on the **Nunavut Recovery Centre**, a project built in partnership with the federal government. The aim for completion is 2025-26.

Several **water** and **wastewater treatment plants** will undergo work in 2024-25, including in Rankin Inlet, Sanikiluaq, Arctic Bay, Grise Fiord, and Pond Inlet.

Two **schools** will undergo work in 2024-25: Taloyoak's new high school and Coral Harbour's Sakku school major renovation.

Kugluktuk's Ilavut Centre, run by the Department of Justice, will undergo further construction.

Work continues on the GN's new **Enterprise Resource Planning (ERP)** system, a comprehensive software platform integrating and enhancing the government's various finance, human resources, and other organizational functions.

The GN continues to work on bringing a **fibre optic** telecommunications cable to the territory.

The NHC will receive \$83 M in 2022-23 to support its capital **housing** activities, including the building and improvement of public and staff housing; mold remediation; local housing organizational support; and homeowner maintenance and purchase programs. The NHC combines these territorial investments with additional federal support.

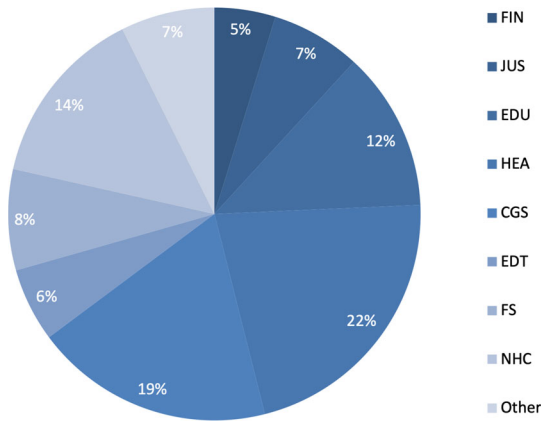
Expenditures

	Main Estimates 2024-25	Revised Estimates 2023-24	Main Estimates 2023-24	Actual 2022-23
O&M Expenditures	2,134.6	2,036.2	2,022.1	1,925.0
Capital Expenditures	355.8	**510.5	338.0	197.4
Departmental Expenditures	2,490.3	2,546.7	2,360.1	2,122.3
Net Change in Capital Assets*	(80.2)	(217.0)	(25.0)	(5.2)
Expenses Related to Revolving Funds*	54.1	43.3	43.2	51.2
Expenses Under Third-Party Agreements	431.3	433.9	418.1	323.7
Operations Expenses	2,895.5	2,806.9	2,796.4	2,492.0
Supplementary Requirements	100.0	50.0	50.0	-
Total Projected Expenses	2,995.5	2,856.9	2,846.4	2,492.0

*Projected values for Net Change in Capital Assets and Expenses Related to Revolving Funds are not published elsewhere. We publish final figures each year as part of Schedules B.1 and B.3 of the GN's non-consolidated financial statements. Net Change in Capital Assets is equal to capital spending minus current-year carryovers minus net transfers to capital assets plus amortization.

**This includes a net \$170 M in uncompleted capital projects 'carried over' from 2022-23, increasing the 2022-23 Main Estimates number through supplementary appropriations. We can expect a similar amount to be carried into 2024-25 from 2023-24. In this way the Revised 2023-24 figure includes much more appropriated capital than will actually be spent.

Departmental Expenditures
2024-25, O&M + capital, by department



On this basis, the GN expects (assuming no additional third party agreements) operations expenses to total \$2.90 B in 2024-25, a year-over-year increase of 3%—modest growth considering global inflation and supply chain pressures. DBRS estimates that in recent (non-COVID) years total provincial spending growth has varied from roughly 2% to 6%.

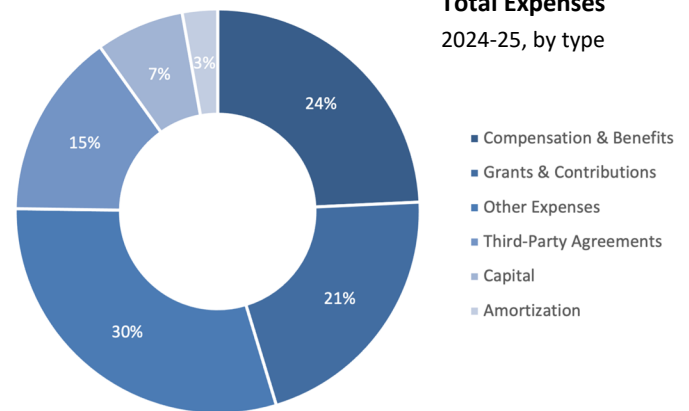
Operations Expenses
2024-25; non-consolidated

\$2,895.5
3.2%

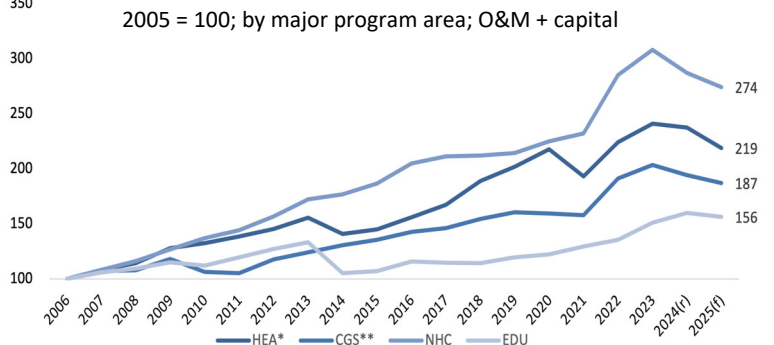
Operations expenses build on core departmental expenditures (O&M + capital) by adding other expenses not part of the GN's appropriations to departments. These include expenses related to operating the liquor, petroleum, student, and public stores revolving funds (\$54.1 M), as well as spending incurred under third-party agreements (\$431.3 M). As we spend this money on behalf of external organizations, we do not appropriate it in precisely the same way as departmental spending.

Operations expenses also include the net change in capital assets, an adjustment related to how the GN accounts for the acquisition and consumption of capital assets, repayments on capital leases, and amortization. This adjustment fluctuates depending on capital appropriation plans and how quickly projects are completed. As the GN often carries over capital appropriations from one fiscal year to the next (recognizing that approval for multi-year capital projects extends until the project is complete, even if we do not spend money in a year as planned), this adjustment is finalized only when we prepare year-end financial statements.

Total Expenses
2024-25, by type



Spending Growth



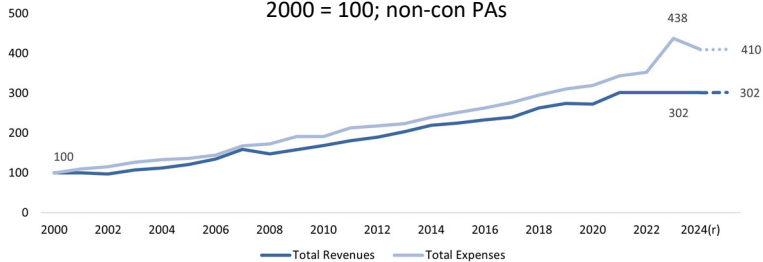
Operating Surplus (Deficit)

Summary of Operations

	Main Estimates 2024-25	Revised Estimates 2023-24	Main Estimates 2023-24	Actuals 2022-23
Total Revenues	2,974.5	2,842.3	2,838.2	2,593.9
<i>subtract:</i> Operations Expenses	(2,895.5)	(2,806.9)	(2,796.4)	(2,492.0)
<i>subtract:</i> Supplementary Requirements	(100.0)	(50.0)	(50.0)	-
Projected Operating Surplus/(Deficit)	(21.0)	(14.6)	(8.3)	101.8

Expenses vs Revenues

2000 = 100; non-con PAs



Financial Performance

Operating Deficit

2024-25; GN Finance

(\$21.0)

+\$6.4 M

The GN currently projects an operating deficit of \$21 M in 2024-25, equal to 0.7% of revenues. This is the total amount the GN expects to overspend, though the final figure will depend on how much of the contingency fund remains unused at the end of March 2025, how much money departments have left to lapse or capital to carry over at the end of the year (which may be higher than normal because of construction and other supply chain-related disruptions), and the closing accounting charge related to capital assets. The final number will be made available in the 2025 Public Accounts.

Supplementary Requirements

2024-25; GN Finance

\$100.0

+\$50 M

The GN is setting aside \$100 M for contingencies and unallocated funding in 2024-25. This funding can be used to help cover spending overruns by departments, and to add some fiscal cushion in case of revenue shortfalls, unforeseen events, and emergencies. Departments will often lapse funding and contingency funding can go unspent. Nevertheless, assuming the GN spends all \$100 M in contingencies (a number up \$50 M compared to before the pandemic, due to enduring fiscal uncertainty surrounding inflation and capital cost pressures), we are projecting total expenses will come to \$2,995.5 M in 2024-25, up 5% from the revised figure of \$2,857 M in 2023-24.

Total Spending per Capita

2024-25; GN Finance

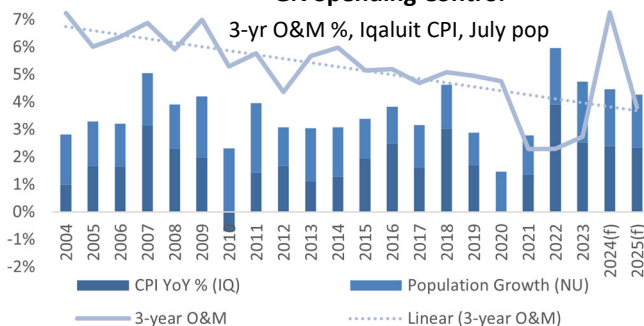
\$70,858

2.7%

Climate, geographic remoteness, and a small, monopolistic commercial market make the provision of public services in Nunavut more costly than in the rest of Canada. Even so, we track spending carefully to ensure the GN does not spend beyond its means. One measure is to divide total spending by the territory's population. We expect this *per capita* figure to grow roughly 3% in the upcoming fiscal year, to just under \$71,000 (the figure in a typical province like Manitoba in a non-COVID year is \$13,000). For comparison, the GN is expecting to raise \$4,033 per capita in taxes (+4% from the previous year). Also worth measuring is public spending as a percentage of GDP. We expect its share of the territorial economy will decline from 54% in 2023-24 to 53% in 2024-25 (compared to 24% in, for example, pre-pandemic Manitoba, according to DBRS).

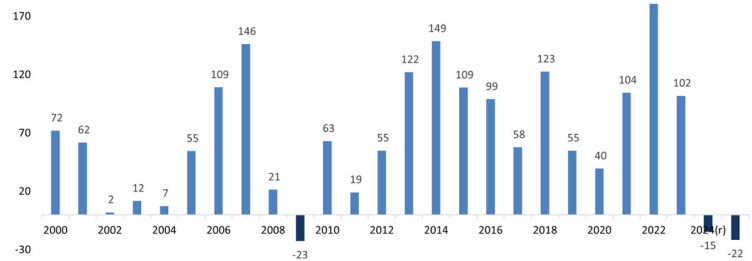
GN Spending Control

3-yr O&M %, Iqaluit CPI, July pop



Budgetary Balance

non-consolidated; \$M



Projected Deficit-to-GDP Ratio

2024-25; Non-consolidated

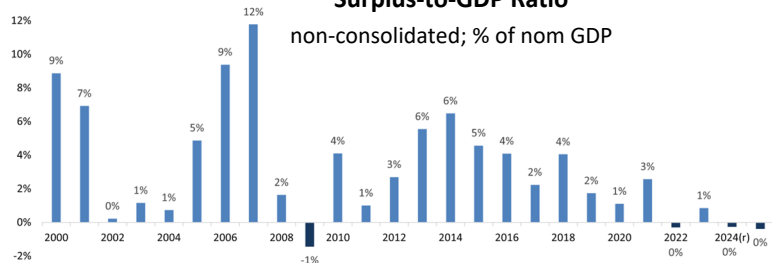
-0.4%

no change

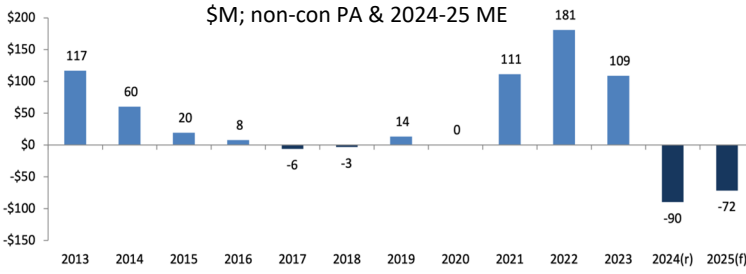
We compare the size of the GN's projected operating surplus to the size of the economy (measured by nominal GDP) to help understand the government's fiscal health. A positive number indicates the government is in surplus, while a negative number indicates the government is spending more than its revenues. Assuming the GN fully spends its \$100 M contingency and revenues grow as forecast, we expect the GN's non-consolidated deficit-to-GDP ratio will be less than -1% in 2024-25, the same result as expected for 2023-24. Federally, the Parliamentary Budget Officer projects a 2024-25 deficit equal to -1.1% of GDP (after -1.6% in 2023-24), largely due to the government's difficulty in recovering from extraordinary COVID-related spending.

Surplus-to-GDP Ratio

non-consolidated; % of nom GDP



Change in Net Financial Assets



Net Financial Assets 2024-25; non-consolidated

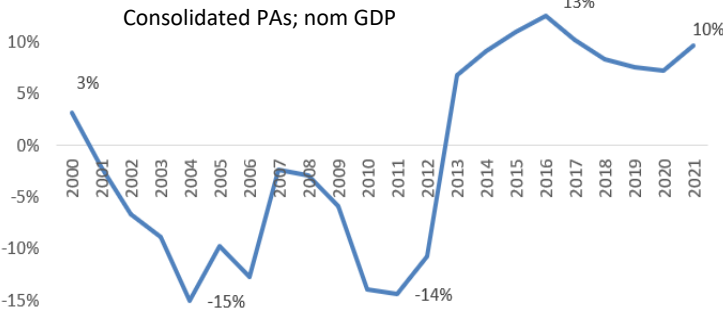
\$470.6
-13.2%

Net financial assets (or debt, when negative) measures the difference between how much the GN owes (our liabilities) and how much in liquid assets we have on hand to pay off these debts (our financial assets). This is why the measure is—when negative—called a government’s ‘future revenue requirements’ (any debt will need at least an equal amount of revenue if it is to be paid off in the future).

Changes in net financial assets are tracked in the Main Estimates. This statement records write-downs and net gains from the sale of capital assets. It also backs out accounting allocations, so the total reflects a cash rather than accrual position.

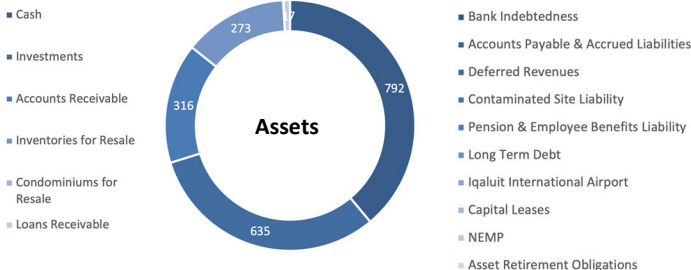
On top of the GN's operating deficit of \$21.0 M, we expect to report a downward change to tangible capital assets worth \$49.3 M, based on accounting adjustments for capital acquisition (-\$133.0 M), write-downs (\$2.1 M), and amortization (\$81.6 M). As a result of these and a few other smaller adjustments, the GN expects to decrease our net financial asset position by \$71.7 M. This will leave us with net assets at the end of the year worth \$470.6 M, equal to 8.4% of GDP (-1.9 p.p.).

Net Financial Assets-to-GDP



Other useful measures of the GN’s economic health are net financial assets as a share of total assets (33% in 2024-25) and net financial assets as a share of O&M expenses (22%).

Financial Assets & Liabilities consolidated 2022-23; \$M



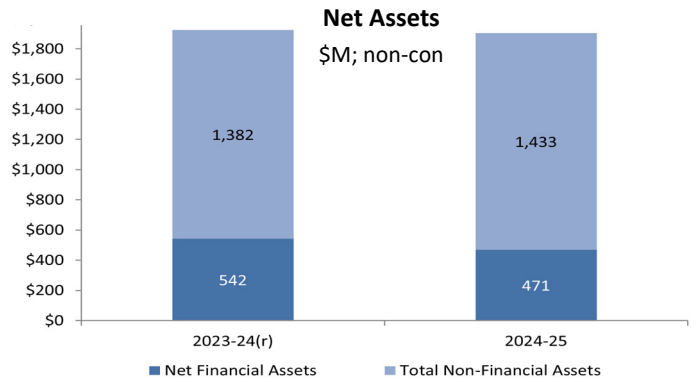
Net Assets ('Accumulated Surplus')

\$1,903.5

2024-25; non-consolidated

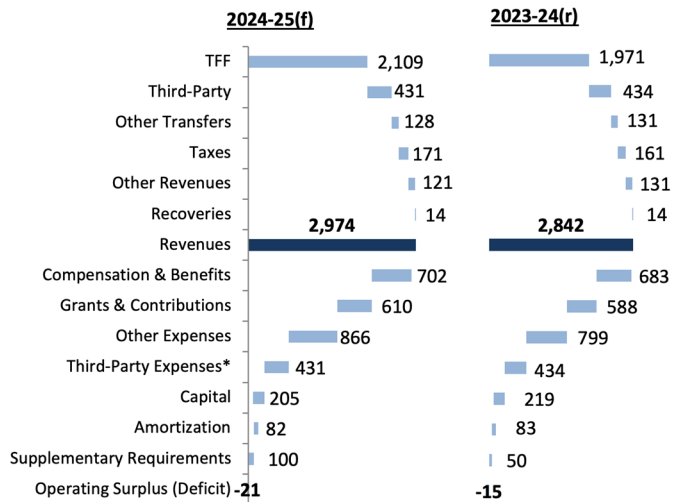
-1.1%

Net assets are the total value of the GN’s recognized economic resources. This figure considers the worth of all GN assets, both financial (like cash) and tangible non-financial (such as buildings, equipment, and vehicles), then subtracts the GN’s total liabilities. The total reflects all past operating surpluses and deficits, as well as any adjustments due to re-measurement. We forecast the GN’s net assets to decrease by \$21 M in 2024-25, in line with our operating deficit. We currently expect to end 2023-24 with net assets of \$1,924 M, and so project a decrease to \$1,904 M in total assets by the end of 2024-25 (equal to 34% of GDP). Most of this net value comes from the GN’s tangible non-financial assets like health centres, schools, and tank farms, which means that while these assets make the GN’s delivery of services possible, it would be difficult to realize this value through sale on an open market.



GN Financial Statements—Waterfall

non-consolidated; \$M



Debt

Interest-to-Revenue Ratio (%)

2024-25, non-consolidated; GN Finance

0.7%

no change

The interest-to-revenue ratio, also known as the debt service cost ratio or ‘interest bite’, measures how much of GN revenues are taken up by servicing (both principal repayments and interest) the government’s non-consolidated debt (including capital leases and the NEMP). The combination of legislated debt restrictions, a history of low borrowing levels, a relatively high level of tied or third-party funding, and still-modest interest rates will keep Nunavut’s ratio under 1% (based on \$21.1 M in spending on interest and financing activities), no change from 2023-24. Nationally, the latest (pre-pandemic) figure is 7%—though this varies from 3% in BC to 12% in Newfoundland.

Total Government Borrowing

December 31, 2023; GN Finance

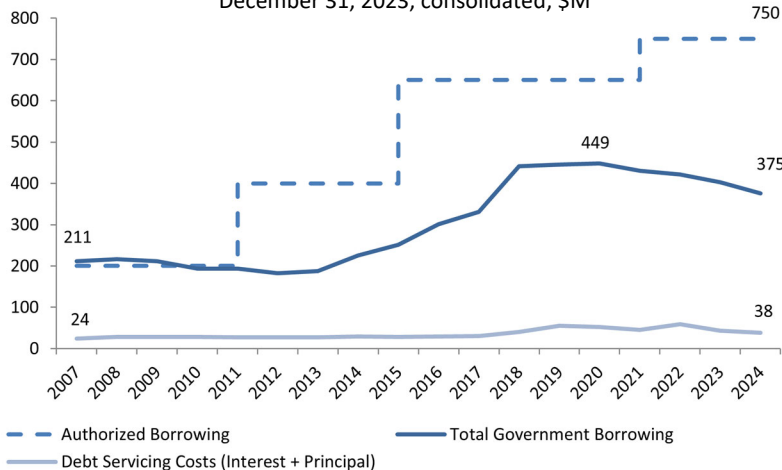
\$375.4

-6.7%

The Government of Canada limits how much debt territories can take on, including both actual borrowing and contingent liabilities. The GN’s legislated borrowing limit was increased by \$100 M in summer 2020 to \$750 M. As of December 31, 2022, total government borrowing was \$375 M (equal to 8% of GDP), leaving \$375 M in available borrowing room. The GN uses most of its borrowing room to guarantee loans and credit facilities extended to the Qulliq Energy Corporation (QEC, \$171 M), the Iqaluit airport project (\$146 M), and the Nunavut Housing Corporation (\$5 M). The rest is made up of GN obligations related to capital leases (\$37 M) and mortgages (none in 2024-25), and the Nunavut Energy Management Program (NEMP, \$16 M). Total borrowing is \$27 M lower than March 31, 2021, down almost 7%.

GN Authorized Borrowing

December 31, 2023, consolidated; \$M

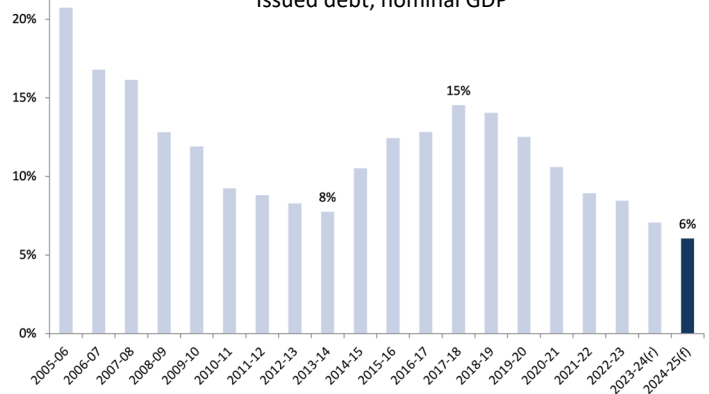


While QEC borrowing increased over the previous year, the continued reduction of capital lease and airport obligations led to a slight decline in overall debt. Going forward, the GN expects to spend \$19 M on interest and principal repayments for capital leases and make no payments for mortgages in 2024-25. Another \$2 M will be paid for the Iqaluit airport. Nationally, borrowing

has begun to slow as the economy recovers from the COVID-19 pandemic. The federal government, with its forecasted \$38 B in incremental 2024-25 borrowing, may see net debt-to-GDP increase slightly to 43% in 2025.

Gross Consolidated Debt-to-GDP

Issued debt; nominal GDP



Credit Rating

Dec 2023; DBRS

AA low

no change

A government’s credit rating is an evaluation of its credit risk, or how likely it will be able to pay back its debt in the future. DBRS Morningstar provides a yearly credit rating for the GN (as well as other governments within and outside of Canada). In December 2018 the GN was issued an AA low (with a stable trend) credit rating by DBRS, a rating subsequently confirmed each year since. This high score reflects the GN’s low risk of default. Assuming credit conditions do not change, the GN should expect to keep this rating as long as we maintain fiscal discipline. Nunavut’s first credit rating was issued in August 2012 by Moody’s; the rating they issued was Aa1.

Province/Territory	DBRS Credit Rating
Canada	AA high
BC	AA high
Saskatchewan	AA low
Alberta	AA low ⁺
Nunavut	AA low
Yukon*	AA low
NWT*	AA low
Ontario	AA low
Quebec	AA low
Manitoba	A high
New Brunswick	A high
Nova Scotia	A high
PEI	A
Newfoundland	A low ⁺

*Issued by other rating agencies, but converted to DBRS-type scoring. ⁺ or ⁻ indicate change (including outlook) since previous FEI.

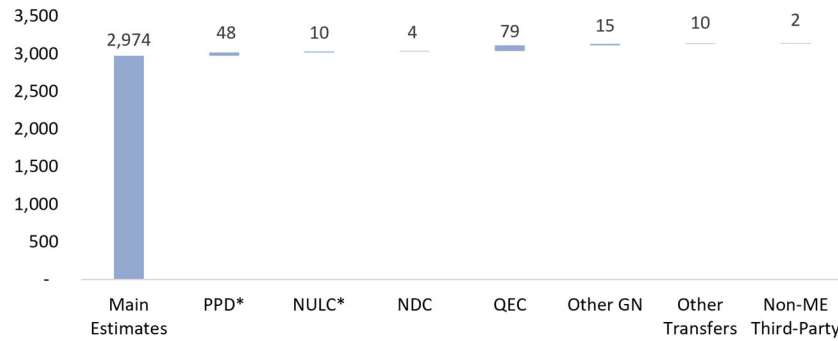
Canadian Fiscal Conditions: Canadian governments received a mix of news in 2023. On one hand, economic growth and tax revenues held relatively strong, improving federal, provincial, and territorial fiscal outlooks as the year went on. However, stubborn inflation and rising interest rates proved a persistent drag and just five provinces and territories are set to report surpluses in 2023-24. RBC estimates total federal, provincial, and territorial net debt will increase from \$1,429 B in 2019-20 to \$2,178 B in 2024-25. This debt hangover from COVID exposes governments to greater interest rate risk, though net debt-to-GDP ratios show this risk is uneven. While the provincial average of 29% is now slightly below the lead-up to COVID, the federal ratio remains well above its pre-pandemic value (31%, against a projection of 47% in 2023-24). This fiscal burden will continue to put pressure on federal finances for some time to come—something particularly daunting as the bulk of Canadian baby boomers reach retirement age around 2030, shrinking the tax base. Strong productivity growth or higher taxes will be necessary to offset these trends.

Our early forecast is for the following consolidated totals:

Revenues	\$3,142 M	Net Assets	\$3,471 M
Expenses	\$3,147 M	Net Fin Assets	\$504 M
Deficit	-\$24 M	Amortization	~\$19 M

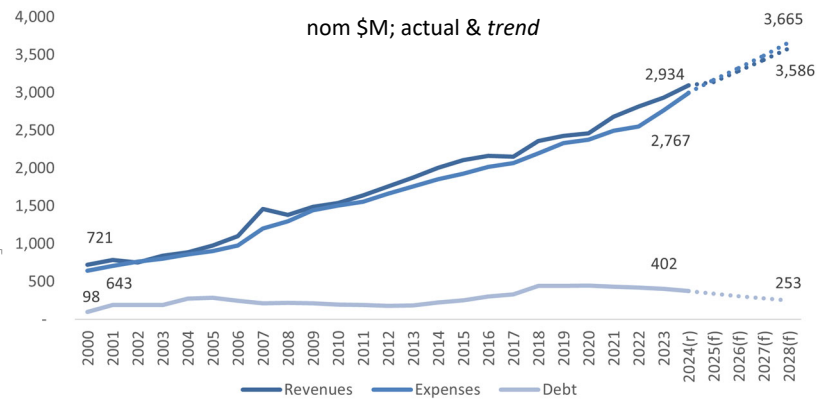
Consolidated Revenues

2024 ME; \$M. * = \$ > Cost of Goods Sold (CoGS)



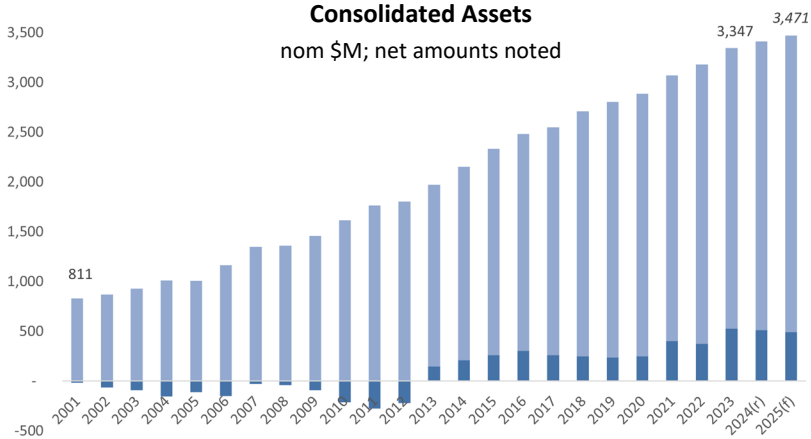
Consolidated Performance

nom \$M; actual & trend



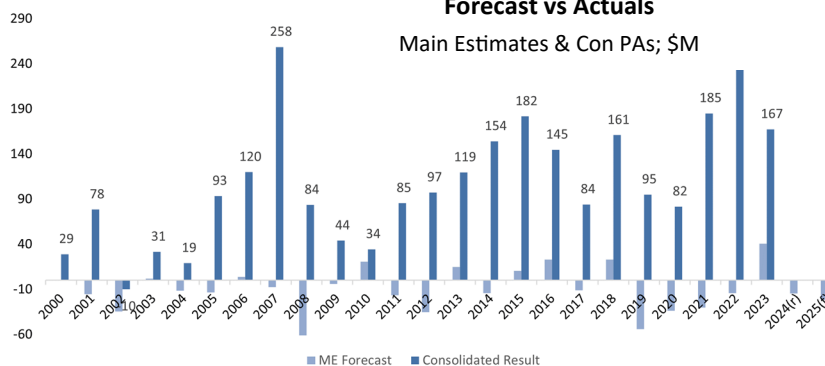
Consolidated Assets

nom \$M; net amounts noted



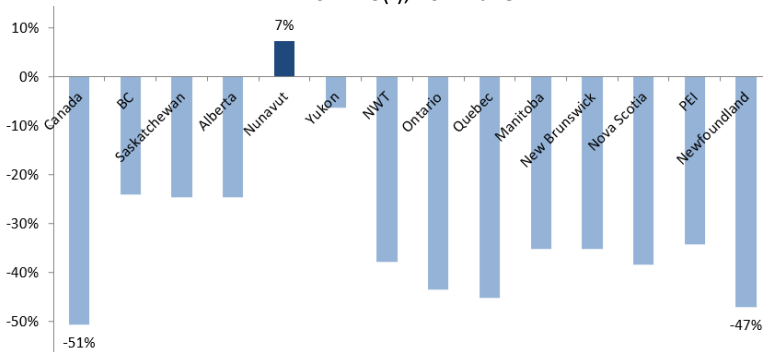
Forecast vs Actuals

Main Estimates & Con PAs; \$M



Net Financial Assets-to-GDP

2024-25(f); nominal GDP



Consolidated Reporting

Consolidated Deficit

2024-25; GN Finance

-\$24.0 M

-\$132.3 M

The Main Estimates present figures on a non-consolidated basis, as some public operations—such as those of QEC, the Nunavut Business Credit Corporation, and the District Education Authorities—are not voted on by the Assembly and therefore remain outside the appropriations process used by core government departments and funds. Even so, these activities are reported at the end of the year in the consolidated Public Accounts, which include adjustments to eliminate double-counting from budget transactions across government entities.

In addition to the Main Estimates, this year the GN will again submit a Consolidated Budget during the winter legislative session. This document provides a comprehensive financial look at all government and government-controlled entities, and will more accurately forecast the numbers ultimately presented in the consolidated end-of-year Public Accounts.

Key Economic Indicators

The following indicators provide insight into the current state of Nunavut's economy and illustrate how it has evolved over time. We look to these trends to evaluate policy and to forecast future economic developments. Caution is required, however, as no indicator will capture an economic phenomenon perfectly. Numbers are also subject to frequent revision by the GN Department of Finance (GN FIN), Statistics Canada (StatCan), the Nunavut Bureau of Statistics (NBS), and other agencies. 'Est' indicates estimate.

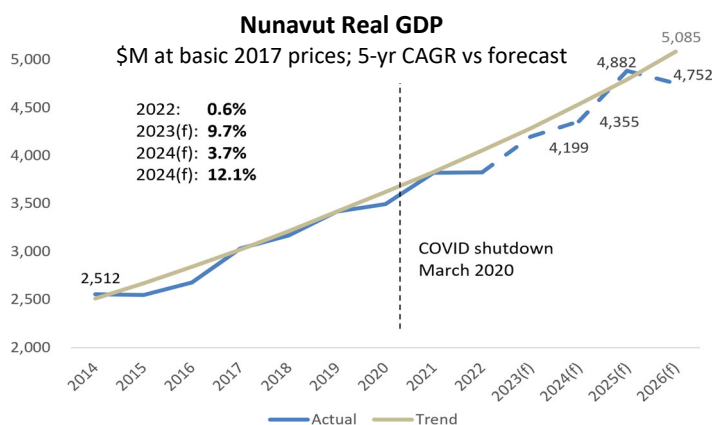
Nunavut's Economy

Nominal GDP **\$5,625**
2024 est; \$M (StatCan 36-10-0222-01 & GN FIN Jan '24) +6.1%

Nominal gross domestic product (GDP) measures the total market value of all goods and services produced in a region. It is the broadest measure of economic activity. Our latest forecast is that Nunavut's nominal GDP will reach \$5.6 B in 2024, up 6% from 2023 (which we estimate grew by almost 12%). Government spending and high commodity prices continue to encourage strong economic growth, even as inflation persists and growth remains modest in the rest of Canada. Gold output at Agnico Eagle's Meadowbank (420,000 oz target) and Meliadine (412,000 oz) mines is expected to continue to bounce back from their COVID disruption. Resumed production at the company's Hope Bay site is an upside risk to the forecast. Baffinland's Mary River iron mine continues to produce at roughly 6 M tonnes per year, though the site's long-term expansion plans remain in financial and regulatory flux. Meanwhile, the territory's hard-hit airline, tourism, recreation, and restaurant sectors continue to recover, though serious challenges—including labour and housing shortages—remain.

Real GDP **\$4,355**
2024 est; \$M 2017 (36-10-0222-01 & GN FIN Jan '24) +3.7%

Real GDP adjusts for inflation by reducing nominal GDP growth by the rate at which prices for goods and services grow from one year to the next, leaving prices constant. Taking price changes out of GDP estimates provides a more accurate picture of how a territory's actual production or 'real income' evolves over time. We expect Nunavut's real GDP will grow by 4% in 2024 (down from 10% in 2023), coming in at roughly \$4.4 B. Longer-term, Nunavut's economic prospects remain



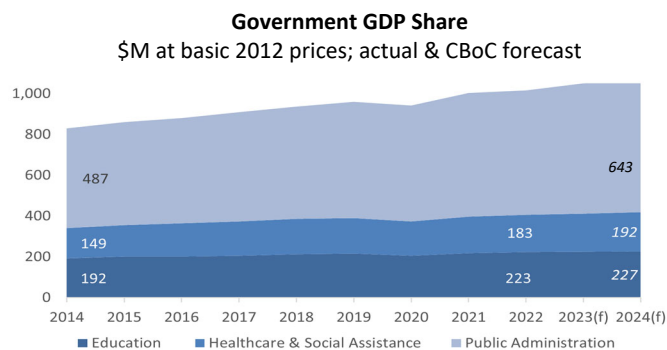
tied to both the territory's vast mineral potential—and its accompanying dependence on global commodity prices—along with workforce education and skill development. Continued investment in crucial infrastructure will also enhance the territory's economic potential.

Real GDP Per Capita **\$103,016**
2024 estimate; \$ 2017 (GN FIN Jan 2024) +1.6%

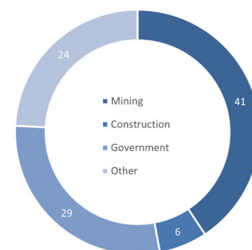
Real GDP per capita is calculated by dividing price-adjusted output by total population. We track output per person because average wealth can be a useful guide to living standards (though it does not speak to how wealth is distributed amongst the population; nor does it mean all of the wealth produced actually stays in the territory). It is also a strong indication of whether economic growth is keeping pace with our territory's rapid population growth. Under current population and GDP forecasts, we expect real GDP per capita to grow by almost 2% in 2024.

Government Share of GDP **24.9%**
2024 estimate; % share (CBoC) -3.1 p.p.

Government share of GDP is the total economic activity of the public administration, education, health care, and social assistance GDP sub-sectors divided by the real GDP of the area it governs. The public sector plays a large role in Nunavut's economy: we forecast it to account for just under 25% of all goods and services produced in 2024. While this figure is an improvement from the estimate for 2023, it remains high. The economic activity of the federal government, for example, generally constitutes less than 20% of the national economy. Government looms large in the Nunavut economy, not only because of the high cost of providing public services in the far north, but also because the territory's private sector is typically quite small. One exception is mining, which accounts for roughly 1/3 of the economy—the industry's highest share in Canada. A falling share of government GDP generally indicates economic maturation and diversification, which is welcome.

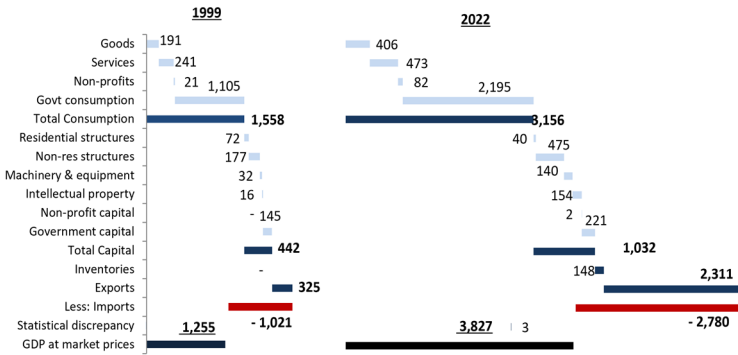


GDP by Sector
% of total; StatCan 36-10-0400-01; 2020



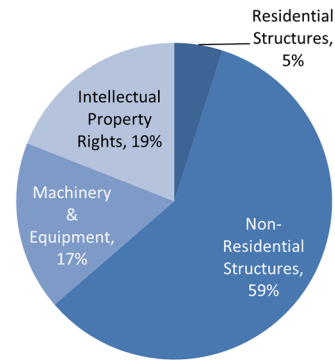
GDP Composition

StatCan 36-10-0222-01; chained 2017 \$M



Share of Business Investment in Nunavut, 2022

StatCan 36-10-0222-01



Business Investment in Capital

\$809 M

2022 (\$M 2017); StatCan 36-10-0222-01

-20.0%

Business investment in capital refers to the total private-sector capital investment in a given year. Firms invested \$0.8 B in Nunavut in 2022 (the latest year with available data). Most of this went to large investments in non-residential structures (down 19%, to \$475 M), machinery and equipment (down 48%, to \$140 M), and intellectual property (up 31% as mineral exploration rebounds, to \$154 M), driven in large part by the natural resources sector. Investment in residential structures was unchanged (at \$40 M), evidence that the territory's housing supply remains tight. On top of this business investment, \$223 M was spent on government and non-profit projects, bringing total 2022 capital spending in the territory to \$1,032 M (-19%).

While mining's cyclical nature makes capital investment in Nunavut inherently unstable, the territory's capital prospects look bright. Both government and industry have recently made large infrastructure commitments—something crucial, as the lack of infrastructure is one of the territory's chief barriers to further investment and growth.

Major Capital Projects

- **Back River Gold Mine:** construction is underway at B2Gold's \$800 M Goose project, a combination pit and underground complex that may see upwards of 300,000 oz in annual production, starting in 2025.
- **Nunavut 3000 Housing Plan:** NHC and NCC Development have announced plans to build 3,000 homes by 2030. This strategy includes building a range of housing types across the territory, with funding coming from the GN, federal government, and the private sector.
- **Nunavut Recovery Centre:** Breaking ground in Iqaluit in August 2023 and costing \$83.7 M, the territory's first addictions treatment and recovery centre looks to open by 2025.
- **Rankin Inlet Utilidor Replacement:** preparations are being made to replace the community's piped water and sewer distribution system, a network of pipes installed in the 1970s and currently subject to low water pressure, line breaks, and freezing.

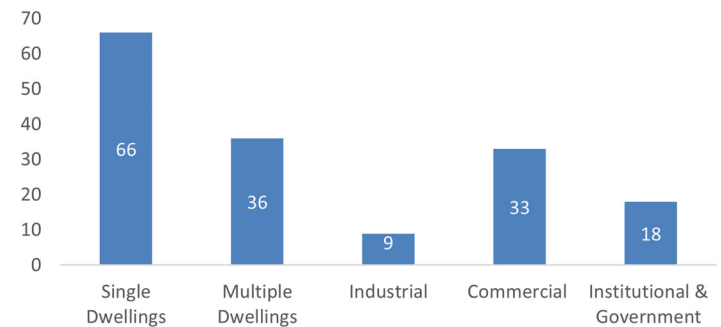
Construction Permits

162 units

2022; StatCan 34-10-0066-01

+135%

One real-time indicator of an economy's capital investment activity is the number of construction permits issued by municipalities. These show not only the volume of new units under construction, but also their basic type. A scarcity of serviced lots and skilled labour had slowed the territory's construction sector, but in 2022 it began to bounce back (+135%). Nunavut issued 162 of these permits in 2022, in the following categories:



Retail Sales (monthly)

\$51.3 M

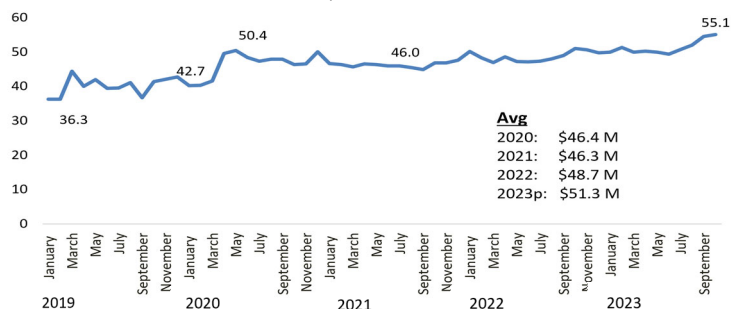
2023 avg (Nov-Dec excl); nom \$; StatCan 20-10-0056-01

+5.4%

Retail sales provide timely and important insight into the economic health of consumers. We compare retail sales annually and year-over-year to avoid confusing results with regular or 'seasonal' patterns that repeat themselves every year, such as how heating oil sales go up in the winter and down in the summer. Even with typically-strong end-of-year data not yet reported, retail sales were strong in 2023, with sales averaging over \$51 M per month. Of this, we estimate roughly three-quarters went to grocery stores and the remainder to other retailers, including convenience stores.

Retail Sales

nominal \$ M; StatCan 20-10-0008-01



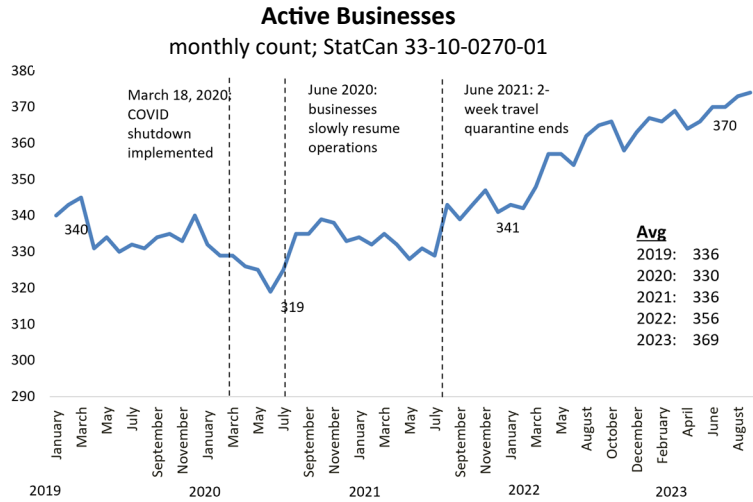
Avg

2020: \$46.4 M
2021: \$46.3 M
2022: \$48.7 M
2023p: \$51.3 M

Active Businesses **369**

2023 avg (Oct-Dec excl); StatsCan 33-10-0270-01 & NBS +3.6%

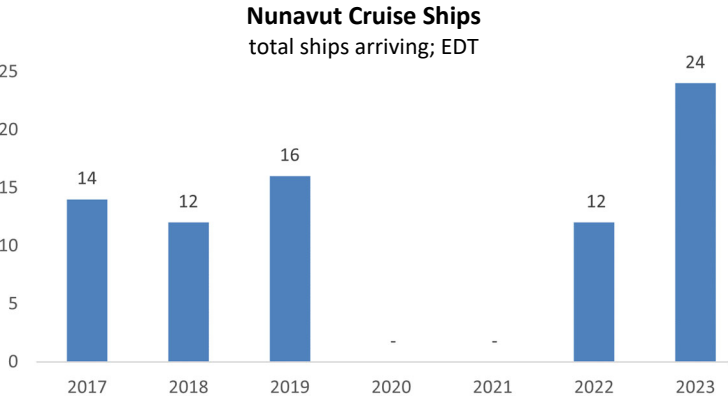
The number of active businesses is another tool to measure private demand and the relative vitality of an economy. More firms opening for business means entrepreneurs are confident enough in the health of the economy to risk their capital. It also increases competition and makes more goods and services available to consumers. The average number of active businesses in Nunavut increased from 356 to 368, another year of healthy growth (4%, faster than the rate of population).



representing an estimated 95% of all tourism business in Nunavut. Of these, almost 90% are headquartered in Nunavut and 77 are Inuit-owned. Previous estimates suggest around 50,000 visitors make their way to Nunavut in a normal tourist year. About half these travelers come for business, most of whom originate in the rest of Canada—though the territory receives around 8,000 international visitors annually, the majority of whom arrive as cruise tourists. The industry employs an estimated 3,000 full, part-time, and seasonal employees. While it is good to see the industry stabilize after the serious disruptions brought on by COVID, high fuel prices, skilled labour costs, and housing shortages have added to the industry’s difficulties.

Cruise Ship Visits **105**
2023; EDT **+100%**

Cruise ship visits resumed in 2022 and growth was strong in 2023: 24 vessels (up 100%) and their 5,247 passengers made 105 community visits (up 110%) to 14 communities across the territory. These figures are particularly noteworthy since they are now above pre-pandemic levels (16 ships and 59 community visits in 2019). Most cruise ships visiting Nunavut carry 200 to 300 passengers.



Aircraft Movements **31,478**

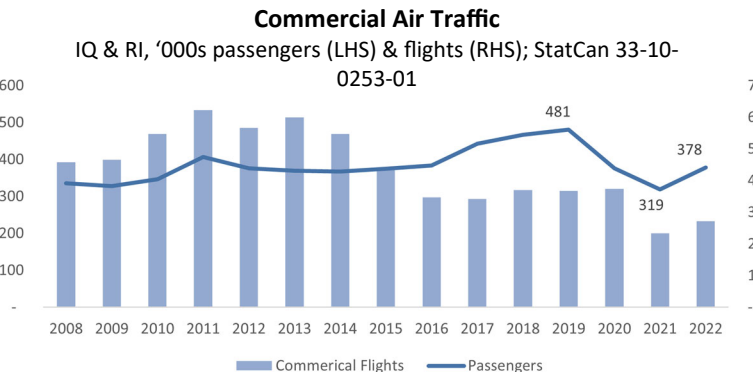
2023 (IQ & RI; Nov-Dec excl); StatCan 23-10-0297-01 +4.9%

The number of take-offs and landings of civilian and military aircraft at Nav Canada’s two Nunavut airports (Iqaluit and Rankin Inlet) had healthy growth in 2023 (up 5% in the latest yoy figures), suggesting the commercial air sector continues to rebound from its pandemic interruption.

Airline Passengers **378,238**

2022; StatCan 23-10-0253-01 +18.8%

While still down from its pre-pandemic high of 480,820, total airline passengers grew strongly in 2020, the latest year with available data. The more than 378,000 travelers in 2022 reflects a 19% improvement from the year before.



Tourism Operators **147**

2023; Travel Nunavut **unchanged**

Roughly 145 tourism operators are members of Travel Nunavut,

The Canadian Economy in 2024: Statistics Canada estimates real GDP grew 3.8% in 2022 (vs 5.3% in 2021), a relatively healthy rebound from the COVID recession. The results for 2023, however, will likely not be as positive, as consumers and business rein in spending due to higher interest rates. Modest oil prices have slowed the energy sector. Most concerning of all is the housing sector’s incapacity to keep pace with housing demand: CMHC estimates Canada will be short 3.5 M new homes by 2030 and municipalities across Canada appear ill-prepared to permit the necessary amount of building. Looking forward, in October the International Monetary Fund (IMF) forecast Canada’s growth in 2024 will be just 1.6% (globally, their expectation is for 2.9%, down from 3.0% in 2023). Geopolitical instability—Russia’s invasion of Ukraine and Houthi attacks on Suez shipping, in particular—have continued to harm global supply chains and complicate the work of central banks and their work against inflation.

Fisheries Allowable Catch Value (Quota) \$361.1 M
 2023; nom \$; NFA, StatCan 36-10-0402-01 +156% vs 2021

Fishing is a source of traditional food and an important commercial industry. The latest estimates (2022) put its contribution towards real GDP (chained 2017 \$) at \$31.4 M (when combined with hunting and trapping, unchanged from the previous year), with another \$7.7 M in value-added created by seafood product preparation and packaging (up 12%). Even higher is the nominal value of the landed catch of Nunavut’s 5-ship offshore fleet: \$132 M of turbot (up 32% from 2021), \$38.8 M of shrimp (+489%), and ~\$0.4 M of char. The difference between the GDP and catch values reflects inflation, the high cost of inputs (ships, fuel, and labour), the landing of much of the catch outside the territory (and potentially not being recorded by Statistics Canada in Nunavut’s GDP accounts), and the fact some fishing enterprises (4 hold quota in Nunavut’s waters) file corporate tax returns out-of-territory. The Nunavut Fisheries Association (NFA) estimates 40% of jobs in the offshore fishery are held by Inuit.

Seal Skin Purchases \$0.1 M
 July 2022—June 2023, nom \$; ENV change NA

The GN Department of Environment provides financial support to harvesters by providing fair compensation for sealskins and furs caught by Nunavut harvesters. These pelts are then sold to fur wholesalers and other buyers, using GN warehouse and other capacity to facilitate fair market trade. One of these marketing programs is the Sealing Skin Purchase program, which paid \$0.1 M for 1,082 Ring and 26 Harp seal skins in the most recent year available. We intend to track this figure going for-

Arts, Sports, & Heritage (real GDP) \$0.4 M
 2022; 2017 \$; StatCan 36-10-0402-01 no change

Statistics Canada tracks the real (inflation-adjusted) value-added of the performing arts (including musical groups and independent artists), spectator sports, and heritage institutions (such as museums and nature parks). This figure, measured in 2017 dollars, was unchanged from 2021, at \$0.4 M.

Mining

Commodity Price Index: Metals & Minerals 740
 2022; Bank of Canada -20.4%

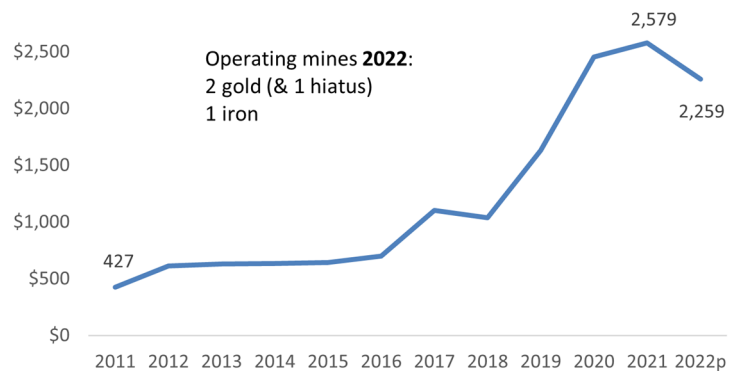
The Bank of Canada tracks the USD spot or transaction prices of commodities produced in Canada and sold on world markets. The value of the Bank’s Metals and Minerals Index decreased -20% in 2023, less from falling demand and more from COVID-induced supply interruptions slowly working themselves out. Energy (-20%), agricultural (-11%), and fisheries (-5%) products fell as well, providing price relief to consumers but reducing profits for producers.

Commodities: Commodity markets faced big price drops in 2023 as supply grew and rising interest rates curbed once-surging post-pandemic demand. Oil, for example, went from an annual average of \$100 per barrel (Brent) in 2022 to \$79 USD by early 2024. After setting a record high in 2021, the price of steel fell by a 1/3 as China’s over-leveraged property market dragged down the country’s entire economy. Preliminary 2023 figures show mineral exploration spending in Nunavut was down 37%, to \$161 M. Consequently, prospecting permits were down significantly (from 90 to 24), though mineral leases were essentially unchanged (565 to 566) and claims actually increased (2,508 to 3,054). We would like to see a rebound in 2024, as fuel prices subside and precious metals prices remain high. Looking ahead, the World Bank forecasts its commodity price index will fall by 4% in 2024. Energy could drop 5% (with Brent crude averaging \$81 per barrel), while metals and agricultural goods could decline 5% and 2%, respectively. Disappointing global growth presents a downside risk and geopolitical conflict threatens ships transiting the Black Sea and Suez Canal. Additional violence, East-West trade restrictions, and poor harvests could push prices—particularly food and perhaps energy—significantly higher.

Total Mineral Production \$2.26 B
 2022 preliminary (\$B); NRCan -12.4%

Total mineral production is the value generated by all minerals extracted in Nunavut in a given year. The 2022 preliminary value is \$2.3 B, down 12% from 2021 and reflecting AEM’s Hope Bay project going into care and maintenance. We typically track the composition of this figure, but Natural Resources Canada (NRCan) now suppresses volume and value data for specific commodities and the information is no longer available. We rely instead on annual production estimates of ~800k oz of gold and 6 M tonnes of iron ore for the period 2022 to 2024. Across Canada total mineral production grew strongly in 2022, up 12% to \$62.0 B (giving Nunavut a nearly 4% national share, down 1 p.p. from 2021). With gold prices high and infrastructure improving, we expect Nunavut’s mines to return to and remain at their full productive capacity.

Nunavut Mineral Production
 total value (nom \$); NRCan



Gold Price

2023; USD/troy oz (World Bank)

\$1,943 USD

+7.9%

The price of gold averaged almost \$1,950 USD per troy ounce in 2023, up 8% from 2022. This strength was somewhat surprising given that rapidly rising interest rates driven by inflation-fighting Central Banks make cash deposits more attractive, but was also proof that gold retains its desirability as a safe-haven from inflation concerns and as a hedge against international political uncertainty. Prices may therefore stay at elevated levels for at least the medium term. The precious metal is currently mined at AEM's Meadowbank site (now relying on its Amaruq satellite deposit, and expected to produce over 400,000 oz per year until at least 2030) and Meliadine site (another 400,000 oz until 2032, with an application to produce longer), as well as Hope Bay (200,000 oz once it returns to production in 2024). B2Gold's Back River, currently in development, could average 200,000 oz a year for 15 years, starting in 2024. Nordgold's Pistol Bay project, located just 22km from Whale Cove, contains similarly promising reserves, but its Russian owner's financial situation is complicated by recent sanctions in response to invasion of Ukraine.

Iron Ore Price

2023; USD/dry ton (World Bank)

\$108 USD

-11.0%

Iron ore averaged \$108 per dry ton in 2023, a \$13 decrease from 2022. This decline reflects iron supplies sorting themselves out after significant COVID-related and other supply chain disruptions. There is also the potential for demand for iron to soften if central bankers fail to boost the slowing global economy. Meanwhile, in late 2022 the federal government agreed with the Nunavut Impact Review Board's (NIRB) recommendation against Baffinland's Mary River 'Phase 2' proposal to increase annual production from 6 M to 12 M tonnes and to construct a 110 km railway to Milne Inlet. In response, the company has cited an alternative proposal, with renewed plans to ship ore south from the mine to Steensby Inlet—something already approved under the company's existing project certificate. While more expensive than Baffinland's earlier proposal, the value of the high-grade ore could make the associated port and railway profitable nonetheless.

Silver Price

2023; USD/troy oz (World Bank)

\$23

-5.6%

Silver is a precious metal often found alongside other metals such as gold, copper, and zinc. It averaged \$23.40 in 2023, down almost 6% from 2022. Valued for its investment, jewelry, and for its industrial applications, silver is mined in modest quantities in Nunavut (\$2.0 M worth in 2019, the latest year with unsuppressed data) at operations primarily concerned with gold production. Silver prices rose significantly during the pandemic and have remained elevated. These gains may retreat as inflation fears subside, though global political risks may keep interest in silver as a safe haven investment. Continued growth in fast-developing countries such as India may also encourage consumer demand to continue its upward trend.

Diamond Price

2023; FRED Export Price (Dec 2013 = 100)

113.4

-3.1%

Diamond prices fell in 2023, according to the US Federal Reserve's index of export prices (similarly, De Beers' cut its rough per carat price by 10% during its first sale of 2024, in an effort to restart demand), partly from falling luxury demand but also likely from competition from synthetic diamonds—physically identical stones that can be made in a matter of weeks in a microwave chamber, at a savings of up to 80%—eating into the market share of traditional stones. De Beers' Chidliak property, located roughly 120 km from Iqaluit, holds an estimated 18 M carats. In early 2023 the federal government agreed to begin its review of the potential mine.

Rare Earth Element Price (Neodymium)

2023 YoY; USD/kg

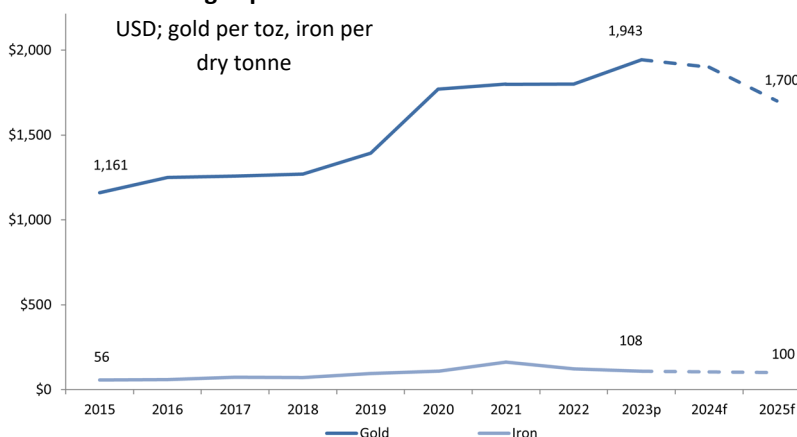
\$113

-45.9%

Rare earth minerals, or rare earth elements (REEs), are a group of 17 chemical elements in the periodic table (specifically, the 15 lanthanides plus scandium and yttrium). They are called "rare" because they were once thought to be scarce, though in fact they are relatively abundant in the Earth's crust. REE extraction and processing, however, is complex and costly. These elements are crucial for a wide range of high-tech applications, including smartphones, electric vehicles, wind turbines, and various defence systems, due to their unique magnetic, luminescent, and electrochemical properties. The most popular REE to track in terms of price is Neodymium, a critical component of high-strength magnets used in electric vehicles (EVs) and wind turbines. We follow this price as proxy for the sector, given recent national and international interest in Nunavut's significant—and untapped—rare earth resources. It should be noted, however, that rare earth prices are down significantly from their COVID peaks (falling 46%, to \$113, in the last year alone), in part from financial and government incentives bringing new production online, and also from softening demand for EVs and other electronics.

Average Spot Price

USD; gold per toz, iron per dry tonne



Labour and Income

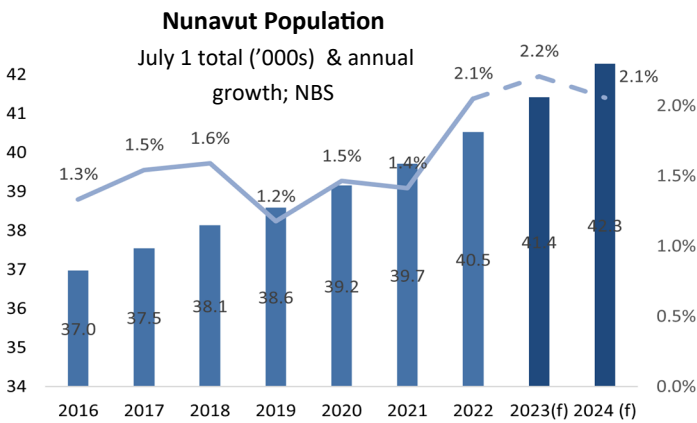
Population (July 1)

2022; StatsCan 17-10-0005-01

40,526

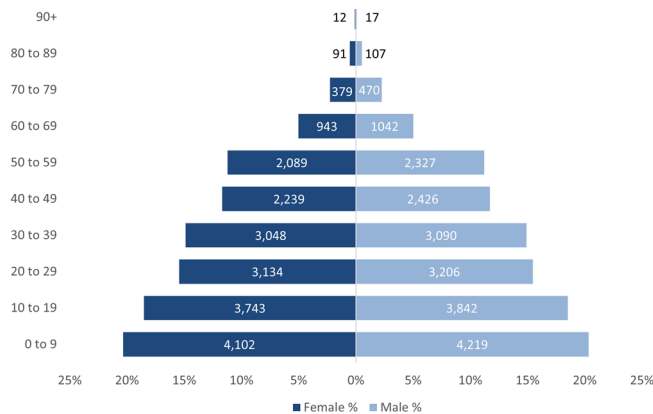
+2.2%

We measure total population as of July 1 in a given year. Nunavut's population grew by an estimated 815 people between 2021 and 2022, due largely to high birth rates (Nunavummiut women have on average three children over their lifetime, the highest rate in Canada and almost double the national average). Early estimates have inter-provincial migration at 183, a number subject to revision but one that may suggest the post-COVID bump in outmigration may be subsiding. Nunavut remains Canada's youngest region with about half of residents under 26 (the national median age is 41) and almost a third—or 12,425 Nunavummiut—under 15. Looking ahead, we expect total population to reach 42,275 by July 2024 (+2.1%), and for most of this growth to take place in Iqaluit, Arviat, and Rankin Inlet.



NU Population Pyramid

July 1, 2022 ('000s); StatsCan 17-10-0005-01



Employment

2023; NBS & StatCan 14-10-0393-01 (LFS), CBoC

14,419

+1.5%

Employment refers to the annual average of people holding a steady job. While COVID severely dragged down employment in 2020, the economy appears to have rebounded to close to trend. The latest estimate of 14,400 employed is up just 200 Nunavummiut year-over-year (+2%). Nunavut's employment rate (the share of population aged 15 and over who found at least some employment during the year) declined slightly, from 55%

to 54% (nationally the rate is 60%). While the NBS has not recently updated its figures on the gap in employment rates between Inuit (54% in the latest release) and non-Inuit (virtually unchanged at 92%), anecdotal evidence suggests much further work will be necessary to narrow this gap and ensure the economy delivers the jobs needed by the roughly 10,000 Nunavummiut coming of age and entering the workforce over the next decade.

Unemployment Rate

2023; StatCan 14-10-0393-01 (LFS)

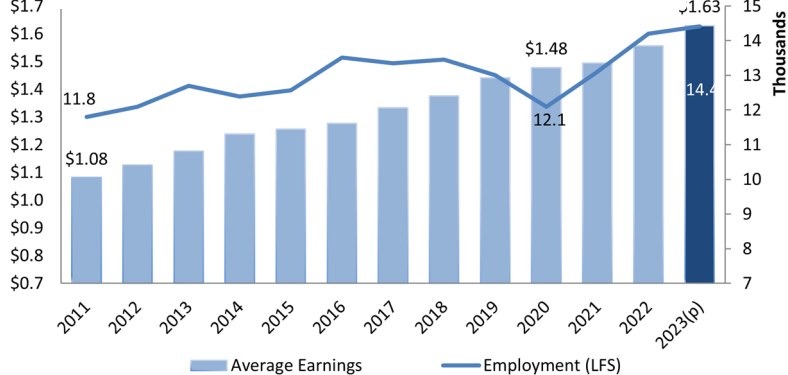
13.2%

-0.8 p.p.

The unemployment rate is the percentage of the labour force that is unemployed but still actively seeking employment. In 2023, Nunavut's unemployment rate improved to 13%, down one percentage point from 2022 (nationally the rate is 5.4%). Nunavut's labour force participation rate (the share of Nunavummiut aged 15 and over actively seeking employment) was down 1 p.p. in 2023 to 54% (Canada-wide the figure is 62%). While slight, this decline suggests some Nunavummiut have been discouraged by economic conditions and left the workforce. Tight housing conditions are the most likely culprit.

Nunavut's Labour Market

Weekly \$k, annual avg; StatCan 14-10-0393-01 & NBS



Average Weekly Earnings

2023 (avg excl Nov-Dec) Industrial Agg; 14-10-0203

\$1,629

+4.7%

According to the latest figures, average weekly earnings in Nunavut increased strongly in 2023, up \$73 (+5%). While average wages in goods-producing industries like construction grew strongly (the latter at \$1,720/week, up 9% from 2022), the services sector (which is proportionately dependent on fewer fly-in, fly-out workers) performed somewhat more modestly (\$1,457/week, +6%). Worker purchasing power grows when wages outpace inflation, making the gain in 'real earnings' (2.2% on the year, against 0.3% in 2022) highly welcome for those employed. Nunavut wages remain well above the Canadian average of \$1,202 per week. This +36% differential (up 2.0 p.p. from 2022) is the result of a growing economy, a shortage of skilled labour, and the high cost of living in the north.

Productivity

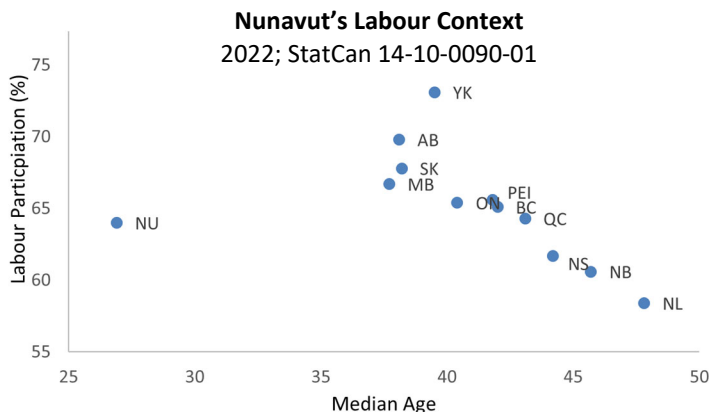
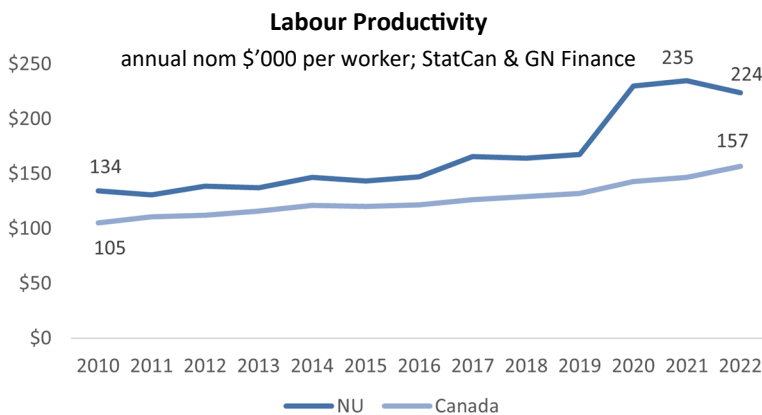
2022; StatCan 36-10-0480-01

\$224,106 per worker

+2.2%

Productivity measures the amount of goods and services pro-

-duced using a given stock of land, labour, and capital. Labour productivity looks at the efficiency of workers in particular. While productivity will rise and fall alongside the economy, we look for an overall upward trend. The more production from each Nunavut worker, the wealthier the territory becomes. In 2022, the most recent year with available data, each worker produced roughly \$224,000 worth of GDP, down 5% from the year before. Put another way, each Nunavut worker produces about \$120 for each hour they work, 1.4 times the national average. While labour productivity declines are never good, the weak result in 2022 came in part from 2021 witnessing an unprecedented expansion of mineral production in the territory. Since we cannot expect this type of mining expansion every year, going forward it will be necessary to increase productivity in other industries such as services—where gains can be much more difficult to come by.



Corporate Profits (tax filers)

2021 T2 Final; GN Finance

\$3.14 B

-4.1%

Incorporated businesses operating in Nunavut file corporate income taxes with the Canada Revenue Agency (CRA). In 2021, the latest year with available data, 1,193 businesses did so. Corporate income is highly unevenly distributed among Nunavut firms, with more than 50% reporting less than \$8,500 in net income (a figure down from \$55,000 pre-COVID, something that reflects the harm the pandemic imposed on Nunavut's firms). Even in more typical years, a quarter of Nunavut firms report net income of \$0 or less, suggesting many have limited operations or profitability concerns. Total net income, or corporate profits, reached \$3.1 B in 2021 (down 4% from 2020)—though note that much of this income comes from the national operations of financial services firms that is allocated to Nunavut by the CRA.

Total Personal Income (tax filers)

2022 T1 Preliminary; GN Finance

\$1.25 B

-4.8%

Total personal income comprises all income that tax filers in Nunavut report, including wages and salaries, social assistance, pensions, investments, and the profits of sole proprietorships and business partnerships. Tracking total income gives us a sense of how much money is flowing to Nunavummiut. Total income disappointed in 2022, falling 5% to \$1.25 B, according to the latest preliminary figures. This likely reflects the ending of national COVID income support measures, as well as the slow resumption of regular economic activity. A national CRA strike may have also influenced the figures: as of January 2024, the CRA had processed 21,335 Nunavut tax returns, down -8% compared to the same period in 2021. We expect this represents roughly 90% of all tax returns for the year and that once all late returns are filed (and processed by the CRA) total income will exceed \$1.37 B (roughly 85% of which is coming from employment).

Median Income (tax filers)

2022 T1 Preliminary; NBS & GN Finance

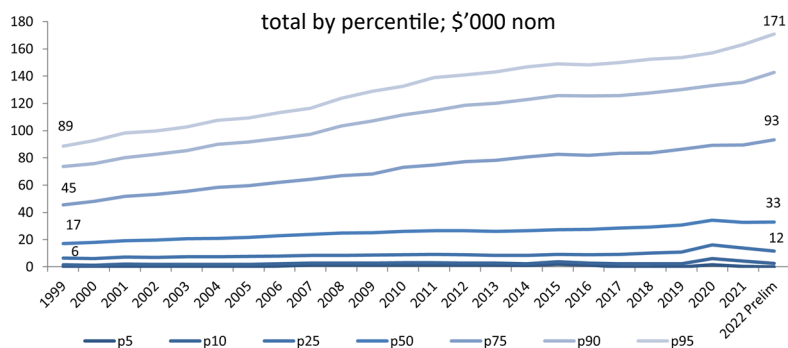
\$32,941

+0.7%

Median total income is the dollar amount that divides Nunavut taxpayers in two: half of all Nunavummiut reported earning less than this amount and half reported earning more. It shows how much a typical resident makes in a year and—unlike an average calculation—is not influenced by extremely high or low earnings. According to early tax data, median total income in Nunavut rose modestly in 2022, to almost \$33,000 (up 1% from the same period in 2021). While a rising median income is welcome to see, a detailed look at income distribution shows incomes on the lower end have suffered as COVID supports have been withdrawn (see table below).

Nunavut Income Distribution

total by percentile; \$'000 nom



Share of Total Income By Highest 10%

2022 T1 Preliminary; GN Finance

33.8%

-0.6 p.p.

In 2022, the top 10% of income earners in Nunavut reported earning in excess of \$142,600 each (down less than 1 p.p. from 2021), according to our January 2024 results. Together, these individuals reported earning roughly \$422 M, which is about one-third of all income reported in the territory. This data shows that income in Nunavut is distributed highly unevenly—a situation not entirely uncommon elsewhere in Canada. How-

-ever, there are some important equalizers to this inequality. First, Nunavut's progressive tax system means higher income earners pay more taxes: the top 10% of income earners paid around half of Nunavut's total assessed personal income taxes in 2022. Also, these figures do not include the substantial non-income benefits for low earners, such as subsidized public housing.

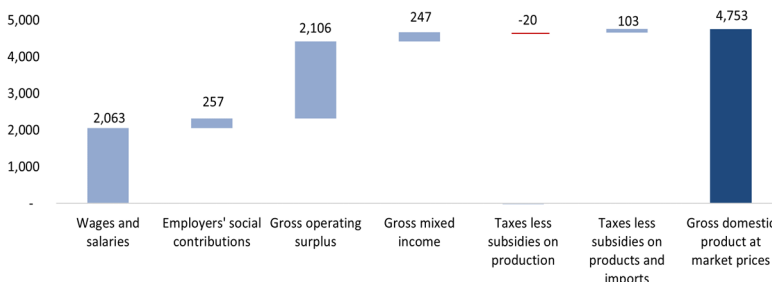
Low Income Families **3,910**
2021, all types; NBS & StatsCan 11-10-0020-01 **+21.4%**

The Low Income Measure (LIM) is a relative measure of low income, set at 50% of median after-tax household income (\$22,240 for all families in 2021). The measure is categorized according to the number of persons present in the household: couple families (1,030 families earning less than \$37,610 after tax; up 270 from the 2020 measure), lone-parent families (1,650 families under a \$24,880 threshold; up 240), and non-family persons (1,220 under \$12,340; down 170). The most recent data, from 2021, shows a dramatic 21% increase in the number of families living below the threshold. This spike is largely due to the phase-out of Canada's unprecedented COVID income supports. Nunavut's total number of households is roughly 12,000.

Income Assistance Recipients **11,140**
2023; NBS & GN Family Services **+3.2%**

Income assistance consists of a variety of benefit programs (including social assistance, the senior citizens supplementary benefit and fuel subsidy, daycare subsidy, and the Nunavut Child Benefit) that provide various levels of financial assistance to people aged 18 or over and their dependents. In 2023, over 11,000 Nunavummiut in 5,400 households (or roughly 27% of the territory's population) received a payment through these means-tested programs. This number is up slightly from 2022 (+3%). Total social assistance payments equaled \$58 M (up significantly from \$44 M in 2022), an increase accompanied by a much higher average payment per family (\$10,656, up from

Nunavut GDP, Income-based
 StatCan 36-10-0221-01; \$ nom, 2022



Price and Financial Markets

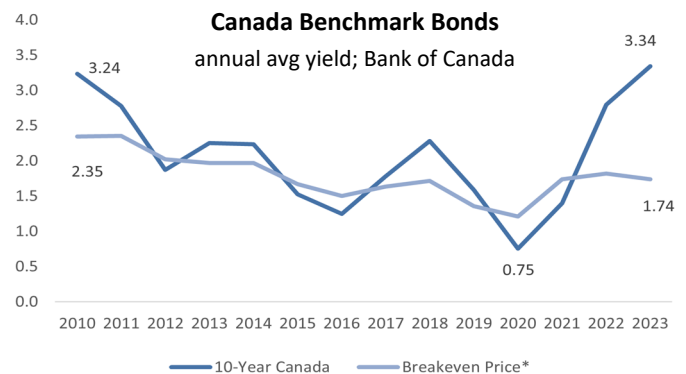
Bank of Canada's Overnight Rate **5.0%**
January 2024; Bank of Canada **+0.75**

The Bank of Canada's overnight or 'policy' interest rate is the rate at which it lends to large banks and other key financial

Institutions. The rate has been set at 5.0% since July 2023. Updated eight times per year, we expect this rate will gradually start coming down as the Bank continues its slow-but-steady success at reining in inflation. Until they do, interest rates for mortgages, lines of credit, and business loans will remain uncomfortably high for many businesses and homeowners. The fight against inflation may also be complicated by further supply chain disruptions—no longer from COVID but instead the unusually high amount of geopolitical instability, something not seen in several decades. The Bank's 2% inflation target was renewed by the federal government in 2021. The overnight rate is slightly different than the rates actually paid by commercial banks to individuals or corporations on deposits. The typical variable rate mortgage, for example, has increased from a low of 1.31% in 2022 to 6.26% in 2024 (an almost 5 p.p. rise).

10-Year Canada Bond Yield **3.34%**
2023; avg annual yield; Bank of Canada **+0.55 p.p.**

Canada 10-year bonds are issued by the federal government with a maturity of 10 years. The yield is the rate of return investors are paid for purchasing the instrument. This return is important as it is seen as a useful proxy for mortgage rates, as well as an indicator of investors' confidence in the economy. Yields rose by half a percentage point in 2023, as corporate borrowers were forced to match rising interest rates. So far in 2024 yields have edged slightly upwards, following December's uptick in national inflation. International conflict continues to roil the market as well. Meanwhile, breakeven prices—the market's expectation of inflation (calculated as the Canada Long Term Bond yield minus the Canada Real Returns Bond yield)—remained virtually unchanged in 2023 (down 0.08 p.p. to an average of 1.74%). This rate averaging less than 2% is an implicit bet that the Bank will keep inflation in check.

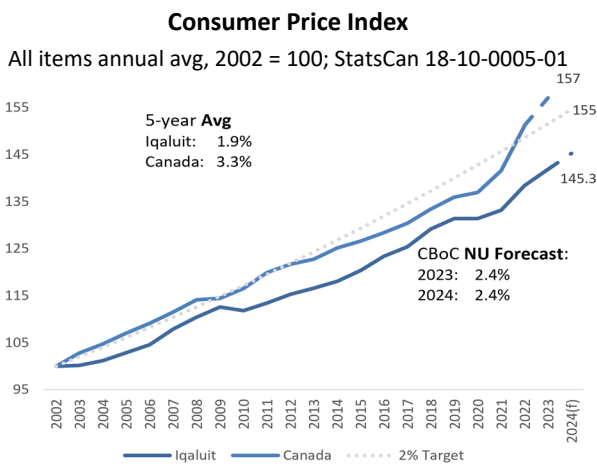


CAD-USD Exchange Rate **\$0.74**
2023; Bank of Canada (annual average) **-3.6%**

The CAD-USD exchange rate is the amount in American dollars (USD) that a person can buy with one Canadian dollar (CAD). Exchange rates reflect trade and, just as importantly, volatile capital flows that seek out the best return from one country to the next. The CAD typically tracks commodity prices, particularly oil. The decline in energy prices played a large roll in pushing the dollar down in 2023 to an average of \$0.74, falling 4% or almost 3 cents.

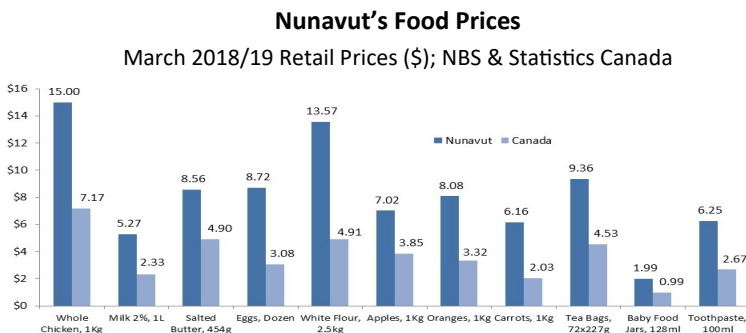
Consumer Price Index, Iqaluit **141.9**
 2023 (2002 = 100), annual avg; StatCan 18-10-0005-01 +2.5%

The consumer price index (CPI) measures inflation, the change in price of a standard ‘basket’ of consumer goods and services over time. While inflation has surged nationally (6.8% in 2022 and 3.9% in 2023), price movements in Nunavut have been muted: up a relatively modest 3.9% in 2022 and 2.5% in 2023. While a mixture of policies and subsidies have done a good job of shielding the Nunavut economy, inflation concerns have not completely subsided, with the Bank of Canada concerned enough to keep its high rates relatively stable. As CPI data exists only for Iqaluit, we do not know how quickly prices are changing in other communities. Also note that CPI does not measure price *levels*, only how quickly they change. Prices for many goods are already extremely high in Nunavut relative to the rest of the country, given the territory’s steep energy and transportation costs, as well as limited market competition.



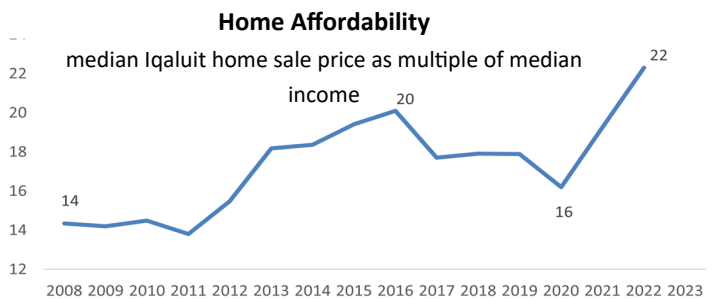
Nunavut Food Price Basket **174.1**
 2018/19; NBS, StatCan 18-10-0002-01 *not updated*

The Nunavut food price basket, developed by the Nunavut Bureau of Statistics (NBS), measures the price of 24 select food items across the territory. While CPI is a useful measure of how prices change over time, it does not measure the cost difference between goods sold in Nunavut and those in southern Canada. With the Nunavut food price basket, the prices of key goods in the territory can be compared with other jurisdictions. Note that with the ransomware attack and now COVID, this basket has not been updated since 2018.



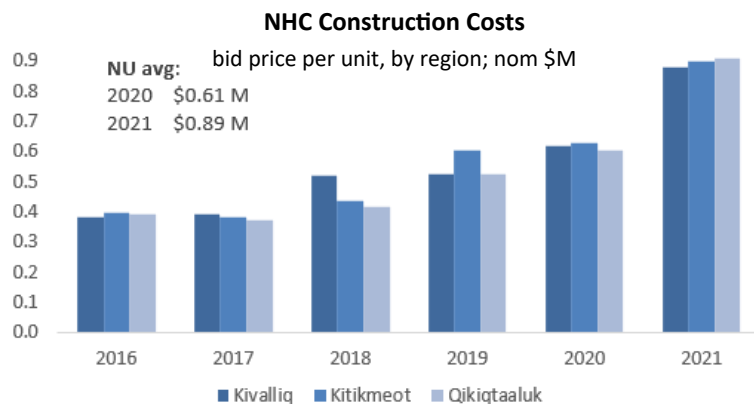
Average Monthly Rent, Iqaluit **\$ 2,835***
 2022, Social housing excluded; CMHC +1.3%

The Canada Mortgage Housing Corporation (CMHC) found that monthly average rent in Iqaluit—the only community in Nunavut with available data—rose 1% in 2022 to \$2,835 (social housing excluded; CMHC estimates 22% of units are rented by the NHC for social housing, 44% by the GN and Canada for staff housing, 13% by private individuals, and 21% for other). Broken down by unit size, average rent was \$2,571 for a one-bedroom, \$2,930 for a two-bedroom, \$3,330 for a three-bedroom, and \$3,930 for a four-plus bedroom apartment. The total universe of rented units is 2,273 (up from 2,126 in 2018). On the ownership side, Iqaluit’s median residential sale price increased significantly in 2022, up \$110,000 to \$735,000 (+18%). Residential sales decreased slightly, from 49 to 44 (which included 33 single-detached, 11 row homes, and 0 condo apartment units). Note(*) that CMHC’s 2023 report only released median rental values, making these numbers not strictly comparable with previous years.



NHC Avg Bid Cost **\$0.89 M**
 2021; NHC +45.9%

Each year the Nunavut Housing Corporation (NHC) issues tenders to build new public and staff housing. While limited to residential and typically condo-type construction, these winning bids submitted in response provide a useful measure of the state of building costs in the territory. In 2021, the latest year with available data, NHC received bids for 74 units (of various sizes) across the territory (down 42 from 2020) with an average price of \$0.894 M (+46%). This steep increase in bid price reflects the high cost of building in the north, a shortage of developable land, limited market competition, as well as the impact of COVID on supply chains and the ability of skilled labour to visit remote worksites.



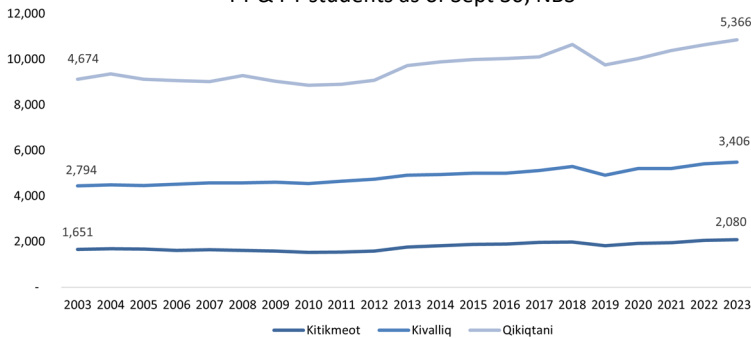
Social Measures

High School Graduation Rate **37.4%**
 2022/23, Gross figure; NBS & GN Education -1.0 p.p.

The high school graduation rate is calculated by dividing the number of high school graduates in a given year by the number of all students eligible to graduate. Low high school retention is one of the biggest challenges faced by the Nunavut economy. In the latest proportion data available (2023), the share of 17-18 year-old Nunavummiut graduating from high school has fallen by 1 p.p. to 37%. Total graduates fell slightly as well, from 262 to 246 (-6%). These figures indicate much work remains to be done: for comparison, the national high school completion rate is 81% (and 89% within two extra years).

Public School Enrollment

FT & PT students as of Sept 30; NBS

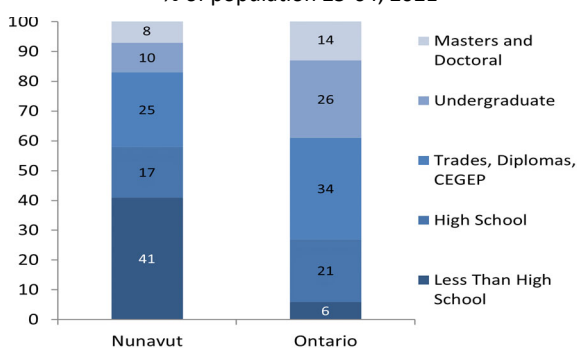


Registered Apprentices **168**
 2022, Major trades; StatCan 37-10-0023 +5.7%

Registered apprenticeships are jobs with training that help workers gain recognized qualifications and skills while earning a living. With Nunavut's economy facing a shortage of skilled tradespeople, the GN—through Nunavut Arctic College and the Department of Family Services—is working hard to increase the number of registered apprentices. In 2022, the latest year with available data, the total increased to 168 (up 9 placements or +5.7%). Heavy duty mechanics (30 apprentices), carpenters (27), electricians (27), plumbers (18), and automotive services (6) led the way as the most popular trade categories. Note that the current total is well below the 2010 peak of 255—and Nunavut lags the other two territories considerably (573 in Yukon and 360 in NWT).

Education Composition

% of population 25-64, 2021



Health Centre Visits Per Capita **10.1**
 2022; NBS & GN Department of Health +14.9%

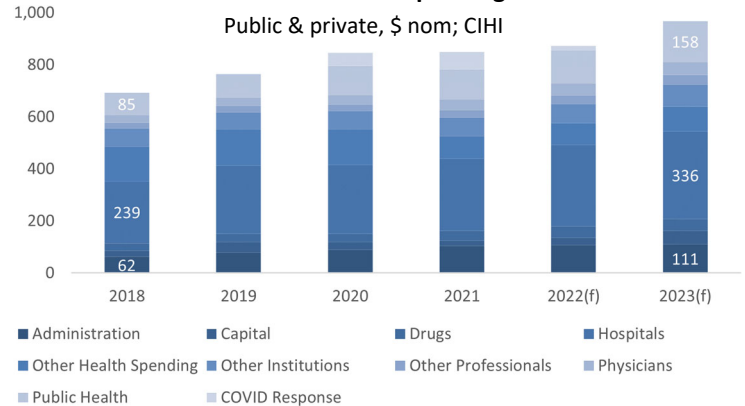
On average each Nunavummiut made roughly ten trips to a community health centre or (in the case of Iqaluit) hospital in 2022 (+15%), the latest year with data available. This number varies considerably by community, though the general trend has been a sharp increase. This equals 408,048 total visits, a 17% increase year-over-year. General checkups, counselling, and laboratory visits typically make the largest portion of visits (~40%), while respiratory infections (~10%), injuries (~10%), and pregnancy and child birth just (~3%) a much smaller share.

Total Health Spending **\$968 M**
 2023 nom \$; CIHI +10.9%

The Canadian Institute for Health Information (CIHI) tracks health spending across the country, including government spending as well as out-of-pocket expenses made by individuals and payments made by private insurance. Their forecast for 2023 puts Nunavut spending at almost \$970 M, 11% growth from the year before. This growth is a departure from national trends, where CIHI expects to see national health spending reach \$344 B, an increase of just 3%. As a percentage of GDP, health spending is just over 18%—versus 12% nationally, a number slightly down from its 2020 COVID peak of 14%.

Nunavut Health Spending

Public & private, \$ nom; CIHI



Crime Severity Index **380**
 2022, per 100,000 residents; StatCan 35-10-0026-01 -3.7%

The Crime Severity Index (CSI) is a measurement of the seriousness of police-reported crime. The index is weighted by the seriousness of the crime (as measured by average incarceration time) and is expressed as a rate per 100,000 residents to facilitate comparison across jurisdictions. In 2022, Nunavut's CSI value declined by 4%, to 380—the second highest rate in Canada. Nationally, the figure is 78. Another crime statistic we track is the territory's homicide rate, which was down by half (from 2 murders to 1). This is equal to 2.5 homicides per 100,000 residents, a figure above the national rate of 2.2 (equivalent to 874 homicides, 78 more than the year before and the fourth consecutive increase)—but still much improved from recent years.

Key Fiscal Indicators

	Trend	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24(r)	2024-25(f)
(\$M unless otherwise noted)											
Revenues											
Federal Funding		1,659.7	1,694.3	1,846.9	1,880.0	1,933.0	2,176.3	2,278.6	2,316.8	2,536.0	2,668.9
Territorial Formula Financing		1,454.2	1,488.6	1,529.9	1,578.8	1,641.7	1,712.5	1,782.1	1,859.4	1,971.4	2,109.5
Transfers Under Third-Party Funding Arrangements*		122.2	125.8	148.5	203.6	191.7	350.6	361.3	323.7	433.9	431.3
Other Federal Transfers		83.3	79.9	168.5	97.6	99.6	113.2	135.2	133.7	130.7	128.1
Own-Source Revenues		202.2	218.6	252.7	253.9	243.5	231.7	266.2	277.1	306.3	305.6
Taxes		107.8	107.5	115.2	148.8	147.1	136.5	152.4	150.4	161.1	170.5
Revolving Funds (Net COGS)		33.1	52.8	39.2	35.3	28.3	32.4	42.0	44.7	42.7	54.4
Other Own-Source		45.4	43.5	87.7	57.2	59.5	50.2	55.1	66.0	88.5	66.7
Recovery of Prior Years' Expenditures		15.9	14.8	10.6	12.6	8.6	12.7	16.8	16.0	14.0	14.0
Total Revenues		1,862.0	1,912.9	2,099.6	2,133.9	2,176.5	2,408.1	2,544.8	2,593.9	2,842.3	2,974.5
Share of Federal Transfers (%)		82.6	82.0	80.9	78.6	80.0	75.8	75.3	76.8	74.0	75.2
Tax-to-GDP Ratio (%)		4.5	4.2	3.8	4.7	4.1	3.4	3.2	3.2	3.0	3.0
Expenditures											
O&M		1,481.6	1,547.9	1,621.3	1,712.9	1,779.3	1,731.7	1,906.3	1,925.0	2,036.2	2,134.6
Capital		223.9	221.5	301.4	191.7	180.2	206.3	140.3	197.4	510.5	355.8
Departmental Expenditures		1,705.5	1,769.4	1,922.7	1,904.6	1,959.5	1,938.1	2,046.6	2,122.4	2,546.7	2,490.4
Net Transfer to Capital Assets		-88.4	-66.1	-123.0	-17.1	-18.0	-26.3	-43.0	-5.2	-217.0	-80.2
Expenses for Revolving Funds & Other		30.4	31.8	45.5	34.1	39.3	39.8	40.2	51.2	43.3	54.1
Expenses Related to Third-Party Agreements		115.4	120.0	131.9	157.5	156.1	352.0	318.1	323.7	433.9	431.3
Supplementary Requirements & Contingencies		0	0	0	0	0	0	0	0.0	50.0	100.0
Total Projected Expenses		1,763.0	1,855.1	1,977.0	2,079.1	2,136.9	2,303.6	2,361.9	2,492.1	2,856.9	2,995.6
Yearly Surplus (Deficit), Public Accounts Basis		99.0	57.8	122.6	54.8	39.6	104.5	182.9	101.8	-14.6	-21.1
Expenditures / person (\$)		48,316	50,172	52,655	54,509	55,371	58,829	59,477	61,494	68,971	70,860
Expenditures / GDP (%)		72.8	71.8	65.2	65.6	59.6	56.7	50.0	52.4	53.9	53.3
Capital spending as share of total (%)		12.7	11.9	15.2	9.2	8.4	9.0	5.9	7.9	17.9	11.9
Health spending as share of total (%)**		19.4	19.8	20.9	21.3	22.3	18.4	20.8	18.0	18.9	17.5
Education spending as share of total (%)		11.5	10.8	10.1	10.1	10.0	10.0	10.0	9.0	10.2	10.0
Projected Surplus / GDP (%)		4.1	2.2	4.0	1.7	1.1	2.6	3.9	2.1	-0.3	-0.4
Net Financial Assets (end of year)		303.5	297.4	294.2	307.8	308.1	419.6	602.9	632.0	542.2	470.6
Net Financial Assets (end of year) / GDP (%)		12.5	11.5	9.7	9.7	8.6	10.3	12.8	13.3	10.2	8.4
Interest Costs / Total Revenues (%)***		0.7	0.7	1.2	0.9	1.3	0.9	0.9	0.9	0.8	0.7
Government Borrowing		301.1	331.2	441.0	445.2	448.6	430.6	421.6	402.3	375.4	340.3
Credit Rating		Aa1	Aa1	Aa1	Aa low	Aa low	Aa low	Aa low	Aa low	Aa low	Aa low

Notes: *The GN receives a small share of third-party revenues (<2%) from parties other than the Government of Canada. While we report these non-federal amounts separately in the year-end financial statements, we combine them here for budgeting presentation purposes. **Changes to GN departments in 2013-14, notably the creation of the Dept. of Family Services, mean that health spending as a share of total spending is not strictly comparable with 2012-13 and earlier. Numbers in italics indicate forecast; empty cells indicate no data or forecast for that year. ***Note that the interest figure in the main text includes principal repayments. Interest-only figures are not broken out in the Main Estimates, though they are reported in the Public Accounts at year end.

Key Economic Indicators

	Trend	2015	2016	2017	2018	2019	2020	2021	2022	2023(f)	2024(f)
Gross Domestic Product											
Nominal GDP (expenditure-based, \$M)		2,421	2,582	3,031	3,168	3,584	4,066	4,724	4,753	5,303	5,625
Real GDP (basic prices, \$ 2017 M)		2,549	2,679	3,032	3,170	3,416	3,493	3,822	3,827	4,199	4,355
Real GDP per person (basic prices, \$ 2017)		69,859	72,454	80,754	83,108	88,516	89,205	96,245	94,433	101,371	103,016
Government Share of GDP (actual, %)		36.6	35.5	32.9	31.5	30.4	29.5	29.1	29.0	28.0	24.9
Business Investment in Capital (\$ 2017)		731	742	1,196	1,647	1,443	842	1,010	817		
Population & Labour											
Population, July 1 (# of people)		36,488	36,975	37,546	38,143	38,592	39,157	39,711	40,526	41,422	42,275
Employment (# of people employed)		12,567	13,000	13,000	12,900	13,000	12,100	13,100	14,200		
Unemployment Rate (%)		16.0	14.9	15.2	14.0	14.0	15.6	10.4	14.0	13.2	
Employment rate (% of people aged 15+)		53.0	55.8	55.4	54.3	53.9	53.9	49.2	50.5	55.1	
Participation Rate (%)		53.3	55.9	54.8	54.7	55.3	49.7	55.9	55.1	53.9	
Average Weekly Earnings (\$)		1,256	1,277	1,333	1,376	1,441	1,472	1,477	1,494	1,556	1,629
Total Income (taxfiler, \$M)		1,040	1,046	1,095	1,199	1,200	1,311	1,205			
Median Total Income (taxfiler, \$)		27,243	27,614	28,424	29,156	30,602	34,178	32,713	32,941		
Share of Total Income by Top 10% (%)		34.0	33.4	33.2	34.2	33.0	31.8	26.2			
Income Assistance Recipients		14,428	14,337	14,952	14,488	14,142	12,684	9,987	10,791	11,140	
High School Gross Graduation Rate (%)		33.7	41.7	47.7	39.2		48.5	43.6	38.4	37.4	
Monetary Trends											
Bank of Canada Overnight Interest Rate (%)		0.6	0.5	0.7	1.0	1.75	0.25	0.25	0.25	4.25	5.0
Consumer Price Index, Iqaluit (2002=100)		120.4	123.4	125.4	129.2	131.4	131.4	133.2	138.4	141.9	
Nunavut Food Price Basket (24 items)		165.3	172.9	171.0	174.1						
Average Monthly Rent, Iqaluit (Excl. Social)		2,511	2,542	2,604	2,610	2,668	2,752	2,798	2,835		
CAD-USD Exchange Rate		0.78	0.75	0.77	0.77	0.75	0.75	0.80	0.77	0.74	
Commodities											
Bank of Canada Metals & Minerals Index		511	497	536	561	576	629	810	915	740	
Total Mineral Production (\$'000s)		644,165	700,094	1,100,366	1,036,595	1,632,195	2,454,968	2,579,049	2,259,097		
Gold Price (USD/troy oz; annual avg)		1,160	1,249	1,258	1,269	1,393	1,770	1,800	1,801	1,943	
Iron Price (CFR Tianjin port; USD/dry ton; annual avg)		56	59	72	69	94	109	162	121	108	
Uranium Price (USD/pound; annual avg)		37	26	22	25	26	30	35	50	91	
FRED Diamond Export Price Index (Dec 2013 = 100)		106.1	105	100.1	101.5	101.5	96.2	100.7	117	113.4	

Business Plans

The GN's Business Plan, published alongside the Main Estimates each year, is the formal statement of the government's current goals and objectives. The document includes the spending plans of 11 departments and 5 territorial corporations. By detailing the operational context, Inuit employment initiatives, and core business lines and their corresponding budgets for each department, these plans serve as a strategic and operational description of the expenditures outlined in the Main Estimates. We summarize them at a high level here. All figures are in \$'000, unless otherwise indicated. Spending categories shaded in grey, such as the revolving funds, are not subject to an appropriation. Their operations therefore do not factor into the totals presented here. Also note there may be some slight discrepancies between these numbers and the final appropriated amounts, given the Business Plans are prepared earlier in the Budget process. Actual spending is reported in the Public Accounts at the end of each fiscal year.

Program Spending

Office of the Legislative Assembly (OLA)

	2023-24(r)	2024-25(f)	2025-26(f)	2026-27(f)
Total	\$29,728	\$30,183	\$30,183	\$30,183

Executive & Intergovernmental Affairs (EIA)

	2023-24(r)	2024-25(f)	2025-26(f)	2026-27(f)
Directorate	\$3,826	\$3,839	\$3,839	\$3,839
Strategic Mgmt	\$3,909	\$3,938	\$3,938	\$3,938
Cabinet	\$5,680	\$5,612	\$5,612	\$5,612
Commissioner	\$351	\$351	\$351	\$351
Intergovernmental	\$5,493	\$5,435	\$5,435	\$5,435
Devolution	\$2,712	\$2,714	\$2,714	\$2,714
Total	\$21,971	\$21,889	\$21,889	\$21,889

Finance (FIN)

	2023-24(r)	2024-25(f)	2025-26(f)	2026-27(f)
Corporate M'gmt	\$4,486	\$5,309	\$4,795	\$4,795
Fiscal Management	\$6,470	\$6,564	\$6,550	\$6,552
NULC (Revolving Fund)				
Comptrollership	\$23,572	\$24,038	\$23,712	\$23,754
Centrally Administered Funds	\$73,290	\$74,915	\$74,915	\$74,915
Total	\$107,818	\$110,826	\$109,972	\$110,016

Human Resources (HR)

	2023-24(r)	2024-25(f)	2025-26(f)	2026-27(f)
Directorate	\$2,889	\$2,867	\$2,867	\$2,867
Policy, Planning, and Communications	\$957	\$974	\$974	\$974

Sivumuaqatigiit	\$3,230	\$3,279	\$3,279	\$3,279
Public Service Training	\$6,217	\$6,250	\$6,250	\$6,250
Staffing	\$10,359	\$10,442	\$10,442	\$10,442
Employee Relations and Job Evaluation	\$3,308	\$3,200	\$3,200	\$3,200
Employee Wellness	\$2,151	\$2,379	\$2,379	\$2,379
Total	\$29,111	\$29,391	\$29,391	\$29,391

Justice (JUS)

	2023-24(r)	2024-25(f)	2025-26(f)	2026-27(f)
Advisory and Administrative Services	\$27,541	\$27,687	\$27,714	\$27,714
Law Enforcement	\$67,189	\$70,252	\$70,252	\$70,252
Legal Support Services	\$4,759	\$5,139	\$5,139	\$5,139
Court Services	\$13,213	\$13,156	\$13,156	\$13,156
Legal Registries	\$1,589	\$1,740	\$1,740	\$1,740
Corrections	\$46,691	\$47,244	\$47,244	\$47,244
Community Justice	\$6,201	\$6,822	\$6,822	\$6,822
Human Rights Tribunal	\$812	\$902	\$929	\$929
Legal Services Board	\$16,408	\$16,568	\$16,568	\$16,568
Total	\$167,183	\$172,040	\$172,067	\$172,067

Culture & Heritage (CH)

	2023-24(r)	2024-25(f)	2025-26(f)	2026-27(f)
Directorate	\$4,949	\$4,998	\$4,998	\$4,998
Official Languages	\$7,694	\$7,725	\$7,725	\$7,725
Translations Bureau	\$4,179	\$4,229	\$4,229	\$4,229
Heritage	\$5,972	\$6,004	\$6,004	\$6,004
Elders and Youth	\$3,607	\$3,619	\$3,619	\$3,619
Inuit Qaujimagatuaqangit	\$1,422	\$1,430	\$1,430	\$1,430
Total	\$27,823	\$28,005	\$28,005	\$28,005

Education (EDU)

	2023-24(r)	2024-25(f)	2025-26(f)	2026-27(f)
Directorate	\$7,601	\$7,576	\$7,576	\$7,576
Policy and Planning	\$2,730	\$2,873	\$2,873	\$2,873
Corporate Services	\$6,548	\$6,255	\$6,255	\$6,255
Early Learning and Child Care	\$5,705	\$6,130	\$6,130	\$6,130
Cirriculum, Resources, and Education en francais	\$8,868	\$8,712	\$8,712	\$8,712
Student Achievement	\$11,338	\$11,565	\$11,565	\$11,565

K-12 School Operations	\$204,359	\$209,586	\$209,586	\$209,586
Educator Development	\$12,069	\$12,262	\$12,262	\$12,262
Advanced Education	\$14,410	\$14,839	\$14,839	\$14,839
Total	\$273,628	\$279,798	\$279,798	\$279,798

Health (HEA)

	2023-24(r)	2024-25(f)	2025-26(f)	2026-27(f)
Directorate	\$58,914	\$60,242	\$60,165	\$60,165
Quality of Life (Inuusivut)	\$11,576	\$11,084	\$11,084	\$11,084
Public Health	\$26,563	\$26,911	\$26,932	\$26,932
Health Care Service Delivery	\$372,521	\$422,055	\$422,155	\$422,155
Total	\$469,574	\$520,292	\$520,336	\$520,336

Environment (ENV)

	2023-24(r)	2024-25(f)	2025-26(f)	2026-27(f)
Corporate M'gmt	\$5,875	\$6,382	\$6,382	\$6,382
Wildlife M'gmt	\$8,676	\$8,779	\$8,779	\$8,779
Wildlife Research	\$5,154	\$5,172	\$5,172	\$5,172
Environmental Protection	\$3,613	\$3,651	\$3,651	\$3,651
Parks and Special Places	\$2,591	\$3,543	\$3,543	\$3,543
Total	\$25,909	\$27,527	\$27,527	\$27,527

Community & Government Services (CGS)

	2023-24(r)	2024-25(f)	2025-26(f)	2026-27(f)
Advisory and Administrative Services	\$13,658	\$2,337	\$2,337	\$2,337
Corporate Services	\$-	\$12,583	\$12,583	\$12,583
Local Government & Municipal Transfers	\$95,146	\$103,871	\$105,608	\$104,232
Information Tech-	\$51,768	\$53,142	\$53,142	\$53,142
Infrastructure	\$133,225	\$137,720	\$137,720	\$137,720
Petroleum Products (Revolving Fund)				
Total	\$293,797	\$309,653	\$311,390	\$310,014

Economic Development & Transportation (EDT)

	2023-24(r)	2024-25(f)	2025-26(f)	2026-27(f)
Corporate M'gmt	\$6,647	\$6,727	\$6,727	\$6,727
Community Operations	\$4,509	\$4,567	\$4,567	\$4,567

Business Development	\$17,522	\$17,530	\$17,530	\$17,530
Tourism and Cultural Industries	\$5,683	\$5,710	\$5,710	\$5,710
Minerals and Petroleum Resources	\$4,749	\$4,770	\$4,770	\$4,770
Fisheries and Sealing	\$4,757	\$4,773	\$4,773	\$4,773
Transportation Policy and Planning	\$3,416	\$4,226	\$4,226	\$4,226
Motor Vehicles	\$4,165	\$4,198	\$4,198	\$4,198
Nunavut Airports	\$21,301	\$22,263	\$22,263	\$22,263
Iqaluit International Airport	\$25,392	\$25,397	\$25,397	\$25,397
Total	\$98,141	\$100,161	\$100,161	\$100,161

Family Services (FS)

	2023-24(r)	2024-25(f)	2025-26(f)	2026-27(f)
Corporate M'gmt	\$ 5,271	\$ 5,351	\$ 5,381	\$ 5,381
Poverty Reduction	\$ 6,776	\$ 8,776	\$ 8,776	\$ 8,776
Family Wellness	\$ 75,248	\$ 80,998	\$ 81,078	\$ 81,078
Income Assistance	\$ 62,742	\$ 63,402	\$ 63,402	\$ 63,402
Career Development	\$ 11,109	\$ 11,109	\$ 11,109	\$ 11,109
Total	\$ 161,146	\$ 169,636	\$ 169,746	\$ 169,746

Nunavut Housing Corporation (NHC)

	2023-24(r)	2024-25(f)	2025-26(f)	2026-27(f)
Advisory and Administrative Services	\$22,948	\$31,746	\$30,446	\$30,346
Public Housing	\$161,305	\$164,466	\$164,466	\$164,466
Homeownership	\$4,620	\$4,620	\$4,620	\$4,620
Staff Housing	\$72,991	\$73,157	\$73,157	\$73,157
Total	\$257,244	\$269,369	\$268,069	\$267,969

Nunavut Arctic College (NAC)

	2023-24(r)	2024-25(f)	2025-26(f)	2026-27(f)
Administration	\$8,910	\$9,810	\$9,810	\$9,810
Inuit Language	\$7,980	\$7,632	\$7,632	\$7,632
Distance Learning	\$13,106	\$17,257	\$17,257	\$17,257
Business Careers	\$2,214	\$1,478	\$1,478	\$1,478
Education Careers	\$19,986	\$12,763	\$12,763	\$12,763
Health and Wellness	\$7,662	\$6,522	\$6,522	\$6,522
Trades and Tech	\$5,304	\$5,372	\$5,372	\$5,372
NRI	\$1,343	\$1,357	\$1,357	\$1,357
Learner Services	\$6,769	\$6,826	\$6,826	\$6,826
Law Program	\$-	\$-	\$-	\$-
Total	\$73,274	\$69,017	\$69,017	\$69,017