

# **BUDGET ADDRESS 2005**

GOVERNMENT OF NUNAVUT

**The Honourable Leona Aglukkaq**

*Minister of Finance*

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## TABLE OF CONTENTS

INTRODUCTION .....	1
FISCAL PERFORMANCE FOR 2004-05.....	2
CHALLENGES.....	3
FISCAL PLAN FOR 2005-06 .....	4
REVENUES FOR 2005-06 .....	6
EXPENDITURES FOR 2005-06 .....	7
Education.....	7
Health and Social Services .....	8
Housing.....	9
Justice.....	9
Culture, Language, Elders and Youth .....	10
Economic Development and Transportation .....	11
Environment.....	12
Community and Government Services.....	13
Human Resources .....	14
Finance .....	15
Executive and Intergovernmental Affairs.....	15
CONCLUSIONS .....	16
APPENDIX A - SUMMARY TABLES.....	17



## INTRODUCTION

Mr. Speaker, Honourable colleagues and fellow Nunavummiut, today I am pleased to table the second budget of this the second Legislative Assembly.

As we prepare for the second year of this government I want to emphasize to Members and all Nunavummiut that, although we have made significant progress in a number of areas, we must bear in mind that Nunavut is a young territory. This means that at times there are and will be difficulties as we move forward.

We have the opportunity to ensure that an efficient and accountable government is provided in our territory. This is a significant challenge and comes with tremendous responsibilities - responsibilities that flow from the public service to Cabinet, to you, the Members of the Legislative Assembly, and ultimately to Nunavummiut.

We have many initiatives to strengthen financial management and accountability within the public service. Many measures for better assessment and control of the spending of government revenues are being put in place.

Mr. Speaker, since my first budget address three major positive developments, in which Premier Okalik has played a prominent role, took place.

There were two First Ministers' Meetings in the fall of 2004 that benefited us greatly. The first one in September dealt with health care funding issues, and the second in October considered Equalization and Territorial Formula Financing transfers to provinces and territories.

As well, the Prime Minister and the Territorial Premiers announced the development of a Northern Strategy in December 2004. This strategy will permit us jointly to define new ways of working with the federal government to achieve our objectives in the years ahead.

Mr. Speaker, our budget process outlines how we as a government will meet our responsibilities to deliver public services to Nunavummiut and to manage our financial situation in the coming year. It establishes a fiscal framework and identifies financial priorities consistent with the priorities of the government for our current term as set out in *Pinasuaqtavut*.

While *Pinasuaqtavut* sets out the priorities, it is this budget that provides the blueprint for how we use our financial resources in the coming year to realize our priorities.

Implementing these priorities will enable us to expand our economy, build a stronger cultural foundation based on Inuit societal values, and continue with our efforts to improve education, housing and health care.

We will continue to build a positive business climate in Nunavut. Having a strong private sector and a strong public sector will ensure that we reach our goals.

Our efforts will continue to be shaped by our full commitment to the *Nunavut Land Claims Agreement*.

In carrying out our work we will be guided by the eight principles in *Pinasuaqtavut* that embody Inuit societal values.

We will use these important principles of *Inuit Qaujimaqatunngit* in our efforts to make our government and the programs and services we offer more responsive to the people we serve.

Departments are currently completing work plans to implement *Pinasuaqtavut* priorities. These plans will be both reflective of these principles and tied to the fiscal and economic blueprint that I am providing to you today.

Once these plans are developed, they will form the basis of a three year fiscal plan we will be detailing in the 2006 budget and business plan a year from now. The input of Members of the Legislative Assembly into this medium term fiscal plan will be sought through a Fiscal Planning Retreat proposed for the fall of 2005.

I will now provide a fiscal update for the 2004-05 year, before outlining our plans for the coming year.

## **FISCAL PERFORMANCE FOR 2004-05**

Mr. Speaker, our projected revenues for 2004-05 are \$45.4 million higher than projected in my first budget in May 2004.

This increase in revenues results from the new framework for Territorial Formula Financing agreed to as a result of the First Ministers' Meeting in October.

The additional revenue has given us the flexibility to deal with additional fuel costs and pressures in health, education and other key expenditure areas.

As a result, our revised expenditure projections for 2004-05 based on approved appropriations to date are \$40.9 million higher than originally budgeted.

The net impact of these revenue and expenditure adjustments means that the

projected deficit changes from the 2004 budget level of about \$13 million to a current level of \$8.4 million.

However, additional requests for expenditure appropriations for the current year will be brought forward for consideration by the Legislative Assembly later in this Session. Included will be a request for an extra appropriation to deal with the financial requirements of the Qulliq Energy Corporation up to March 31, 2005.

## **CHALLENGES**

The challenges of our new territory are large. Much progress has been made, but the hurdles we face as a new territory remain great.

However, we must renew our efforts to deal with these challenges.

Our patience and persistence will lead to success. The outcome of the September First Ministers' Meeting on health recognized that the delivery of health care North of 60 was significantly different from the model that operates South of 60.

The federal government provided additional funding to help us deal with medical travel. In the South there are roads to access hospitals and basic health care needs. In the North we use airports and landing strips.

People understand this when they come to visit us. But knowing the problems does not automatically result in solutions. It took a persistent and constant presentation of our facts before additional monies were made available to us.

Similar action was required to deal with per capita funding. This concept simply does not work for jurisdictions with small populations, particularly for Nunavut.

Only after we patiently made our case at every opportunity did the federal government change its approach in allocating new federal funding in important areas such as infrastructure and most recently in the sharing of the federal gas tax.

Mr. Speaker, of even greater significance is the need to succeed in getting our fair share of the wealth from our abundant natural resources. To achieve this we expect soon to begin discussions in earnest with the federal government about devolution that will bring about this result.

At the same time the government will continue to lobby at the national level for additional funding and the lifting of various barriers to the development of our economy, especially in the case of our fisheries.

The recent boom in natural resource exploration activity within Nunavut gives us greater hope that in the future we will be more fiscally independent and will not need to make as strong a case for federal transfers. We all look forward to that time.

But here again we must be persistent. We can only benefit from our natural resources if we have province-like powers. In order to get these powers we need a devolution agreement with the federal government.

At the launching of the Northern Strategy initiative in December 2004 the Prime Minister of Canada indicated that he would support our Premier's efforts in advancing this important process.

We know already that it will not be easy to negotiate a deal that fully benefits Nunavummiut. But, Mr. Speaker, we accept this challenge because if we do not persistently pursue it we will always be relegated to being heavily dependent on federal transfers.

This is our single largest challenge. It is key to solving and dealing with the social and economic needs in our communities - whether in housing, health or education.

We are a capable and competent people. Most of us are Inuit but we are enriched by the wide variety of other Canadians and world peoples that find our land so appealing.

If we are ultimately to be masters of all the responsibilities over this vast area of Canada, we must demonstrate our capabilities as Nunavummiut and the fact that we are fully accountable for our actions. Mr. Speaker, this high degree of accountability is evident in the fiscal plan I will now outline.

## **FISCAL PLAN FOR 2005-06**

Each year through the budget process the government allocates its available resources for programs and sets out an overall fiscal plan. The goal of the process is to identify and use resources in the most efficient manner to address our priorities.

Since 1999 the Government of Nunavut has consistently maintained a prudent approach to the management of its finances that has allowed us to avoid large accumulated deficits and the build up of significant levels of additional direct or guaranteed debt.

Mr. Speaker, I am happy to report that the 2005 Budget will be balanced.

After taking into account estimated appropriation lapses mainly for capital projects of about \$27 million and a contingency of \$60 million, we are projecting a surplus of approximately \$3.6 million for 2005-06.

Part of the contingency is set aside to cover additional costs to government related to electricity.

On February 28 Minister Picco and I will announce the electricity rate increases which will be granted to the Qulliq Energy Corporation and changes to the Nunavut Electricity Subsidy Program. The final Report from the Utility Rates Review Council also will be made available.

At that time I will be providing details of the effects these changes will have on government operations and maintenance expenditures, including subsidies to the consumer. A \$15 million provision is contained in our fiscal framework for the cost to government of these changes, including any further financial support the corporation may require in 2005-06.

Mr. Speaker, a major objective of this government is to continue to ensure that electrical energy is available to Nunavummiut at the most affordable rates possible. It is also critically important that we make decisions that will lead to a much more financially secure Qulliq Energy Corporation.

In the medium term we expect to be able to meet all our operating requirements and maintain a relatively aggressive capital expenditure program within the constraints of a balanced budget.

We are aware, however, that budgetary deficits may result from unanticipated events such as a slower than expected level of economic activity. This can result in a combination of lower revenues and higher expenses.

Currently we have approximately \$53.5 million available under the borrowing limit of \$200 million. To date \$141 million has been used to guarantee debt of the Nunavut Housing Corporation and the Qulliq Energy Corporation. Most of this guaranteed debt was assumed prior to division. We also have \$5.5 million of direct debt for the mortgage on the Sivummiut office building in Iqaluit.

A case can be made for borrowing to fund capital expenditures given that such outlays should yield benefits in future years to offset the interest and other costs associated with this method of funding investment. We have not seriously considered this approach at this stage in our development.

We remain hopeful that the borrowing authority of \$200 million imposed on Nunavut as part of the federal *Nunavut Act* will remain adequate to look after our financing requirements over the medium term.

As prudent fiscal managers, Mr. Speaker, we want to avoid high debt levels and the associated high debt servicing costs.

## **REVENUES FOR 2005-06**

For the coming year our revenues are projected to be \$972.4 million. This represents a 5.4 percent increase over the 2004-05 revised revenue forecast.

Mr. Speaker, this increase is due mainly to increases in federal transfers. We are expecting our Territorial Formula Financing transfers to provide an additional \$27.3 million and other transfers stemming from the September First Ministers' Meeting on health to increase by about \$15.5 million. In total, we expect to receive an additional \$42.8 million in federal transfers this coming fiscal year.

Our own-source revenues also are expected to increase in 2005-06. Increased income taxes and other taxes and fees are expected to provide \$81.5 million to our revenues. This represents an increase of about \$7.2 million above what these revenue sources brought in last year, with no increases in tax rates. Mr. Speaker, our taxes remain the lowest in the country.

The federal government has announced that it will provide \$40 million of additional funding to Nunavut over three years. This will provide us with additional capacity to help achieve the objectives of the Northern Strategy in the short term. These funds have not yet been included in our fiscal framework.

The vast majority of our revenues still comes from the federal government in the form of transfers. The Formula Financing Arrangement between Nunavut and Canada expired March 31, 2004. In the lead up to the October First Ministers' Meeting we were able to negotiate increases in the base funding we receive from this important source.

At the time of the First Ministers' Meeting in October, the federal government announced a new framework for Equalization and Territorial Formula Financing.

The new framework established a floor for the Formula Financing Arrangement for 2004-05 and 2005-06 and sets an escalator of 3.5 percent for the floor after 2005-06.

At the same time, the federal government announced that an expert panel would be set-up to review the Formula Financing Arrangement and to determine how funding should be allocated amongst the three territories. The expert panel will provide its report before the end of the coming fiscal year.

While the Government of Nunavut is in a relatively good fiscal situation, we must continue to show fiscal discipline and to consider all our expenditures carefully. This high degree of fiscal responsibility is reflected in the expenditure plans for 2005-06 that I will now present.

## **EXPENDITURES FOR 2005-06**

Mr. Speaker, total expenditures in the 2005 Budget are \$935.8 million, of which about 89 percent or \$833.9 million is for operations and maintenance expenditures.

The remaining 11 percent, or approximately \$102 million, is for spending on capital projects.

### ***Education***

Mr. Speaker, to reflect the important role the Department of Education plays in both education and the delivery of social services the departmental operations and maintenance budget has been increased to \$174.2 million in 2005-06. This represents a 10.5 percent increase from the 2004-05 budget.

Minister Picco has an ambitious plan for the department for the coming year.

On the education side this plan includes:

- developing a new school funding formula to reflect truly the needs of schools with implementation over the next three years,
- enhancing services available to special needs students, and
- initiating a 'Young Parents Stay Learning' program to assist with child care expenses for parents 18 years and younger.

With regard to social services the plan includes:

- increasing the social assistance food allowance by five percent,
- exempting co-op dividends from reportable income, and
- coordinating homelessness issues and services.

Work called for in the Bilingual Education Strategy will be implemented and multiple graduation options for high school students will be developed.

As well, the department will undertake feasibility studies needed to consider the possibility of trade and cultural schools for Nunavut.

## ***Health and Social Services***

Mr. Speaker, the 2005-06 operations and maintenance budget for the Department of Health and Social Services has increased to \$215.2 million. This represents an 18.1 percent increase from the department's 2004-05 budget.

Minister Brown will introduce a new direction for the provision of health care in the coming year called *Closer to Home*. This initiative will strengthen community capacity in delivering health care, and expand the scope of services currently being provided locally in Nunavut.

This new approach to delivering health care will be simple, accessible and responsive to the needs of Nunavummiut. It is very considerate of *Inuit Qaujimajatuqangit* and the goals of *Pinasuaqtavut*.

Mr. Speaker, the new health centres in Rankin Inlet and Cambridge Bay, are a practical example of the *Closer to Home* vision in action. These new facilities will open during 2005 and will introduce more and better health services for these communities, and indeed for the Kitikmeot and Kivalliq. Construction will continue on the Qikiqtani General Hospital in Iqaluit, which is scheduled to open in early 2007.

To support the new approach to health care, an education and training program will be developed so that Nunavummiut can begin to pursue careers as health care professionals. This program will include a Continuing Education Strategy that will enhance the skills of our current staff.

In the coming year, extraordinary efforts will be made to recruit new nurses and doctors for the territory.

A recruiting firm is working to help us find 100 new nurses by September 2005. As well, eight additional doctors will be hired. First priority will be given to filling positions at the health centres in Cambridge Bay and Rankin Inlet.

This summer a new family practice clinic will be opened in Iqaluit. This new clinic will be staffed by nurse practitioners and supported by doctors providing much needed service to the growing population of our capital.

Mr. Speaker, in order to provide better care for expectant mothers, the Midwifery and Maternity Care Services offered by the department will be expanded. In 2005-06, six new positions will be added so that these services can be provided in more communities.

In addition, a maternity care training program will be developed in partnership with the Nunavut Arctic College so that Nunavummiut can be trained as maternity care workers.

Finally, Mr. Speaker, a comprehensive strategy will be developed to ensure that elders receive better quality health care and support. This will include a plan to create 24-hour elders care facilities in more communities.

## ***Housing***

Mr. Speaker, the Housing Corporation will continue to increase the Nunavut housing supply in the coming year.

The corporation will spend a total of \$181.2 million in 2005-06 when contributions from Canada Mortgage and Housing Corporation and Infrastructure Canada's Strategic Infrastructure Fund are included.

At least 80 units will be built in Nunavut communities this construction season under Phase Two of the Infrastructure Fund.

Mr. Speaker, this means that in total 160 new public housing units will have been constructed under this initiative.

To help ensure adequacy and suitability of private homes for Nunavummiut, additional funding will be made available to a number of popular initiatives the corporation offers such as the home repair program.

In the new year, Minister Kilabuk, in partnership with Nunavut Tunngavik Incorporated, will continue to lobby the Federal Government to partner with us in the implementation of the *Nunavut Ten-Year Inuit Housing Action Plan*.

## ***Justice***

The operations and maintenance budget of the Department of Justice will be increased by \$5.6 million to \$54.6 million for 2005-06.

In the coming year, the department will:

- increase the funding of the circuit court system to ensure Nunavummiut have access to the justice process in communities,
- provide more training for justices of the peace and coroners, and
- increase the number of labour standards audits.

As well, additional funding will be provided to ensure that the growing number of court-ordered mental assessments of accused can be carried out in a timely manner.

Mr. Speaker, as Members know, the Akitsiraq Law School initiative is nearing completion. Minister Okalik is proudly looking forward to this summer graduation of Nunavut's first locally trained lawyers. In order to ensure the successful start of the graduates' legal careers, the Department will fund five of the 11 potential graduates for six months of their articling after graduation.

The Department of Justice provides important programs to our communities. These programs cover a wide variety of issues from public safety to settling disputes between individuals. The department will increase its funding generally to communities in the coming year and specifically will ensure that the spousal assault program in Rankin Inlet continues.

Additional funding also has been set aside to ensure that elders who provide guidance and counseling to youth and adults are appropriately compensated for their contributions.

### ***Culture, Language, Elders and Youth***

Mr. Speaker, the Department of Culture, Language, Elders and Youth will continue to preserve and enhance Nunavut's culture and to provide healthy active living opportunities for Nunavummiut.

In the coming year, Minister Tapardjuk will lead the consultations on developing made-in-Nunavut language legislation. The department will continue to hold terminology workshops to research and develop enhancements in our languages.

A new elder advisor will also provide cultural input to the department and coordinate community-based projects that focus on incorporating Inuit societal values. These projects will be designed with the input from the Department of Justice to accommodate the need for restorative justice in our communities.

Mr. Speaker, the department will continue to work along with Nunavut Tunngavik Incorporated and Inuit Heritage Trust to identify funding sources so we can build a Nunavut Heritage Centre.

To ensure that Nunavut continues to participate in the Arctic Winter Games and other national games, additional funding will be provided to Sport Nunavut.

In 2005-06, the department will provide \$5.4 million in grants and contributions

to communities to support capacity building in the areas of culture, heritage, language, communications, the arts, sport, recreation and leisure.

### ***Economic Development and Transportation***

Mr. Speaker, in our efforts to develop a sustainable economy in which Nunavummiut are to be in control, we face many challenges.

To meet these challenges, Minister Simailak will continue working with all parties to implement the *Nunavut Economic Development Strategy* and to develop a positive business environment.

An example of this is our work with Indian and Northern Affairs Canada to develop a process and plan to invest our share of the \$90 million provided in the 2004 federal budget for economic development in the North over four years.

The department will establish a *Nunavummi Nangminiqaqtunik Ikajuuti (NNI) Secretariat* in the new year to coordinate the implementation of the incentives built into the NNI Policy.

We are confident this will help ensure the *NNI Policy* becomes more effective in promoting increased participation of Inuit in the workforce and in supporting the growth of Inuit business.

In the upcoming year, the department will focus on two key initiatives:

- implementing the Nunavut Transportation Strategy, and
- promoting growth in our mineral resource development sector.

Mr. Speaker, our economic future depends upon improving our transportation infrastructure.

In collaboration with the Government of Canada, we will invest in key transportation projects that will strengthen the Nunavut economy and promote local business.

The mining, tourism, fisheries and sealing sectors and their many spin-offs, as well as local arts and crafts enterprises, will all benefit from improved transportation infrastructure.

We will also focus on improving infrastructure in individual communities through initiatives under the Small Craft Harbour and Airport Investment Strategies for Nunavut.

It is also a key priority to increase investment in support of mineral exploration.

Our government will continue to work with the mineral sector to streamline and clarify approval processes for new developments, while maintaining environmental as well as social and economic requirements.

We will work with the mining industry to develop both our mineral resources and our human resources. Through the *NNI Policy* and the new *NNI Secretariat* we will promote greater Nunavut and Inuit employment and business participation in this sector.

Mr. Speaker, we are providing an additional \$4 million to support sustainable economic growth and employment in all sectors and all regions of Nunavut. When combined with new federal government spending, there will be over \$45 million of additional investment in our economy over the next few years.

## ***Environment***

Mr. Speaker, the Department of Environment was created last year to reflect the priority this government places on its responsibilities for the protection and promotion of our natural resources through *avatimik kamattiarniq*.

This budget continues to support initiatives started last year to deliver on a wide range of regulatory and program functions.

Minister Akesuk will continue to focus on developing and maintaining strategic partnerships with organizations both within and outside of Nunavut. This will help to ensure the long-term protection of our environment, and sustainable development of our natural resources.

Funding support will continue in the new year to the Hunters and Trappers Organizations, Community Harvesters Assistance Program, and Regional Wildlife Management Boards.

As well, the wildlife research program and the community programs to support the harvesting and management of wildlife in Nunavut will continue.

The *Nunavut Sealing Strategy* and the *Nunavut Fisheries Strategy* will be implemented in 2005-06. These strategies will provide support towards maximizing the economic opportunities in these sectors for Nunavummiut while honouring the principles of conservation and sustainability.

Mr. Speaker, to provide community based fisheries training, we will partner with the federal government in a new training program. This program will help

Nunavummiut take advantage of opportunities in our emerging fisheries industry.

### ***Community and Government Services***

The creation of the Department of Community and Government Services last year has allowed the government to maximize the use of resources to support communities and other departments.

The new department emphasizes community support and has put in place a one-stop concept for communities for a range of services, funding and training.

This budget demonstrates a firm financial commitment to supporting municipalities. Minister Kilabuk is very pleased that our government will be providing an additional \$4 million under the Municipal Operating Assistance Program in 2005-06. Combined with the increase provided two years ago, Mr. Speaker, this represents a 30 percent increase in municipal operating grants over three years.

The department will undertake revisions to the Water and Sewage Subsidy Program and has increased the funding by \$500,000. The department will continue, in collaboration with Nunavut's municipalities, to change the program so that communities can increase their abilities to manage individual programs.

An additional \$1 million will be provided for the Nunavut Association of Municipalities Insurance Exchange. This municipally owned and operated insurance organization has managed to reduce claims and improve loss control practices across the territory. With the additional funding provided this year the government will have contributed \$4.5 million to this initiative.

Mr. Speaker, the department has tabled the Nunavut Fire Prevention Strategy that laid out a vision and a progressive implementation plan to reduce fire losses. In 2005-06, \$2 million will be allocated to this strategy.

An ongoing success story in communities is the work of the Municipal Training Organization. Government is again providing core-funding support, which assists that organization in obtaining funding from other partners. Over the past year the organization's programs have attracted 660 participants and provided over 5000 training days to all levels of municipal staff.

This year will see many infrastructure projects funded with support from Canada. The funding from the federal government is matched by Nunavut and will allow us to address priority needs in communities.

The Nunavut Association of Municipalities will join us in forming the Community Infrastructure Planning Committee and will work with the federal government and the Government of Nunavut in establishing an Infrastructure Technical Planning Secretariat.

The need to manage and conserve our energy has never been more evident than it is today.

In response to this need, we will be implementing an *Energy Management Program* throughout the government.

This program is designed to improve energy efficiency, reduce greenhouse gas emissions, and reduce government spending on energy.

As part of this initiative, educational and training programs will be developed for government employees, schools, and building operators and managers.

## ***Human Resources***

Under the direction of Minister Tapardjuk, Mr. Speaker, the Department of Human Resources will lead the implementation of the Inuit Employment Plan. The 2005-06 budget for this priority program is \$5.6 million - almost 30 percent of the departmental budget.

This plan will utilize clearly defined measurements to judge progress in achieving the goals of this program. This will increase the accountability of departments and agencies with regard to Inuit employment. It will also ensure that job opportunities are accessible to beneficiaries across Nunavut, and will allow us to make faster progress towards having a representative work force and meeting the objectives of *Pinasuaqtavut*.

The reduction of barriers to the staffing and job evaluation processes will remain a high priority. The Priority Hiring Policy is being reviewed to assess its effectiveness. The audit of job descriptions will eliminate artificial barriers. Inuit cultural and language components will be integrated into all positions.

Funding for the Nunavut Summer Student Employment Program will be increased by \$250,000 to almost \$1 million. This government-wide program will provide valuable working experience to more of our young people.

We value the contribution of our employees and will foster a close working relationship with our public sector unions so that Government's programs and services can best meet the needs of Nunavummiut.

The department will deliver courses and workshops to improve the well-being of employees and to ensure safe working conditions. This will improve the morale, productivity and retention rate of our employees.

Also, the Public Service Act will be reviewed and changes will be proposed to ensure that it fully reflects our human resources policies and practices.

## ***Finance***

In the Department of Finance, the administration of the Nunavut Liquor Board and the Liquor Commission has recently been centralized in Rankin Inlet, and a new liquor warehouse has been constructed there. These changes will mean a more efficient liquor administration.

Mr. Speaker, I have asked the Nunavut Liquor Board to provide me with suggestions for improving various aspects of liquor education that fall under the board's responsibilities. We also will be following up with the chairs of the local alcohol committees to obtain their suggestions. These committees can serve as a valuable tool in helping us educate Nunavummiut on the dangers associated with the inappropriate use of alcohol.

The department will continue to coordinate efforts to strengthen financial management across government including Crown corporations and agencies. This effort will focus upon the management of resources, risks and information.

The Financial Management Board, utilizing three government-wide committees with clearly defined mandates, provides overall direction to this effort. These committees are the Financial Management Committee, the Audit Committee and the Interdepartmental Committee on Capital Planning. In addition, the Crown Agency Council advises Cabinet and the Financial Management Board on a wide range of policy and financial management issues.

Improvements in financial management will help us to deliver programs more effectively. It will improve accountability by making public employees more aware of the responsibilities they have in delivering programs to benefit Nunavummiut.

## ***Executive and Intergovernmental Affairs***

Mr. Speaker, the Department of Executive and Intergovernmental Affairs carries out the key role of advising Cabinet on the development of our full potential as a territory and as a people.

In the coming year, it will coordinate the completion of the work plans flowing from *Pinasuaqtavut*, and will work with the Department of Finance to ensure that these work plans are integrated to the maximum extent possible into our fiscal plans.

It will renew its efforts to work in partnership with Nunavut Tunngavik Incorporated and the federal government to implement and meet the obligations of the Nunavut Land Claims Agreement.

The department will coordinate government's efforts to begin to negotiate a strong devolution agreement, which is key to our achieving the economic vision for the development of our territory described in *Pinasuaqtavut*.

As well, the Department of Executive and Intergovernmental Affairs will provide the focus for the series of consultations to be undertaken to gather the views of Nunavummiut and additional information necessary to develop the Northern Strategy announced by the Prime Minister and the Territorial Premiers in December 2004.

## **CONCLUSIONS**

To conclude Mr. Speaker, the budget tabled today outlines how we will meet our responsibilities to deliver public services to Nunavummiut and to manage our financial situation in the coming year.

It establishes a fiscal framework and identifies financial priorities consistent with the priorities of the government for our current term as set out in *Pinasuaqtavut*.

It confirms our firm commitment to:

- strengthening financial management and accountability;
- strengthening our economy;
- building a stronger cultural foundation based on Inuit societal values; and
- improving education, housing and health care.

We have accomplished much since 1999. This new budget will ensure that we continue that progress, as will our three-year fiscal plans that we will be developing over the coming months.

We look forward to working with all Members of the Second Legislative Assembly and all our partners to achieve Nunavut's full potential.

Thank you, Mr. Speaker.

# APPENDIX A

## SUMMARY TABLES



GOVERNMENT OF NUNAVUT

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**Summary of Fiscal Position**

 Government of Nunavut, 2005-2006 (\$ Millions)
 

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	2005-2006 Main Estimates	2004-2005 Revised Estimates	2004-2005 Main Estimates
<b>Revenues</b>	<b>972.4</b>	<b>922.4</b>	<b>877.0</b>
<b>Expenditures</b>			
Operations and Maintenance	833.9	788.3	742.8
Capital	101.9	169.5	107.9
<b>Total Expenditures</b>	<b>935.8</b>	<b>957.8</b>	<b>850.7</b>
<b>Unadjusted Surplus (Deficit)</b>	<b>36.6</b>	<b>(35.4)</b>	<b>26.3</b>
<b>Other Supplementary Requirements</b>	<b>60.0*</b>		<b>66.2</b>
<b>Estimated Appropriation Lapses</b>			
Operations and Maintenance	2.0		
Capital	25.0	27.0	27.0
<b>Operating Surplus (Deficit) For The Year</b>	<b>3.6</b>	<b>(8.4)</b>	<b>(12.9)</b>

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 Totals may not add due to rounding.
 

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\* Includes estimated \$25 million of capital carryovers from 2004-05.

<b>Summary of Revenues</b>			
Government of Nunavut, 2005-2006 (\$ Thousands)			
	<b>2005-2006 Main Estimates</b>	<b>2004-2005 Revised Estimates</b>	<b>2004-2005 Main Estimates</b>
<b>Federal Transfers</b>			
Formula Financing Arrangement	805,608	778,293	734,718
Other Federal Transfers	85,264	69,720	67,723
<b>Total Federal Transfers</b>	<b>890,872</b>	<b>848,013</b>	<b>802,441</b>
<b>Own Source Revenues</b>			
Personal Income Tax	23,992	19,459	19,459
Corporate Income Tax	7,274	6,325	6,325
Fuel Tax	3,425	3,231	3,231
Property Tax and School Levies	2,404	2,304	2,804
Tobacco Tax	8,505	8,420	8,420
Payroll Tax	6,023	5,876	5,876
Insurance Taxes	333	331	331
Liquor Commission Net Revenues	2,279	2,279	1,921
Rental Recovery - Staff Housing	10,816	10,604	10,604
Other Revenues	16,489	15,556	15,556
<b>Total Own Source Revenues</b>	<b>81,540</b>	<b>74,385</b>	<b>74,527</b>
<b>Total Revenues</b>	<b>972,412</b>	<b>922,398</b>	<b>876,968</b>
Totals may not add due to rounding.			

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**Summary of Operations and Maintenance Expenditures**

Government of Nunavut, 2005-2006 (\$ Thousands)

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	<b>2005-2006 Main Estimates</b>	<b>2004-2005 Revised Estimates</b>	<b>2004-2005 Main Estimates</b>
Office of the Legislative Assembly	13,142	12,753	12,529
Executive and Intergovernmental Affairs	10,069	9,705	9,397
Finance	48,338	57,024	52,513
Human Resources	19,396	18,328	18,025
Justice	54,598	52,008	48,993
Culture, Language, Elders and Youth	15,636	14,257	13,889
Education	174,224	162,456	157,602
Health and Social Services	215,219	198,115	182,244
Environment	16,278	14,805	14,211
Community and Government Services	132,655	122,890	116,378
Economic Development and Transportation	44,664	38,793	37,860
Nunavut Housing Corporation	89,640	87,180	79,171
<b>Total Operations and Maintenance</b>	<b>833,859</b>	<b>788,314</b>	<b>742,812</b>

Totals may not add due to rounding.

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### Summary of Capital Expenditures

Government of Nunavut, 2005-2006 (\$ Thousands)

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	2005-2006 Main Estimates	2004-2005 Revised Estimates	2004-2005 Main Estimates
Office of the Legislative Assembly	120	-	-
Finance	-	39	-
Human Resources	-	173	73
Justice	8,842	8,129	7,182
Culture, Language, Elders and Youth	1,360	2,865	2,719
Education	19,093	28,547	24,688
Health and Social Services	25,392	59,270	28,635
Environment	1,856	2,865	1,957
Community and Government Services	21,173	40,102	24,118
Economic Development and Transportation	2,874	6,297	2,578
Nunavut Housing Corporation	21,193	21,199	15,939
<b>Total Capital</b>	<b>101,903</b>	<b>169,486</b>	<b>107,889</b>

Totals may not add due to rounding.

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**Summary of Total Expenditures**

Government of Nunavut, 2005-2006 (\$ Thousands)

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	<b>2005-2006 Main Estimates</b>	<b>2004-2005 Revised Estimates</b>	<b>2004-2005 Main Estimates</b>
Office of the Legislative Assembly	13,262	12,753	12,529
Executive and Intergovernmental Affairs	10,069	9,705	9,397
Finance	48,338	57,063	52,513
Human Resources	19,396	18,501	18,098
Justice	63,440	60,137	56,175
Culture, Language, Elders and Youth	16,996	17,122	16,608
Education	193,317	191,003	182,290
Health and Social Services	240,611	257,385	210,879
Environment	18,134	17,670	16,168
Community and Government Services	153,828	162,992	140,496
Economic Development and Transportation	47,538	45,090	40,438
Nunavut Housing Corporation	110,833	108,379	95,110
<b>Total Expenditures</b>	<b>935,762</b>	<b>957,800</b>	<b>850,701</b>

Totals may not add due to rounding.

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