

BUDGET ADDRESS

2008-2009

TABLED IN THE LEGISLATIVE ASSEMBLY
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FEBRUARY 20, 2008
ISBN 978-1-55325-140-8



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Introduction

Mr. Speaker, I was very honoured and humbled when the Premier appointed me as the Minister of Finance. In doing so, he has entrusted me with one of the most important portfolios of this Government.

Though educated in a residential school, I have maintained my Inuit roots, language, heritage and teachings. I know the importance of staying true to the Inuit societal values that have been passed onto me by our Elders.

The Budget I am tabling today embodies much of what being an Inuk is – pride in one's accomplishments, resourcefulness in finding solutions, and being positive in difficult situations.

This Year's Budget

Mr. Speaker, this year's Budget Address reflects on our collective accomplishments in advancing *Pinasuaqtavut* – the overarching goal of this Government.

But Budget 2008 is also driven by the need to move much further and much faster along the path of *Piliriqatigiinniqlkajuqtigiinniql* and to live up to *Qanuqtuurniq*. It reinforces that we must pull together.

The Budget details our strategies to address the social challenges that prevent too many people from achieving their full potential. It also outlines our fiscal capacity as a public government to act in delivering these important services.

It highlights the steps we need to take to encourage and prosper from Nunavut's emerging economic opportunities. It is the path we are taking to achieve our shared goal of economic development and the strengthening of culture. This is a document that considers the needs of Nunavummiut. We are proposing specific actions while we remain open to suggestions. This Budget recognizes the hard work of all Members in advocating for the needs of their constituents. I trust and request that this be a Budget that is supported by this Legislature.

Record of Success

Economic Progress

Mr. Speaker, let us review the economic initiatives of our second mandate and the positive results they have yielded.

We have streamlined and simplified our programs and policies that provide financial support to communities for local economic development.

It is not a coincidence that business interests are increasingly attracted to our territory. Last year, the mining industry, alone, invested a record \$230 million in exploration to discover and develop our resources. This has been a major achievement, and we are confident that this will continue.

Our Government is committed to supporting mineral exploration and mining that is environmentally responsible, is profitable, and provides substantive and sustainable benefits to Nunavummiut and

communities. Our Mineral Exploration and Mining Strategy is designed to prepare Nunavummiut to benefit from mineral development, create an infrastructure to enable it, and develop policies to promote and sustain this important economic driver.

To this end, we have completed the geological mapping of the Boothia and Foxe Peninsulas. We have also carried out a review of the permitting and regulatory structure of the mining industry and developed a statement of principles on uranium mining.

To optimize the potential socio-economic benefits from major mining projects we have introduced Development Partnership Agreements and Regional Monitoring Committees. These initiatives will help to ensure that Nunavummiut fully benefit from the hundreds of jobs that will be created at the Doris North, Meadowbank and Mary River mines.

Cooperation with Indian and Northern Affairs Canada on economic development program delivery is another way we are advancing these goals. We are now able to tailor the federal government's Strategic Investments in Northern Economic Development program with our own Strategic Investments Program to broaden the number and type of initiatives that can be supported to meet our territory's unique needs.

In addition to mineral exploration and mining, we have launched numerous sector initiatives including strategic plans for fisheries, arts and crafts, and carving stone acquisition. Implementation of these strategies is underway while initiatives aimed at sealing and tourism are still under development.

As Members of this Assembly are aware, this Government has been aggressively supporting the sustainable use of the seal, through the promotion of sealskin fashion and the production of the 'Nunavut collection.' Among other things, we have created a new website: www.sustainablesealing.ca.

Another key event was the signing of the France-Nunavut Tourism Cooperation Memorandum of Understanding, which will support increased marketing of Nunavut in Europe.

A further area of our economy with global reach is the Nunavut fishery. The growth of the fishing industry has seen the development of the Nunavut Fisheries Training Consortium, a multi-year stakeholder funding program that is implementing several training initiatives.

Strengthening Inuit Societal Values

Mr. Speaker, preserving and enhancing Inuit societal values, along with language and land skills, are equal priorities of this Government.

We want to ensure that these values remain at the centre of work, education and daily life in Nunavut, while protecting the language rights of those who use English and French. The *Official Languages Act* and the *Inuit Language Protection Act*, introduced in June 2007, are key to this process.

I can assure Nunavummiut that we are equally committed to sustaining a vibrant Inuit culture within our communities. Members will recall the selection of Clyde River as a home for Piqqusilirivvik, our cultural school.

This marks the beginning of a unique and important journey. It will have a great impact on our Inuit societal values and culture for many years to come.

Work is now underway on the design of the facility in Clyde River and pilot program projects are now underway in two satellite communities, Baker Lake and Igloolik.

Social Progress

Mr. Speaker, strong communities also depend on strong investments in social programs. This is another area where we are making progress.

Education

The Nunavut Community Skills Information System (NCSIS) matches workers to jobs, analyzes individual training needs and creates targeted training programs. NCSIS was recently awarded the 2007 Silver Medal for Innovation by the Institute of Public Administration of Canada – a formal recognition of what is possible when Nunavummiut work together to develop solutions to the challenges we are facing.

The system is fully operational in Inuinnaqtun, Inuktitut, English and French and has audio components for low literacy clients.

As we implement NCSIS we will be working in close partnership with industry, mining companies, communities and Regional Inuit Organizations to develop, coordinate and deliver programs and services that meet the needs of residents and industry alike. Agreement for the establishment of new regional training models, such as that recently signed with the Kitikmeot Inuit Association, will assist us in this process.

The Financial Assistance for Nunavut Students or FANS program provides funding support for our students who go on to post-secondary education. We are developing a series of improvements to this program that will be announced in the coming months.

Among the most exciting developments on the education front is the proposed *Education Act*. The landmark Bill 21 transforms the existing Act, creating a framework for education based on the principles of Inuit Qaujimajatuqangit and on teamwork between schools, parents, District Education Authorities and communities. Bill 21 has a bold new commitment to maintain a student-educator ratio below the national average.

There is also a commitment to provide Nunavut-wide and culturally appropriate assessments, as well as to certify Elders to recognize their skills and experience, and an investment of over \$14 million with passage of the Bill.

The Qalattuq Ten Year Educator Training Strategy is a further demonstration of our commitment to create opportunities for our citizens. The development of Inuit educators is fundamental to the successful future we envision for Nunavut.

Healthy Communities

An important component of our plan to build healthier communities is Nunavut's new *Family Abuse Intervention Act*, which will come into force on March 1, 2008. This Act is designed to be community-driven, and will allow our communities to holistically intervene, at the earliest stages, to prevent abuse at its roots. All communities will be provided with the funding necessary to hire a full-time Community Justice Outreach Worker, who will help to coordinate their community's efforts respecting family abuse intervention, criminal diversion, and victim services.

Nunavummiut will be provided with efficient and effective tools, including a Community Intervention Order, which will allow service providers in each of our communities to offer culturally relevant counseling. To return to community harmony, both the victim and the respondent will have access to this counseling. Most promising, this legislation will improve family dynamics, have a positive impact on children, and heal our communities.

Mr. Speaker, we laid the foundation for future progress in health care with the release, last November, of Nunavut's first Public Health Strategy - Building Healthy Communities. This strategy recognizes that the health of individuals and communities depends on healthy social and physical environments and healthy lifestyle choices. Working closely with communities, we will implement the strategy to create supportive environments for individuals, families, and communities as they make decisions that affect their health and well-being.

That is why we have recently approved the Nunavut Nursing Recruitment and Retention Strategy. Through training, this strategy will help us achieve our long-term goal of delivering health care services to Nunavummiut, by Nunavummiut.

The strategy includes initiatives to: promote education, training, and professional development; attract new nurses; reward dedication to service; and respond to the concerns of front-line practitioners in order to make Nunavut a better environment to work for our nurses.

Mr. Speaker, if we are to contain health care costs, we must promote wellness, prevent disease and injury, and address the expanding health care needs of our growing population. We also need to improve infrastructure and health information systems to provide better and more efficient service across the territory. That is precisely what this Government is doing through the Health Facilities Implementation Plan.

This multi-year plan will provide better health care for Nunavummiut by expanding the scope and duration of services provided by the health care facilities in Rankin Inlet, Cambridge Bay and at the Qikiqtani General Hospital in Iqaluit. This expansion will help reduce the need for some out-of-territory travel for medical treatment. As well, the new Continuing Care Facilities to be completed this year in Gjoa Haven and Igloolik will help keep patients in Nunavut communities.

Environment

Nunavummiut are already feeling the effects of the changing climate. Planning ahead to minimize the adverse impacts is important to this Government. The recent announcement of federal funds towards our project with the Canadian Forces to construct a multi-purpose bridge over the Sylvia Grinnell River is an example of infrastructure required to adapt to climate change.

Fiscal status

Mr. Speaker, all Nunavummiut can take pride in the fact that we are continuing to demonstrate fiscal responsibility.

Based upon third quarter results, we are now projecting a year-end deficit of \$1.8 million, which is \$4.8 million less than the \$6.6 million deficit forecasted when we tabled the 2007-08 Main Estimates. These results clearly demonstrate that the Government continues to manage its fiscal resources in a prudent manner.

I am pleased to announce that for 2008-09, the Government expects a surplus of \$4.5 million. While this is good news, I caution Members that as we pass important legislation in this upcoming fiscal year, we will need to set aside monies for implementation.

In 2008-09, our Government will receive revenues of \$1.16 billion from all sources. This includes the federal government's confirmation that Nunavut's TFF grant for 2008-09 will be \$944.1 million, an increase of \$51.2 million from 2007-08.

In addition, we will receive \$26.1 million annually for the next seven years in much needed capital infrastructure funding through the Building Canada Fund. This funding of \$182.7 million, over the life of the agreement, will be allocated to projects that meet Canada's eligibility criteria by falling into one of three broad categories: growing the economy, including transportation infrastructure; clean environment, including wastewater treatment and solid waste management; and strong communities, including clean drinking water, disaster mitigation, cultural relevance, sport and tourism.

Mr. Speaker, the Government is committed to consulting with all Members of this House, at the appropriate time, to determine priority projects that will provide the greatest benefit to Nunavummiut.

We are examining our existing Capital Plan to determine how to best reconfigure current approved capital projects to maximize the Building Canada Fund monies. This reconfiguration could allow us flexibility to move up timelines of capital projects that are priorities to this legislative assembly.

We know the concern of Members on the need to move ahead quickly with capital projects such as new health care centres in Repulse Bay and Arctic Bay. Mr. Speaker, we are listening to the Members of this Legislature and we are acting. With the support of Members, we are pleased to announce that these projects will commence this year.

Similarly, in the community of Sanikiluaq, there is a pressing need for a new school. We are announcing today that we are advancing funding for new school construction in Sanikiluaq so that we can move immediately from design to construction.

Qikiqtarjuaq is another community that has been patient in waiting for a new school. I am pleased to announce today that with this Budget the wait is over. New funding will be made available this year to advance this project. I look forward to joining my legislative colleagues for groundbreaking ceremonies in both of these communities in the coming months.

Mr. Speaker, responsive governments respond to community needs. Cambridge Bay is an example of a community that is poised for rapid private sector economic development. Our role as government is to ensure that the necessary infrastructure is in place to maximize growth potential. Therefore, in the community of Cambridge Bay, we are pleased to announce that the much needed new and expanded airport will commence this year.

Also, in the community of Arviat where there are many positive indications of future economic growth, we will move ahead, to this year, funding for the design and installation of a new airport runway lighting system.

Mr. Speaker, we will also see transportation improvements in Iqaluit. Working with the city we are prepared to commit to a road paving project which will improve the quality of life in our capital.

Our other large community is Rankin Inlet which is already the site of construction of a new jail, trade school and student residence and will see an upgrade and replacement of their sewage treatment plant.

Mr. Speaker, this government has heard the concerns from the community of Kugluktuk regarding their drinking water and the need for a new hamlet office. Thanks to the support of the Members of this Legislature these projects are moving ahead and will be completed this year.

Our high arctic communities also deserve special recognition. Along with the Arctic Bay health centre I mentioned earlier, we are pleased to announce that the government office in Grise Fiord will be replaced and we will invest money this year in the planning stages of a municipal services delivery system for Resolute Bay.

Mr. Speaker, these and other projects have come to our attention because of the diligent efforts of Members who make sure that this Cabinet continues to respond to community needs.

We will continue to work with this Assembly to support moving ahead these and other community specific projects. Mr. Speaker, along with counting on the support of Members we need their input to ensure that our proposed projects meet their needs.

With respect to expenditures, the Government expects to spend \$1.16 billion. Of this amount, Members approved \$98.3 million in capital projects in November 2007. The Main Estimates that we are tabling today total \$970.3 million. We have also set aside a contingency of \$89.1 million.

Spending on Government programs and services in this year's budget are \$73 million more than the budget that we tabled last year. As Members will recall, departmental base budgets increased by \$37 million as a result of the increase in TFF in 2007-08 to deal with forced growth.

Mr. Speaker, we will ensure that we can provide Nunavummiut with the programs and services they expect while we continue to address social and environmental challenges. At the same time, we will fully capitalize on the unprecedented economic opportunities being created in our territory.

Moving Forward

Mr. Speaker, let me highlight the main parts of our plan for a more prosperous economy and healthier communities.

The Public Service and Nunavummiut

Mr. Speaker, this Government has always recognized that our most important resources are our people. We understand that in order to achieve our vision for Nunavut we must have a dedicated public service.

In recognition of the contribution from those who dedicate themselves to improving the services of the Government of Nunavut I am pleased to announce that on April 1st 2008, our Government will roll back staff housing rents to January 1st 2007 levels. Mr. Speaker, at a time when the cost of so many other necessities is increasing this is a 20% rent reduction in the emerging markets of Iqaluit, Rankin Inlet, and Cambridge Bay. For all other communities, it is a 10% decrease.

Mr. Speaker, we also want to recognize the contribution being made by those who are growing our private housing market.

For those members of the public service not in staff housing, and who either own their own homes or rent accommodation on the private market, our Government will provide a housing allowance of \$400 a month per household, effective April 1st 2008.

There are a number of ways this Budget will support Nunavummiut and their families. For instance, we will be introducing several new tax credits that will put more money into their pockets.

Among them, is a pension income credit of up to \$2,000, which will provide tax relief to senior citizens. This is an increase of \$1,000 from what was previously available. We will be amending the *Income Tax Act* in the Fall 2008 Legislative session. Once introduced, the credit will be retroactive to January 1st 2008.

We have also assisted our senior citizens by increasing the Senior Citizens Supplementary Benefit from \$135 per month to \$175 per month, also effective January 1st 2008.

Volunteer firefighters in Nunavut will be able to take advantage of a tax credit of \$500 starting January 1st of this year. This tax credit recognizes the personal sacrifices and contributions of these committed members of our communities who play a pivotal role in keeping us safe.

Despite rising international fuel costs, this Government in Fall 2007 recognized that Nunavummiut deserved a break from the high cost of energy, so we did not pass on an increase in the cost of heating fuel. Instead the Government, through the Petroleum Products Stabilization Fund, will provide a subsidy of \$7.4 million in a supplementary appropriation bill during this sitting of the Legislative Assembly.

Economy

Moving forward, Nunavut businesses and Nunavummiut will also benefit from a new Business Training Tax Credit that will encourage and reward businesses that develop the Nunavut workforce. A credit equal up to 30 percent of eligible expenditures will be available to businesses that are based in the territory and provide qualified training.

Nunavummiut, members of the public service, and this Assembly need to work together to realize the goals in *Pinasuaqtavut*. As such, in order for this Government to create a Business Training Tax Credit that fits the needs of our business sector, we will be seeking their input.

This new funding is in addition to monies currently available to offset wages of employees who are in a training program.

Another tax credit is available to all Nunavut students, who may now claim a textbook tax credit to encourage and support their educational goals. This is in addition to what is currently available under our FANS program. The credit will be \$65 per month for full-time students and \$20 monthly for those studying part-time. The new credit will be effective retroactively to January 1st of this year.

Our Government sees the textbook tax credit as an investment in the future of our youth and in our economy.

Mr. Speaker, we realize that the cost of doing business in Nunavut can, at times, be prohibitive. That is why this Government will be introducing an Outfitters Assistance Program to support that element of the tourism sector. Mr. Speaker, we have heard of tour boat operators who, as a result of exorbitant insurance costs, cannot afford to take out paying customers to see our breathtaking coastlines.

Just as we did for our hamlets when they needed funding support to set up a self insurance program, we will do the same with tour operators.

By providing the necessary financial underpinnings to an industry specific assistance program, we will enable private businesses to focus on the delivery of their services.

To ensure that visitors to Nunavut have the best possible experience, we will continue to upgrade facilities at all of our existing parks and campgrounds. In 2008, we plan to carry on with our development plans for potential parks in the vicinity of Kugaaruk, Clyde River and Coral Harbour.

The construction industry and new trades workers will be among the biggest beneficiaries of economic development this year, as a result of our Capital Construction Program, coupled with the ongoing delivery of the Nunavut Housing Trust Project and its associated training and community capacity-building components.

With the rapid development of the mining, construction and trades sectors across the territory, the need for a skilled workforce has never been greater.

The Department of Education, in conjunction with Nunavut Arctic College, will be constructing a Nunavut Trades Training Centre in Rankin Inlet, which will open up a range of exciting career opportunities, such as those in the mining sector, for Nunavummiut. Construction of this much needed facility is slated for the fall of 2008.

In addition, the campus will acquire a new 12-unit student accommodation complex to meet the growing need for student family residential living to support our post-secondary students.

The Government in this Budget is providing funding of \$2.5 million to implement a number of key economic development strategies in the areas of arts and crafts, fisheries, sealing, and mining. These economic development strategies confirm this Government's commitment to building a strong and vibrant economy.

Inuit Societal Values

Of all of the important work we have lined up for the coming year, none is more important than our Government's commitment to build a stronger cultural foundation based on Inuit societal values.

We will continue to invest in the Inuit societal values pilot projects, strengthening the role of Elders in the community wellness process and addressing social wellness issues. Our ultimate goal is to improve community wellness by establishing cooperation, sensitivity and understanding between community services agencies and groups, using an Inuit Qaujimagatuqangit approach in dealing with social problems.

Conclusion

Mr. Speaker, with the support of this Legislature we can achieve the social and economic goals outlined in this Budget.

If we stick to the goals and priorities outlined in this Budget, we will continue to make measurable progress on our journey to self-sufficiency and self-determination.

I realize that there will still be obstacles on the path ahead. There is no question that we have a lot of work to do. It will require both patience and perseverance to see our vision realized. But patience and perseverance define Inuit; it is how we have survived throughout time. No one should doubt that we are well on our way to securing the future we all want.

Qujannamiik.