





# Budget Address

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Qujannamiik, Mr. Speaker. It is a pleasure to be here today, before you and all members of the Legislative Assembly, to introduce the Government of Nunavut's budget for 2024-25.

This is my third budget speech as the Minister of Finance in Nunavut's Sixth Legislative Assembly.

When I reflect on the progress we have made since we first laid out our plan for funding Katujiluta, I feel both proud and humbled.

There is no doubt that the Government of Nunavut is making significant strides towards the goals of our mandate and that the investments we propose today will keep our momentum going.

But we have so far only scratched the surface of our potential, and there is still much more to do.

We have benefitted from the fiscal prudence of governments in years past which maintained our stability through turbulent times and put us in a strong position to respond to the complexities and opportunities of the future.

Our path to prosperity was carved out long ago by our ancestors who continue to share their skills for adaption and innovation through the memory of successive generations.

Working for the common good, respecting the environment and other people, maintaining balance, and planning for the future – these are values and practices that have helped us build vibrant communities in remote places amidst harsh conditions, and our budget was developed with them in mind.

Today, I am pleased to once again present a fiscal plan that supports the ambitious goals and common priorities outlined by the Members of this Legislative Assembly and the leadership of Nunavut's Inuit organizations in Cambridge Bay shortly after the last territorial election.

We came together then with fresh energy and a renewed commitment to work together in unity to build enduring partnerships and achieve tangible outcomes.

Through connection and collaboration, leaders at all levels and across all communities can be bridge-builders who create a brighter future for Nunavummiut and enhance the citizenship of all Canadians.

Nunavut's constrained fiscal capacity requires partnerships to leverage our resources and advance an agenda of community wellness and sustainable growth.

In this way, our territory is strengthened by positive and productive relationships with the Government of Canada.

Our Cabinet works hard to ensure that Nunavut stays top of mind for their federal counterparts so that their policies and programs better reflect the realities of the North.

While we appreciate Canada's nation-building investments in our territory, the Government of Nunavut's fiscal situation demonstrates the challenge we face in reducing the infrastructure and service disparities between our territory and the rest of Canada.

When I presented the 2023-24 Main Estimates, we forecasted an operating deficit of about \$8 million. We are forecasting a deficit again this year as a result of lower federal transfers and higher departmental spending.

As we work to implement Devolution, a significant milestone that changes the governance and decision-making in Nunavut, we will continue to fund the initiatives that enable us to exercise our independence.

## **2024-25 PROJECTED REVENUE**

For 2024-25, our government projects revenues of about \$3.23 billion. After \$314 million from revolving funds, we have about \$2.92 billion left for planning.

Of this amount, \$2.1 billion will be transferred to Nunavut by Canada through the Territorial Financing Formula, the largest federal transfer we receive.

About \$128 million is expected from other federal transfers and approximately \$427 million will be received through specific third-party funding agreements.

In addition, we expect to collect about \$251 million from our own-source revenues, including \$171 million in taxes, \$21 million in staff housing rent, and \$59 million from various other sources.

## **2024-25 PROJECTED EXPENDITURES**

On the expenditure side, the Government of Nunavut will seek authority to appropriate \$2.13 billion for its operations in 2024-25, which is in addition to the \$355.8 million for Capital approved last October.

We have also set aside a contingency of \$100 million to support unexpected costs in an increasingly volatile macro-economic environment. If we spend this contingency, we will end the year with a modest deficit of \$21 million – an amount equal to about 0.7% of our projected revenues.

Mr. Speaker, this fiscal approach allows government to catch up to and address our historical infrastructure deficit by making significant capital investments in our communities.

Today's operating budget will help us advance the infrastructure priorities we laid out in our Capital Estimates last fall, where we outlined over \$355 million in new spending, including \$157 million for community infrastructure and over \$82 million for housing.

We recognize that increasing our capital investments puts pressure on other budgets for operations and maintenance.

For the territory, this means an increase of \$4.5 million to keep up with rising maintenance costs of government assets and an additional \$1.5 million for insurance.

We will also invest \$900,000 to ensure the Department of Community and Government Services has the resources to meet the growing demand for inspection of buildings and new construction projects.

We will provide an additional \$3.6 million to local governments to hire staff to deliver municipal programs and services. This funding will support new employment opportunities and enhance the capacity of hamlets to provide quality services to their residents.

Building up our infrastructure puts pressure on transportation routes as workers and visitors travel to and from communities. In this budget, we propose \$920,000 more to cover increased maintenance contract costs of airports and \$800,000 for operational support at our new marine ports in Pond Inlet and Iqaluit.

Communities are at the frontline of the changing climate in our Arctic home. Our ecosystems are fragile, and our land, air, water, and wildlife need to be managed responsibly and sustainably so that we continue to draw comfort and strength from them for generations to come.

In 2024-25, we propose enhanced support for the environment through increases of \$869,000 for the operation of Nunavut's Parks and Special Places, and \$500,000 to continue renewable energy support programs.

Mr. Speaker, in this year's budget, our first commitment is to the well-being of Nunavummiut, especially youth who are learning from the wisdom of their elders to become the future stewards of our land and culture.

Our government's response to last year's report by the Office of the Auditor General on child and family services was swift and unequivocal – we fully accept the contents of the performance audit and are deeply committed to change.

Today's proposed budget increase of \$15.6 million for the Department of Family Services reflects just the start of the work we are doing to develop a whole-of-government roadmap for improving family and community outcomes.

One of the first steps to strengthening Inunnguiniq includes ensuring that families can afford to eat.

In Nunavut, too many households, especially those with children, live with food insecurity, and so our budget proposal includes \$2.2 million to help address this.

The budget for Family Services also includes \$3.1 million to fund 31 new positions and hire more workers to protect our children, which is our top priority.

So that more of these workers reflect the communities they serve, we are also providing over \$1.1 million for the Nunavut Arctic College to expand their social worker program.

For 2024-25, our largest investment is in health. Overall, we propose an increase of \$40.8 million for a variety of initiatives that support our communities to become places of health and healing.

This includes \$6 million to operate the new Rankin Inlet Long Term Care facility, which will allow elders to age in dignity, closer to their families.

To honour the promise we made in Katujjiluta to our elders, our government committed about \$60 million in capital funding to build this facility which is almost complete.

To support access to service, funding for health also includes an increase of \$15 million for agency nursing contracts, \$14 million for paramedic support services, \$3 million for out of territory hospitals and physicians, and \$3 million to increase the rates paid to physicians.

We are also expanding security improvements by providing an additional \$3 million to ensure health centres are places of healing and positive connections in the community.

Our government strives for community safety and wellbeing. In 2024-25, we will provide \$1.4 million for additional RCMP officers to help keep our communities safe, \$1.2 million for collective agreement increases for RCMP members, and \$818,000 for the First Nations and Inuit policing program.

We will also provide \$310,000 for the Aqqigiarvik Correctional Healing Centre to continue its focus on treatment and healing interventions based on Inuit cultural practices and values.

Mr. Speaker, ensuring that youth have the skills and confidence to pursue their dreams is a priority for us all, especially the teachers who support parents and families to bring out the best in our students.

In 2024-25, we are providing an increase of \$2.2 million to continue to implement the collective agreement with the Nunavut Teacher's Association. We are also preparing to negotiate new collective agreements that will come into effect once the current ones expire later this year.

Education funding continues to support a variety of student services, including school based mental health supports for all school communities to foster the well-being and academic achievement of our children.

We are also investing \$2.6 million for increased bussing costs to help students get to school safely and attend classes on time.

In 2024-25 we will invest \$619,000 in new funding to help ensure sport participants, particularly our youth, have a positive sport experience. This funding will be used to help eliminate harassment, abuse, and discrimination in sport.

Mr. Speaker, expanding Nunavut's housing continuum is one of our most ambitious Katujjiluta goals.

In October 2022, I was proud to be in my hometown of Rankin Inlet to announce our plan to build 3,000 new homes across the territory by 2030.

Since then, the Nunavut Housing Corporation has been busy laying a foundation for housing transformation and partnerships that will help us collectively achieve the ambitious objectives we set out that day.

Through Igluliuqatigiingniq, our Nunavut 3000 plan to build houses together, we are on the way to developing 1,000 new housing units by the end of 2025 – a target that all Legislative Assembly members set together with Nunavut's Inuit leaders shortly after we were elected.

It is exciting to report on the successes and accomplishments we've had since then.

In the first two years of the strategy, 541 new housing units were started or completed, and we anticipate around 200 more units by the end of 2024 supported by the investments we are making today.

In 2024-25, the Nunavut Housing Corporation will require \$7.7 million for the increased public housing maintenance costs associated with the record 146 new public housing and 20 staff housing units to be built through our partnership with NCC Development Limited in 2024.

Including the 150 public housing units created through groundbreaking partnership last year, this means that in 2024, NHC will be in construction in every community in Nunavut – a truly great achievement.

Too often, Nunavummiut are stuck in public or staff housing because there are no other options for them. This puts stress on families, especially elders and students, and hinders our community and economic development opportunities.

This is why we will also provide an increase of \$7.5 million through the Department of Family Services to help address the complex needs of Nunavummiut who require safe and supported housing, and \$1.9 million to enhance the budget for homeless shelter funding.

## **CONCLUSION**

Mr. Speaker, I would like to thank my staff and everyone who helped develop the budget I am proposing today.

Since I have taken on this role, I have come to better appreciate how much time and effort it takes to develop the relatively short documents before you.

As elected officials, we are fortunate to be supported by dedicated public servants who are passionate about their communities and committed to making things better.

I would also like to thank the Members of this Assembly who work with our government in the spirit of consensus to advocate for their communities and all Nunavummiut.

In an increasingly polarized world spurred on by contentious politics, our territory can be a beacon of good governance for leaders from around the globe who are searching for ways of making life better for the people they serve.

Katujjiluta is a call to action for all of us to channel our collective energy into transformational change and continuous improvement, and with this budget our government is demonstrating its commitment to leading the way.

Thank you, Mr. Speaker.