

### Budget 2017-18 Highlights

- The Government of the Northwest Territories' (GNWT) Budget 2017-18 marks the first time since 2012-13 that the GNWT will not increase its short term borrowing.
- The 2017-18 Budget proposes new spending of \$55 million to strengthen existing programs and invest in priorities of the 18<sup>th</sup> Legislative Assembly. Careful expenditure management is expected to produce an operating surplus of \$167 million in 2017-18 from revenues of \$1.86 billion and expenditures of \$1.66 billion.
- Including the \$266 million in 2017-18 infrastructure spending approved in October 2016, total spending will be \$1.92 billion.
- Short term borrowing will decline but total borrowing will increase to \$990 million at the end 2017-18 when \$53 million is added for the new Stanton Territorial Hospital.
- The forecast 14 per cent increase in the Northwest Territories economy in 2017 will have limited influence on GNWT own-source revenues, which are forecast to increase 0.3 per cent.

### Fiscal Strategy

- Budget 2017-18 continues the fiscal strategy adopted early in the 18<sup>th</sup> Legislative Assembly with its three main objectives:
  - Establish more sustainable growth in operating expenditures by managing the growth in programs and services spending so that it does not exceed the growth in revenues;
  - Increase the GNWT's fiscal capacity by reducing operating expenditures and increasing revenues so that it can address the territory's infrastructure deficit and make other strategic investments; and
  - Return the GNWT towards a small cash surplus position by the end of the life of the 18<sup>th</sup> Assembly.

### Revenue Initiatives

- Budget 2017-18 does not include any new taxes but during the year property tax mill rates and a number of fees will be adjusted for inflation, in line with the GNWT's indexation policy on taxes and fees.

- Tobacco taxes will be increased to 30.4 cents per cigarette and 27.2 cents per gram of loose tobacco, effective April 1, 2017.

### **Expenditure Initiatives for 2017-18**

- The 2017-18 Budget proposes to invest \$55 million in new initiatives and to strengthen existing programs.

#### ***Education, Training and Youth Development***

- \$1.5 million to help offset the costs of the junior kindergarten program as it is rolled out in all NWT communities for four-year old children and a commitment to spend an additional \$2.7 million for schools before the end of the 18th Legislative Assembly to ensure that this critical program can be implemented in all communities.
- \$500,000 to increase our support for Hay River and Fort Smith's joint bid for the Arctic Winter Games to \$1.5 million in 2017-18.
- \$3 million for the Small Community Employment Support program, bringing its total budget to \$4.3 million annually. This Program provides opportunities for youth in small and remote communities to gain work experience and opportunities for all NWT residents in these communities to gain the skills that lead to employment and increased self-reliance.
- \$220,000 in one-time funding to upgrade the security systems of our existing schools to meet the new Safe Schools legislated requirements.

#### ***Cost of living***

- \$4.2 million additional support for income assistance, including \$2.2 million because of the increased number of income recipients and \$2 million to increase allowances to address higher prices for food and other basic necessities.
- \$750,000 to extend the NWT Child Benefit to provide benefits to more than 2,000 NWT families with children whose income is under \$80,000 annually.
- \$250,000 to cover the expected increased cost of the \$22 million refundable Cost of Living Tax Credit used to help defray the high cost of living in the North.
- \$500,000 to provide a home repair program to assist low-income seniors to make necessary repairs to their residences, which will help these seniors to live independently for as long as possible in their home community with a support system of their families and friends.

## ***Community Wellness and Safety***

- \$750,000 in actions outlined in the October 2016 Yellowknife Homelessness Road Map Action Plan including \$230,000 to keep the Yellowknife Day Shelter open 12 hours per day and \$520,000 for a sobering centre.
- \$103,000 in emergency shelter funding to help shelter providers address increased demand and increased rent and food costs.
- \$294,000 to offset increased costs to support operations at the Charlotte Vehus, Billy Moore and Inuvik Community Group Homes.
- \$120,000 is included to offset increased operating costs at family violence shelters.
- \$616,000 in one-time funding to implement a territorial-wide 9-1-1 service.
- \$6.4 million to address cost pressures in the medical travel budget.
- \$3.2 million to address the shortfall in funding to place NWT residents with special needs in southern facilities where they can receive for specialized clinical, residential, and educational programming services that are beyond the financial ability of the GNWT to provide.
- \$3.3 million to address the operating costs of new health centres in Hay River and Norman Wells, the increased costs of medical supplies, and increased security needs at Stanton Territorial Hospital.
- \$877,000 for operating costs associated with the expansion of long term care at the Jimmy Erasmus Seniors Home in Behchokò.
- \$778,000 to maintain long term care beds at the H.H. Williams Hospital until the expansion of Woodland Manor is completed.
- \$1.6 million to support the transition of all health and social services authorities to the Government's Technology Service Centre.
- \$1.074 million for the GNWT's share of RCMP costs of \$429,000 to create an Internet Child Exploitation Unit, \$385,000 to increase the number of relief positions, \$182,000 for cell and interview room video/recording systems upgrades, and \$78,000 for RCMP isolated post allowances.
- \$224,000 to add two Sheriff Officers to address the increasing workload demand.
- \$88,000 to address increased costs for leased space to accommodate Wellness Courts.
- \$749,000 to continue funding the Framework for Enhancing Victim Services Agreement.

### ***Economy, Environment and Climate Change***

- \$2.1 million extension in funding to negotiate remaining and implementing completed the transboundary water management agreements under the *Water Stewardship Strategy and Action Plan*.
- \$82,000 to expand the hydrometric networking program.
- \$253,000 to continue funding permafrost research and development.
- \$130,000 to fund an Unmanned Aircraft Systems Coordinator.
- \$14 million for operations for the Mackenzie Valley Fibre Link project that is already improving internet capacity for residents, businesses and government in communities along the route and will become a critical link between the expanding satellite stations located at Inuvik and the rest of the world in 2017.
- \$132,000 to fund an Investment and Immigration Officer position dedicated to support the Northwest Territories Nominee Program.
- \$132,000 for a new North Slave Tourism Development Officer to deal with increased tourism demand in the region.
- \$698,000 for increased costs related to the Fort Simpson Region Highway and Winter Road contracts.
- \$298,000 for increased costs in the operation and maintenance of the Inuvik to Tuktoyaktuk Highway.

### ***Governance: Improving Accountability, Transparency and Collaboration***

- \$95,000 for a single-window service centre on the Kátł'odeeche First Nation reserve, making it the 21st community with one-stop access to GNWT programs and services.
- \$3.87 million to upgrade and support standard maintenance updates for our administrative systems for the next seven years.
- \$200,000 to meet increased interest expenses on our long term debt.
- \$528,000 to begin to address community operating and maintenance budget shortfalls.
- \$601,000 in additional water and services transfers to help our communities maintain solid waste sites and provide garbage collection services.
- \$5.5 million in one-time funding to continue the construction of 45 market rental units for leasing to RCMP members in Inuvik, Norman Wells, Hay River, Fort Smith and Fort Simpson.