

# **Budget Address**

## **2010 - 2011**

***NORTHWEST TERRITORIES***

### **BUDGET PAPERS**

**B ♦ Fiscal Review**

**January 28, 2010**

## FISCAL REVIEW

The 2010-11 Budget continues the work of the first two budgets of the 16<sup>th</sup> Legislative Assembly toward achieving the vision of the Assembly while maintaining a stable fiscal position. This Budget continues to respond to the economic challenges facing the NWT.

The plan that the GNWT began to put in place two years ago meant the GNWT was well positioned to address the challenges posed by world economic conditions.

Previous NWT budgets made investments in education and training; lowering the cost of living; supporting children, youth, families and seniors; promoting healthy lifestyles; growing and diversifying the NWT economy; addressing climate change; and, changing the way government does business.

The 2010-11 capital budget, approved in October 2009, plans to invest \$222 million in territorial and federal funding in public infrastructure and \$37 million in housing. Together with a record \$485 million investment in 2009-10, this represents a two-year \$744 million investment in roads, bridges, schools, houses and other critical infrastructure. Just as important, this investment is providing needed stability for the NWT economy during the slowdown in private sector activities.

The 2010-11 Budget includes the second year of the GNWT's four-year plan to invest \$60 million in energy programs and infrastructure that will help lower the costs of energy in the NWT and reduce the territory's reliance on fossil fuels.

## Fiscal Situation

The GNWT faces a number of fiscal challenges that are exacerbated by the ongoing economic uncertainty:

- ◆ Revenue-raising initiatives are limited by the NWT's small tax base and the need to be competitive with other jurisdictions.
- ◆ Corporate income tax revenues in 2009-10 are projected to be \$29 million lower than forecast in the 2009-10 Main Estimates. Corporate income tax revenues are volatile and the Territorial Formula Financing arrangements are slow to respond to changes in own-source revenues.
- ◆ The NWT population declined by 281 people from 2008 to 2009 and has only increased by 241 persons between the 2006 Census and 2009.

- ◆ Pressures on expenditures from ongoing demands for government programs and services present challenges for keeping expenditure growth at moderate levels. While program reviews will identify some cost savings, choices will be required to control the growth in operating expenditures.
- ◆ Operating surpluses are required to fund the GNWT's infrastructure investments in keeping with the *Fiscal Responsibility Policy*, which requires operating surpluses to be generated to finance at least half of the government's infrastructure investments.

On the positive side:

- ◆ Territorial Formula Financing arrangements are enacted in federal legislation, with regulations for calculating Territorial Formula Financing Grants effective until March 31, 2014. It is not expected that there will be significant changes or enhancements to Territorial Formula Financing over the forecast period.
- ◆ The GNWT carries no long-term direct debt and relatively little short-term debt and therefore faces a limited interest expense burden.
- ◆ The GNWT has a sound Aa1 credit rating from Moody's Investors Service.

## Fiscal Strategy

The GNWT remains committed to keeping its expenditure growth in line with revenue growth and adhering to the *Fiscal Responsibility Policy*. The GNWT is prepared to incur an affordable level of debt over the medium term to make investments that support the NWT economy during the economic slowdown. However, these expenditures must be sustainable over the longer term.

The fiscal strategy introduced by the GNWT two years ago included making significant expenditure reductions and introducing new tax revenues. These measures were meant to stabilize the government's fiscal position and make funds available for investment in priority areas. Changing economic circumstances have meant postponement or revisions to that strategy. Significant tax measures have been deferred and the size of spending reductions curtailed. Investment in infrastructure has been greatly expanded. However, in the absence of further expenditure reductions or significant tax increases, tight control must be exerted over expenditure growth and capital investment must decline to historical levels in order to keep the fiscal plan sustainable. Through the efforts of GNWT departments, expenditure growth has averaged 3.6 per cent annually since 2007-08, down from an average of 5.9 per cent over the previous four years. The 2010-11 Budget continues the consolidation of some government processes, which is expected to produce more savings and efficiencies.

The revised Fiscal Framework that is incorporated in the 2010-11 Main Estimates includes the following components.

- ◆ In 2009-10:
  - Forced growth was capped at 3 per cent, excluding Collective Agreement adjustments,
  - Tax measures generating an estimated \$7.3 million were imposed, and
  - \$44 million in new investments were added to the operating base.

- ◆ In 2010-11, expenditure growth from the 2009-10 Main Estimates will increase \$92 million, composed of \$48 million in compensation and amortization increases, \$25 million in forced growth and \$17 million in net spending on new initiatives.
- ◆ Starting in 2011-12, expenditure growth, net of compensation increases, will be capped at 3 per cent, or about \$32 million, for new spending each year for both forced growth and new investments. Reductions may be identified through program reviews and could allow adjustments to these targets.
- ◆ Once the current infrastructure investment plan projects are completed, capital investment will be reduced to \$75 million per year, starting in 2012-13.

## 2010-11 Budget

The 2010-11 Budget proposes operating expenditures of \$1.29 billion and forecasts revenues of \$1.36 billion. After taking into account infrastructure contributions and supplementary reserve requirements, an operating surplus of \$35.3 million is forecast.

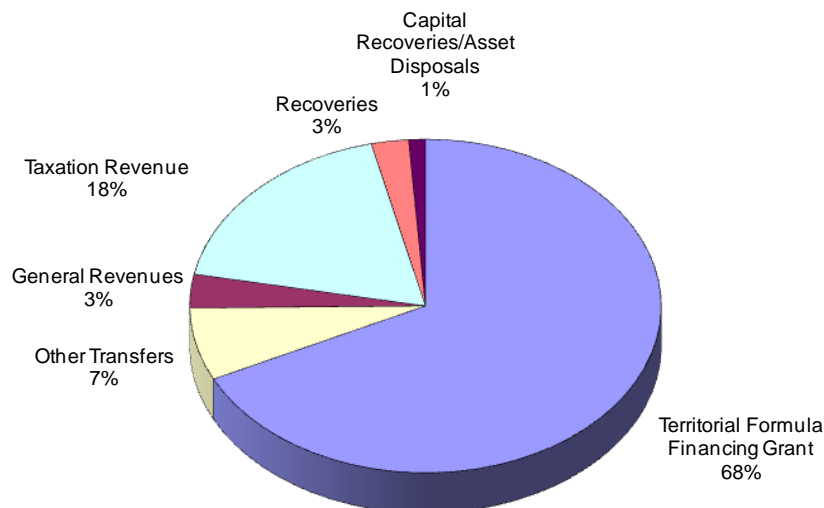
Infrastructure investments for 2010-11 approved in October 2009 are \$221.8 million.

The large capital investments underway for 2009-10 and planned for 2010-11 will result in the GNWT incurring short-term direct debt of \$89 million on March 31, 2011. Other GNWT debt consists of \$190 million in guaranteed debt of the NWT Power Corporation, the NWT Energy Corporation, the NWT Housing Corporation and the Yellowknife Public Denominational District Education Authority. The federal government limits total debt of the GNWT and its corporations and agencies to \$500 million.

## Revenues

Total 2010-11 revenues are forecast to increase \$65 million, or 5 per cent, from a projected \$1.29 billion in the 2009-10 Revised Estimates to \$1.36 billion.

**2010-11 GNWT Revenues by Source**



The Territorial Formula Financing Grant will increase by \$56 million from 2009-10. Other transfers from Canada are forecast to be \$95 million, a \$27 million decrease from the 2009-10 Revised Estimates. The decrease is primarily due to the winding up of Building Canada projects.

Taxation revenues are forecast to grow by 16 per cent, or \$35 million, from the 2009-10 Revised Estimates, reflecting expected growth in the territorial economy. The main components of the expected increase are:

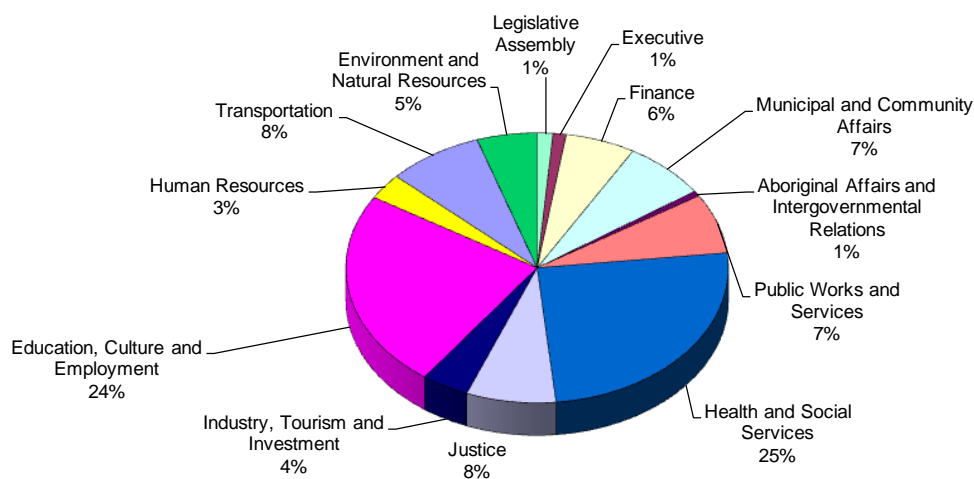
- ♦ \$26 million increase in corporate income tax revenues, and
- ♦ \$6 million increase in personal income tax revenues.

### ***Expenditures***

The 2010-11 Budget proposes \$1.29 billion in operating expenditures.

Budgeted operating expenditures are forecast to increase \$92 million from the 2009-10 Main Estimates, or 7.6 per cent (5.7 per cent increase from the 2009-10 Revised Estimates). Excluding collective bargaining increases and amortization expenses associated with the record capital investment in 2009-10, expenditures will increase by 3.6 per cent over the 2009-10 Main Estimates. Concerted effort is being made to hold expenditure growth to a sustainable level. Expenditures increased 2.2 per cent from 2007-08 to 2008-09 and 1.5 per cent from 2008-09 to 2009-10.

***2010-11 Operations Expenditures by Department***



### ***Initiatives***

The 2010-11 Budget continues the investments set out in the 2008-09 and 2009-10 Budgets. Over the long term, expenditures under these initiatives will improve the lives of NWT residents by supporting sustainable communities, lowering the cost of living, encouraging economic development, better preparing the GNWT to protect NWT lands and waters and improving the efficiency of the GNWT in delivering programs and services.

### ***Supporting Sustainable Communities***

The goals of the 16<sup>th</sup> Legislative Assembly include achieving sustainable, vibrant and safe communities in the NWT.

The GNWT's investments in programs to enhance community capacity for capital planning and investments have increased economic activity in many NWT communities. Funding for community governments has increased 7.3 per cent to \$66 million in the 2010-11 Budget.

The Committee on Sustainability of Rural and Remote Communities has developed an investment strategy to help improve GNWT services in small and remote communities. The 2010-11 Budget includes \$3.6 million in investments to implement the Committee's recommendations, including:

- ♦ \$950,000 for a single service window centres pilot project to provide services and support to residents in rural and remote communities and help them access services that are currently only provided at the regional or territorial level.
- ♦ \$677,000 to expand the number and size of community access road projects for hunting, wood gathering and recreation, and to include the development of granular access roads and marine facilities for local boating in the program.
- ♦ \$600,000 for early childhood small communities' initiatives including expanding staffing and providing funds to enhance licensed early childhood programs in small and remote communities.
- ♦ \$400,000 for settlement maintainer positions in Wrigley, Fort Resolution and Behchokò to increase the number of qualified maintenance employees operating in these communities.
- ♦ \$450,000 to fund additional regional youth officer positions in the North Slave, Sahtu and South Slave regions to support youth, youth serving organizations and community governments.
- ♦ \$400,000 for a contribution program to help host regional youth sports events.
- ♦ \$135,000 to support community-based efforts to implement the *Crystal Meth and Associated Drugs Strategy*.
- ♦ \$23,000 to expand court workers' skills to better serve clients.

As a separate initiative, the 2010-11 Budget includes \$223,000 to establish an annual summer Language Symposium to help ensure the continued, regular use and revitalization of Aboriginal languages.

Other initiatives targeted at making NWT communities safer through crime prevention and enhanced policing and more economically sustainable by reducing the cost of living are:

- ♦ \$121,000 to increase regular RCMP patrols in communities without resident RCMP detachments.
- ♦ \$987,000 to increase the size of smaller RCMP detachments as part of the implementation of the RCMP back-up policy.
- ♦ \$58,000 to hire new apprentices in designated trades and occupations to address the need to train skilled tradespersons in rural and remote communities.

**2010-11 Support for Sustainable Communities (thousands of dollars)****More Efficient Government Services**

Single Window Service Centres pilot project	950
Community Access Roads Program	677
Early Childhood Small Communities' Initiative	600
Settlement Maintainer positions in Wrigley, Fort Resolution and Behchokò	400
Regional Youth Officer positions in Fort Smith, Norman Wells and Yellowknife	450
Regional Youth Sports Events	400
Enhanced Crime Prevention	135
Annual Court Worker Training	23
	<u>3,635</u>

**Crime Prevention and Policing**

RCMP in Smaller Communities	121
Enhancing Police Services	987
	<u>1,108</u>

**Employment Opportunities**

Hiring New Apprentices in Designated Trades and Occupations	58
Small Community Employment Supports	350
	<u>408</u>

**Reducing the Cost of Living**

Update the Cost of Living Rent Reduction	160
Develop a NWT Nutritious Food Plan	400
Commercial Harvest Processing and Fish and Meat Marketing Promotion and Support	450
Agriculture Development Infrastructure	250
Wekweèti Winter Road Construction	250
Fort Simpson Region Ice Bridge Construction Acceleration	150
Operations Related to Runway Extensions in Fort Good Hope and Tulita	18
	<u>1,678</u>

**Other**

Official Languages Implementation	223
	<u>223</u>
	<u><u>7,052</u></u>

- ◆ \$350,000 to provide opportunities for youth in small communities to gain work experience through a summer employment incentive program for employers in these communities.
- ◆ \$160,000 to update the cost of living rent reduction. The cost of living rent reduction reduces the cost of rent payable for tenants in public housing.
- ◆ \$400,000 to develop a nutritious food education plan.
- ◆ \$450,000 to promote and support the commercial harvest processing and marketing of fish and meat in the NWT through investments to support packaging, distribution and promotion of northern fish and meat products to NWT consumers.
- ◆ \$250,000 for investment in community-based agricultural development initiatives and the expansion of existing operations to increase yields in a cost effective, energy efficient manner.
- ◆ \$250,000 for Wekweèti winter road construction.
- ◆ \$150,000 to accelerate the construction of ice bridges in the Fort Simpson region through increased flooding and spraying, allowing earlier opening and later closing of ice roads in the region.
- ◆ \$18,000 for operations related to runway extensions in Fort Good Hope and Tulita.

### ***Supporting Our Economy***

The 2010-11 Budget continues investments in key priorities that maximize opportunities from economic development and also support the economy during the current slowdown. These investments will be made with the expectation that support for employment training and economic diversification will produce, in the long run, a balanced, diversified and sustainable NWT economy. The 2010-11 Budget includes \$3.5 million in new funding for the following investments:

- ◆ \$255,000 to promote population growth by building on current initiatives under the *NWT Growth Strategy*.
- ◆ \$560,000 to build on previous national marketing campaign activities to promote the NWT as a great tourism destination and a preferred place to live and work.
- ◆ \$250,000 to increase the number of mine employees living in the NWT under the mining workforce initiative.
- ◆ \$150,000, for a total of \$200,000, to address increased operations and maintenance costs at, and support new capital initiatives in, NWT parks.
- ◆ \$80,000 to start planning to host the 2011 Western Premiers' Conference as an opportunity to showcase the NWT's economic and tourism potential.
- ◆ \$200,000 in additional support for apprentices to help them complete apprenticeship or occupational certifications.
- ◆ \$650,000 for Aurora College programs (\$400,000 for enhanced labour market programs, \$100,000 for a student wellness coordinator, and \$150,000 for the office administration certificate program).
- ◆ \$100,000 to support adults with the application and documentation processes needed to obtain a high school diploma.
- ◆ \$300,000 in additional funding for the *Support for Entrepreneur and Economic Development (SEED)* program, bringing total 2010-11 support to \$3.5 million.
- ◆ \$300,000 for the *Sports Hunter Outfitter Marketing Support* program to provide additional help to the industry to market existing products or to develop new products, bringing the total contribution for 2010-11 to \$600,000.
- ◆ \$125,000 to implement specific activities in the *NWT Arts Strategy* to further support the promotion of NWT arts and crafts production.
- ◆ \$100,000 to assist NWT artists with the production, advertising and marketing of their products.
- ◆ \$200,000 to increase support for NWT arts and culture with increased grants to individuals and organizations to promote the NWT and to create employment in arts and culture industries.
- ◆ \$140,000 in Mackenzie Gas Project investments to ensure that the GNWT's regulatory requirements for the Project are understood and adhered to.
- ◆ \$50,000 for feasibility studies and financial and economic analysis for the potential construction of a seasonal overland route in the Slave Geological Province.

**2010-11 Support for the Economy (thousands of dollars)*****Promoting the NWT as a Great Place to Live and Work***

Developing and Implementing <i>NWT Growth Strategy</i>	255
National Marketing Campaign	560
Maximizing Northern Residency - Mining Workforce Initiative MOU	250
Enhanced O&M for Parks Renewal	150
Hosting 2011 Western Premiers' Conference	80
	<hr/> 1,295

***Training***

Additional Support for Apprentices	200
Aurora College Programs	650
Promotion of Secondary School Diploma for Adults	100
	<hr/> 950

***Support for Business***

New SEED policy and enhanced funding	300
Sports Hunter Outfitter Marketing Support	300
Promote Arts and Crafts Production	125
Promote NWT Artists	100
Increased Support for the Arts	200
MGP Strategic Investment	140
Construction of a Seasonal Overland Route in Slave Geologic Province	50
	<hr/> 1,215
	<hr/> <hr/> 3,460

***Protecting Our Environment***

A total of \$3.9 million in new initiatives will be provided in 2010-11 to ensure that NWT land and water resources are used in ways that protect these resources for future generations. Funding includes:

- ♦ \$782,000 in additional funding to continue work on developing and implementing a *Land Use Framework*.
- ♦ \$227,000 to continue supporting work on critical wildlife areas for Protected Areas.
- ♦ \$250,000 for the creation of a Protected Areas Strategy Analyst position in the Deh Cho region to work directly with the Wrigley and Jean Marie River communities to create a new territorial park through the *Protected Areas Strategy* process.
- ♦ \$821,000 to finalize the *NWT Water Strategy* through public consultation and to begin implementation of the strategy through transboundary negotiations and partnership agreements, action plans and research.
- ♦ \$200,000 for development of aquatic ecosystem indicators including research, ongoing monitoring, pilot projects for community monitoring and ongoing evaluation.
- ♦ \$115,000 for development of a watershed decision-support tool to protect each community's public water supply source, focusing on elements with the highest potential risk to the current supply or reasonably foreseeable future water supply.
- ♦ \$100,000, above the already allocated \$250,000, for additional work on the *Climate Change Adaptation Plan* to refine climate scenarios, initiate a geophysical permafrost survey, identify permafrost vulnerabilities and implement the Plan through outreach to affected communities.
- ♦ \$591,000 to implement the *Species at Risk Act*.

- ◆ \$200,000 in incremental funding, for a total of \$400,000, to update the 30-year old *Wildlife Act* and *Regulations* to better protect and manage wildlife in the NWT.
- ◆ \$120,000, for a total of \$300,000, for the *Traditional Knowledge Implementation Strategy*.
- ◆ \$5,000 for water supply system upgrades, training and support.
- ◆ \$264,000 financed by the *Building Canada Infrastructure Plan* for research into climate change impacts on infrastructure.
- ◆ \$130,000 to continue work to finalize and implement land, resources and self-governments.
- ◆ \$80,000 to advance devolution discussions.

### 2010-11 Protecting Our Environment (thousands of dollars)

#### *Environmental Stewardship*

Develop and Implement a <i>Land Use Framework</i>	782
Supporting Work on Critical Wildlife Areas for Protected Areas	227
Protected Area Strategy Analyst	250
NWT Water Strategy Development	821
Development of Aquatic Ecosystem Indicators	200
Development of Watershed Decision-Support Tool	115
Additional Work on Climate Change Adaption Plan	100
Implementing the <i>Species at Risk Act</i>	591
Development of the <i>Wildlife Act</i>	200
Traditional Knowledge Implementation Strategy	120
Water Supply System Upgrades, Training and Support	5
Building Canada Infrastructure Plan (Research & Development of Climate Change)	264
	<hr/> 3,675

#### *Governance Development*

Continue work to finalize and implement land, resources and self government	130
Advance devolution discussions	80
	<hr/> 210
	<hr/> <hr/> 3,885

### *Investing in Children, Youth and Families*

The 2010-11 Budget provides \$770 million in spending for programs directed at education, health care, housing and policing services.

A total of \$4.6 million in new funds will be provided for actions that focus on children and youth, promote healthy choices, address addictions, support families and seniors, and increase the safety and security of individuals and communities, including:

- ◆ \$1.3 million to improve the educational success rate of Aboriginal students through the creation of an Aboriginal Student Achievement Coordinator position, literacy promotion, afterschool tutoring pilot programs and the development of culturally appropriate orientation for new teachers.
- ◆ \$650,000 in annual contributions to fund Team NWT's participation in multi-sport events such as the Arctic Winter Games and the Canada Winter and Summer Games.

**Investments in Children, Youth and Families (thousands of dollars)**

Aboriginal Student Achievement	1,300
Multi-sport Games	650
Youth Programs	200
Enhanced Implementation of the <i>Healthy Choices Framework</i>	1,150
Stabilize Existing Family Violence Shelters	110
Program for Abusers Related to Family Violence	67
Expansion of Early Childhood Development Programs	600
Expanding the <i>Drive Alive!</i> Program	150
Family Law Reform	65
Enhance Community Services	22
Human Rights Commission - Self Represented Clients	50
Review of Child and Family Services Act (one-time)	198
	<u>4,562</u>

- ◆ \$200,000 to continue funding pilot programs for youth, including *Take a Kid Trapping*, Youth Ambassadors Program, Northern Youth Abroad, Youth forums, wilderness education programs and National Aboriginal Achievement Awards.
- ◆ \$1.15 million for continued implementation of the *Healthy Choices Framework*, including increased funding to expand afterschool physical activity programs to 31 communities and expansion of the *Don't be a Butt Head* non-smoking campaign.
- ◆ \$110,000, for a total of \$450,000, to expand the support services for existing family violence shelters, increase the capacity of existing staff and implement consistent policies and procedures within the NWT health and social services system.
- ◆ \$67,000 in additional funding, for a total of \$192,000, to pilot a program to help men who use violence in intimate relationships to change their behaviour. This is part of Phase II of the Family Violence Action Plan.
- ◆ \$600,000 to expand access to, and improve the quality of, early childhood development programs through the support of culturally-relevant programs, the training of early childhood workers and family literacy coordinators, and improving transitions to Grade One.
- ◆ \$150,000 to expand the *Drive Alive!* campaign. This program puts all surface transportation safety campaigns under a single program to reduce administration costs while more effectively increasing public transportation safety awareness, thereby reducing surface transportation-related injuries and deaths.
- ◆ \$65,000 to implement two pilot programs: a mediation program for separating parents and an education program on parenting after separation and divorce to help couples gain the skills they need to be parents in changed circumstances.
- ◆ \$22,000 in additional funding to increase support services for women and children who experience family violence. This brings additional support in 2010-11 to \$482,000.
- ◆ \$50,000 in additional funding for the Human Rights Commission to provide self-represented clients with legal support.
- ◆ \$198,000 for a review of the *Child and Family Services Act*.

### ***Creating Affordable Government***

The GNWT is committed to the delivery of programs and services in the most efficient way. Work is also ongoing to change the way the GNWT plans and delivers infrastructure, improve human resource management, implement changes to GNWT boards and agencies, ensure effective service delivery in smaller NWT communities, and stabilize the GNWT's relationship with non-government organizations.

A total of \$6.1 million in new initiatives will be provided in 2010-11 to improve the way government does business, including:

- ◆ \$2 million to implement *20/20: A Brilliant North – NWT Public Service Strategic Plan*, including training and development, management support, intern and student employment, marketing, and recruitment.
- ◆ \$1 million to improve community capacity through a local government employee trainee program, community human resource assessments, mentorship programs and professional workshops.
- ◆ \$200,000, for a total of \$500,000, in 2010-11 to prepare a knowledge management strategy to achieve more effective and economical use of information technologies.
- ◆ \$250,000 to complete planning, design and transition activities to implement the financial shared services centre and a shared services and procurement model.
- ◆ \$134,000 to manage the GNWT's corporate planning process.
- ◆ \$99,000 to support electronic health, medical records and imaging management systems.
- ◆ \$247,000 to fund staffing and maintenance costs for expanded on-site lab and diagnostic imaging (x-ray and ultrasound equipment) at the consolidated health clinics in Yellowknife, resulting in faster turnaround times to inform physicians and patients of lab and test results.
- ◆ \$106,000 in one-time funding to build a separate, dedicated internet delivery system for the Department of Education, Culture and Employment to provide greater capacity for internet use by the education system, including the electronic student information system, distance education, professional development for teachers and a wider range of courses for students.

#### **Affordable Government (thousands of dollars)**

Implement "20/20: A Brilliant North - NWT Public Service Strategic Plan"	2,017
Improve Community Capacity	1,000
Knowledge Management Strategy Renewal	200
Financial Shared Services and Procurement	250
Corporate Capital Planner	134
Electronic Health, Medical Records and Imaging	99
Consolidated Health Clinics in Yellowknife	247
Enhanced Support for Internet Use by Education System	106
Science Agenda Implementation	298
2011 Census Support	155
Coroner Service	99
Commercial Transportation & Licence Plate	500
Funding gap identified in the transfer of building preventive maintenance funding	1,003
	<u>6,108</u>

- ♦ \$298,000 for the preparation of a science agenda that describes the GNWT's interests, provides direction on addressing these interests and allows the GNWT to set the priorities and agenda for research activities carried out in the NWT and to ensure that northern participation in research activities is increased.
- ♦ \$155,000 to continue the successful strategy used in the 2006 Census to maintain and improve data quality and coverage in the 2011 Census.
- ♦ \$99,000 to return the position of Chief Coroner to the public service and to promote a stable, skilled NWT Coroner Service.
- ♦ \$500,000 to re-organize the responsibilities of Highway Transportation Officers to increase the focus on enforcement and inspections and to adopt a new licence plate with reflective properties.
- ♦ \$1 million to increase funding for preventive maintenance in GNWT buildings.

### ***Other Initiatives***

This Budget proposes one-time funding of \$864,000 in 2010-11 to support the work of the Northern Leaders' Forum. This funding will be used to fund conferences, public consultations and research projects in the areas of capacity building and governance.

The GNWT is working to control expenditure growth, particularly in the fastest growth areas such as health care. There are, however, necessary ongoing health care investments that have been added to the 2010-11 Budget including:

- ♦ \$530,000 to fund the additional lease costs of the Consolidated Primary Care Clinic in Yellowknife,
- ♦ \$2 million to fund operational costs associated with the Territorial Dementia Facility in Yellowknife, and
- ♦ \$1.4 million for ongoing operational costs of the Hay River Territorial Supported Living Campus.

The 2010-11 Budget also allocates \$3.7 million in one-time funds to cover the demolition costs of the Chief Albert Wright School in Tulita and the Deh Cho Hall in Fort Simpson. These buildings have been replaced.

### **Looking Forward and Other Initiatives (thousands of dollars)**

Development of a common vision for the political development of the NWT	864	<u>864</u>
<b>Investments in Health Care</b>		
Consolidated Primary Care Clinic (Approved in principle)	530	
Territorial Dementia Facility	2,041	
Hay River Territorial Supported Living Campus	1,395	
		<u>3,966</u>
<b>One-time Initiatives</b>		
Demolition of Chief Albert Wright School, Tulita	810	
Demolition of Deh Cho Hall, Fort Simpson	2,875	
		<u>3,685</u>
		<u><u>8,515</u></u>

## Energy Investments

In the 2009-10 Budget, the GNWT committed \$60 million over four years to advance the *GNWT Energy Investment Plan*. This Plan is used to find energy alternatives that reduce the NWT's reliance on diesel fuel and ultimately reduce the cost of living in the NWT. The 2010-11 Budget includes the previously announced *Energy Investment Plan* commitments for 2010-11 of \$15.8 million and adds a further \$3.3 million, for a total of \$19.1 million in 2010-11.

	2010-11 Amounts (Previously Committed)	Increase in 2010-11 Budget	2010-11 Total
<b>Hydro</b>			
Taltson Hydro Expansion Project	200	-	200
NWT Hydro Strategy	1,500	-	1,500
Lutselk'e Mini-Hydro Facility	250	200	450
Whati Mini Hydro / Transmission Line	250	-	250
Fort Providence Transmission Line	400	200	600
Bear River Feasibility	1,000	500	1,500
In-stream Hydro Project	50	-	50
<b>Alternative Energy and Emerging Technologies</b>			
Beaufort Wind Energy Supply	100	-	100
Biomass Strategy Development and Implementation	2,000	1,000	3,000
Support for Geothermal Technology	150	-	150
Support to Arctic Energy Alliance to develop the Alternative Energy Mapping Project	550	-	550
Wind monitoring in the NWT	-	200	200
Solar Hot Water Heating Systems for Community Pools	-	100	100
<b>Energy Conservation and Efficiency</b>			
Expansion of Residual Heat	1,000	800	1,800
Energy Efficiency Incentive Program Enhancement	350	-	350
Completion of Energy Plans for each NWT community	150	-	150
Funding for Arctic Energy Alliance for a Regional Energy Pathfinder position	-	178	178
<b>Initiatives to Reduce GNWT Energy Costs</b>			
Capital Asset Retrofit Fund	3,500	150	3,650
Energy Retrofits of NWT Housing Corporation Assets	1,000	-	1,000
<b>Policy</b>			
Territorial Power Subsidy Program Enhancement	3,000	-	3,000
Electricity Review	50	-	50
<b>Other</b>			
Natural Gas Conversion Feasibility	300	-	300
	15,800	3,328	19,128

## **Infrastructure**

The 2010-11 capital budget was approved on October 21, 2009. In total, \$178 million will be invested in infrastructure and \$44 million in infrastructure contributions in 2010-11 including:

- ♦ \$42 million for school replacements, renovations and additions,
- ♦ \$64 million for highways and roads across the NWT,
- ♦ \$28 million in Formula Funding for community infrastructure,
- ♦ \$4.5 million in health infrastructure investments,
- ♦ \$5 million for information system technology upgrades and replacements,
- ♦ \$24 million for upgrades and renovations to GNWT buildings,
- ♦ \$17 million for airport infrastructure improvements,
- ♦ \$1.9 million for parks infrastructure, and
- ♦ \$1.3 million for tank farm upgrades and capacity increases.

Included in the *2010-11 Main Estimates* is \$37 million in housing investments delivered through the *2010-11 Capital Plan* of the NWT Housing Corporation.

The two-year (2009-10 to 2010-11) capital investments of \$744 million includes a federal contribution of \$230 million.

## **Revenue Measures**

The 2010-11 Budget contains no new revenue measures and no increases in tax rates. However, effective April 1, 2010, policies will be implemented to ensure that property tax rates, liquor mark-ups and tobacco tax rates will increase each year at the rate of inflation.

The NWT Department of Finance hosted a two-day roundtable meeting on the NWT tax system and fiscal strategy in Yellowknife in October 2009. The purpose of the roundtable was to seek input from NWT stakeholders on the appropriate mix of taxes and other revenue-raising options to help ensure that the NWT tax system is competitive, is able to fund essential programs and services, and works to achieve the goals set out by the 16<sup>th</sup> Legislative Assembly.

The outcome of the consultations indicated support for long-term investments in the NWT, including investments in infrastructure, human capital and proactive investments to encourage reduced energy consumption. Participants also stated an openness to consider changes in the tax mix to better balance the tax burden as long as there were corresponding investments to diversify the economy and address the high cost of living in the NWT.

Many of the recommendations made during the 2009 consultation align with initiatives that the GNWT is currently pursuing. The recommendations will be considered by the Department of Finance and will be used to help guide the GNWT's decisions about its tax and fiscal strategies. The ideas received will guide longer-term work on the fiscal structure of the NWT. Proposals for significant change to the NWT tax system will require considerable research and analysis and further consultation before any changes are brought forward and implemented. This work will be undertaken in 2010-11.

## Looking Ahead

The GNWT continues to monitor its fiscal situation and will make necessary adjustments to ensure that expenditure growth is sustainable within the GNWT's fiscal realities.

The GNWT will continue to pursue completion of an agreement in principle on devolution and resource revenue sharing with the Government of Canada and NWT Aboriginal governments. The GNWT and other NWT governments need control over the management of the NWT non-renewable resources so that NWT residents are the principal beneficiaries of these resources. It is recognised that the resource revenues that Canada is prepared to share with NWT governments will not make NWT residents the principal beneficiaries in a financial sense. However, the broader goal is to achieve the transfer of authority over NWT lands and resources from the federal government to the North so that NWT residents have the power to influence and control NWT land management decisions.

The GNWT has received support from many NWT residents for a Heritage Fund once NWT governments obtain control over NWT non-renewable natural resources. A public discussion paper on the establishment of a NWT Heritage Fund will be released in 2010. If there appears to be a broad consensus for a Heritage Fund, the government will commit to introducing legislation to create a Heritage Fund by the end of the 16<sup>th</sup> Legislative Assembly.

Although the 2010-11 Budget does not include funding for initiatives to improve the delivery of public housing, formal proposals for changes to public housing administration will be made during 2011-12, for implementation that same year. This will include moving responsibility for income assessments to Local Housing Organizations. Local assessments will be made more convenient for tenants. Other opportunities to improve the delivery of housing programs may include divesting a number of older units and looking for maintenance efficiencies.

Addressing the NWT's significant infrastructure deficit continues to be a priority for the GNWT. The following three major projects are priorities.

- ◆ The Deh Cho Bridge is the largest public infrastructure project undertaken in the NWT. The bridge will ensure year-round highway access for half of the NWT's population. The most difficult phase of construction is completed and the bridge completion date remains late 2011.
- ◆ The Taltson Hydro Expansion project is in the environmental review phase. The \$500 million project could displace up to 100 million litres of diesel fuel a year and reduce greenhouse gas emissions in the NWT by 15 per cent. However, the project is beyond the financial capacity of the GNWT to finance on its own and therefore, if the project gets regulatory approval, the GNWT will seek federal participation through federal infrastructure programs and additional financing with other partners.
- ◆ The Mackenzie Valley Highway, with an estimated cost of \$1.8 billion from Wrigley to Tuktoyaktuk, would provide all the communities of the Mackenzie Valley with an all-weather road; reduce living costs for residents; and, open up the rest of the Mackenzie Valley, where the current seasonal ice road access is unpredictable. The federal government has agreed to fund a Project Description Report for the

construction of an all-weather road from Inuvik to Tuktoyaktuk and the GNWT has set aside funds to extend the Report to the entire Mackenzie Valley.

The GNWT continues to work towards improving its relationship with service delivery boards. Consideration is being given to removing barriers that limit service integration, to expanding the use of inter-agency committees in communities, and to improving accountability mechanisms between the GNWT and its boards. This work will lead to the development of standardized contribution agreements with existing boards by April 2011.

As a follow-up to the 2009 Roundtable on Revenues, a further Roundtable will be held in 2010 to discuss revenue options for implementation in the 2011-12 Budget.

### ***Medium-Term Outlook***

The following table shows the GNWT's medium-term outlook, given current fiscal projections. The outlook includes all components of the fiscal strategy. Despite having to borrow to fund the recent large infrastructure investments, restrictions in expenditure growth and a reduction in infrastructure investments will reduce debt over the medium term.

#### ***Medium-Term Outlook (\$ millions)***

	2008-09 Actuals	2009-10 Revised Estimates	2010-11 Main Estimates	2011-12 Forecast	2012-13 Forecast
<b>Revenues</b>	1,256	1,292	1,357	1,418	1,488
<b>Expenditures</b>	(1,297)	(1,314)	(1,322)	(1,354)	(1,408)
<b>Operating Surplus (Deficit)</b>	(41)	(22)	35	64	80
<b>Capital Investment Requirements</b>	140	203	178	133	75
<b>Accumulated Cash Surplus (Deficit) as of March 31</b>	39	(34)	(89)	(206)	(192)
<b>Total Debt<sup>1</sup></b>	(182)	(210)	(279)	(393)	(381)
<b>Total Borrowing Authority</b>	500	500	500	500	500
<b>Available Borrowing Authority</b>	318	290	221	107	119

<sup>1</sup> Includes NWT Power Corp., NWT Energy Corp., NWT Housing Corp., and Yellowknife Public Denominational District Education Authority.

### ***Risks to the Medium-Term Outlook***

Because the Territorial Formula Financing (TFF) Grant forms about 70 per cent of the GNWT's revenues, revenue risks to the GNWT's medium-term revenue forecast focus on changes in the TFF Grant. The Grant is calculated according to a formula set in federal legislation, and is based on a number of variables, such as population growth, the GNWT's own-source revenues and spending by provincial and local governments.

However, because the Grant for any given year is fixed, changes in own-source revenues, particularly corporate income tax revenues, can pose significant short-term risks to total revenues. The lack of responsiveness in TFF over the short-term to changes in own-source revenues makes the volatility in these revenues an important consideration in forecast of revenues and cash for planning purposes. Over time, however, TFF Grant entitlements do respond to changes in the GNWT's own-source revenues.

In the longer-term, declines in the NWT population or provincial government spending are risks, as growth in these variables are used to calculate the Grant. Furthermore, a decline in the NWT's population may erode the NWT's own-source revenue base.

Own-source revenues comprise over 25 per cent of GNWT revenues and taxation revenues represent over 70 per cent of own-source revenues. Changes to taxation revenue carry a significant risk to the medium-term forecast as declines in own-source revenues are only partially offset by increases in the TFF Grant.

Revenues from personal income tax, payroll tax, and fuel taxes may decline in the event of an economic slowdown; however, declines in these taxes can usually be reliably forecast and fiscal plans adjusted accordingly. Corporate income tax, however, is the GNWT's most volatile revenue source and the potential for large swings in corporate income tax brings uncertainty to the medium-term outlook.

### Summary of Operations

	(thousands of dollars)			
	2010/2011 Main Estimates	2009/2010 Revised Estimates	2009/2010 Main Estimates	2008/2009 Actuals
<b>REVENUES</b>	<b>1,357,228</b>	<b>1,292,428</b>	<b>1,300,803</b>	<b>1,256,117</b>
<b>OPERATIONS EXPENSE</b>				
Compensation and Benefits	269,687	250,421	240,352	240,709
Grants and Contributions	585,297	582,987	571,283	576,773
Other Expenses	367,659	328,000	328,353	332,148
Amortization	70,463	62,263	61,604	55,694
<b>TOTAL OPERATIONS EXPENSE TO BE VOTED</b>	<b>1,293,106</b>	<b>1,223,671</b>	<b>1,201,592</b>	<b>1,205,324</b>
<b>OPERATING SURPLUS (DEFICIT) PRIOR TO ADJUSTMENTS</b>	<b>64,122</b>	<b>68,757</b>	<b>99,211</b>	<b>50,793</b>
INFRASTRUCTURE CONTRIBUTIONS	(43,790)	(116,120)	(46,585)	(91,854)
<b>ESTIMATED SUPPLEMENTARY REQUIREMENTS</b>				
Operations Expenditures - Regular	(10,000)	(16,000)	(20,000)	-
<b>ESTIMATED APPROPRIATION LAPSES</b>				
Infrastructure Contributions	10,000	25,000	10,000	-
Regular Operating Activities	15,000	17,000	15,000	-
<b>WORK PERFORMED ON BEHALF OF OTHERS</b>				
Recoveries	55,459	77,177	56,754	56,907
Expenditures	(55,459)	(77,177)	(56,754)	(56,907)
<b>OPERATING SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>35,332</b>	<b>(21,363)</b>	<b>57,626</b>	<b>(41,061)</b>
<b>ACCUMULATED SURPLUS AT THE BEGINNING OF THE YEAR</b>	<b>823,424</b>	<b>844,787</b>	<b>901,356</b>	<b>885,848</b>
<b>ACCUMULATED SURPLUS AT THE END OF THE YEAR</b>	<b>858,756</b>	<b>823,424</b>	<b>958,982</b>	<b>844,787</b>

*Summary of Revenues*

	(thousands of dollars)			
	2010/2011 Main Estimates	2009/2010 Revised Estimates	2009/2010 Main Estimates	2008/2009 Actuals
<b>GRANT FROM CANADA</b>	<b>919,872</b>	<b>864,161</b>	<b>864,161</b>	<b>804,858</b>
<b>TRANSFER PAYMENTS</b>	<b>95,430</b>	<b>122,574</b>	<b>101,206</b>	<b>113,927</b>
<b>TAXATION REVENUE</b>				
Personal Income Tax	67,965	62,178	65,910	78,847
Corporate Income Tax	79,574	53,429	82,235	61,146
Tobacco Tax	16,444	16,432	14,651	13,931
Fuel Tax	16,207	16,026	17,487	15,849
Payroll Tax	38,288	37,404	38,976	38,292
Property Tax and School Levies	24,414	23,940	20,143	21,050
Insurance Taxes	4,700	3,500	3,500	4,384
	<b>247,592</b>	<b>212,909</b>	<b>242,902</b>	<b>233,499</b>
<b>GENERAL REVENUES</b>				
Revolving Funds Net Revenue	24,226	23,286	22,879	23,024
Regulatory Revenues	16,856	16,070	16,045	14,197
Investment Income	2,109	2,315	3,359	7,103
Other General Revenues	907	1,066	1,276	2,778
	<b>44,098</b>	<b>42,737</b>	<b>43,559</b>	<b>47,102</b>
<b>OTHER RECOVERIES</b>				
Lease and Accommodations	947	913	913	1,206
Service	1,847	1,723	1,768	838
Program	27,812	27,498	26,384	30,167
Commodity Sales	84	81	80	140
Insurance Proceeds	60	60	60	22
Other Miscellaneous Recoveries	220	35	205	142
Recovery of Prior Years' Expenditures	3,000	3,000	3,000	7,855
	<b>33,970</b>	<b>33,310</b>	<b>32,410</b>	<b>40,370</b>
<b>GRANTS IN KIND</b>	<b>762</b>	<b>1,401</b>	<b>1,401</b>	<b>762</b>
<b>CAPITAL</b>				
Other	-	340	170	77
Deferred Capital Contributions	15,504	14,996	14,994	15,522
	<b>15,504</b>	<b>15,336</b>	<b>15,164</b>	<b>15,599</b>
<b>TOTAL REVENUES</b>	<b>1,357,228</b>	<b>1,292,428</b>	<b>1,300,803</b>	<b>1,256,117</b>

### Summary of Operations Expenditures by Department

	(thousands of dollars)			
	2010/2011 Main Estimates	2009/2010 Revised Estimates	2009/2010 Main Estimates	2008/2009 Actuals
Legislative Assembly	17,239	15,811	15,650	14,849
Executive	14,306	12,396	11,891	12,863
Human Resources	40,073	35,063	35,079	33,849
Aboriginal Affairs and Intergovernmental Relations	8,180	6,999	6,807	6,138
Finance	76,528	75,866	74,875	92,487
Municipal and Community Affairs	91,288	86,053	86,229	82,209
Public Works and Services	92,764	57,137	56,136	57,495
Health and Social Services	325,825	324,982	313,027	319,089
Justice	97,992	95,526	93,488	90,952
Education, Culture and Employment	306,888	303,222	299,631	294,444
Transportation	104,511	99,230	97,060	94,850
Industry, Tourism and Investment	51,752	50,444	50,870	45,634
Environment and Natural Resources	65,760	60,942	60,849	60,465
<b>TOTAL OPERATIONS EXPENDITURES</b>	<b>1,293,106</b>	<b>1,223,671</b>	<b>1,201,592</b>	<b>1,205,324</b>

### Summary of Infrastructure Investment by Department

	(thousands of dollars)			
	2010/2011 Main Estimates	2009/2010 Revised Estimates	2009/2010 Main Estimates	2008/2009 Actuals
<b>Tangible Capital Assets</b>				
Legislative Assembly	1,400	384	130	219
Human Resources	715	-	-	59
Finance	630	10,565	5,152	6,857
Municipal and Community Affairs	-	-	-	4,665
Public Works and Services	27,260	40,724	29,525	11,315
Health and Social Services	6,928	49,736	24,474	21,172
Justice	1,034	2,892	921	824
Education, Culture and Employment	54,570	79,024	60,878	34,560
Transportation	81,439	119,868	75,806	48,075
Industry, Tourism and Investment	1,930	4,528	2,961	2,014
Environment and Natural Resources	2,160	1,755	1,168	1,861
<b>Total Tangible Capital Assets</b>	<b>178,066</b>	<b>309,476</b>	<b>201,015</b>	<b>131,621</b>
<b>Infrastructure Contributions</b>				
Municipal and Community Affairs	40,140	94,968	28,090	34,009
Education, Culture and Employment	2,150	16,789	16,011	15,485
Transportation	1,500	4,687	2,500	-
<b>Infrastructure Contributions</b>	<b>43,790</b>	<b>116,444</b>	<b>46,601</b>	<b>49,494</b>
<b>TOTAL INFRASTRUCTURE INVESTMENT</b>	<b>221,856</b>	<b>425,920</b>	<b>247,616</b>	<b>181,115</b>

**Summary of Cash Flows**

	(thousands of dollars)			
	2010/2011 Main Estimates	2009/2010 Revised Estimates	2009/2010 Main Estimates	2008/2009 Actuals
<b>OPERATING TRANSACTIONS</b>				
Cash Received From:				
Canada	1,102,502	1,029,562	1,066,114	1,189,369
Other Revenues	269,280	285,471	227,340	494,867
	<b>1,371,782</b>	<b>1,315,033</b>	<b>1,293,454</b>	<b>1,684,236</b>
Cash Paid For:				
Operations Expenses	(1,252,907)	(1,252,258)	(1,189,903)	(1,288,737)
Projects Performed for Others	-	-	-	(330,227)
<b>Cash Provided By (Used For) Operating Transactions</b>	<b>118,875</b>	<b>62,775</b>	<b>103,551</b>	<b>65,272</b>
<b>CAPITAL TRANSACTIONS</b>				
Capital Investment (current year)	(186,893)	(209,656)	(194,141)	(126,479)
Capital Investment (prior year)	(9,169)	(5,515)	(7,603)	-
Proceeds from Disposal of Capital Assets	-	-	-	-
Capital Contributions Received and Deferred	31,187	82,877	18,500	17,353
<b>Cash Provided By (Used For) Capital Transactions</b>	<b>(164,875)</b>	<b>(132,294)</b>	<b>(183,244)</b>	<b>(109,126)</b>
<b>INVESTING TRANSACTIONS</b>				
Designated Cash and Investments Purchased	-	-	-	1,079
Loans (Net of Repayments)	(4,200)	(2,200)	(2,200)	(77)
<b>Cash Provided By (Used For) Investing Transactions</b>	<b>(4,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>1,002</b>
<b>FINANCING TRANSACTIONS</b>				
Repayment of Capital Lease Obligations	(4,730)	(1,730)	(1,730)	(1,226)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(54,929)</b>	<b>(73,449)</b>	<b>(83,623)</b>	<b>(44,078)</b>
Cash and Cash Equivalents at the Beginning of the Year	(34,251)	39,198	2,367	83,276
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>(89,181)</b>	<b>(34,251)</b>	<b>(81,256)</b>	<b>39,198</b>

***Summary of Total Debt and Estimated Borrowing Capacity***

	(thousands of dollars)			
	<b>2010/2011 Main Estimates</b>	<b>2009/2010 Revised Estimates</b>	<b>2009/2010 Main Estimates</b>	<b>2008/2009 Actuals</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>(89,181)</b>	<b>(34,251)</b>	<b>(81,256)</b>	<b>39,198</b>
<b>GUARANTEED DEBT</b>				
NWT Power Corporation	(135,288)	(120,059)	(102,905)	(127,179)
NWT Energy Corporation	(23,664)	(24,258)	(20,758)	(21,297)
NWT Housing Corporation	(25,778)	(26,931)	(25,414)	(28,019)
Yellowknife Public Denominational District Education Authority	(4,890)	(5,511)	(6,651)	(6,099)
<b>TOTAL GUARANTEED DEBT</b>	<b>(189,620)</b>	<b>(176,759)</b>	<b>(155,728)</b>	<b>(182,594)</b>
<b>TOTAL (DEBT) SURPLUS</b>	<b>(278,801)</b>	<b>(211,010)</b>	<b>(236,984)</b>	<b>(182,594)</b>
<b>AUTHORIZED BORROWING LIMIT</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>AVAILABLE BORROWING CAPACITY</b>	<b>221,199</b>	<b>288,990</b>	<b>263,016</b>	<b>317,406</b>

Any further guarantees of NWT Power Corporation Debt may require a review of the GNWT's overall borrowing capacity with the Government of Canada.

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**Provincial and Territorial Tax Rates as of January 1, 2010**


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	Combined Top Marginal PIT Rate <sup>(a)</sup> (%)	Retail Sales Tax (%)	Fuel Tax <sup>(b)</sup>		Tobacco Tax on Cigarettes (\$/ carton) <sup>(c)</sup>	Payroll Tax <sup>(d)</sup> (%)	Corporate Income Tax		Capital Tax <sup>(e)</sup> (%)
			Gas (¢/ litre)	Diesel (¢/ litre)			Small (%)	Large (%)	
Northwest Territories	43.05	-	10.7	9.1	53.60	2.00	4.0	11.5	-
Nunavut	40.50	-	6.4	9.1	42.00	2.00	4.0	12.0	-
Yukon	42.40	-	6.2	7.2	42.00	-	4.0	15.0	-
British Columbia	43.70	7.0	14.5	15.0	37.00	-	2.5	10.5	0/1.0
Alberta	39.00	-	9.0	9.0	40.00	-	3.0	10.0	-
Saskatchewan	44.00	5.0	15.0	15.0	36.60	-	4.5	12.0	0/3.25
Manitoba	46.40	7.0	11.5	11.5	37.00	2.15	1.0	12.0	0.2/3.0
Ontario	46.41	8.0	14.7	14.3	24.70	1.95	5.5	14.0	0.15/0.45
Quebec	48.22	7.5	15.2	16.2	20.60	4.26	8.0	11.9	0.12/0.24
New Brunswick	43.30	8.0	10.7	16.9	23.50	-	5.0	12.0	0/3.0
Nova Scotia	48.25	8.0	15.5	15.4	43.04	-	5.0	16.0	0/4.0
Prince Edward Island	47.37	10.0	13.2	19.2	44.90	-	2.1	16.0	0/5.0
Newfoundland	44.50	8.0	16.5	16.5	36.00	2.00	5.0	14.0	0/4.0
Weighted average <sup>(f)</sup>	45.53	6.7	14.1	14.3	28.66	1.86	5.2	12.5	

## Notes:

- (a) Combined federal-provincial/ territorial highest 2010 personal income tax rates and, surtax, as applicable.
- (b) New Brunswick, Newfoundland, Nova Scotia and Quebec apply sales tax to fuel. The NWT's off-highway gasoline tax rate is 6.4 cents/litre.
- (c) Manitoba, New Brunswick, Newfoundland, Nova Scotia and Saskatchewan apply sales tax to tobacco products.
- (d) NWT and Nunavut levy payroll taxes on employees. Other provinces that levy payroll taxes provide exemptions for small business and/or rates vary depending on payroll size.
- (e) Capital tax rates are for large corporations and for financial institutions in the order shown. Tax bases differ for the two types of companies.
- (f) Average weighted by provincial/territorial populations at July 1, 2009.
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