

BUDGET 2020 HIGHLIGHTS

Fiscal Highlights

- Budget 2020 forecasts a \$203 million operating surplus, with revenue at \$2.186 billion and total expenditures at \$1.983 billion, which includes \$1.896 billion in departmental spending and the remainder for infrastructure contributions and other items.
- Revenue is expected to increase \$333 million in 2020-21 compared to the 2019-20 Revised Estimates, with nearly half of the increase due to more federal infrastructure funding.
- Budget 2020 proposes \$94 million of increased spending over Budget 2019, including:
 - \$61 million for program enhancements, which includes \$39 million for collective bargaining increases;
 - \$40 million in new spending, which is supported by \$29 million of federal transfers;
 - \$6 million to continue initiatives from the 18th Assembly; and
 - \$2 million in amortization; less
 - \$15 million in expenditure savings.
- The medium-term outlook forecasts narrowing operating surpluses over the next four years. The operating surplus is projected to decline to \$147 million in 2021-22, \$116 million in 2022-23, and \$3 million by 2023-24.
- The capital program in 2020-21 is projected to be \$399 million. The majority of these investments are projects in the NWT's transportation and energy networks and many are partnered with the federal government.

Economic Highlights

- The NWT economy is expected to decrease 4.3 per cent in 2019, due to steep declines in diamond production and private-sector investment, partially offset by increased government expenditures.
- In 2020, economic growth is forecast to increase 3.8 per cent as exports and investment increase.

Fiscal Strategy

- The fiscal strategy proposes \$25 million over the lifetime of the 19th Assembly for mandate priorities, with \$10 million in 2020-21 for review with Regular Members.
- The GNWT will seek flexible support for shared priorities with the federal government and collaborate with Indigenous and other governments to advance projects that benefit all NWT residents.
- The GNWT will use longer-term four year business plans and use program evaluations for strategic reviews of existing programs and services to improve fiscal planning and determine if the government is getting value for money.
- The GNWT's prudent fiscal management has earned it a high and stable Aa1 credit rating from Moody's Investors Service.

Revenue Initiatives

- Budget 2020 does not contain any new taxes, although property mill rates and some fees will be indexed to inflation effective April 1, 2020.
- In keeping with the *Pan-Canadian Framework on Clean Growth and Climate Change*, the carbon tax rate will increase to \$30 per carbon-equivalent tonne of greenhouse gas emissions on July 1, 2020. Carbon tax revenue will be returned to NWT businesses and residents through rebates and the Cost of Living Offset and also used for investments to reduce greenhouse gas emissions.

Expenditure Highlights by Department

Education, Culture and Employment (\$3.5 million)

- \$2.033 million to address increased expenditures under Income Assistance programs;
- \$604,000 to expand the Northern Distance Learning program to five more schools;
- \$319,000 to add mental health and speech and language specialists to the Specialized Territorial Support Team for schools;
- \$269,000 to align student transportation funding with expenditures;
- \$129,000 for a Student Records Coordinator to process information requests related to Day School Settlement Records; and
- \$129,000 to expand the Northern Studies curricula, including audio, visual and print resource development, assessment tools, and teacher training.

Executive and Indigenous Affairs (\$0.7 million)

- \$705,000 for the management and negotiations of offshore oil and gas resources under the *Pan-Territorial Vision for Sustainable Development*.

Environment and Natural Resources (\$8.1 million)

- \$3.548 million to advance activities under three Challenge Nature Fund Agreements with Environment and Climate Change Canada, including funds for the Thaidene Nënë project and Ts'udé Niliné Tuyeta and Dinàgà Wek'èhodì protected areas;
- \$1.992 million for air tanker fleet operations for forest fire suppression;
- \$1.365 million for conservation and recovery of the Bathurst and Bluenose-East barren-ground caribou herds;
- \$960,000 (includes \$63,000 for Lands) to support boreal caribou range planning under the Conservation Agreement and implementation of the Northwest Territories-Indigenous Component Agreement with Environment and Climate Change Canada;
- \$175,000 to increase monitoring of candidate protected areas sites;
- \$60,000 for the *Pan-Territorial Vision for Sustainable Development*; and
- \$45,000 to support the wildlife monitoring program as part of the commitments of the environmental assessment of the Inuvik-Tuktoyaktuk Highway.

Finance (\$15.5 million)

- \$10.6 million to offset carbon tax costs through the Cost of Living Offset, heating fuel, large emitter and electrical generation rebates, and industrial grants;
- \$4.545 million for increased short-term borrowing costs and other debt servicing requirements; and
- \$337,000 to improve accessibility of government services by creating a single, secure online portal for residents and businesses for existing online services and bring an additional 40 licences and permits online.

Health and Social Services (\$17.8 million)

- \$10.011 million to administer activities under the Northern Wellness Agreement with the federal government, including ten positions to administer contribution funding for community health and wellness programs;
- \$2.580 million to support Stanton Territorial Hospital operations, including orderlies and behavioural health workers, medical unit services, emergency department triage,

day procedures, medical devices, rehabilitation services, clinical laboratory services, long-term and continued care services and other expenses;

- \$2.119 million for health spending in partnership with the federal government, including: \$1.488 million for mental health and addictions, and home care and community care; and \$631,000 for public education for cannabis, emergency treatment, climate change and health adaptation capacity building, the Canadian Partnership Against Cancer Funding Agreement, the Pan-Canadian Pharmaceutical Alliance, and enhanced community-based monitoring of seasonal influenza;
- \$1.102 million to health authorities for insured hospital services costs;
- \$777,000 to upgrade software and equipment for collecting and managing information to improve patient care in health and social service delivery;
- \$609,000 to upgrade Stanton hospital pharmacy information services software;
- \$379,000 to support community health programs, support services, diagnostic and therapeutic services, social programs, and ambulance services; and
- \$179,000 to provide increased contributions to AVENS – A Community for Seniors.

Industry, Tourism and Investment (\$783,000)

- \$268,000 to promote a growing tourism industry, with \$176,000 supporting increased activity in the Beaufort Delta from the Inuvik-Tuktoyaktuk Highway and \$92,000 for enforcement and public safety in North Slave parks along the Ingraham Trail;
- \$250,000 to support implementation of two socio-economic agreements;
- \$150,000 for a one-year extension of the Fishing Sector Support Officer position in Hay River to support economic diversification;
- \$60,000 for the *Pan-Territorial Vision for Sustainable Development*; and
- \$55,000 to continue implementing the *Petroleum Resources Strategy*, with another \$225,000 to come in 2021-22.

Infrastructure (\$9.9 million)

- \$3.949 million for 72 long-term care beds in Yellowknife;
- \$2.380 million from the federal Low Carbon Economy Leadership Fund, which includes \$300,000 for incremental Arctic Energy Alliance programs and services;
- \$2.226 million for operations and utilities of newly acquired buildings, including the Stanton Territorial Hospital, the fish plant in Hay River, biomass heating plants and the Yellowknife Visitor Centre;

- \$659,000 to provide increased maintenance on the Dempster Highway (km 0 to 272) due to increased usage resulting from the Inuvik-Tuktoyaktuk Highway;
- \$390,000 to develop and implement the Permafrost Data Management and Analytical System for the Dempster and Inuvik-Tuktoyaktuk Highways Project under the Northern Transportation Adaptation Initiative; and
- \$250,000 for the Lafferty and Ndulee ferries for increased regulatory costs and costs related to longer trips around shallow water.

Justice (\$4.2 million)

- \$1.613 million to support RCMP services, including increases in custody transfer costs, national service rates and number of positions, hangar operation costs, and isolated post and housing requirements;
- \$827,000 in ongoing funding to turn the Integrated Case Management program into a permanent program;
- \$506,000 to enforce land tenure and develop an approach to address unauthorized and rights-based occupancy;
- \$465,000 to support development of the NWT Gun and Gang Strategy, with funding from the federal Gun and Gang Violence Action Fund;
- \$240,000 to increase base funding for victims services;
- \$163,000 to support one full-time position in Legal Aid Services for delivering the Agreement Respecting Access to Justice with the federal government;
- \$155,000 to support the family justice programming through the federal Canadian Family Justice Fund Agreement;
- \$96,000 to increase base funding for coroner services operations;
- \$95,000 to provide all Supreme Court jury trials with contract court reporters; and
- \$39,000 to continue implementing cannabis legalization.

Municipal and Community Affairs (\$5.3 million)

- \$5.186 million to increase the Grant-in-Lieu of Property Tax Program; and
- \$158,000 for increased costs under the *Senior Citizens and Disabled Persons Property Tax Relief Act*.