



Backgrounder

BUDGET 2022-23 HIGHLIGHTS

- Budget 2022-23 is the third year of actions to deliver on the priorities of the 19th Legislative Assembly.

Fiscal Highlights

- Budget 2022-23 projects a \$131 million operating surplus, with revenue at \$2.3 billion and total expenditures at \$2.142 billion.
- Revenue is projected to increase 2.3 per cent in 2022-23 compared to the 2021-22 revised estimates. This increase is largely driven by higher federal transfers.
- Budget 2022 proposes \$43 million of increased spending over Budget 2021, consisting of \$86 million for program enhancements, \$9 million in new spending for mandate priorities and \$2 million in amortization. This spending is offset by \$54 million in savings from programs that are ending.
- The 2022-23 Capital Estimates approved in November 2021 is \$492 million, including \$29 million for community infrastructure investments. Most of the infrastructure investment is for the transportation network and many projects are partnered with the federal government.
- Total debt is projected to increase to \$1.7 billion by March 31, 2023 and after including capital leases and other obligations, the Government is expected to remain \$104 million below the borrowing limit.

Economic Highlights

- The NWT economy is experiencing a V-shaped recovery from the disruption caused by the COVID-19 pandemic as jobs and production are at pre pandemic levels even though some sectors, especially tourism, have yet to recover.
- The economy is estimated to have grown 7.3 per cent from 2020 to 2021. No growth is projected for 2022, which means economic activity remains 4.5 per cent below 2019 levels.



Fiscal Strategy

- The fiscal strategy remains unchanged from the 2020-21 budget: to manage expenditure growth so that \$25 million is available over the lifetime of the 19th Assembly to invest in mandate priorities.
- The 2022-23 Budget advances this fiscal strategy. Starting in 2023-24, expenditure growth for inflationary and increased demand pressures will be limited to \$10 million and funding for new initiatives will be limited to \$5 million annually.
- The GNWT will seek flexible support for shared priorities with the federal government and collaborate with Indigenous and other governments to advance projects.

Revenue Initiatives

- Budget 2022 does not contain any new taxes, although property mill rates and some fees will be indexed to inflation to maintain financial management practices. The five-year fee reviews underway in 2021-22 may result in further changes in fees.
- In keeping with the *Pan-Canadian Framework on Clean Growth and Climate Change*, the carbon tax rate will increase to \$50 per carbon-equivalent tonne of greenhouse gas emissions on July 1, 2022. 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

Taking Action on Climate Change and Protecting the Environment

- \$4.67 million to provide Low Carbon Economy Leadership Funds to the Arctic Energy Alliance.
- \$1.03 million for conservation efforts to support recovery of the Bathurst and Bluenose-East barren-ground caribou herds.

Ensuring the Health and Wellbeing of our People

- \$7.1 million for the Territorial Health Investment fund for medical travel and health care reform.
- \$2.92 million to the Northern Wellness Agreement for community-based health programs.
- \$1.39 million for Indigenous Knowledge, Wellness and Patient Advocates.
- \$1.33 million for Life-sustaining Specialist Physician services.



- \$1.04 million to support territorial cancer care programs.
- \$1.01 million for stage 2 of the midwifery program.
- \$882,000 for Mental Health and Addictions.
- \$750,000 for community-based addictions and aftercare.
- \$710,000 for Home and Community Care.
- \$645,000 for the Senior Citizen Supplementary Benefit.
- \$552,000 for increased maintenance costs related to the new leased space for the Hay River Health and Social Services Authority.
- \$500,000 towards the Healthy Family Program.
- \$325,000 to Child and Family services to address increased costs to extend supports to youth leaving care.
- \$265,000 for Immunization and Vaccine Coverage.
- \$174,000 for the First Nations and Inuit Home and Community Care Agreement.
- \$100,000 for the Toll-free Quitline numbers on tobacco packaging initiatives.

Keeping our residents and communities safe

- \$1.856 million towards the RCMP, this includes Behchokò and Tuktoyaktuk detachment resources, internet child exploitation internet resources and new housing lease costs.
- \$507,000 one-time funding to make the Northwest Territory's 9-1-1 system self-sustaining.
- \$478,000 for winter road salting.
- \$150,000 towards the *Guns and Gangs Strategy*
- \$135,000 for highway transport officers.

Reducing the municipal funding gap

- \$922,000 to community government funding to help reduce the federal funding gap.

Supporting vulnerable populations

- \$1.014 million in shelter funding for Hay River, Forth Simpson and Yellowknife
- \$860,000 to the Anti-Poverty Fund, including \$110,000 for the Anti-Poverty Roundtable and Advisory Council.
- \$260,000 for enhancements to the Hunters and Trappers Disaster Compensation Program.
- \$159,000 for the Office of the Public Guardian.



Supporting work to increase student education outcomes

- \$4.8 million for Northwest Territory Teachers Association collective agreement.
- \$626,000 for the 2022-23 School Funding Framework.
- \$322,000 in increased funding for the delivery of French-language services.
- \$300,000 to develop, pilot and implement the Education Assistance and Inclusion Certificate program to assist in developing the capacity of employed support assistants.
- \$250,000 for Our Languages Curriculum to develop resources and train Indigenous language instructors.
- \$210,000 to aid in the development of integration of services for children and youth with complex needs.
- \$159,000 for additional research to modernize the *Education Act*.
- \$150,000 to support small community school principals with professional learning.
- \$100,000 to help teachers in small communities address the challenges of teaching different ages.

Investments in Early Childhood Education and Care

- \$500,000 for the Childcare Infrastructure Fund to increase childcare spaces.
- \$298,000 to support the Canada – Northwest Territories early learning and childcare programs.

Economic Growth and Innovation

- \$12.2 million for the annual service payment to the Tłı̨chʼo all-season road.
- \$1.1 million for the *Tourism 2025 Roadmap to Recovery Strategy*.
- \$947,000 for federal funding opportunities for public housing expansion.
- \$389,000 to advance the knowledge economy.
- \$370,000 for airport maintenance contracts.
- \$304,000 to respond to federal regulatory policy initiatives, including the *Mackenzie Valley Resources Management Act* regulatory changes.
- \$300,000 for the Mining Incentive Program.
- \$188,000 to support and develop the agriculture sector, including financial support for commercial operators.
- \$169,000 for utilities for parks operations.
- \$100,000 for Indigenous capacity building in the resource sector.