



2007 BUDGET HIGHLIGHTS



GOVERNMENT OF NUNAVUT
DEPARTMENT OF FINANCE

FISCAL 2007-2008

- The 2007 Budget exercises restraint, reflecting the Government of Nunavut's commitment to responsible and accountable government. It establishes the fiscal framework and identifies financial priorities that are consistent with the priorities set out in *Pinasuaqtavut*, the government's mandate document. The Government of Nunavut will continue to be guided in its work by the eight guiding principles in *Pinasuaqtavut*, which embody Inuit societal values.
- The Government of Nunavut's total revenues for 2007-08 are projected to be \$1.05 billion, \$30 million more than last fiscal year. While this increase is important, it is not enough to keep pace with growth rates experienced in previous budgets, nor does it match growth in government expenditures.
- The fiscal plan for 2007-08 results in a projected operating deficit of \$6.6 million, a significant improvement over the \$8.7 million shortfall forecast in the November 2006 Economic Statement. This progress is a testament to the benefits of restraint measures announced at that time.
- For the 2007-08 fiscal year, the Government of Nunavut projects total expenditures of \$987.1 million. Nearly 91% of these funds, \$895.3 million, will be spent to deliver programs and services. The remaining \$91.8 million, or approximately 9%, will be invested in capital projects across the territory.
- There are no new taxes or tax increases. Nunavut already has some of the lowest tax rates in Canada.
- In keeping with recommendations from the Auditor General of Canada, the 2007 Budget introduces the accrual-based method of accounting. This is a fundamental change in the way reporting is done. It is consistent with the practices of other governments. The advantage to the accrual method is that it provides an accurate picture of the government's finances, making it easier to stay on top of spending.
- For the first time, the 2007 Budget begins to integrate the estimates for territorial corporations and statutory bodies, making it the most transparent and open budget ever presented to the Legislative Assembly.



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- Budget 2007 marks the beginning of the development of performance measurement standards so that program operations can be assessed in terms of their efficiency, effectiveness and economy. This will form the basis for ongoing program review to ensure that the Government of Nunavut's scarce financial resources are spent efficiently. Such steps are essential to ensure that the Government of Nunavut can continue to deliver the services and programs that Nunavummiut need.
- It is anticipated that the Territorial Financing Formula (TFF) will be enhanced, following the release of the federal budget later this month. Once Nunavut's grant has been approved, and provided there is a sufficient increase, supplementary appropriations will be introduced in 2007-08 to address forced growth needs, as well as new initiatives.
- Budget 2007 reaffirms the Government of Nunavut's commitment and concrete actions to:
 - (1) Grow and diversify the economy;
 - (2) Build a stronger cultural foundation based on Inuit societal values;
 - (3) Invest in people;
 - (4) Improve infrastructure;
 - (5) Foster healthy communities through improving education, housing and health care;
 - (6) Strengthen financial management; and
 - (7) Seek new and improved fiscal arrangements with the federal government.

2007-2008 Fiscal Plan (\$ Millions)

Revenues	1,050.6
Expenditures	987.1
Other Supplementary Requirements	70.1
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Operating Surplus (Deficit)	(6.6)
