

2011-12 BUDGET HIGHLIGHTS

Supporting *Tamapta*

- **The Government of Nunavut (GN) is investing to support the priorities set out in *Tamapta***, the GN's long-term vision for Nunavut. Investments in education, social assistance and health emphasize the GN's focus on Nunavummiut.
- The GN is investing an **additional \$18 million in education**, focusing most of the new funding to support our K-12 students.
- The GN is providing an **additional \$3 million to increase social assistance payments**. This is not a solution to poverty, but it is a way to help some of Nunavut's most disadvantaged citizens.
- The GN is providing an **additional \$32 million to invest in the health of Nunavummiut**. Health care now makes up a quarter of the GN's program spending.

Fiscal Outlook

- Excluding revolving funds, the GN expects **revenues of \$1.35 billion in 2011-12**, up \$89 million or 7.0%, from 2010-11. The federal government will provide over 90% of the GN's revenues.
- The GN anticipates **total expenditures of \$1.32 billion in 2011-12**, down \$33.7 million or 2.5% from the previous year. Expenditures include \$1.19 billion for program spending and \$122 million for new capital investment.
- After setting aside \$89 million for contingencies and other supplementary requirements in 2011-12, **the GN projects it will run a deficit of \$50 million** in 2011-12. The GN may not realize this deficit in its entirety as it may not use its full contingency fund or make all its planned expenditures.
- **The overall fiscal position is stable**. The GN will need to make careful spending decisions in the years to come, as deficits are not sustainable over time.

Economic Outlook

- According to the Conference Board of Canada (CBoC), **Nunavut's real gross domestic product (GDP) was \$1.19 billion in 2010**, up 11.8% from 2009. This sharp annual growth is somewhat exaggerated as GDP in 2009 was relatively low. On average, Nunavut's economy has expanded by 4.5% each year since 2005.
- The CBoC estimates **employment in Nunavut reached 10,400 in 2010**, up from 9,800 the previous year. While the mining sector contributed almost 200 new jobs in 2010, employment increased in sectors across the economy.
- **Nunavut's unemployment rate rose to 15.1% in 2010, from 12.5% in 2009**. The higher unemployment rate reflects the fact that many people joined (or returned to) the labour force.
- **A healthy economy is one in which people and businesses actively participate and create value**. Value creation occurs both inside and outside of the wage economy. The GN has a role in fostering a healthy economy because it can lead to a higher quality of life for Nunavummiut.

