



News Release

Finance Minister reacts to 2001 federal budget

CAMBRIDGE BAY, Nunavut (December 12, 2001) – Nunavut Finance Minister Kelvin Ng says the federal budget confirms earlier provisions for Nunavummiut in terms of tax cuts and fiscal transfer related to growth in the national economy, but falls short in new initiatives to address Nunavut's specific needs.

“We have made progress on the finance file with the federal government these past few months in terms of an adjustment in our transfer payments under the Formula Financing Agreement, as announced last month. In addition, there is a recognition by federal departments that a per capita formula for funding federal programs in Nunavut is not adequate nor appropriate.”

Minister Ng added that although the budget introduced a number of new initiatives that may benefit Nunavut, it will require substantial work on the government's part to prove its case for funding in Ottawa.

“It is still too early to know to what level those new initiatives and benefits will actually flow to Nunavut,” he said. “Our government is studying a number of the budget announcements to determine whether and how those proposals will be available for Nunavut.”

Minister Ng said that in terms of infrastructure funding, the budget proposes a new \$2 billion foundation for strategic infrastructure investment for projects in Canada such as sewage treatment plants and other forms of infrastructure.

“The Premier and my Cabinet colleagues have asked the federal government to recognize that funding based on population is not an appropriate formula for supporting infrastructure projects in jurisdiction such as Nunavut,” Minister Ng said. “We have had recent successes with Transport Canada, Health Canada and Canada Mortgage and Housing Corporation where Nunavut and other jurisdictions with small populations received recognition of their special demographics. It is still to be seen how the new Strategic Infrastructure Foundation and other programs, for example, for environmental and energy projects, will be designed.”

Minister Ng said in relation to Aboriginal programs, the language of the budget focuses primarily on programs for on-reserve First Nations children. He added Nunavut has been asking the federal government to recognize that aboriginals include Inuit, and that these programs should apply to the Inuit of Nunavut as well as First Nations.

“We don’t know yet whether the \$185 million announced for Head Start programs for fetal alcohol syndrome and early childhood development programs are going to be available for Nunavut in general, and for the Inuit of our territory in particular,” Minister Ng said.

Federal Finance Minister Paul Martin also announced that, as a result of enhanced security measures for air passenger travel, the federal government will impose a \$24 per ticket surtax on all round trip tickets effective April 1, 2002.

“This new tax will have a negative impact on both the public and private sectors in Nunavut,” Minister Ng said. “Unlike any other jurisdiction in Canada, our sole method of passenger travel is by air. Further, only one of Nunavut’s airports has formal security arrangements. I will be making representations to Minister Martin to seek an exemption for Nunavut from this burdensome new tax.”

“My colleagues and I are focusing on those programs in the new budget that appear to fit the needs of our government -- and Nunavummiut -- and we are optimistic that the needs that we have identified with the federal government, especially for health, youth, and infrastructure, have been addressed in part in this budget.”

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For more information, contact:

Nino Wischnewski
Government of Nunavut Communications
(867) 975-6001