



2005 BUDGET HIGHLIGHTS



GOVERNMENT OF NUNAVUT
DEPARTMENT OF FINANCE

FISCAL 2005-2006

- The fiscal plan for 2005-06 results in a projected operating surplus of \$3.6 million. Included in this projection is a \$60 million provision for supplementary requirements and estimated appropriation lapses of \$27 million.
- For the 2005-06 fiscal year the Government of Nunavut has allocated total expenditures of \$935.8 million.
- A total of \$833.9 million has been allocated for operations and maintenance (O&M) expenditures. This comprises 89% of total expenditures. The remaining 11%, or approximately \$102 million, will be allocated for spending on capital projects.
- Operations and maintenance expenditures have increased by approximately 12% over the 2004 budget level.
- For the 2005-06 fiscal year, capital expenditures are lower than in 2004-05. This decrease is mainly due to the completion of the Regional Health Centre projects in Rankin Inlet and Cambridge Bay and the completion of the Joamie School project in Iqaluit.
- All departments will see an increase in annual budgets. The Departments of Health and Social Services and Education, along with the Nunavut Housing Corporation, will account for approximately 58% of the Government of Nunavut's total allocated O&M and capital spending.
- The Government of Nunavut's total revenues for 2005-06 are projected to be \$972.4 million.
- This represents a 5.4% increase over the 2004-05 revised revenue forecast. This increase in revenues is largely due to increases in federal transfers.
- There are no new taxes or tax increases. Nunavut already has the lowest taxes in Canada.
- The budget establishes the fiscal framework and identifies financial priorities that are consistent with the priorities set out in *Pinasuaqtavut*, the government's mandate document. The GN will be guided in its work by the eight principles in *Pinasuaqtavut* that embody Inuit societal values.



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- This budget confirms the government's commitment to;
 1. strengthening financial management and accountability;
 2. strengthening the economy;
 3. building a stronger cultural foundation based on Inuit societal values, and
 4. improving education, housing and health care.
- Key components of the budget include:
 - a. A 10.5 per cent increase for the Department of Education, which will receive \$174.2 million. The department will implement an ambitious program, including the development of a new school funding formula that will better reflect the needs of schools;
 - b. An 18.1 per cent increase for the Department of Health and Social Services, which will receive \$215.2 million. The department will implement the *Care Closer to Home* initiative. This approach to health care delivery will be simple, accessible and responsive to the needs of Nunavummiut and be considerate of *Inuit Qaujimajatuqangit* and the goals of *Pinasuaqtavut*; and
 - c. A \$181.2 million budget, including federal contributions, for the Nunavut Housing Corporation. At least 80 housing units will be built during the upcoming construction season.

2005-2006 Fiscal Plan (\$ Millions)	
Revenues	972.4
Budgeted Expenditures	935.8
Other Supplementary Requirements*	60.0
Estimated Lapses	27.0
Operating Surplus (Deficit)	3.6

* Includes estimated capital carryover of \$25 million from 2004-05.