



## News Release

### Nunavut Finance Minister pleased with federal budget

**IQALUIT, Nunavut (May 2, 2006)** – Minister of Finance David Simailak is pleased with the direction taken in today's federal budget. "Overall, we are pleased with this new government's first budget. We believe that this government is attentive to many of the social and economic challenges that we face here in Nunavut" stated the Minister.

"These trusts include a \$200 million investment specifically for northern housing that will help to alleviate the housing crisis that currently exists in the territory, said Simailak. "These trust funds are a very good first step in fostering an environment that employs collaborative efforts to improve Nunavut's social and economic conditions."

The budget highlights for Nunavut includes a series of trusts that total \$202.5 million of contingent funding that will be spent in Nunavut over the next three fiscal years on post-secondary education, housing and public transit. The funding is contingent on a federal surplus in excess of \$4.5 billion.

"On behalf of Nunavummiut who are struggling through our housing crisis, I am very pleased with this investment into the Ten Year Inuit Housing Action Plan, said Minister Responsible for the Nunavut Housing Corporation Olayuk Akesuk. "I would like to recognize the high level of teamwork between Nunavut Tunngavik Incorporated, Inuit Tapiriit Kanatami, the Government of Nunavut and the Nunavut Housing Corporation in our advocacy efforts to make this trust a reality."

"The building of these new homes, coupled with our own trades strategy will provide our young people with new employment opportunities. It will also improve the living conditions of many Nunavummiut and help stem many of the health and social problems associated with overcrowding that continue to be a problem in our territory," said Simailak.

The Goods and Services Tax will be reduced from seven to six percent. This is even more beneficial for Nunavummiut because the seven percent tax applies to shipping, as well as purchases made at the point of sale.

"When Nunavummiut bring an item to the cash register, we end up paying two to five times more on GST than if these items were purchased down south. This measure will keep more money in the pockets of Nunavummiut," Simailak noted.

The 2006 Budget also announced the introduction of an annual \$1,200 Universal Child Care Benefit for Nunavut children under the age of six. "However, there still remains a

serious shortage of childcare spaces in Nunavut,” Simailak added. Minister Simailak also expressed disappointment that this benefit is to be the base for calculating federal and territorial tax and therefore Nunavummiut will have to pay taxes on this amount.

While Simailak was primarily pleased with the budget, he did point out that he was disappointed with certain aspects. The Minister noted that there was no increase to the Northern Residents Tax Deduction. “The Northern Residents Tax Deduction has not changed since 1985. We have long argued that this deduction should be turned into a tax credit and indexed to keep pace with cost of living,” stated Simailak. “Given that this federal budget has significant tax changes and introduced several new tax credits, Nunavummiut would have enjoyed a similar measure applied specifically to northern residents.”

Overall, Simailak believes that the 2006 Budget is an early indication that the new federal government is willing to help Nunavut bridge the social and economic gaps. “The needs of our people are great and the 2006 federal budget means we will see some relief almost immediately,” said Simailak. “We look forward to working with the federal government over the coming months to implement a new fiscal framework resulting from recommendations made by the federal government’s Expert Panel and the panel appointed by the Council of the Federation.”

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