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Budget 2025-2026 Budget Address

Delivered in the Legislative Assembly By the Honourable Lorne Kusugak, MLA Minister of Finance February 2025

Budget Address

Qujannamiik, Mr. Speaker. It is a privilege to be here today with you and alongside the Members of this Legislative Assembly to present the Government of Nunavut's budget for the 2025-26 fiscal year.

This moment is significant for me as it marks my fourth and final budget address in Nunavut's Sixth Legislative Assembly as the Government's Minister of Finance.

As I reflect on our journey over the past four years, I am filled with pride for what we have accomplished in pursuit of our collective vision.

Together, we are working tirelessly to advance the priorities of Nunavummiut and lay a foundation for a stronger, more prosperous territory.

We may not always agree on the precise path forward, but I am confident we all share the same goal—to see Nunavut thrive and Nunavummiut live healthy, happy lives.

Through collaboration with Inuit leaders and all members of the Assembly, our government charted a fresh new course for the future with the Katujjiluta mandate.

Our time together in Cambridge Bay resulted in a visionary plan that acknowledges the progress of the past while calling us to action in the present.

Some people said we wouldn't succeed. They said our ideas were too bold and that our dreams were unrealistic.

But we persisted, Mr. Speaker, and instead of dwelling on the obstacles that make our work difficult, we channel our energy into finding solutions and partners willing to work with us to achieve our common goals.

The result is that many of our Katujjiluta aspirations are no longer just ideas written on paper or figures in a budget—they are tangible, concrete outcomes taking shape in our communities, literally changing our territory's landscape.

I am pleased to say our commitment to supporting elders to age in dignity is one of our dreams which is coming to life, Mr. Speaker.

In my first address as Finance Minister, I spoke of meeting a young boy in Rankin Inlet while I was knocking on doors during the last election. We got to chatting about how he

missed his anaanatsiaq who was living in a senior's home in Ottawa.

I promised him I would do what I could to help and told him I hoped to be elected by Rankinmiut to come to this Assembly to work alongside all of you to make life better for Nunavummiut—especially the elders who claimed our sovereignty and built our communities.

Mr. Speaker, when we announced the substantial completion of the Kivalliq Long-term Care Centre, a state-of-the-art, 24-bed facility to provide top-quality care close to home for elders with complex health needs, I thought of that boy and other families like his. Now, they no longer have to miss out on making connections and can instead cherish meaningful moments with their grandparents and elders.

Developed with an overall budget of \$59.4 million, the Centre symbolizes our commitment to honouring elders. It reflects the progress that can be achieved through collaborative investments in Nunavut's future and strong partnerships with Inuit organizations that share in the responsibility of providing care and support for our elders.

Fiscal Overview

Mr. Speaker, in 2025-26, we will continue to fund the programs and services that Nunavummiut rely on and plan to spend about \$3.08 billion for operating and about \$350.2 million for capital and infrastructure. These budgets are more than covered by our projected revenues of nearly \$3.4 billion, including almost \$316.7 million from our revolving funds.

We expect to receive \$2.22 billion from the Territorial Financing Formula, the largest federal transfer we receive, as well as \$132 million in other federal transfers and \$458 million through third-party funding agreements.

We also anticipate our own-source revenues to be \$264.1 million, which includes \$180 million in taxes, \$19.1 million in staff housing rent, and \$45.6 million from other sources.

This budget once again demonstrates our commitment to responsible fiscal management through the allocation of a \$150 million contingency fund to address unforeseen expenses that may arise throughout the year.

We directed departments to meet staffing needs through vacancy management instead of creating new positions. Today's budget increase of \$33.5 million accounts for the significant salary increase for our public service announced last May.

This ensures a measured and controlled approach to public service growth while addressing the territorial wage gap.

Decided outside of the union negotiation process, the increase for public service salaries recognizes the care and commitment of the people who dedicate their careers to making Nunavut better. It will help us attract and retain talent to government, strengthen local economies, and support Nunavummiut families.

Supporting Elders to Age in Dignity

Mr. Speaker, the only exception to next year's staffing freeze is for the new Elders' Secretariat in the Department of Executive and Intergovernmental Affairs.

In Katujjiluta, we promised a whole of government approach to support elders as they guide us through the next chapter of our history.

In 2025-26, EIA will receive \$1 million and four (4) new staff to complement two existing positions that will implement our elders' and seniors' strategy announced last year.

This new unit delivers on this commitment, becoming the government's main point of contact with elders for communications, accountability, and coordination.

Culture, Communities, and Climate

Mr. Speaker, our culture and heritage is what makes Nunavut special and preserving them is fundamental to our identity as Nunavummiut.

In 2025-26, we will invest \$1 million in capital funding to enhance heritage facilities and \$500,000 for public library infrastructure to support learning and cultural enrichment in our communities.

Demonstrating our commitment to strengthening the Inuit language, we are allocating \$5.54 million to enhance the Inuit Language Implementation Fund, assisting departments and public agencies to build capacity to deliver bilingual programs and services.

Mr. Speaker, our plan for a stronger, more responsive government goes even further. As of April 1, we are restructuring several departments to meet the growing needs of Nunavummiut and deliver better services.

With a renewed focus on community engagement through the new Department of Community Services, and a renewed focus on government operations through the new Department of Transportation and Infrastructure Nunavut, we will provide services and infrastructure aligned to community needs.

This includes establishing Service Nunavut, a centralized single point of contact for accessing key government services. Service Nunavut will serve as a vital bridge between residents and the essential programs they rely on, streamlining access to information and support.

By integrating various government functions into a new "one stop shop", we aim to reduce barriers, enhance efficiency, and ensure that Nunavummiut can navigate government with ease.

Whether it's applying for vital documents, accessing citizen services, or seeking permits, Service Nunavut will simplify these processes, modernize government policies and operations, and save time and effort for individuals, families, businesses, and communities across the territory.

Mr. Speaker, the budget for the new Department of Community Services will be \$162.4 million, including an increase of \$2.4 million for the Arctic Winter Games.

For the new Department of Transportation and Infrastructure Nunavut, we are budgeting \$262.3 million, including increases of \$1.49 million for the operation of six new air terminal buildings and \$1 million for the Iqaluit airport.

To mitigate the effects of climate change, we are also committing \$500,000 for the Department of Environment to introduce a new independent power producer subsidy delivered by the Qulliq Energy Corporation, a key tool to support Nunavut's transition from fossil fuel dependence to developing renewable energy.

Investing in Health and Wellbeing

Mr. Speaker, the health and wellbeing of Nunavummiut is always at the heart of our priorities, influencing every aspect of our work.

For 2025-26, we propose a \$66 million increase for the Department of Health's budget, bringing its total budget to just over \$580 million.

This includes an increase of over \$6 million for local long-term care services, complementing our \$73.3 million, 5-year funding for Embassy West Senior Living in Ottawa.

Next year, an additional \$7.5 million is allocated to services and supplies, supporting community-based health care and reducing our reliance on southern medical facilities.

To keep our health centres operational and responsive, we are adding \$11.5 million to strengthen paramedic services, bringing the total budget to \$25.5 million.

We are allocating an additional \$12.8 million to supplement duty travel, ensuring our healthcare professionals can reach the communities where their services are needed the most.

And we are providing an increase of \$20.4 million for out-of-territory hospital and physician services and mental health placements, bringing the total budget to \$134 million, ensuring Nunavummiut receive the specialized care they require.

This budget also includes significant capital investments for health, such as over \$15 million for Aqqusariaq, formerly the Nunavut Recovery Centre, in Iqaluit, \$1.4 million for the Nunavut Long-Term Care Facility in Cambridge Bay, \$4.6 million for the Long-Term Care Facility in Iqaluit, and \$1.5 million for the design of a new health centre in Qikiqtarjuaq.

These investments in the general health and wellbeing of our community members is complemented by funding to support vulnerable Nunavummiut. In 2025-26, this includes a budget of almost \$230 million for the Department of Family Services, an increase of \$33.5 million.

Of this, \$22.5 million is to address the department's perennial operations and maintenance deficit, ensuring it can continue delivering essential services throughout the year, as well as \$2.87 million in financial support for foster families to improve stability and care for children in need.

We are also providing increases of \$2.18 million for in-territory group homes and \$1.5 million to enhance youth transitional housing and support services.

Strengthening Education and Youth Development

Mr. Speaker, Nunavut's young population is our greatest asset, and investing in their education and personal development is vital for our territory's future success.

In 2025-26, our government will invest over \$10 million in capital funding for major renovations to the school in Coral Harbour and \$31.5 million for the construction of a new high school in Taloyoak.

For the Department of Education, we also propose \$1.07 million to fund teaching positions, and \$849,000 to bolster the department's Human Resource capabilities.

We will provide \$500,000 to support school bussing services, ensuring reliable transportation for students and making it easier for families to get their children to school on time every day —one of the most important things they can do for their future.

We are also allocating \$3 million to Education and \$1.8 million for the Nunavut Arctic College to fund their IT infrastructure, supporting our students and educators to access modern systems that support learning and innovation.

Advancing Housing Solutions

Mr. Speaker, housing remains one of our highest priorities, receiving much of our attention during the term of our government.

Achieving the targets set out in Igluliuqatigiingniq, the Nunavut 3000 strategy for building houses, is perhaps the most ambitious of our objectives, and in order to meet the challenge, we need all hands on deck.

Mr. Speaker, I am grateful to everyone working with us to transform housing, especially the four (4) MLAs who agreed to join our Housing Task Force Committee.

To the MLAs for Iqaluit-Manirajak, Aivilik, Uqqummiut, and Rankin Inlet North-Chesterfield Inlet—thank you for your feedback and ideas. They are informing our approach to expanding the housing continuum, increasing local training opportunities, and operating public and affordable housing, and we are grateful for the collaboration. Since announcing our housing strategy in 2022, NHC has worked to accelerate supply and lower construction costs, introducing new policies and programs that make it easier for everyone to participate in the housing market.

Because of these efforts, we are on track to not just meet, but exceed, our Katujjiluta commitment to deliver 1,000 new housing units within the term of our government.

The Office of the Chief Building Official reports that as of December 31, 2024, 855 new residential units are being added to Nunavut's housing continuum by all builders in the last three years. These units are in various stages of construction and will add significant capacity to our housing continuum once they are all complete.

In 2025-26, we will provide the Housing Corporation nearly \$110 million in capital funding to keep the progress going, including \$52 million for public housing and \$20 million for staff and affordable housing.

We will also provide \$19 million to retrofit existing homes and undertake mould remediation, ensuring they are energy-efficient, safe, and suitable for Nunavummiut families.

We will provide an increase of just over \$13 million for Local Housing Organizations to operate the new units being built, and for power, fuel, and water, including \$5.6 million to the City of Iqaluit to cover its increase in the government rate for water and sewage.

Our partnerships with Inuit organizations and private sector builders are instrumental in advancing our goals, and we plan to continue collaborating with them to develop a Construction Workforce Development Strategy that leverages housing investments to provide good, local jobs in the trades and increase the number of Nunavummiut who are skilled workers and apprentices.

To support this, the 2025-26 budget provides \$3.8 million for the Nunavut Housing Corporation, Nunavut Arctic College, and Department of Family Services to develop meaningful pathways for training and employment in the trades.

We believe investing in our people will pay for itself, reaping dividends into the future through the creation of a sustainable local construction industry.

By equipping Nunavummiut with the skills and opportunities needed to participate in building their own communities, we are fostering economic independence and reducing

reliance on outside labour. By strengthening our workforce, we will better meet the needs and aspirations of those who call Nunavut home.

Conclusion

Mr. Speaker, our government's unwavering commitment to improving the lives of Nunavummiut and ensuring their wellbeing is clearly reflected in today's budget.

From constructing much-needed homes to expanding and simplifying access to services, we are making significant strides and creating a lasting impact that will benefit generations to come.

This budget is not just about numbers; it is about people, communities, and the future we are building together—a future where no one is left behind, and where opportunity and prosperity are within reach for all.

Yet, the work is far from over, and so we will continue pursuing our Katujjiluta vision and showing the world that anything is possible when communities come together, and governments pursue productive partnerships to strive for our ambitious yet achievable dreams.

Thank you, Mr. Speaker.

Qujannamiik.