Budget Address
2011 - 2012

NORTHWEST TERRITORIES

BUDGET PAPERS

A ♦ Economic Review

February 3, 2011

FISCAL REVIEW

The 2011-12 Budget is the last budget of the 16th Legislative Assembly of the Northwest Territories. The Budget focuses on completing the strategic investments started in 2008-09 to improve the lives of NWT residents, to foster greater economic development, and to protect the environment, while ensuring a sound fiscal plan is in place for the start of the 17th Assembly.

The fiscal plan established by the Government of the Northwest Territories (GNWT) in 2008-09 allowed the Government to address challenges posed by world economic conditions in late 2008 and 2009. The GNWT used the economic slowdown to increase investments in infrastructure, helping to stabilize the NWT economy and allowing the GNWT to maximize the value of its investment. Operating spending was maintained and tax increases were deferred.

Measures taken early in the 16th Assembly to realign and reduce expenditures in some programs and services allowed for investments in strategic initiatives in priority areas. Including $16.9 million in new initiatives in the 2011-12 Budget, by the end of its term, the 16th Legislative Assembly will have invested almost $297 million in new initiatives in priority programs to support the economy, protect the environment, reduce the cost of living, invest in NWT residents, build sustainable communities and create affordable government. This includes three years of the four-year *Energy Investment Plan* that will invest $60 million in energy programs and infrastructure to help lower the cost of energy in the NWT and reduce the territory's reliance on fossil fuels.

The 2011-12 capital budget, approved in October 2010, plans to invest $155 million in territorial and federal funding in public infrastructure. The 2011-12 operating budget includes $16 million for housing infrastructure. Together with investments of $480 million in 2009-10 and $443 million in 2010-11, this represents a three-year, $1.1 billion investment in roads, bridges, schools, health centres, housing and other critical infrastructure.

Fiscal Situation

The GNWT is facing a sharp drop in corporate income tax (CIT) revenues in 2011-12 because of a decline in corporate income in 2009 due to the economic downturn. However, the government has avoided an operating deficit through strict adherence to spending targets.

Despite control over operating expenditure growth, the GNWT will need to borrow on a short-term basis to finance its program of infrastructure investment. The GNWT was prepared to take on debt to address the economic downturn and to take advantage of the slowdown to invest in badly needed infrastructure; however it was recognized that this strategy was not sustainable over the long term.

Effective April 1, 2010, the GNWT took over the assets and liabilities of the Deh Cho Bridge Corporation. The federal government has provided a five-year, $75 million increase in the GNWT's borrowing limit from 2010-11 to 2014-15 to accommodate this debt. This increase allowed the GNWT to take on the Bridge debt without altering its fiscal strategy. However, current revenue forecasts reinforce the need for the GNWT to adhere to the fiscal strategy in order to stay within the borrowing limit, especially for 2011-12 and 2012-13.

The GNWT's *Fiscal Responsibility Policy* sets out the guidelines for GNWT borrowing. Under the *Policy* the GNWT only borrows for infrastructure investments, self-liquidating investments, and repayable loan programs and the total GNWT debt is considered affordable as long as debt servicing payments (principal and interest) are no greater than 5 per cent of total revenues. Approximately 67 per cent of the GNWT's debt is self-financing; that is, the cost of servicing the debt is financed by a dedicated stream of revenues from tolls and customers, not by other government revenues. The GNWT's sound fiscal position is reflected in its Aa1 credit rating from Moody's Investors Service.

Pressures on expenditures from ongoing demands for government programs and services present challenges for keeping spending growth at moderate levels. Meeting these demands from within fiscal targets will require difficult decisions.

Fiscal Strategy

The GNWT remains committed to living within its means - to keeping its expenditure growth in line with revenue growth and adhering to the *Fiscal Responsibility Policy*. The GNWT plans to incur an affordable level of debt over the medium term to finance the investments in infrastructure that have supported the NWT economy during the economic slowdown. The challenge is to ensure that the Government's expenditures are sustainable over the longer term.

In 2008-09, the GNWT put in place a plan to ensure long-term fiscal sustainability. This involved making expenditure reductions that would avoid operating deficits and allow investment in priority areas. With the dramatic slowdown in the NWT economy, the fiscal strategy was revised and significant tax measures were deferred, the size of spending reductions was curtailed, and investment in infrastructure was greatly expanded. However, the measures taken up to that point gave the Government valuable flexibility to respond to the downturn.

Recognizing that this response was short-term, and that a return to a sustainable fiscal plan was necessary, a strategy of expenditure control was adopted. Expenditure growth has averaged 3.2 per cent annually since 2007-08, down from an average of 5.9 per cent over the previous four years.

The 2011-12 fiscal strategy, unchanged from 2010-11, includes the following key components.

- Starting in 2011-12, expenditure growth, net of compensation increases, will be capped at 3 per cent annually for new spending for both forced growth and new investments. Reductions may be identified through program reviews and could allow adjustments to this target.
- Once current infrastructure investment plan projects are completed, capital investment will be reduced to $75 million per year, starting in 2012-13.

2011-12 Budget

The 2011-12 Budget proposes operating expenditures of $1.34 billion and forecasts revenues of $1.36 billion. After taking into account infrastructure contributions and supplementary reserve requirements, an operating surplus of $17 million is forecast.

Infrastructure investments for 2011-12, approved in October 2010, are $155 million.

The large capital investments underway for 2010-11 and planned for 2011-12 will result in the GNWT incurring short-term direct debt of $155 million as of March 31, 2012. Other debt consists of $196 million in guaranteed debt of the NWT Power Corporation, the NWT Energy Corporation, the NWT Housing Corporation and the Yellowknife Public Denominational District Education Authority and direct GNWT debt of $165 million incurred to finance construction of the Deh Cho Bridge. The federal government limits total borrowing by the GNWT and its corporations and agencies to a maximum of $575 million.

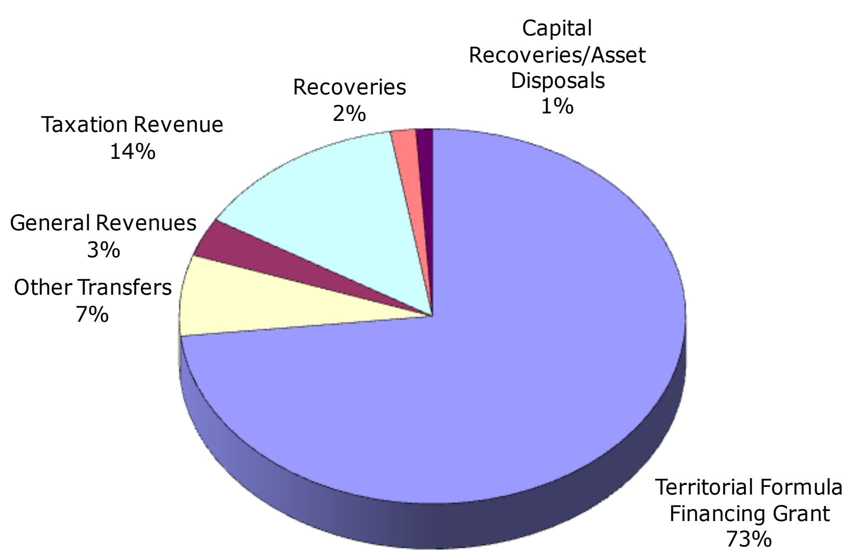
Revenues

Total 2011-12 revenues are forecast to increase by $39 million to $1.36 billion, a 2.9 per cent increase from the $1.32 billion projected in the 2010-11 Revised Estimates.

The 2011-12 Territorial Formula Financing Grant will increase by $76 million, to $996 million. Other transfers from Canada are forecast to be $95 million, a $7.3 million decrease from the 2010-11 Revised Estimates. The decrease is primarily due to the completion of Building Canada projects in 2010-11.

Taxation revenues are forecast to decrease 14 per cent, or $31 million, from the 2010-11 Revised Estimates. The decrease results from a $41 million decrease in forecast corporate income tax revenues, offset by $11 million in other forecast tax revenue increases.

2011-12 GNWT Revenues by Source

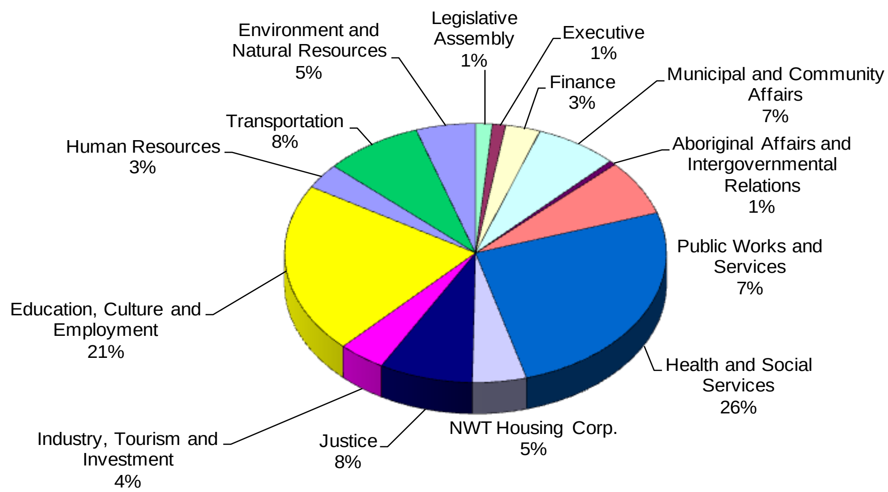


Expenditures

The 2011-12 Budget proposes $1.34 billion in operating expenditures.

Budgeted operating expenditures are forecast to increase $43.8 million from the 2010-11 Main Estimates, or 3.4 per cent (2.9 per cent increase from the 2010-11 Revised Estimates). Net of compensation increases, operating spending will increase 2 per cent, well within the cap established by the fiscal strategy.

2011-12 Operations Expenditures by Department



Initiatives

The 2011-12 Budget continues the investments begun in previous budgets of the 16th Legislative Assembly. Over the long term, these initiatives will improve the lives of NWT residents by encouraging economic development, lowering the cost of living, better protecting NWT lands and waters, supporting sustainable communities, and improving the efficiency of the GNWT in delivering programs and services.

Supporting Our Economy

The 2011-12 Budget continues investments in key priorities that support the economy and maximize opportunities from economic development. Investments that support employment training and economic diversification will produce, in the long run, a balanced, diversified and sustainable NWT economy.

To date, $47 million has been committed in strategic initiatives since the 2008-09 Budget. The 2011-12 Budget includes $15 million to continue these initiatives. A further $3.2 million in new funding is proposed for the following investments:

- $350,000 in additional funding for the Support to Entrepreneurs and Economic Development (SEED) Program to support the development of sustainable local economies.
- $1 million in annual support to extend the Tourism 2010 program (expires 2010-11) to 2015. The extended program, Tourism 2015, will continue ongoing programs from Tourism 2010 and will support outfitters as they adapt the tourism products and services they offer to new types of tourists.

Supporting the Economy (thousands of dollars)	2008-09 to 2010-11 Amounts	2011-12 Amounts (Previously Committed)	Increase in 2011-12 Budget	Total 16th Legislative Assembly New or Reallocated Spending
Support Diversification				
New SEED policy and enhanced funding	4,800	2,050	350	7,200
Tourism Product Diversification and Marketing Fund	4,410	400	-	4,810
Sport Hunter Marketing Outfitting	880	580	-	1,460
Tourism 2015 (Extend *Tourism 2010*)	-	-	1,000	1,000
Cultural Interpretations at Parks	750	250	-	1,000
Parks Operations	570	290	-	860
Falcon Broadband Network	200	100	-	300
Western Harvesters Assistance Program (Acho Dene Koe First Nation)	264	-	-	264
Economic Development Officers	-	-	150	150
Improve Skills for Living and Working				
Trades in High Schools (Pupil/Teacher Adjustment)	8,430	2,810	-	11,240
Labour Market Literacy	1,500	750	-	2,250
Aurora College Programs	650	650	200	1,500
Apprentice Training	990	495	-	1,485
Additional Support for Apprentices	700	400	-	1,100
Small Community Employment Program	-	-	925	925
Mobile Trades Training	600	200	-	800
Training Program for Marine Services	300	100	-	400
Equipment Maintenance	240	120	-	360
Heavy Equipment Operator Training	240	120	-	360
Secondary School Diploma for Adults	100	-	-	100
Promote the NWT as a Place to Visit and Live				
Increased Support for the Arts	3,100	1,400	-	4,500
Promote the NWT at the 2010 Olympics	2,507	-	-	2,507
National Marketing Campaign	1,360	760	-	2,120
Support Immigration	1,060	511	-	1,571
Collection and Exhibit Renewal in Museum	600	300	200	1,100
NWT Growth Strategy	255	255	145	655
Hosting of the Western Premiers' Conference	80	80	115	275
Promote Arts and Crafts Production	125	125	-	250
Promote NWT Artists	100	100	-	200
Maximize Benefits from Resource Development and Related Initiatives				
Mackenzie Gas Project Strategic Investment	5,752	2,254	-	8,006
Energy Investment - Taltson Expansion	5,770	-	-	5,770
Mining Workforce Initiative MOU	250	150	-	400
Environmental Management Opportunities	250	-	-	250
Gahcho Kué Socio-Economic Agreement	-	-	150	150
Seasonal Overland Route in Slave Geologic Province Construction	50	-	-	50
TOTAL	46,883	15,250	3,235	65,368

- $150,000 to improve the delivery of economic development programs in some communities through the addition of two Economic Development Officer positions.
- $200,000 in additional funding to Aurora College to create Student Wellness Coordinator positions to support students to successfully complete their studies.
- $925,000 to create the Small Community Employment Program to support short-term job creation projects and skill development in communities where incomes are among the lowest and labour markets conditions are weakest.
- $200,000 for renewal of museum exhibits and collections.

- $145,000 to build on work underway under the *NWT Growth Strategy* to stimulate growth in the NWT population.
- $115,000 to host the 2011 Western Premiers' Conference.
- $150,000 to support a socio-economic technical review as part of the environment impact review of the Gahcho Kué mine project.

Reducing the Cost of Living

Strategies to support the NWT economy, build sustainable communities, and grow the NWT population must address the high cost of living in the NWT, especially in our remote communities. From 2008-09 to 2010-11, the GNWT has invested $39 million in long-term solutions to reduce the cost of living, especially in the smaller, highest-cost communities.

In addition to the $17 million in the 2011-12 Budget to continue funding initiatives from prior years, there is $2 million in additional funding for the following:

- $300,000 to perform a full review of the GNWT’s policies for the provision of adequate, suitable and affordable housing in the NWT.
- $50,000 for transition costs to construct an annual winter road from the Whatì junction to Wekweèti.
- $20,000 for additional operating expenses related to extending the airport runways in Fort Good Hope, Tulita and Fort McPherson.
- $250,000 to improve the Mackenzie Valley Winter Road, including the Tulita/Great Bear ice crossings.
- $170,000 to extend the operating season of the Peel River and Arctic Red River ferry crossings on the Dempster Highway.
- $100,000 in investments to support a cost-effective and efficient food processing sector for the commercial harvesting, processing and marketing of fish and meat in the NWT.
- $50,000 to support the development of agriculture infrastructure in NWT communities in order to increase the availability of locally produced food.
- $475,000 to expand the Community Harvesters Assistance Program.
- $150,000 in one-time funding to review the NWT Student Financial Assistance Benefits program.
- $50,000 to update the *GNWT Energy Plan*.
- $180,000 to continue implementation of the *GNWT Energy Plan* relating to work performed by the Arctic Energy Alliance.
- $300,000 to support businesses making changes to their operations for energy conservation and efficiency.

Reducing the Cost of Living (thousands of dollars)	2008-09 to 2010-11 Amounts	2011-12 Amounts (Previously Committed)	Increase in 2011-12 Budget	Total 16th Legislative Assembly New or Reallocated Spending
Improve Quality and Cost of Shelter				
Housing Strategies Aimed at Quality	4,000	2,000	-	6,000
Shelter Policy Review and Associated Activities	-	-	300	300
Improve Transportation Access to Communities				
Wekweèti Winter Road Construction	750	500	50	1,300
Dempster Highway Ice Bridge Construction	600	200	-	800
Runway Extensions O&M (Fort Good Hope, Tulita, Fort McPherson)	188	103	20	311
Fort Simpson Region Ice Bridge Construction Acceleration	150	150	-	300
Mackenzie Valley Winter Road Improvements	-	-	250	250
Dempster Highway Ferry Operations Extension	-	-	170	170
Address Factors that Impact the Cost of Goods				
Commercial Harvest, Processing & Marketing of NWT Fish & Meat	450	450	100	1,000
Agriculture Development Infrastructure	250	250	50	550
Community Harvesters Assistance Program	-	-	475	475
Undertake Research Associated with NWT Nutritious Food	400	-	-	400
Overall Review of Electrical Rates and Regulations	200	-	-	200
Support Families and Individuals				
Income Security	17,850	5,950	-	23,800
Next Steps in Income Security Reform	601	283	-	884
Income Support - Senior Supp. Benefit	465	155	-	620
Update the Cost of Living Rent Reduction	160	-	-	160
Student Financial Assistance Benefits Review	-	-	150	150
Energy Policy				
Reduction - NTPC Rate Riders	3,000	3,000	-	6,000
Electricity Review	300	-	-	300
Community Pricing Survey	150	150	-	300
NTPC Review	200	-	-	200
Energy Plan Renewal	-	-	50	50
Energy Conservation and Efficiency				
Expansion of Residual Heat (Holman, Fort Liard, Simpson, Inuvik)	2,100	1,000	-	3,100
GNWT Energy Plan: Arctic Energy Alliance	1,493	693	180	2,366
GNWT Energy Plan: Energy Efficiency Incentive Program	1,200	400	-	1,600
Energy Efficiency Initiatives	620	150	-	770
Support for Community Energy Plans	450	150	-	600
GNWT Energy Plan: EnerGuide for Houses	450	150	-	600
GNWT Energy Plan: Energy Information and Awareness	300	100	-	400
Business Support Program	-	-	300	300
Other				
Hydro Strategy	2,716	1,250	-	3,966
Natural Gas Conversion (Fort Simpson, Tulita, Fort Good Hope)	200	-	-	200
TOTAL	39,243	17,084	2,095	58,422

Protecting Our Environment

In the first three years of the 16th Legislative Assembly, $26 million in new initiatives were undertaken to ensure that NWT land and water resources were used in ways that protect these resources for future generations. In addition to the $12 million in the 2011-12 Budget to continue these initiatives, $4.7 million in new funding will be provided in 2011-12 for the following:

- $350,000 to establish an Aboriginal Consultation Unit to provide policy advice and legal support to ensure that GNWT consultation practices remain effective and current.
- $343,000 to implement the *NWT Water Strategy*.

Protecting the Environment (thousands of dollars)	**2008-09 to 2010-11 Amounts**	**2011-12 Amounts (Previously Committed)**	**Increase in 2011-12 Budget**	**Total 16th Legislative Assembly New or Reallocated Spending**
Continue to Develop Governance				
Finalize and Implement Land, Resource and Self-Government	1,982	991	-	2,973
Develop a Land Use Framework	982	703	-	1,685
Advance Devolution Discussions	1,138	414	-	1,552
Legal Services for Land, Resources & Self-Gov't Negotiations	548	274	-	822
Aboriginal Consultation Unit	-	-	350	350
Implement the Consultation Framework	64	-	-	64
Protect Territorial Water				
NWT Water Stewardship Strategy	1,493	1,157	343	2,993
Water Supply System Upgrades, Training and Support	1,420	475	-	1,895
Participate in Management of Transboundary Waters	390	30	-	420
Aquatic Ecosystem Indicators	200	200	-	400
Source Water Protection	115	115	-	230
Improve Environmental Monitoring Efforts				
Ecoregion Mapping	950	-	-	950
Support initiatives under the Western NWT Biophysical Study	250	-	-	250
Environmental Stewardship				
Monitoring Caribou Herds	2,970	1,000	-	3,970
Species at Risk Act	969	780	-	1,749
Caribou Management Strategy	560	-	1,000	1,560
Wildlife Act	600	400	100	1,100
Traditional Knowledge Implementation Strategy	480	300	-	780
Protected Areas - Critical Wildlife Areas	227	227	200	654
Developing Community Fire Protection Plans	420	210	-	630
Waste Recovery Program	400	100	-	500
Protected Area Strategy Analyst	250	250	-	500
Mitigate and Adapt to Climate Change Impacts				
Climate Change Adaptation Plan	400	250	-	650
Delivery of Greenhouse Gas Strategy	400	200	-	600
Mini-Hydro Facility (Lutsel K'e)	1,080	450	2,350	3,880
Mini-Hydro / Transmission Line (Whatì)	520	250	-	770
Sahtu Hydro / Bear River Feasibility (Deline / Tulita)	185	100	100	385
In stream Hydro Power (Mark River communities)	300	-	-	300
Transmission Line (Fort Providence)	50	-	-	50
Biomass Strategy Implementation	2,530	1,800	200	4,530
Wind Energy Supply (Tuktoyaktuk, Uluhaktuk)	1,400	600	-	2,000
GNWT Energy Plan: Alternative Energy Sources	1,350	450	-	1,800
Support for Geothermal Technology (Deh Cho)	530	450	50	1,030
Solar Power for Swimming Pools (15 communities)	300	-	-	300
Wind Energy Electricity Supply	200	-	-	200
TOTAL	25,653	12,176	4,693	42,522

- $1 million to carry out management action plans under the *Caribou Management Strategy*.
- $100,000 to develop and implement the new *Wildlife Act* to better protect and manage wildlife in the NWT.
- $200,000 to establish critical wildlife protected areas under the *Protected Areas Strategy*.
- $2.7 million to continue energy initiatives designed to replace diesel-generated electrical power.

Investing in Our People

In the 2008-09 to 2010-11 Budgets, the GNWT invested $29 million in initiatives designed to enhance programs directed at education, health care, housing and policing services during the 16th Legislative Assembly. Almost two-thirds of the GNWT's total operating budget, or $798 million, funds programs in these areas.

In addition to $17 million to continue previous initiatives, a total of $2.5 million in new funds will be provided in the 2011-12 Budget for programs that focus on children and youth, promote healthy choices, address addictions, support families and seniors, and increase the safety and security of individuals and communities, including:

- $500,000 to implement further measures under the Aboriginal Student Achievement programs.
- $300,000 to increase access to Aurora College School of Education programs in communities by directing more funds to Community Based Teacher Education programs. Programs funded under this initiative will allow the College to train more Aboriginal teachers and language and cultural instructors.
- $75,000 for a pilot program to expand respite services and enhance caregiver support and training for families of children and youth with special needs outside of Yellowknife.
- $150,000 to implement a permanent Youth Ambassador program. This builds on the success of six pilot Youth Ambassador programs that recruited, trained and provided youths from most NWT communities with significant volunteer leadership development opportunities.
- $150,000 to establish an Office of the Children's lawyer to provide legal services and representation for children in matters where a judge determines that a child needs independent legal representation.
- $118,000 to fund a Fetal Alcohol Spectrum Disorder (FASD) Consultant position to support effective strategies and program modifications for individuals affected by FASD and other cognitive disabilities who come into contact with the justice system.
- $500,000 to further implement the *Healthy Choices Framework*, an investment to improve the health and wellness of NWT residents.
- $10,000 to continue the Human Papiloma Virus (HPV) Vaccination Program.
- $23,000 to perform an evaluation on enhancing community programs and stabilizing shelters related to family violence.
- $650,000 of ongoing funding to increase the availability of home care for seniors and other patients needing home care, which will allow these NWT residents to stay in their homes as long as possible and alleviate the higher costs associated with facility living and care.

Investing in Our People (thousands of dollars)	2008-09 to 2010-11 Amounts	2011-12 Amounts (Previously Committed)	Increase in 2011-12 Budget	Total 16th Legislative Assembly New or Reallocated Spending
Expand Programming for Children and Youth				
Expansion of Early Childhood Development Programs	3,200	1,400	-	4,600
Aboriginal Student Achievement	1,300	1,300	500	3,100
MACA Youth Programs	1,480	840	-	2,320
Youth Centres	1,250	500	-	1,750
Community Based Teacher Education Program	900	300	300	1,500
Multisport Games	650	650	-	1,300
Early Childhood Small Communities' Initiative	600	600	-	1,200
In House Respite services for families of Special Needs Children	800	288	75	1,163
Youth Support - Regional Youth Officers	450	450	-	900
Regional Youth Sports Events	400	400	-	800
Take a Kid Trapping	375	125	-	500
Small Community School Initiative	450	-	-	450
Youth Ambassador Program	-	-	150	150
Children's Lawyer	-	-	150	150
FASD Consultant	-	-	118	118
Encourage Healthy Choices and Address Addictions				
Healthy Choices Framework	2,550	1,800	500	4,850
HPV Vaccination Program	1,107	331	10	1,448
Addictions initiatives related to aftercare	900	450	-	1,350
Implement Phase II of the Framework for Action on Family Violence				
Enhance Community Services	1,402	482	23	1,907
Stabilize Existing Family Violence Shelters	1,130	450	-	1,580
Program for Men who Use Violence in Intimate Relationships	317	192	-	509
Strengthen Continuum of care for Seniors				
Territorial Dementia Facility	4,965	3,503	-	8,468
Hay River Territorial Supported Living Campus	4,184	2,504	-	6,688
Expanding Community and Home Care	-	-	650	650
Enhance Support for the Voluntary Sector	300	150	-	450
Increase Safety and Security				
Reduce Alcohol and Drug Related Crime	200	100	-	300
Drive Alive! Program	150	150	-	300
Family Law Programs and Services	65	65	-	130
TOTAL	29,125	17,030	2,476	48,631

Supporting Sustainable Communities

The goals of the 16th Legislative Assembly include achieving sustainable, vibrant and safe communities in the NWT. The GNWT's investments in programs to enhance community capacity for capital planning and delivery have increased economic activity in many NWT communities.

The 2011-12 Budget includes $2.3 million in new investments, including:

- $150,000 to help community governments implement their Integrated Community Sustainability Plans that were developed as part of the Federal/NWT Gas Tax Agreement.
- $300,000 of ongoing funding to increase fire protection and public safety by providing all community governments with fire fighter and emergency management training.

Supporting Sustainable Communities (thousands of dollars)	2008-09 to 2010-11 Amounts	2011-12 Amounts (Previously Committed)	Increase in 2011-12 Budget	Total 16th Legislative Assembly New or Reallocated Spending
Strengthen Service Delivery				
Single Window Service Centres	950	838	-	1,788
Consolidated Health Clinics in Yellowknife	877	773	-	1,650
Housing for Staff Project	1,500	-	-	1,500
Community Access Roads Program	677	677	-	1,354
Stabilizing the Non-Government Organization Sector	780	390	-	1,170
Enhanced Communication Capacity	300	150	-	450
Defining Service Levels in Rural and Remote Communities	250	-	-	250
Support for Community Sustainability Plans	-	-	150	150
Annual Court Worker Training	23	23	-	46
Crime Prevention and Policing				
Enhancing Policing Services	3,987	1,871	-	5,858
RCMP in Smaller Communities	2,541	1,067	-	3,608
Support for ground ambulance and highway rescue services	600	200	-	800
Service delivery analysis, policy and legislative work	450	150	-	600
South Slave Interception Task Force	356	156	-	512
Fire Emergency Training	-	-	300	300
Enhanced Crime Prevention	135	131	-	266
Community Safety Strategy	-	-	100	100
Employment Opportunities				
New Apprentices in Designated Trades and Occupations	4,752	-	-	4,752
Small Community Employment Supports	350	350	-	700
Land Administration				
Land Administration Program Delivery	924	462	-	1,386
Land Administration Survey Program	-	-	250	250
Other				
Official Language Implementation - French	-	-	1,150	1,150
Support Official Languages	650	250	-	900
Aboriginal Language Summer Institute Expansion	223	223	300	746
TOTAL	20,325	7,711	2,250	30,286

- $100,000 to develop and implement a *Community Safety Strategy* that will identify community safety issues and the options available to communities to complement police work and help make communities safer.
- $250,000 to complete legal land surveys under the Land Administration Survey Program to ensure that community public infrastructure will be transferred legally to municipal governments.
- $1.15 million to implement the GNWT *Strategic Plan on French Language Communications and Services* to improve government communications and services delivery to the public in French.
- $300,000 to expand the number of courses in the Aboriginal Language Summer Institute.

Creating Affordable Government

The GNWT seeks to deliver programs and services in the most efficient way. Work is ongoing to improve the way the GNWT plans and delivers infrastructure, improve human resource management, ensure effective service delivery in smaller NWT communities, and stabilize the GNWT's relationship with non-government organizations. Almost $2.2 million in new initiatives will be provided in 2011-12 to improve the way the GNWT does business, including:

- $1 million to continue the implementation of recruitment and retention strategies under the *NWT Public Service Strategic Plan.*
- $50,000 for implementation of the Financial Shared Services Model, which is designed to consolidate government financial processing activities in order to eliminate duplication and unnecessary processes.
- $375,000 to complete systems development work that will deliver the new supplementary health benefits program efficiently and fairly.
- $109,000 to address the increased costs relating to *Access to Information and Protection of Privacy* legislation.
- $200,000 to strengthen the GNWT's relationship with the federal government.
- $450,000 to install a wood pellet boiler in Fort Simpson, thereby reducing the GNWT's reliance on diesel fuel.

Creating Affordable Government (thousands of dollars)	**2008-09 to 2010-11 Amounts**	**2011-12 Amounts (Previously Committed)**	**Increase in 2011-12 Budget**	**Total 16th Legislative Assembly New or Reallocated Spending**
Conduct Program Review	1,426	501	-	1,927
Change the GNWT's Approach to Infrastructure				
O&M to Focus on Deferred Maintenance	8,650	3,000	-	11,650
Settlement Maintainers for PWS	400	394	-	794
Wood Pile Repair Program	550	-	-	550
Corporate Capital Planner	134	134	-	268
Improve Human Resource Management in the NWT				
Recruitment and Retention Strategies	3,317	2,884	1,000	7,201
Improve and Stabilize Service Delivery to GNWT Departments	2,300	1,247	-	3,547
Improve Community Capacity	2,000	1,000	-	3,000
Manage the Cost of Government				
Electronic Health, Medical Records & Imaging	1,733	916	-	2,649
Retaining Land & Technical Capacity in NWTHC	1,188	594	-	1,782
Knowledge Management Strategy Renewal	800	500	-	1,300
Science Agenda Implementation	298	298	-	596
Financial Shared Services and Procurement	250	250	50	550
Stabilizing Health Administration Systems	-	-	375	375
Coroner Service	99	97	-	196
2011 Census Support	155	35	-	190
Enhancing GNWT Oversight on Access and Privacy Functions	-	-	109	109
Support for ECE Internet System	106	-	-	106
Implementing the Federal Engagement Strategy	-	-	200	200
Initiatives to Reduce GNWT Energy Costs				
Capital Asset Retrofit Fund	6,700	3,050	-	9,750
Public Housing Upgrades (Diesel communities)	2,000	1,000	-	3,000
Wood Pellet Boiler (Fort Simpson)	200	200	450	850
GNWT Energy Plan: Energy Management Specialist	375	125	-	500
Wood Pellet Boiler (Legislative Assembly)	485	-	-	485
TOTAL	33,166	16,225	2,184	51,575

Energy Investments

In the 2009-10 Budget, the GNWT committed $60 million over four years to advance the *GNWT Energy Investment Plan*. This Plan is focussed on finding energy alternatives to reduce the NWT's reliance on diesel fuel and lower the cost of living in the NWT.

The following table describes the investments under the first three years of the *Plan*.

Energy Investment Plan Initiatives (thousands of dollars)	**2009-10 Actual**	**2010-11 Revised Estimates**	**2011-12 Budget**	**Total**
Hydro Strategy	816	1,500	1,250	3,566
Mini-Hydro Facility (Lutsel K'e)	630	450	2,800	3,880
Mini-Hydro / Transmission Line (Whatì)	270	250	250	770
Transmission Line (Fort Providence)	50	-	-	50
Sahtu Hydro / Bear River Feasibility (Deline / Tulita)	85	100	200	385
Natural Gas Conversion (Fort Simpson, Tulita, Fort Good Hope)	100	100	-	200
Biomass Strategy Implementation	730	1,800	2,000	4,530
Wind Energy Supply (Tuktoyaktuk, Uluhaktuk)	200	1,200	600	2,000
Solar Power for Swimming Pools (15 communities)	-	300	-	300
Instream Hydro Power	175	125	-	300
Support for Geothermal Technology (Deh Cho)	80	450	500	1,030
Energy Efficiency Initiatives	270	350	150	770
Increased Community Presence of AEA	500	543	723	1,766
Business Support Program	-	-	300	300
Support for Community Energy Plans	300	150	150	600
Expansion of Residual Heat (Holman, Fort Liard, Simpson, Inuvik)	300	1,800	1,000	3,100
Reduction - NTPC Rate Riders	-	3,000	3,000	6,000
Energy Plan Renewal	-	-	50	50
NTPC Review	200	-	-	200
Electricity Review	250	50	-	300
Community Pricing Survey	-	150	150	300
Capital Asset Retrofit Fund	1,500	4,500	2,750	8,750
Wood Pellet Boiler (Legislative Assembly)	60	390	-	450
Wood Pellet Boiler (Fort Simpson)	-	200	650	850
Public Housing Upgrades (Diesel communities)	1,000	1,000	1,000	3,000
Energy Development and Supply - Taltson Expansion	2,570	200	-	2,770
TOTAL	10,086	18,608	17,523	46,217

Infrastructure

The 2011-12 capital budget was approved in October 2010. In total, $126 million will be invested in infrastructure and $28 million in infrastructure contributions in 2011-12 including:

- $27.4 million for school replacements, renovations and additions,
- $50.7 million for highways and roads across the NWT,
- $28.0 million in Formula Funding for community infrastructure,
- $15.5 million in health infrastructure investments,
- $5.0 million for information system technology upgrades and replacements,
- $15.8 million for upgrades and renovations to GNWT buildings,
- $11.7 million for airport infrastructure improvements,
- $600,000 for parks infrastructure, and
- $300,000 for tank farm upgrades and capacity increases.

Included in the *2011-12 Main Estimates* is $16.4 million in housing investments delivered through the *2011-12 Capital Plan* of the NWT Housing Corporation.

Revenue Measures

The 2011-12 Budget contains no new taxes.

Effective April 1, 2011, tobacco tax, property tax and liquor mark-ups will be adjusted for inflation and a number of fees will be adjusted to reflect increases in the cost of providing these services since the last time that they were increased.

In September 2010 the NWT Department of Finance launched a public discussions on proposals for a carbon tax and a hotel tax and a roundtable was held in October 2010. The carbon tax was put forward for discussion because of the interest for such a tax expressed during the two previous revenue consultations. The hotel tax option was presented in response to a motion by the Northwest Territories Association of Communities supporting territorial legislation to allow for a municipal hotel room levy to fund tourism marketing and development initiatives. These potential new taxes would align with the GNWT's priorities to protect the environment and promote the NWT as a place to visit or live.

The results of the consultation will be available for the consideration of the next Legislative Assembly. The introduction of a carbon tax would be a significant change to the NWT tax system and requires considerable research and analysis and further consultation before a detailed proposal is brought forward. A hotel tax would require further consultation with communities and the tourism industry.

Looking Ahead

Medium-Term Outlook

The following table shows the GNWT's medium-term outlook, given current fiscal projections and including all components of the fiscal strategy. Despite having to borrow to fund the recent large infrastructure investments, control over expenditure growth and a reduction in infrastructure investments to historical levels will reduce debt levels over the medium term.

Achieving this fiscal outlook will require considerable discipline and careful consideration of priorities.

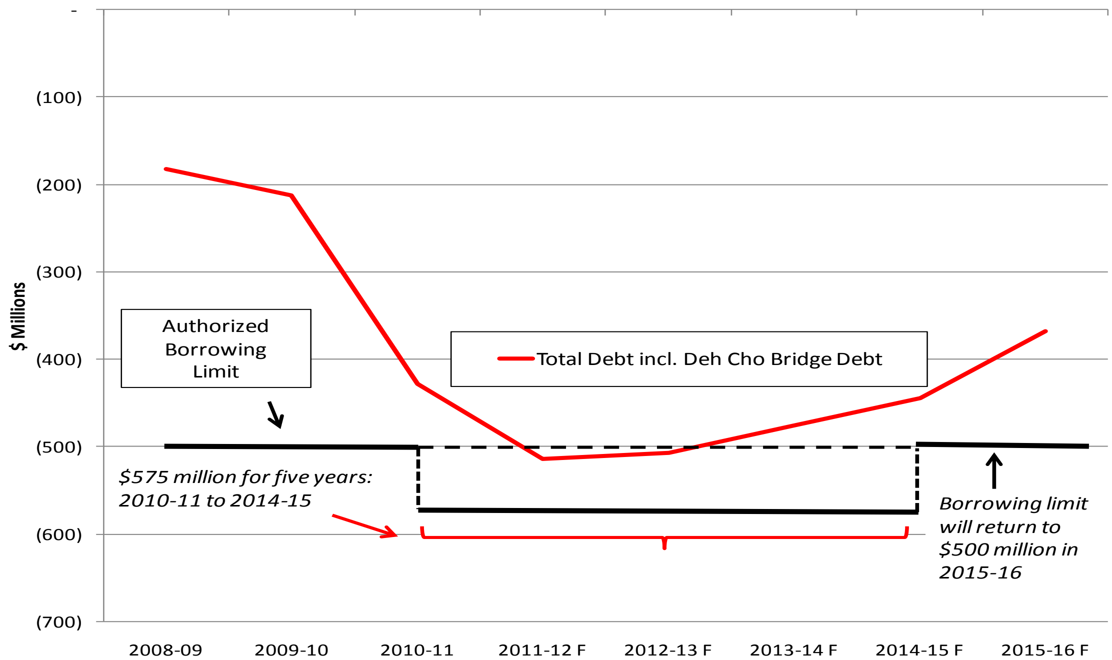
Medium-Term Outlook ($ millions)

	2009-10 Actuals	2010-11 Estimates	2011-12 Forecast	2012-13 Forecast	2013-14 Forecast	2014-15 Forecast	2015-16 Forecast
Revenues	1,291	1,320	1,358	1,475	1,554	1,605	1,651
Expenditures	(1,339)	(1,313)	(1,341)	(1,410)	(1,461)	(1,512)	(1,564)
Operating Surplus (Deficit)	(48)	7	17	65	93	93	87
Capital Investment Requirements	112	214	166	118	99	94	85
Accumulated Cash Surplus (Deficit) as of March 31	(42)	(64)	(155)	(154)	(126)	(98)	(22)
Total Guaranteed Debt [1]	(171)	(199)	(196)	(192)	(191)	(190)	(191)
Other Debt [2]	-	(165)	(164)	(162)	(160)	(157)	(155)
Total Debt	(213)	(428)	(515)	(508)	(477)	(445)	(368)
Total Borrowing Authority	500	575	575	575	575	575	500
Available Borrowing Authority	287	147	60	67	98	130	132

[1] Includes NWT Power Corp, NWT Energy Corp, NWT Housing Corp and Yellowknife Public Denominational District Education Authority debt.

[2] Includes debt incurred to finance the Deh Cho Bridge construction.

Total GNWT Debt Forecast for Purposes of Borrowing Limit



Some key initiatives that will carry on into the 17th Legislative Assembly include:

- Devolution – An Agreement-in-Principle (AIP) to transfer authority over Crown lands from Canada to the GNWT was signed on January 26, 2010. The next step will be to complete a final agreement, including reaching a resource revenue-sharing agreement with regional Aboriginal governments, developing an agreement with Canada on post-devolution resource development cooperation, completing a government-to-government agreement with regional Aboriginal governments on post-devolution resource management, and completing transitional activities described in the AIP related to the transfer of program responsibilities from Canada to the GNWT. The AIP provides for a net fiscal benefit to the GNWT of 50 per cent of resource revenues, subject to a cap equivalent to 5 per cent of the Gross Expenditure Base in Territorial Formula Financing (about $60 million in 2010-11). However, the broader goal is to transfer authority over NWT lands and resources from the federal government to the North so that NWT residents have the power to influence and control NWT land management decisions.
- Health Care Reform – A *Foundation for Change* was launched in 2009 to set out changes needed to ensure the wellness of NWT residents and accessibility and sustainability of the NWT health and social services system. An extensive review of the health care system components is being done and dialogue is underway with stakeholders on how to build a better foundation of wellness through reinforcement or reform of the structures and partnerships that hold the health and social services system together.

Addressing the NWT's significant infrastructure deficit will continue to be a priority for the GNWT. The following three major projects are priorities.

- The Deh Cho Bridge is the largest public infrastructure project undertaken in the NWT. The bridge will ensure year-round highway access for half of the NWT's population. Work is underway to address issues from the Phase 1 audit and Phase 2 of construction is on schedule. The bridge completion date remains late 2011.

- The Taltson Hydro Expansion project would be a boost for the NWT economy. Work is underway to address concerns raised by the federal government in response to the report issued by the Mackenzie Valley Environmental Impact Review Board and to conclude discussions with potential customers. Based on these discussions, the financial viability of the project will be updated.
- The Mackenzie Valley Highway, with an estimated construction cost of $1.8 billion between Wrigley and Tuktoyaktuk, would provide most of the communities of the Mackenzie Valley with an all-weather road, reduce living costs for residents, and open up the rest of the Mackenzie Valley, where current seasonal ice road access is unpredictable. A Project Description Report for the construction of an all-weather road from Inuvik to Tuktoyaktuk is under consideration by the Environmental Impact Review Board and a report is being drafted for the highway between Wrigley and the Dempster Highway. This work will help to engage the federal government in discussions on funding and construction. Completion of this report will allow the 17th Legislative Assembly to consider a construction application to regulators.

Risks to the Medium-Term Outlook

The Territorial Formula Financing (TFF) Grant forms about 70 per cent of the GNWT's revenues and therefore revenue risks to the GNWT's medium-term revenue forecast focus on changes in the TFF Grant. The Grant is calculated according to a formula set in federal legislation and is based on a number of variables such as population growth, the GNWT's own-source revenues and spending by provincial and local governments. However, because each year's Grant is fixed, changes in own-source revenues, particularly corporate income tax revenues, can pose significant short-term risks to total revenues. The lack of responsiveness in TFF over the short-term to changes in own-source revenues makes volatility in these revenues an important consideration in forecasts of revenues and cash for planning purposes. Over time, however, TFF Grant entitlements do respond to changes in the GNWT's own-source revenues.

Own-source revenues comprise over 25 per cent of GNWT revenues and taxation revenues represent over 70 per cent of own-source revenues. Changes to taxation revenue carry a significant risk to the medium-term forecast as declines in own-source revenues are only partially offset by increases in the TFF Grant.

Revenues from personal income tax, payroll tax, and fuel taxes may decline in the event of an economic slowdown; however, declines in these taxes can usually be reliably forecast and fiscal plans adjusted accordingly. Corporate income tax, however, is the GNWT's most volatile revenue source and the potential for large swings in corporate income tax brings uncertainty to the medium-term outlook.

In the longer-term, declines in the NWT population or provincial government spending are risks, as growth in these variables is used to calculate the TFF Grant. Furthermore, a decline in the NWT's population may erode the NWT's own-source revenue base.

The legislation governing major federal transfers to the GNWT (TFF, Canada Health Transfer and Canada Social Transfer) will expire March 31, 2014. Work is underway by federal, provincial and territorial officials on the renewal of these programs. Canada has committed to maintaining funding levels under these programs until 2014, but the federal fiscal situation poses a risk to these transfers when the legislation expires.

Summary of Operations

	(thousands of dollars)			
	2011/2012 Main Estimates	2010/2011 Revised Estimates	2010/2011 Main Estimates	2009/2010 Actuals
REVENUES	**1,358,927**	**1,320,145**	**1,359,695**	**1,293,713**
OPERATIONS EXPENSE				
Compensation and Benefits	285,969	273,706	271,940	258,354
Grants and Contributions	638,286	621,745	618,869	633,019
Other Expenses	345,160	337,965	334,301	306,528
Amortization	69,921	67,888	70,463	59,397
TOTAL OPERATIONS EXPENSE TO BE VOTED	**1,339,336**	**1,301,304**	**1,295,573**	**1,257,298**
OPERATING SURPLUS (DEFICIT) PRIOR TO ADJUSTMENTS	**19,591**	**18,841**	**64,122**	**36,415**
INFRASTRUCTURE CONTRIBUTIONS - NET OF ESTIMATED LAPSES	(17,852)	(34,344)	(33,790)	(84,027)
SUPPLEMENTARY RESERVE				
Operations Expenditures	(10,000)	-	(10,000)	-
ESTIMATED APPROPRIATION LAPSES				
Regular Operating Activities	25,000	22,000	15,000	-
WORK PERFORMED ON BEHALF OF OTHERS				
Recoveries	55,324	63,944	55,459	69,677
Expenditures	(55,324)	(63,944)	(55,459)	(69,677)
OPERATING SURPLUS (DEFICIT) FOR THE YEAR	**16,739**	**6,497**	**35,332**	**(47,612)**
ACCUMULATED SURPLUS AT THE BEGINNING OF THE YEAR	**803,342**	**796,845**	**823,424**	**844,457**
ACCUMULATED SURPLUS AT THE END OF THE YEAR	**820,081**	**803,342**	**858,756**	**796,845**

Summary of Revenues

	(thousands of dollars)			
	2011/2012 Main Estimates	2010/2011 Revised Estimates	2010/2011 Main Estimates	2009/2010 Actuals
GRANT FROM CANADA	**996,143**	**919,872**	**919,872**	**864,161**
TRANSFER PAYMENTS	**94,835**	**102,124**	**97,897**	**123,442**
TAXATION REVENUE				
Personal Income Tax	73,168	67,402	67,965	62,686
Corporate Income Tax	14,303	55,795	79,574	54,112
Tobacco Tax	16,592	16,254	16,444	15,936
Fuel Tax	14,292	12,203	16,207	14,027
Payroll Tax	37,992	36,036	38,288	34,334
Property Tax and School Levies	25,439	24,910	24,414	24,844
Insurance taxes	4,580	4,675	4,700	4,081
	186,366	**217,275**	**247,592**	**210,020**
GENERAL REVENUES				
Revolving Funds Net Revenue	24,388	24,226	24,226	23,453
Regulatory Revenues	18,134	16,936	16,856	14,924
Investment Income	1,891	2,071	2,109	2,137
Other General Revenues	744	887	907	1,760
	45,157	**44,120**	**44,098**	**42,274**
OTHER REVENUES				
Leases and Accommodations	947	947	947	1,454
Service	1,868	1,728	1,847	1,040
Program	16,002	14,377	27,812	30,726
Commodity Sales	68	68	84	-
Insurance Proceeds	60	60	60	10
Other Miscellaneous Recoveries	220	220	220	82
Recovery of Prior Years' Expenditures	3,000	3,000	3,000	7,332
	21,465	**20,400**	**33,970**	**40,644**
GRANTS IN KIND	**762**	**762**	**762**	**810**
CAPITAL				
Deferred Capital Contributions	14,199	15,592	15,504	12,362
	14,199	**15,592**	**15,504**	**12,362**
TOTAL REVENUES	**1,358,927**	**1,320,145**	**1,359,695**	**1,293,713**

Summary of Operations Expenditures by Department

(thousands of dollars)

	2011/2012 Main Estimates	2010/2011 Revised Estimates	2010/2011 Main Estimates	2009/2010 Actuals
Legislative Assembly	18,917	17,223	17,239	15,771
Executive	15,070	14,531	14,306	11,886
Human Resources	42,421	40,073	40,073	37,241
Aboriginal Affairs and Intergovernmental Relations	7,619	8,245	8,180	6,551
Finance	39,609	39,227	72,978	66,263
NWT Housing Corporation	61,175	58,617	37,122	38,317
Municipal and Community Affairs	93,335	91,288	91,288	88,317
Public Works and Services	92,988	92,764	92,764	62,125
Health and Social Services	344,505	334,773	325,825	349,738
Justice	106,206	101,608	101,340	100,273
Education, Culture and Employment	285,895	274,176	272,435	276,045
Transportation	110,777	105,104	104,511	98,526
Industry, Tourism and Investment	53,326	51,599	51,752	48,438
Environment and Natural Resources	67,493	72,076	65,760	57,807
TOTAL OPERATIONS EXPENDITURES	**1,339,336**	**1,301,304**	**1,295,573**	**1,257,298**

Summary of Infrastructure Investment by Department

(thousands of dollars)

	2011/2012 Main Estimates	2010/2011 Revised Estimates	2010/2011 Main Estimates	2009/2010 Actuals
Tangible Capital Assets				
Legislative Assembly	-	1,831	1,400	430
Human Resources	940	715	715	-
Finance	925	939	630	8,590
Municipal and Community Affairs	-	67	-	191
Public Works and Services	14,302	40,540	27,260	17,873
Health and Social Services	16,291	29,981	6,928	14,306
Justice	1,096	2,562	1,034	1,357
Education, Culture and Employment	27,669	81,286	54,570	50,609
Transportation	62,703	288,307	81,439	96,438
Industry, Tourism and Investment	599	3,302	1,930	2,533
Environment and Natural Resources	1,653	2,555	2,160	1,282
Total Tangible Assets	**126,178**	**452,085**	**178,066**	**193,609**
Infrastructure Contributions				
Municipal and Community Affairs	28,002	66,749	40,140	62,752
Health and Social Services	-	440	-	15,877
Education, Culture and Employment	850	4,201	2,150	14,575
Transportation	-	1,354	1,500	5,401
Infrastructure Contributions	**28,852**	**72,744**	**43,790**	**98,605**
TOTAL INFRASTRUCTURE INVESTMENT	**155,030**	**524,829**	**221,856**	**292,214**

Summary of Cash Flows

	(thousands of dollars)			
	2011/2012 Main Estimates	2010/2011 Revised Estimates	2010/2011 Main Estimates	2009/2010 Actuals
OPERATING TRANSACTIONS				
Cash Received From:				
Canada	1,096,032	1,100,545	1,102,502	1,206,178
Other Revenues	236,252	276,156	269,281	429,127
	1,332,284	**1,376,701**	**1,371,783**	**1,635,305**
Cash Paid For:				
Operations Expenses	(1,271,927)	(1,246,276)	(1,252,907)	(1,256,897)
Projects Performed for Others	-	-	-	(293,195)
Cash Provided By (Used For) Operating Transactions	**60,357**	**130,425**	**118,876**	**85,213**
CAPITAL TRANSACTIONS				
Capital Investment (current year)	(155,383)	(243,199)	(186,893)	(190,515)
Capital Investment (prior year)	(10,592)	(8,528)	(9,169)	-
Proceeds from Disposal of Capital Assets	-	-	-	-
Capital Contributions Received and Deferred	-	37,476	31,187	36,890
Cash Provided By (Used For) Capital Transactions	**(165,975)**	**(214,251)**	**(164,875)**	**(153,625)**
INVESTING TRANSACTIONS				
Designated Cash and Investments Purchased	-	-	-	1,057
Loans (Net of Repayments)	(4,200)	(4,200)	(4,200)	(13,271)
Cash Provided By (Used For) Investing Transactions	**(4,200)**	**(4,200)**	**(4,200)**	**(12,214)**
FINANCING TRANSACTIONS				
Repayments of Capital Lease Obligations	**19,000**	**66,000**	**(4,730)**	**(934)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(90,818)**	**(22,026)**	**(54,929)**	**(81,560)**
Cash and Cash Equivalents at the Beginning of the Year	(64,388)	(42,362)	(34,251)	39,198
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**(155,206)**	**(64,388)**	**(89,180)**	**(42,362)**

Summary of Total Debt and Estimated Borrowing Capacity

	(thousands of dollars)			
	2011/2012 Main Estimates	2010/2011 Revised Estimates	2010/2011 Main Estimates	2009/2010 Actuals
ESTIMATED SHORT TERM DEBT AT THE END OF THE YEAR	**(155,206)**	**(64,388)**	**(89,180)**	**(42,362)**
LONG TERM DEBT	**(164,374)**	**(165,439)**	**-**	**-**
GUARANTEED DEBT				
NWT Power Corporation	(147,967)	(148,181)	(135,288)	(118,229)
NWT Energy Corporation	(19,514)	(20,164)	(23,664)	(20,758)
NWT Housing Corporation	(24,558)	(25,778)	(25,778)	(26,931)
Yellowknife Public Denominational District Education Authority	(4,229)	(4,890)	(4,890)	(5,511)
TOTAL GUARANTEED DEBT	**(196,268)**	**(199,013)**	**(189,620)**	**(171,429)**
TOTAL (DEBT) SURPLUS	**(515,848)**	**(428,840)**	**(278,800)**	**(213,791)**
AUTHORIZED BORROWING LIMIT	**575,000**	**575,000**	**500,000**	**500,000**
AVAILABLE BORROWING AUTHORITY	**59,152**	**146,160**	**221,200**	**286,209**

PROVINCIAL & TERRITORIAL TAX RATES – JANUARY 14, 2011

	Combined Top Marginal PIT Rate [a] (%)	Retail Sales Tax (%)	Fuel Tax [b] Gas (¢/ litre)	Fuel Tax [b] Diesel (¢/ litre)	Tobacco Tax on Cigarettes ($/ carton) [c]	Payroll Tax [d] (%)	Corporate Income Tax Small (%)	Corporate Income Tax Large (%)	Capital Tax [e] (%)
Northwest Territories	43.05	-	10.70	9.10	54.80	2.00	4.0	11.5	-
Nunavut	40.50	-	6.40	9.10	42.00	2.00	4.0	12.0	-
Yukon	42.40	-	6.20	7.20	42.00	-	4.0	15.0	-
British Columbia	43.70	7.0	18.95	20.11	37.00	-	2.5	10.0	-
Alberta	39.00	-	9.00	9.00	40.00	-	3.0	10.0	-
Saskatchewan	44.00	5.0	15.00	15.00	42.00	-	4.5	12.0	0/3.25
Manitoba	46.40	7.0	11.50	11.50	41.00	2.15	0.0	12.0	0/3.0
Ontario	46.41	8.0	14.70	14.30	24.70	1.95	4.5	12.0	-
Quebec	48.22	7.5	17.00	18.10	20.60	4.26	8.0	11.9	-
New Brunswick	41.70	8.0	10.70	16.90	23.50	-	5.0	11.0	0/3.0
Nova Scotia	50.00	10.0	15.50	15.40	43.04	-	4.5	16.0	0.1/4.0
Prince Edward Island	47.37	10.0	13.20	19.20	44.90	-	1.0	16.0	0/5.0
Newfoundland	42.30	8.0	16.50	16.50	38.00	2.00	4.0	14.0	0/4.0
Weighted average [f]	45.51	6.8	15.09	15.42	29.01	1.86	4.7	11.6	

Notes:

(a) Combined federal-provincial/ territorial highest 2011 personal income tax rates and, when appropriate, surtax.

(b) The NWT's off-highway gasoline tax rate is 6.4 cents/litre. British Columbia fuel tax rates include carbon tax, and are applicable in regions outside Victoria and the Lower Mainland. In British Columbia, carbon tax rates are uniform across the province; however, there are different fuel tax rates for different regions. Quebec fuel tax rates also include carbon tax, and are applicable in regions where the regular fuel tax rate applies. Similar to British Columbia, carbon tax rates in Quebec are uniform across the province whereas the fuel tax rates vary with regions within the province.

(c) BC, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Ontario and Saskatchewan apply sales tax to sales of tobacco products.

(d) NWT and Nunavut levy payroll taxes on employees. Other provinces that levy payroll taxes provide exemptions for small business and/or rates vary depending on payroll size.

(e) Capital tax rates are for large corporations and for financial institutions in the order shown. Tax bases differ for the two types of companies.

(f) Average weighted by provincial/ territorial populations at July 1, 2010.