Budget Address 2025-2026

NORTHWEST TERRITORIES

The Honourable Caroline Wawzonek
Minister of Finance

First Session of the
Twentieth Legislative Assembly

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Kīspin ki nitawihtīn ē nīhīyawihk ōma ācimōwin, tipwāsinān.
Cree

Tłı̨chǫ yatı k'ę̀ę̀. Dı wegodı newǫ dè, gots'o gonede.
Tłı̨chǫ

ʔerıhtł'ís Dëne Sųłıné yatı t'a huts'elkër xa beyáyatı theʔą ʔat'e, nuwe ts'ën yółtı.
Chipewyan

Edı gondı dehgáh got'ı̨e zhatıé k'ę́ę́ edatł'éh enahddhę nıde naxets'ę́ edahłí.
South Slavey

K'áhshó got'ı̨ne xədə k'é hederı ʔedı̨htl'é yerınıwę nídé dúle.
North Slavey

Jii gwandak izhii ginjìk vat'atr'ijąhch'uu zhit yinohthan jì', diits'àt ginohkhìi.
Gwich'in

Uvanittuaq ilitchurisukupku Inuvialuktun, ququaqluta.
Inuvialuktun

ᑖᒃᑯᐊ ᑎᑎᕐᒃᑲᐃᑦ ᐱᔪᒪᒍᕕᒋᑦ ᐃᓄᒃᑎᑐᓕᕐᒃᓯᒪᓗᑎᒃ, ᐅᕙᑦᑎᓐᓄᑦ ᐅᖄᓚᔪᓐᓇᖅᑐᑎᑦ.
Inuktitut

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit.
Inuinnaqtun

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Department of Finance

Introduction

Mr. Speaker, I am delivering the second budget of the 20th Assembly at a time of significant economic and political uncertainty - not only in the Northwest Territories but across Canada and the world - made more perilous by the potential implementation of import tariffs by the United States. The Government of the Northwest Territories is a small player on this very large stage, but we can provide stability within the territory and must continue to maintain our readiness for whatever challenges and uncertainties may arise.

Events like these tariffs are why we introduced fiscal sustainability in the first place, but they also demonstrate why we are applying it in a strategic fashion. We are not making cuts for the sake of cuts; rather, we are using the budget we have wisely and being cautious with reductions so we can meet uncertainty with confidence while remaining committed to delivering on the priority goals set by this Assembly.

Budget 2025 provides resources to fund the actions, activities, and programs that move us toward these goals and the priorities set by this Assembly while ensuring we live within our means. We are focused on maximizing efficiency and innovation to make the most of existing resources, rather than simply creating new budget line items.

Today, I will outline some of the financial resources dedicated to our continued work in achieving the goals of the mandate, as well as to other programs and services on which communities and residents depend. To start, I will provide an update on the fiscal challenges we face.

Fiscal Situation and Outlook

Mr. Speaker, 2024-25 was yet another challenging year for many communities and residents across the Northwest Territories. While residents in the south were recovering from the 2023 wildfires and evacuations, residents in the Beaufort Delta were experiencing record-setting fall and winter snowfalls. This snow had a heavy impact on roads and raised the costs to maintain regional access and supply chains. By the spring, we faced a different weather effect in the form of extreme low water that resulted in a crisis for communities in the Sahtu with the first ever complete cancellation of a barge season since Marine Transportation Services or its predecessors began to conduct barge resupply. We also had yet another difficult wildfire season as residents of Fort Good Hope were evacuated. Low water on the Snare hydro system raised costs as Northwest Territories Power Corporation was forced to burn diesel and the GNWT stepped in to maintain pricing stability for ratepayers on the Snare system. Ratepayers across the Northwest Territories benefit from that action through the Territorial Power Support Program that subsidizes rates to those in Yellowknife. Last, but not least, health care needs and costs continue to escalate.

As we near the end of this fiscal year, we are projecting expenses to be $197 million higher and revenues $27 million less than budgeted and have revised the projected 2024-25 operating surplus to $69 million.

As a result, we are not yet within reach of the targets set in our fiscal strategy, *Restoring Balance*. This strategy was never meant to prevent prompt responses during extraordinary challenges or demand cuts for the sake of achieving a reduction target. *Restoring Balance* is part of shifting the culture of how we deliver programs and services to ensure that we maximize the value from the budget available.

We remain committed to *Restoring Balance* and we are grateful to see support for evidence-based changes. For example, using the resources proposed in Budget 2025, our public service will continue over the coming year to deliver efficiency improvements through the Health System Sustainability Unit, fleet management and our lease envelope.

The proposed 2025-26 budget forecasts revenues to increase two per cent from 2024-25 to almost $2.7 billion, with Territorial Formula Financing driving total revenue growth. Total operating expenditures are increasing 6.5 per cent to almost $2.5 billion. We are proposing $9.1 million in reductions across all departments. The resulting $145 million in net new spending includes $27 million in programs that are federally funded and $108 million for collective bargaining increases for compensation and benefits. Inflationary and increased program demand costs were kept to less than $27 million. The remaining $10-million increase to the expenditures for discretionary spending is an increase of only 0.5 per cent compared to last year's budget.

The resulting operating surplus of $170 million would generate enough of a cash operating surplus to fund all 2025-26 capital investments. Despite this, at the end of the next fiscal year total debt is projected to be $1.772 billion, $31 million higher than the current 2024-25 estimate. Short-term borrowing is projected to increase $50 million while long-term borrowing is expected to decrease $19 million. This projection puts us close enough to the federal borrowing limit and we have requested, and expect to receive, a borrowing limit increase from Canada to give us the flexibility to respond to any future unforeseen fiscal pressures.

Our fiscal efforts provided the financial room to respond to unexpected challenges and to be a stabilizing force during continuing uncertainty. However, we are not only looking to reduce expenditures in order to maintain fiscal stability. We also continue to seek opportunities to increase revenues. Some fees have or will increase after staying stagnant over successive governments. However, we do not propose increasing fiscal capacity by introducing new taxes, aside from property tax rates that increase with inflation. Resident wage earners face the same cost pressures that challenge the Government's finances, and it would be counterproductive to subsidize costs like energy only to offset those benefits with tax increases. Instead, we want to see businesses thrive and contribute to tax revenues through higher profits, rather than higher tax rates.

Working Together to Overcome Economic Challenges

Mr. Speaker, the Northwest Territories is now on the eve of the closing of one of the diamond mines that have been the backbone of our private sector economy for over 25 years.

For the third consecutive year, overall economic activity is expected to decline in 2025. However, business investment remains a key driver of growth. While mineral exploration and appraisal spending in 2024 is projected to be lower compared to 2023, that year defied expectations, reaching a 15-year high.

Population continues slow but positive growth and the Northwest Territories economy continues to have high employment and some of the highest wages and salaries in the country. Interest rates are coming down and subdued inflation should support robust retail and wholesale trade activity. The construction industry contributed to growth in the goods sector and our service sector, the largest in Canada on a per capita basis, saw growth in professional and technical services and a rebound in tourism-related areas, while trapping, film and commercial fishing are also on the rise.

The public sector remains a significant part of our economy, bringing both advantages and challenges. It offers stability and strong employment growth, especially important given the cyclical nature of the mineral industry. This stability is further bolstered by Indigenous governments, where there has been a growth of nearly 200 public administration jobs since 2023. However, the public sector alone does not drive the economic diversity or entrepreneurism that leads to stronger productivity and long-term growth.

Delivering on Priorities

Acknowledging the economic and fiscal challenges we face does not change the GNWT's obligation to deliver on the priorities set by this Assembly. These priorities reflect the needs and aspirations of Northwest Territories residents for long-term health and prosperity. Being realistic about how we fund the work of government does not diminish their importance. However, it requires us to assess how we allocate budgets, strengthen collaboration across departments, and ensure public servants have the support they need to contribute fully toward these goals.

The suitability, accessibility and affordability of housing

Housing NWT remains the main conduit to address the Assembly's priority to increase the suitability, accessibility and affordability of housing. Housing NWT receives funding from a variety of sources, including $81.3 million proposed in this budget; an increase of $5 million over last year's budget. With this investment, Housing NWT will continue to provide social and market housing programs, including subsidized rental and homeownership programs and unsubsidized rental housing in rural and remote communities.

A key development in 2025 will be the completion of Housing NWT's comprehensive Territorial Housing Needs Assessment that incorporates community and regional perspectives on the varying housing needs across the territory. As we heard from participants at the recent NWT Housing Forum Symposium, a lack of data on housing needs hampers access to available funding resources. The Territorial Housing Needs Assessment will fill this gap and provide a platform for the development of a plan to provide stable, attainable and affordable homes across the housing spectrum. We will ensure that this assessment is shared with all levels of government so that we maximize opportunities for its success. To supplement this work, Housing NWT is also developing a three-year investment plan for the replacement and repair of its existing housing units.

Housing is a priority actioned across many departments. In this budget, we propose adding $3.7 million, including $500,000 in federal funding, for a strategic approach to reducing homelessness in Yellowknife, along with $809,000 for the Transitional Housing Addictions Recovery Program.

We continue to deliver on the mandate priority to provide shelter for vulnerable residents and address the effects of trauma in a culturally appropriate way. Building on work being delivered this year, we propose to add $264,000 for the Yellowknife Shelter and Sobering Centre bringing total funding to $6.2 million for 34 positions.

Care homes are also facing cost pressures and an additional $136,000 is proposed for increased costs at the Avens Long Term Care and $56,000 to fully fund adult supported living at the Charlotte Vehus Home and the Billy Moore Group Home, with the capacity to care for up to 13 clients in the Beaufort Delta.

Creating opportunities for new homes often means ensuring access to land whether through the remediation and clearing of old, unused buildings or through new allocations. The Department of Environment and Climate Change has prioritized land applications for housing and to date has received 204 applications, of which 121 are in their final stages of processing and 27 parcels have been issued.

A strong economic foundation

The challenges to our narrowly focused private economy are well known: the north faces a significant deficit in core public infrastructure compared to the rest of Canada, especially in transportation and energy corridors. That lack exacerbates the reality of being more remote by making delivery and access to goods and services in our communities more expensive. Our labour market is tight, and housing is in short supply. Finally, the regulatory spaces that control new entrants to exploration and mining remains a shared responsibility with the federal government, which makes efforts at modification, including streamlining rules, more challenging.

We are taking steps to address these structural issues so that we strengthen the territory's economic foundation and encourage continued growth in sectors that significantly influence the economic health of communities.

Infrastructure development

This Assembly has approved a capital budget for this coming fiscal year which includes funding for several projects to improve our transportation infrastructure. With funding proposed in Budget 2025, we will be doing our part to support the Mackenzie Valley Highway through its environmental assessment and update its formal business case in anticipation of being ready with this project that will connect the Sahtu and provide road access into the centre of Canada's Arctic.

We also propose to use Budget 2025 to continue engagements and analysis of an all-season road through the mineral-rich Slave Geological Province with the goal of having technical and community support to move toward an environmental assessment.

In telecommunications, we are including $1.1 million to extend the Mackenzie Valley Fibre Link to the Arctic coast by connecting Tuktoyaktuk.

The Department of Municipal and Community Affairs works closely with community governments to ensure flexibility in federal infrastructure funding and has helped ensure that all of the $117 million dedicated to local governments from the federal Investing in Canada Infrastructure Program was allocated to projects focused on community roads, solid waste projects and cultural spaces.

In 2025-26, we will implement an action plan in furtherance of a memorandum of understanding on economic corridors signed with the Government of Alberta to support collaboration on the enhancement of critical infrastructure and improve efficiency of transportation networks. We will also explore similar agreements with other jurisdictions.

Our energy system has not evolved significantly over many successive governments leaving energy infrastructure aging and vulnerable to breaking down and our residents facing volatile costs. With this year's budget, we will advance better energy connectivity between our communities to increase the reliability and sustainability of power. We will work to advance a Fort Providence transmission line while undertaking the design of a Whatì transmission line.

We will also advance work to improve our capacity and ability to generate power across the Northwest Territories. We will use this year's budget to support partners on the Taltson expansion project to expand the knowledge of legacy impacts and advance consideration of establishing a business entity for the project. We will use this year's budget to support multiple departments in the delivery of the renewed *Energy Strategy* and examine alternative means of accessing more reliable and affordable energy sources appropriate to each community.

Upgrading our aging energy systems will take time. While that work continues, the Government is proposing a $12-million subsidy to offset high power costs, limiting the required 24.8 per cent energy increase for ratepayers in 2025 to a more manageable 15 per cent increase overall and that residential ratepayers who qualify for the Territorial Power

Subsidy Program subsidy would only face a 9 per cent rate increase. Final rates will be determined by the Public Utilities Board through the General Rate Application process.

Supporting a strong labour force

We are helping to reduce labour shortages in trades through our apprenticeship programs and Housing NWT scholarships. The Department of Infrastructure dedicates $1.6 million of its proposed budget to hire and train apprentices and works with Procurement and Shared Services within the Department of Finance to make certain that training and targets for apprenticeship requirements are included in all its design-build project evaluations.

Our Crown agencies play a major role in supporting private sector employment generally. For example, Housing NWT awards over 90 per cent of its annual contracting opportunities to local businesses. These contracts range from minor repairs and maintenance to large construction projects. For the coming year, Housing NWT, working with Local Housing Organizations, plans to increase its in-house apprenticeship opportunities to 15 and will continue to support apprenticeship work assignments through new construction contracts.

The Department of Education, Culture and Employment plays a supporting role for employment opportunities and increasing participation in trades, particularly in small communities. The Department is making a tangible impact through Labour Market Transfer Agreements by supporting 156 residents, 63 employers, and 11 projects. The Small Community Employment Support program has contributed to the creation of 643 jobs, directly benefiting small communities across the Northwest Territories.

Mr. Speaker, many Northerners want to stay in their communities for work. That is why this budget retains the $4-million Small Community Employment Program so that all small communities, plus regional centres with employment rates of less than 50 per cent, remain eligible for this funding that supports the creation of new jobs in the communities that need them most.

This budget proposes $10.5 million to make child care more affordable, helping parents participate more fully in the formal labour force. The Government of the Northwest Territories will continue to advocate to the federal government to increase compensation levels of early child care staff to align with education assistants in the K-12 system.

Last fiscal year, we concluded collective bargaining with several unions across the public service. The GNWT delivers services across a vast territory of 33 communities, which does not provide for economies of scale and results in situations where no private market actors provide access to necessities such as fuel or barge supplies. In these situations, the public service fills these needs in addition to providing schooling, health care, safe highways and airports, economic development supports and land management. We watched closely as labour disruptions impacted services across Canada. Concluding collective agreements in a manner that avoided labour strife and maintained our competitive position as an employer for the delivery of essential goods and services was an important achievement for the GNWT and this year’s proposed budget incorporates those changes to all salaries and benefits.

We also propose to better support timely medical travel assistance for GNWT employees and their immediate families with $7.4 million, which includes adding one benefit officer in Inuvik and another in Norman Wells to improve processing times.

Regulatory improvements and direct support for mineral resource development

We are proposing $496,000 to encourage more exploration in the non-renewable sector. This includes $275,000 to expand research about critical minerals in the Selwyn Basin and Slave Geological Province. This work is mostly offset with federal funding and involves collaboration between the Northwest Territories Geological Survey office and university and industry partners. Also included is $167,000 for the Pan-Territorial Resource Investment Marketing Initiative, which is a federal and all territories joint campaign to market the territories as destinations for business and investment opportunities in the mining sector.

We are continuing to improve regulations to support the economy with an additional $54,000 in this budget to complete the *Mineral Resources Act* regulations. As well, this year the Department of Environment and Climate Change will use its proposed budget to advance targeted amendments to the *Waters Regulations* to improve interpretation and add consistency and clarity to the regulatory regime for our mineral resource sector.

We will be implementing the *Fire Prevention Act* regulations that adopt the 2020 national fire code and adds certainty to construction projects. In addition, we will continue multi-department work towards a Building Standards Framework for introduction during the life of this government.

Diversification

Support for northern business is always a priority for the GNWT and sector-specific efforts encourage investment and create growth in communities of every size.

For instance, Housing NWT supports increasing productivity in the construction and property management sectors through early uptake of innovative approaches such as wood pellet heat plants, integration of mass-timber structural building systems and hybrid modular construction approaches in its multi-unit residential projects. These approaches provide baseline information that the private sector can use to grow their businesses.

Existing industries also benefit from ongoing government economic development efforts. For example, last year saw promising growth in both the number of commercial fishers and the value of fish harvests due in part to the new fish processing plant in Hay River and the 2023 introduction of the Commercial Fishery Support program. We propose to use this budget to continue that support and move closer to a fully independent fishery.

Similarly, the number of pelts sales have rebounded in the past two years and fur auction sales in the past five years have grown, supported by government programs that helped the traditional hunting sector recover from tough times. We propose to continue financial support for the Community Harvesters Assistance Program that helps hunters and trappers cover costs. This budget will continue the Genuine Mackenzie Valley Fur Program to provide a single point of access for international auctions, actively market furs, protect harvesters from sudden price declines with advances, make payments to them when pelts sell above the advance, and offset variable costs such as shipping and commissions.

In this Budget, we are proposing to add $600,000 to the Department of Industry, Tourism and Investment for additional economic diversification initiatives. This includes increasing funding for the Northwest Territories Film Strategy from $500,000 to $1 million to help showcase the territory's spectacular settings.

The Tourism 2025 strategy is in its final year, and Budget 2025 proposes to increase its funding as planned by $100,000 to continue with the recovery roadmap released in 2021. This increase will support the Community Tourism Infrastructure Contribution Program, which helps other governments and non-government organizations enhance tourism facilities. Through this program we have already invested $1.4 million to support 41 projects across the territory.

Remediation of old mines and oil and gas wells may prove to be a stable source of local employment in future years. Federal funding for next year's budget will permit spending of $696,000 for ongoing pre-mediation work at several mine sites, including public consultation, to produce finalized remediation plans.

Working together to improve access to health care and address the effects of trauma

Mr. Speaker, meeting Northwest Territories residents' health care needs while trying to make progress on our *Restoring Balance* targets is our main fiscal challenge. While the Healthcare System Sustainability Unit does deeper analysis of how essential programs and services are delivered, we are funding the territorial health and social services system with a focus on supporting changes that address the dual priorities that residents receive the highest quality access to health care and programs are available to address the effects of trauma. We are reforming primary health care with the development of an integrated primary care framework, including performance benchmarks that provide the data for further evidence-based improvements. We maintain a focus on prevention through education and awareness efforts about sexually transmitted and blood borne infections and testing, immunizations, injury prevention, elder abuse and family violence, mental health, and illicit drugs. To improve experiences for residents who need to travel for care, we are updating medical travel policies and processes. Work is ongoing to renew the health care system human resource plan to improve efforts to recruit and retain professional staff.

Addressing the effects of trauma is not a quick fix and we are continuing to make a variety of supports available for residents with mental health and addictions needs including walk-in and same-day access for community counselling with online support options, and 24/7 supports through 811 and other helplines. We also provide funding to Indigenous governments and communities to support culturally-based and safe healing options. We use biannual service user surveys to measure effectiveness of the services provided and to support the ongoing review of policies and program design to ensure alignment with person centred, trauma informed and culturally safe care.

For this year's budget, we are proposing a further $71.5 million in measures to address health care and social services accessibility.

Health care and social services professionals

Our health and social services system relies on a strong network of staff and health care professionals. We are proposing several increases to support staff and health care professionals across the territory.

We are making progress addressing hospital overcapacity issues and are proposing $5.6 million for 26 full-time equivalent positions for physicians, nurses, and coordinators, including 19 positions plus four relief positions for Stanton Territorial Hospital's emergency, intensive care, and medicine units and three full-time nurses and support for a relief position at the Inuvik Regional Hospital. We are also asking for $511,000 for two nurses in Yellowknife and one nurse in Fort Smith to the Corrections Health Services roster. In addition, we are proposing $13.7 million to cover shortfalls in physician services.

As requested and approved during last year's budget negotiations, Budget 2025 also dedicates $331,000 in proposed spending to maintain two positions under the midwifery program to support two communities that do not have access to midwifery services.

Providing care for patients with cancer is a partnership with Alberta Health Services and with their support the Health and Social Services Authorities are working to bring treatment closer to home. To support this effort, the budget includes $869,000 to provide the hematology and medical oncology units with enough resources for two oncologists and two registered nurses.

We also propose $446,000 to add three positions in the Office of the Public Guardian to better support people who lack the ability to make their own decisions because of long-term health and social conditions like dementia, brain injury, or developmental disabilities.

We need our staff to be safe in their workplaces. The correlation between increased drug use and rising violent incidents within health and social services settings increases the demand for de-escalation training for staff and we propose an additional $620,000 to fund specialized occupational health and safety positions.

Supporting health care administration capacity

Front-line health and social services cannot operate effectively without properly resourced administration. We are seeking to right-size the administrative arm of the health and social services system with proposals to augment resources for recruitment, prevention programs, and actions to reduce structural deficits and other cost drivers.

Included in the additional funding to improve administrative capacity in the health care system is funding to assist continuous recruitment of health and social services professionals. For example, funding has not kept pace with the expenses for moving new staff and professionals to the territory, making it hard to get staff and professionals to the communities where they are needed. We propose to help resolve this issue in this budget with $6 million to fund relocation costs more realistically. We are also proposing $5.4 million to ensure accommodations for locums.

Further, the Office of Medical Affairs and Credentialing, which is responsible for recruitment, retention, contract administration, credentialing and labour relations for resident and locum physicians, is facing its own staffing shortage and we are proposing to remedy this with $651,000 in this budget.

The Healthcare System Sustainability Unit cannot effectively achieve its goals of evidence-based recommendations without proper data from the health and social services system. Budget 2025 adds $513,000 for records and information management to fund three positions.

Similarly, catching up on the health and social services deficits means properly funding budgets to address external cost drivers such as tighter real estate market conditions, changing lease terms, building maintenance requirements and increases in insurance. Budget 2025 includes a proposal to add $1.9 million to offset the lease cost shortfalls projected for the Northwest Territories Health and Social Services Authority and the Tłı̨chǫ Community Services Agency and $613,000 for increased payments to the Boreal Health Partnership for services at the Stanton Territorial Hospital.

Mitigating the spread of disease helps lower the demand for health services. We are proposing an additional $673,000 to fund four positions to operate infection prevention and control programs across the Northwest Territories Health and Social Services Authority.

The need for diagnostic tools to help practitioners prescribe appropriate therapies for sleep apnea is becoming increasingly important as the population ages and obesity rates rise. We are proposing $412,000 for the sleep studies program.

We are working diligently to honour the principle of keeping children with their families and in their communities but, when families are in crisis, intervention is still necessary and unfortunately the volume of cases continues to increase. We are proposing to ensure increasing costs for in-territory child and family supports are addressed with an additional $3.1 million to meet the need for more foster placements and adequate financial and other caregiver support. This budget also proposes an additional $240,000 for respite services for families in the territory.

We are proposing an additional $1.1 million for adult southern placements so these residents can receive the required specialized care that is unavailable within the territory. These range from short-term stays for treatment or transitional programs for mental health or behavioural needs to long-term treatments for lifelong disabilities.

We also propose to address the shortfall of $6.2 million in supplies used in the delivery of healthcare, which includes the Respiratory Syncytial Virus vaccine to protect infants, children and those with chronic lung disease, as well as to support Covid-19 vaccine costs. These proposed funds also cover cost pressures for chemotherapy drugs, caused by an increased number of patients, the cost of treatments, and the growing types of treatments available and being developed.

Right-sizing health and social services budgets to be more reflective of costs will be ongoing work during the life of this government while we also continue to gather data to support immediate improvements in health care delivery that hopefully also lower costs.

Safe residents and communities

Mr. Speaker, we spend over $200 million annually on programs and services that support safety for residents and communities either directly, such as through providing law enforcement, or indirectly, by providing operating and infrastructure grants to communities to help them meet their funding needs to provide municipal services. We also work to mitigate safety risks. For example, we updated the GNWT Emergency Plan last year and are using this to help strengthen communities' abilities to deal with emergencies. We are advancing our efforts to remove historic hazardous waste and are on track to remove it from half of all communities by 2028.

Mr. Speaker, we are proposing to advance the priority to support safety for residents and communities with an additional $18.3 million, partially offset with $7.1 million in federal support, to help address cost pressures for communities, winter road construction, mitigate natural disaster risks and enhance public safety.

We are proposing to support the ability of communities to deliver on their spending responsibilities with $6.3 million to address municipal funding needs for operations, maintenance, water and waste programs. Continuing with last year's commitments, the Community Access Program remains available for governments to obtain infrastructure funding for access roads, trails and docks with a proposed $1.5 million.

This budget sets aside a proposed $4.2 million for the Department of Infrastructure to enhance its ability to cope with higher costs including winter road construction and maintenance costs.

Risk mitigation continues to play an important role in all our programs but is particularly key in programs to keep communities safe. With $2.7 million in federal support, we are proposing $2.9 million to mitigate natural disaster risks. This proposed funding includes $2.1 million for the FireSmart program, $571,000 for wildfire suppression equipment and monitoring, and $210,000 for the Hunter and Trapper Disaster Compensation program as a response to flooding.

Assessing risk starts with gathering evidence. Partnering with the federal government permits the use of $1.4 million in federal funds for research and monitoring activities, including $796,000 in Integrated Climate Resilience for Coastal Communities and $460,000 to participate and contribute to the national forest inventory.

Budget 2025 contains an additional $2.9 million, including $2.4 million in federal funding, for public safety measures delivered primarily through the Department of Justice. The additional funds include $824,000 for the integration of services, $800,000 to support the federal Gun and Gang Violence Action Fund, $499,000 to further enhance support for the Indigenous Justice Program, and $251,000 for implementing the National Action Plan to End Gender-Based Violence and enhancing victim services with independent legal advice.

We are also proposing another $372,000 in funding for the RCMP G Division Emergency Response Team with an additional two constables.

Conclusion

Mr. Speaker, we accomplished a lot in the first year of this Assembly despite some real challenges. However, we will end this fiscal year embroiled in economic disruption and uncertainty caused by potential United States tariffs and an unpredictable political landscape. As of today, we do not yet know how long those tariffs will remain in place or whether government support will be available to maintain domestic supply chains and cost stability. We will stand united with all of Canada.

The next few years are likely to bring continued challenges and disruptions, whether geopolitical, climate-related, or otherwise. That is why we must continue pressing forward on our priorities to build a stronger future - one that maintains fiscal stability while ensuring we have the capacity to react and respond to emerging issues.

The fiscal strategy outlined in *Restoring Balance* is a work in progress, designed to guide our financial course over the full four-year term. Fiscal sustainability is fundamental to good governance, ensuring that as a government, we have the ability to support communities and residents through times of turbulence. Budget 2025 reflects our ongoing commitment to these principles.

Business plans, which outline how allocated budgets will be used, are also ongoing works in progress. They reflect the type of planning needed to achieve our priorities and strengthen our future. Budget 2025 is designed to fund these business plans and all of our ongoing programs and services in a realistic manner, incorporating evidence-based decision-making and advancing the priorities and mandate of this Assembly. Our goal is to support residents in how they want to live, work, and grow.

We have continued to demonstrate that, as a government and as a territory, we can face challenges with resilience, creativity, and determination. At the same time, we remain focused on the long term, ensuring that we continue to build a Northwest Territories that is healthy, prosperous, and safe.

I want to thank the Members of the Legislative Assembly for their work in shaping the 2025 - 26 budget, and I look forward to working collaboratively on our shared priorities.

Thank you, Mr. Speaker.