

Community Government Funding

Mr. Speaker, community governments are an important partner for the Government of the Northwest Territories and we continue to be one of the only jurisdictions in Canada that provides ongoing funding to this level of government. While we recognize that community governments have many financial needs that exceed current funding levels, we remain committed to supporting them and have made considerable gains in closing the community government funding gap during the 18th Legislative Assembly.

Addressing the financial needs of community governments is a long-term project that has to include clearly understanding what exactly those needs are, and how effective our policies are in meeting them. That is why, Mr. Speaker, the Government of the Northwest Territories did a comprehensive review of its community government funding policies in 2014. The review was initiated, in part, because existing funding policies were difficult to understand and defend, in terms of the amount of funding any one community received. In addition, there was no direct linkage between the Operations and Maintenance funding policy and the Infrastructure funding policy. The Department felt there were significant gaps in understanding this relationship and the cost drivers related to infrastructure.

The 2014 review allowed a broad spectrum of community government officials to voice their concerns and help shape policy decisions. It started us on the path towards more accurate and detailed information for both the department and community governments, and a clear and defensible approach to calculating community government funding needs.

The review also identified a large difference between current funding levels and full needs-based funding. This Legislative Assembly has made a commitment to close that funding gap, Mr. Speaker, and we have been making progress on that commitment.

Mr. Speaker, at the start of this Legislative Assembly, the Minister of Finance said that the Government of the Northwest Territories would increase community government funding as its own revenues increased. Our government continues to keep that promise. In spite of a challenging fiscal environment that required our government to examine its spending closely, we have managed to not only protect community governments from funding reductions, but have actually increased base funding to them.

Over four years, we have succeeded in obtaining a total of \$8.3 million in increased funding, closing the gap by almost 50 per cent in both the community governments' Operations and Maintenance funding and Environmental Services, also known as Water and Sewer Services Funding. Over the same period, the increase in revenues for the whole Government of the Northwest Territories, when you exclude specific project funding from the federal government, was just \$49 million. That increase had to pay for all the forced growth demands and initiatives of the government, including addressing the municipal government funding gap.

Mr. Speaker, as well as allocating new funding to community governments as it becomes available to us, in accordance with the results of the Municipal Funding Policy Review, we also continue to update the existing community government funding policies to meet the needs of community governments and ensure the funding is distributed with a fair, clear and understandable policy base. This work will provide an update to the calculations used in each of the funding models and support specific actions that the Department will take, in partnership with community governments, to make sure that we continue to have current data that can be used over time to defend future funding requests through our forced growth and budgetary cycles.

A key source of the data used in the funding model calculations is the infrastructure valuation provided through a third party source, the Northern Communities Insurance Program. As Members of this House may recall, the base for the funding models is the infrastructure information, and that is why the valuation from the insurance data is so important to this analysis. A new annual insurance cycle starts with renewal on April 1, 2019 and will provide us with the most current and critical information on the common infrastructure in each community, its valuation and condition.

Over the four years since the initial research was completed, I would also like to acknowledge that we have continued to work with the insurance program and invested in asset management with communities. These efforts have resulted in better quality data on infrastructure than we have ever had before.

We will ensure that this data is available to provide more regular updates to the formula calculations, as well as for supporting requests on future federal funding programs.

Mr. Speaker, I believe in the direction the Department has taken since the completion of the Municipal Funding Policy Review in 2014. We have made solid progress in closing the municipal operations and maintenance funding gap by almost 50 percent over the last four years. We have also worked hard to improve funding policies so they are clearer and better account for community needs. We intend to continue this work and will prepare a plan that will allow the Government of the Northwest Territories to increase community government funding as our own revenues increase based on good data and improved policies for the next Legislative Assembly's consideration.

We are well-positioned to advocate for community governments to receive their fair share of any new funding that becomes available. I look forward to discussions with stakeholders and Members of this House on community needs as a priority during the remainder of our term.

Thank you, Mr. Speaker.