

**ANSWERS TO QUESTIONS POSED BY  
THE NWT CHAMBER OF COMMERCE**

- 1. Infrastructure - What is the timeline for reviewing your priorities and when will the full breakdown of the \$246 million capital budget be available? Will community access road grading projects and other Sahtu communities be part of that plan?**

The breakdown of the \$246 million capital budget is already available on-line because the Legislative Assembly approved of the 2009-10 Capital Estimates in October 2008. This approval during the Fall Session allows for better planning for both the GNWT and contractors. The tendering process can now begin sooner and contractors can better fit the projects into their schedules before their order books get filled for the summer construction season. The GNWT benefits because the earlier tendering process encourages more bidders and therefore more competition.

The federal 2009-10 budget, released January 27, accelerates the federal Building Canada infrastructure funds, which could see \$75 million in NWT community transportation and community infrastructure up to four years earlier than planned. However, our capital infrastructure plan for the 2009-10 year is already in place. We have submitted our list of projects to the federal government and are waiting for a response. We have reviewed the federal acceleration plans to see how best they could fit into the GNWT priorities. Currently the federal government is funding \$30 million of the \$246 million 2009-10 Capital Plan.

Sahtu projects are included in the Capital Plan. The Mackenzie Valley Winter Road Bridge program is continuing with a \$16 million investment in 2009-10. The Sahtu region also will benefit from other capital projects such as the Chief T'Selehye school replacement in Fort Good Hope, a tank farm upgrade in Déline and various public housing projects.

The 2009-10 Capital Budget can be found at:

<http://www.fmbs.gov.nt.ca/documents/budgetdocuments/mains/111203%20Capital%20Estimates.pdf>

- 2. Highway and airport spending – Have the specific locations and initiatives been identified? If not, what is the expected timeframe and process for doing so?**

The specific highway and airport projects were identified and approved in October 2008, together with the rest of the 2009-10 Capital Plan.

- 3. Immigration Pilot Project – what is involved in this project, who is eligible how do you apply, how is the \$535,000 budgeted amount to be spent?**

The Department of Education, Culture and Employment (ECE) is currently negotiating an agreement with Citizenship and Immigration Canada (CIC) to deliver a

three year pilot NWT Nominee Program. The program will be administered by ECE and Industry, Tourism and Investment and will have three components:

- **Skilled Worker Category** – involves nominating immigrants with formal education and/or specialized training, such as Engineers, if there is a shortage in the NWT.
- **Critical Impact Worker Category** – involves nominating immigrants who can assist with filling critical labour shortage areas in the hospitality and service industry and will remain in place until the labour market for semi-skilled workers demonstrates this category as no longer required.
- **Business Category** – involves nominating immigrants for two areas, Entrepreneur and Self-Employment and is designed to attract business expertise and investment capital to the NWT.

The NWT Nominee Program is an employer driven process. Employers are responsible for completing an application form and submitting all required documentation. An Employer must be a registered business, industry association or a local, municipal, First Nation or Territorial government in the NWT that has been registered and operational for a minimum of six months. An Employer and a Nominee must meet a number of eligibility criteria. ECE is in the process of developing details guidelines that will be available in April 2009.

Employers will be able to apply at ECE Service Centres for the Skilled Worker and Critical Impact Worker categories and through ITI for the Business Category.

The \$535,000 proposed in the 2009-10 Budget will be spent on staffing to support the delivery of program services. Services will be offered in several locations, such as Hay River, Inuvik and Yellowknife to ensure that employers have access to this service across the NWT.

We will also continue our efforts to develop an educated and trained Northern workforce.

**4. Retail Bag Levy – how will this initiative be administered, how will single use retail bag be defined, does this include paper bags or produce bags?**

The retail bag levy will apply to single use retail bags – both plastic and paper. The levy would occur when retailers order bags; retailers can recapture costs by charging consumers.

The levy will be administered by the Department of Environment and Natural Resources and is expected to come into effect in the fall of 2009.

Exceptions to the levy will include produce, bulk food and prescriptions bags.

**5. Resource property tax rate increase - What will the total amount of money generated from this tax rate increase be and do you think that given our current reputation as being a closed-for-business jurisdiction, this was an appropriate time to raise money in this way?**

The increases in tax rates announced in the Budget will bring a number of GNWT revenue sources in line with inflationary increases since the rates were last changed. Mill rates for the School tax and for the three property classes covering hydrocarbons, minerals and pipelines will be set to generate an increase of 15 per cent. This tax measure will raise approximately \$2.7 million for 2009-10 broken down as follows:

	<b>General</b>	<b>School</b>	<b>Total</b>
Hydrocarbons – Class 3	\$ 49,000	\$ 8,876	\$ 57,876
Minerals – Class 4	1,988,000	367,128	2,355,128
Pipelines – Class 5	216,000	19,224	235,224
All other classes	<u>0</u>	<u>98,772</u>	<u>98,772</u>
Sub Total:	<u>\$2,253,000</u>	<u>\$494,000</u>	<u>\$2,747,000</u>

These increases are in line with inflation as measured by the Consumer Price Index in Yellowknife. The Yellowknife CPI has increased 15.2 per cent in the six years from 2002 to 2008. The general property tax rates for class 3, 4, and 5 have not increased since 2003.

The Consumer Price Index for Yellowknife has increased by 22.3 per cent in the nine years from 1999 to 2008. The school tax rate has not increased since 2000.

Overall, NWT tax rates are competitive with other jurisdictions. The GNWT's personal and corporate income tax rates and fuel tax rates are below the national average. The GNWT has no sales tax or corporate capital tax.