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For Immediate Release

Budget focuses on ‘closing the gap’ on infrastructure needs, improving program and service delivery

The Nunatsiavut Government’s 2021-22 balanced budget, delivered today during the first-ever virtual sitting of the Nunatsiavut Assembly, will help address infrastructure needs in each of the five Labrador Inuit communities while, at the same time, allow for the development and enhancement of programs, services and initiatives for Beneficiaries of the Labrador Inuit Land Claims Agreement.

“This budget is about ‘closing the gap’ on some of our most-pressing needs,” says Finance, Human Resources and Information Technology Minister Tony Andersen. “It will allow us to improve infrastructure, such as water and sewer, in our communities. It will allow us to address housing concerns, and to find innovative ways to meet our energy and food security needs.”

Of the \$157,672,500 budgeted for the fiscal year, which begins April 1, a total of \$135,081,500 is received under the Fiscal Financing Agreement (FFA) negotiated between the Nunatsiavut Government and the governments of Canada and Newfoundland and Labrador. The FFA ensures funding is provided to the Nunatsiavut Government for the provision of programs and services to Inuit and other persons living in Inuit communities, at levels reasonably comparable to those generally prevailing in communities of similar size and circumstances in Labrador.

Under the current FFA, which was approved on March 30 of last year and retroactive to April 1, 2019, the Nunatsiavut Government’s funding for governance increased from \$4.9 million to \$18 million. Since the funds were not received until the end of the last fiscal year, a significant amount was carried forward to this year’s budget.

There is currently \$61,000,000 in internally-restricted funds related to the FFA. Of these funds, approximately \$18.7 million relates to housing initiatives, \$11.3 million for education programs and services, \$2.7 million for economic development initiatives and \$28.2 million for governance.

As a result of the renewed FFA, the Inuit Community governments will receive an additional \$1.125 million for operations, bringing the overall total to \$7.112 million for 2021-22.

Other sources of revenue include projected personal income tax of \$6,229,000, and Goods and Services Tax (GST) of \$1,513,000 – both of which are received through agreements with the Government of Canada. The budget includes interest and investment income of \$4,445,000, as well as \$6,049,000 from the Nunatsiavut Government’s Fisheries and Environment Fund, \$3,756,000 from the Labrador Inuit Land Claims Implementation Trust Fund, and \$599,000 from other sources.

Recognizing the need for improved infrastructure in each of the five Labrador Inuit communities, particularly water and sewer, the Nunatsiavut Government is allocating an additional \$7.5 million for capital works in 2021-22.

“This additional money will allow the Inuit Community governments to replace and upgrade aging infrastructure, as well as install services for future housing developments,” notes Minister Andersen. “New subdivisions will see new homes built, resulting in less overcrowding and homelessness as well as providing an opportunity for Beneficiaries to return home.”

Housing continues to be a top priority for the Nunatsiavut Government. Following the passing of the Nunatsiavut Housing Act in March 2019, significant progress has been made in seeing the establishment of a semi-independent Nunatsiavut Housing Commission (NHC) as the preferred institution for providing housing in Nunatsiavut. The NHC is expected to be up and running by March 21, 2022, at which time internally-restricted funds allocated to housing will be used for operations, programs and services. In the meantime, this year’s budget sets aside \$2.9 million for Torngat Regional Housing Association to build houses in Nunatsiavut this construction season.

“The lack of housing and private rental markets in our communities has impacted the Nunatsiavut Government’s ability to expand programs and services. It has hampered our ability to recruit and retain employees, as well as transition positions to the Labrador Inuit Settlement Area,” says Minister Andersen.

Funding is also being set aside for staff housing in Nain and Makkovik.

“It is our intent, over the next five years, to provide adequate staff housing in all of our communities,” notes Minister Andersen.

The continued growth of the Nunatsiavut Government has increased demand for additional office space. This budget will allow for the development of a five-year plan to address current demands and to meet future needs, beginning with the replacement of the Department of Health and Social Development community office in Rigolet, the design and construction of additional program space in Nain and additional office space in Makkovik.

The global COVID-19 pandemic significantly impacted the Nunatsiavut Government’s plans for 2020-2021. Projects, programs and initiatives were delayed and in some cases, not started, as focus shifted to responding to the pandemic and its impacts on Labrador Inuit.

“The pandemic highlighted the energy security issues faced by Labrador Inuit on a daily basis,” notes Minister Andersen. “Funds have been appropriated for 2021-22 to continue to address and move forward with energy security initiatives, such as the proposed Nain Wind Micro Grid initiative and installation of high-efficiency wood stoves in our communities.”

Many Labrador Inuit continue to experience high levels of food insecurity. The impacts have been much more visible since the start of the pandemic. This year’s budget sets aside funds to help address this ongoing issue.

Funds have also been set aside to move forward with programs and initiatives that were stalled last year because of the pandemic.

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