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*2021 Federal Pre-Budget Consultation Submission*  
*Prepared by the NWT Association of Communities*

**PUTTING THE COVID-19 IMPACTS IN CONTEXT**

August 7, 2020

**MY COMMUNITY  
MATTERS**



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## **Budget Recommendations**

This submission focuses on four major priorities for federal action in the upcoming budget:

### **Infrastructure Funding**

- *That the government make the doubling of the Gas Tax Fund permanent.*
- *The Gas Tax Fund works very well in the NWT, because it is flexible, predictable and does not require cost-sharing. All future infrastructure programs should be designed in the same way.*

### **Climate Change**

- *That the government ensure that adequate funding is being provided to Territorial Governments, Indigenous Governments and Local Governments to ensure that they are well equipped to meet the Climate Change and COVID-19 challenges*
- *The design of any programs to support climate change in the North must be done in consultation with Northerners to ensure that they have uptake and are effective.*

### **Increasing the supply of housing**

- *The dire state of housing inadequacy requires extra-ordinary allocation of federal funds to overcome the deficit in the housing supply. A long-term federal funding commitment for housing is critical to address the unmet housing needs of NWT residents.*
- *Affordable housing agreements must be flexible and respect provincial and territorial jurisdictions, chronic homelessness and inadequacy of housing must be eliminated through proven strategies; tax incentives or other measures must be used to stimulate new rental and affordable housing construction; and, special, territorial funding transfers are required to preserve and renovate existing social housing units.*

## **Telecommunications**

- *It is important to ensure the NWT and the North have adequate telecommunications and broadband (in terms of speed, bandwidth and availability) to ensure Northerners can effectively participate in not only the digital economy but all aspects of digital life especially in the COVID-19 world.*
- *The reality in the North is that we cannot wait for market forces to drive our progress and that funding must be secured for this to happen. Basic service objectives must include high-speed internet access and service reliability and funding must be to these levels of service which one would argue have become the new “basic”.*
- *More work needs to be done to ensure cellular coverage is put in place along all NWT Highways to ensure the safety of the driving public. This should include all newly constructed highways.*

The Northwest Territories Association of Communities (NWTAC) has prepared this submission in response to the call to provide recommendations for the 2021 federal budget.

The submission has been prepared by the NWTAC on the basis of the adopted resolutions of the organization, analysis of municipal governance issues and priorities for improvement of NWT economic and social conditions, and the priorities shared with partner organizations including the Federation of Canadian Municipalities all as they relate to the impacts of COVID-19.

## **The NWTAC**

The NWTAC is the non-profit, non-governmental organization representing the interests of all 33 NWT communities. The NWTAC presents a unified voice for communities on municipal goals and issues, based upon the membership's democratic adoption of resolutions and policy. We promote these priorities through advocacy to the territorial and federal governments and through our membership in the national Federation of Canadian Municipalities.

### **1. Infrastructure Funding**

Being a jurisdiction, where the lack of infrastructure is readily acknowledged, it has been very heartening to see additional funding being allocated to municipal infrastructure in the last few Federal budgets. The doubling of the Gas Tax Fund was particularly welcome. We would strongly encourage this to continue and become permanent and be enhanced.

The unique conditions of Northern and remote communities greatly affect how municipal infrastructure is built and maintained. Northern communities face extreme isolation; a shorter and highly variable construction season; limited human resource availability and capacity; limited access to funding; growing demands on aging and existing infrastructure; early stages of corporate development; and unique project needs.

The Gas Tax Fund works very well in the territorial North, because of its flexibility and predictability and because it does not require cost-sharing. Further its flexibility means that projects that are chosen are based on the priorities of the community – this is in keeping with the focus on Asset Management as being encouraged by all levels of government.

The GTF addresses many of the challenges with traditional application-based programs, by reducing administrative burdens, maximizing project flexibility and increasing the federal share of eligible costs. These elements need to be incorporated in any federal Infrastructure Program.

Building communities in the North is important for local social and economic sustainability. A recent study completed for us by the Conference Board of Canada Centre for the North showed that for every million dollars invested at a community level, 13 jobs are created as compared to roughly half that for Federal and Territorial direct spending.

### **COVID CONTEXT**

- *Getting funds to community governments is one of the most efficient ways to stimulate the economy in a timely and effective manner and thus make the most effective impact on the recovery. Further it serves to address long standing challenges and gaps.*

### **Recommendations:**

- *That the government make the doubling of the Gas Tax Fund permanent.*
- *The Gas Tax Fund works very well in the NWT, because it is flexible, predictable and does not require cost-sharing. All future infrastructure programs should be designed in the same way.*

## **2. Climate Change**

Federal focus on the climate change challenge to date has been on Flooding as that is the primary imminent risk in the south. This is just one of the many climate Change Challenges being faced in the North.

In the NWT, Climate Change isn't a distant, abstract problem – it's here now and NWT communities are at the forefront of the climate change challenge.

The rapid warming, at 2 to 4 times the rate as the rest of Canada, is causing significant changes in the natural environment including ice, permafrost, water, vegetation and wildlife. The frequency and severity of extreme weather events is also increasing. These changes are causing problems for human health, public safety, food security, infrastructure and economic and cultural activities.

Some of the challenges include:

- Permafrost Thaw
- Flooding and Extreme Weather
- Coastal and River Erosion
- Wildfires
- Unsafe Access to the Land
- Human Health and Well Being
- Transportation (ie/ Thawing Ice Roads, summer sealift)
- Water and Waste
- Agriculture and Food Security

The NWTAC has completed a study showing the fiscal impact of permafrost decay alone on public infrastructure will be in the order of \$1.3 billion.

The scale of the Climate Change Challenge in the NWT far exceeds the capacity of the Territorial or local governments to address and will require a considerable fiscal investment by the federal government first to finish articulating the scope and scale of the challenge as well as actually mitigating and addressing those impacts.

Given the role this region plays in national sovereignty and supporting resource development, these investments should be seen as critical to nation building.

## **COVID CONTEXT**

- *Climate Change has significantly reduced community resilience and leaves communities vulnerable to the impacts of COVID-19*
- *With respect to planning the critical Economic Development Recovery Phase, the agility of local government partners is critical. Unpresented stimulus can be achieved by ensuring Climate Change Funding.*

## **Recommendations:**

- *That the government ensure that adequate funding is being provided to Territorial Governments, Indigenous Governments and Local Governments to ensure that they are well equipped to meet the Climate Change and COVID-19 challenges*
- *The design of any programs to support climate change in the North must be done in consultation with Northerners to ensure that they have uptake and are effective.*



### **3. Increasing the Supply of Housing**

In the majority of NWT communities, heavy reliance upon public housing is required as a result of high unemployment and the lack of a private housing market. The Government of the Northwest Territories (GNWT) spends roughly 25 times more per capita on housing than does a typical Canadian province. The percentage of households in core need (households with a housing problem and income below the core need income threshold) stands at 12% in communities considered to have a private housing market, and 42% in non-market communities. The NWT Housing Corporation routinely reports waiting lists for housing units in excess of 400 applicants.

Progress on overcoming the deficit in affordable, adequate and available housing in the NWT cannot be achieved without a renewed federal commitment to funding the construction and renewal of social housing, through a national housing strategy. Although some progress has been made on this front, increased investments are still required.

#### **COVID CONTEXT**

- *With well in excess of 50% of housing over-crowded and insufficient, the likelihood of rapid spread of COVID-19 in our communities is high.*
- *Investment in housing as part of the economic stimulus for COVID-19 recovery is critical and it in particular is likely to create work opportunities within the individual communities.*

#### **Recommendations:**

- *Require extra-ordinary allocation of federal funds to overcome the deficit in the housing supply. A long-term federal funding commitment for housing is critical to address the unmet housing needs of NWT residents.*
- *Affordable housing agreements must be flexible and respect provincial and territorial jurisdictions, chronic homelessness and inadequacy of housing must be eliminated through proven strategies; tax incentives or other measures must be used to stimulate new rental and affordable housing construction; and, special, territorial funding transfers are required to preserve and renovate existing social housing units.*

## **4. Telecommunications**

Given the remote nature and size of NWT communities, telecommunications is extremely critical. There is no ability to drive to many resources whether it is a store, bank, health care provider, educator, police etc. so all forms of telecommunications are extremely important to NWT communities participating in the digital economy.

Access to broadband internet has become essential to living in the modern world and the lack of access or bandwidth limitations in the North has long been identified as an impediment to the growth of our communities and the NWT as a whole.

Levels of service that are taken for granted in the south are unheard of in much of the NWT.

In today's knowledge based global economy these service gaps are a significant impediment to participating effectively.

Having all telecommunication systems off-line for days at a time is unacceptable today and yet it is a fairly common occurrence in the North.

While considerable improvements have been made to ensure cell service to all NWT communities, there is still considerable vulnerability to the driving public as there is no cell service between communities – distances of 100's of kilometers.

While some progress has been made in previous federal budgets, more needs to be done.

### **COVID CONTEXT**

- *The last months of self isolation have really highlighted the inadequate broadband connectivity in our communities and proven a barrier for education, work from home, telehealth and participation in the digital economy on an unprecedented level.*

### **Recommendations:**

- *It is important to ensure the NWT and the North have adequate telecommunications and broadband (in terms of speed, bandwidth and availability) to ensure Northerners can effectively participate in not only the digital economy but all aspects of digital life that have become so critical in our COVID-19 world.*

- *The reality in the North is that we cannot wait for market forces to drive our progress and that funding must be secured for this to happen. Basic service objectives must include high-speed internet access and service reliability and funding must be to these levels of service which one would argue have become the new “basic”.*
- *More work needs to be done to ensure cellular coverage is put in place along all NWT Highways to ensure the safety of the driving public. This should include all newly constructed highways.*