



# Response to Petition Réponse à une Pétition

No./Nu. 220(1)

Petition tabled by the Member for Great Slave on June 12, 2024

Response by the Honourable Caroline Wawzonek, Minister of Finance

## **Petition 2-20(1) Improved Fertility and Family Planning Supports in the NWT**

This is in response to the Petition filed June 12, 2024, regarding Improved Fertility and Family Planning Supports in the Northwest Territories (NWT) with consideration for:

- the impacts to the territory of a declining birth rate and how it may impact population growth,
- increased demand for fertility treatments and,
- the feasibility of providing fertility treatments at no upfront cost to the Government of the NWT (GNWT) by providing a territorial tax credit for individuals undergoing fertility treatment.

The average annual birthrate in the territory over the 10-year period of 2013-2022 is 610. There has been a decline in that rate over that time, and in the most recent 5-year period (2018-2022), the average annual birthrate is 565. It is worth noting that the overall population of the NWT has increased over a similar period considering additional factors beyond the birth rate, including death and net migration. The overall population estimate for the NWT in 2023 was 44,972, representing an increase over the previous year of approximately 300 residents. Further, there has been continuous overall growth in all but two years over the period from 2014-2023.

A decline in population, including the birth rate, in the NWT could have significant implications for the territorial economy. If the population shrinks over time, it could lead to a smaller workforce and a potential reduction in economic productivity.

This demographic change would likely result in a higher dependency ratio, as a larger proportion of the population will be older and retired, which has the potential to place increased pressure on social services and healthcare systems. A lower birth rate combined with an aging population might also deter investments in sectors such as education, housing, and local businesses that rely on a steady or growing population base from local families.

If a declining birthrate reduces economic activity, then the GNWT own source revenues will also decrease.

Many federal transfers have a population component and therefore, a declining birth rate also has implications to federal transfers and therefore, total GNWT revenues. Over the last five years, every individual added to the NWT population added an additional \$42,600 to the Territorial Formula Financing (TFF) Gross Expenditure Base.

However, this is not an exact measure because the escalation of the TFF Gross Expenditure Base is through the growth in provincial-local government spending adjusted by the ratio of the average growth of the NWT population relative to the average growth of Canada's total population.

The Canada Health Transfer (CHT) and Canada Social Transfer (CST) are set national amounts that grow at a set rate and allocated to provinces and territories on a per capita basis. If the NWT's population declines, the NWT share of CHT and CST also will decline.

With regards to the increased demand for fertility treatments for individuals and families to conceive in the NWT, there is currently no mechanism to track demand for infertility treatment (IVF). NWT residents who are struggling with fertility may be referred to a specialist to determine the underlying cause of the infertility. This is to determine the nature of the underlying cause such as cancer, or other conditions that may be treatable. If the underlying cause is not related to a treatable, life altering condition, then there is no further course of action covered under the NWT Health Care Plan.

IVF is not an insured health service in the NWT. In jurisdictions with some supports for infertility treatment, these services are resourced through the substantial tax base. The NWT does not have the tax base to be able to resource non-medically necessary services.

In response to the feasibility of providing fertility treatments at no upfront cost to the GNWT by providing a territorial tax credit for individuals undergoing fertility treatments, a tax credit is not without its challenges. Tax credits cost the GNWT in revenue and can also result in an increase to expenditures if the credit ends up being greater than the tax owing. Additionally, the Canada Revenue Agency would administer the GNWT tax, but charges a fee on a cost-recovery basis. This could be more than the cost of the credit.

In addition, utilization of the tax system to provide financial assistance to individuals undergoing fertility treatments does not target individuals who are in need of broader financial assistance.