

# Northern Allowance Rates

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NWTTA Northern Allowance rates went up in all but one NWT community effective September 2016. This was an unusual event as recent history has usually had a number of community rates go down, while others went up. The one exception was Yellowknife which has stayed the same. The Northern Allowance is calculated against the Yellowknife base rate; this base rate would only change in negotiations.

The rate is based on a few factors:

1. negotiated increases to the base amount during collective bargaining;
2. return airfare rate to Edmonton from the applicable community;
3. GNWT kilometre rates for duty travel;
4. road mileage/accessibility;
5. survey of household spending (basket of goods). The basket of goods includes food purchased from stores, household operation, household furnishing/equipment, the operation of automobiles/trucks, clothing/footwear, personal care and recreation; and
6. living cost differentials.

Every Spring, costs of a basket of goods are compared in NWT communities against the same basket of goods in Yellowknife. The Northern Allowance Rate is supposed to reflect the difference in cost against the same items in Yellowknife. The NWTTA Northern Allowance also has a significant portion of the calculation based on the cost of travel. This is one of the main differences between the Union of Northern Workers' calculations, which have different Northern Allowance Rates than the NWTTA.

Often, members ask why the rate hasn't changed much over the last few years even though they see an increase in the cost of goods over the same time. Usually this is because the same goods have also increased in cost in Yellowknife. So the cost of an item does not change the rate, it is the difference in cost compared to Yellowknife that changes the rate. Sometimes items in Yellowknife go up more than the

same item in a community which may stay the same price or go up less. In cases like this the Northern Allowance has a decrease in a community.

Even though this is the case, when we look at Northern Allowance Rates from 13 years ago, they have all increased. The increase in the cost of travel supports this, as well as some very expensive items in outlying communities. Here are a few comparisons over a thirteen year period:

Community	2003 Rate	2016 Rate
Inuvik	8,112	14,291
Colville Lake	17,103	28,615
Nahanni Butte	7,114	19,814
Gameti	7,127	15,491
Yellowknife	1,862	3,250
Hay River	2,926	5,813
Fort Smith	3,227	6,195

Northern Allowance is taxable income, though territorial taxes are quite low compared to many provinces. Though the current collective agreement reflects the September 2016 rates, the rates are adjusted every year, and can be found on both the GNWT Human Resources website and the NWTTA website.



Moses Ipana and Eileen Allen accepted the Minister's Choice Award from the Honourable Alfred Moses, Minister of Education, Culture & Employment on behalf of their mother, Sandra Ipana, NWTTA member from Inuvik who passed away in July 2016. The Minister's Choice Award recipient is selected by the Minister and goes to an individual or group that has or continues to promote an aspect of their culture to a broad audience in their region.