

2024 FALL SESSION BRIEFING NOTES

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Cannabis – Five-year review *Cannabis Control and Regulation Act*

Yukon Liquor Corp.

Recommended response

- We have seen a strong transition from illicit to legal cannabis sales in the Yukon and we will continue to support the growth of the legal market.
- We will continue to responsibly regulate cannabis in the Yukon and the results of the review will inform how we approach this issue going forward.
- The Government of Yukon remains committed to the original objectives behind cannabis legalization, which are:
 - protecting public health and safety;
 - protecting youth; and
 - providing government oversight of the cannabis framework.

Additional response:

- The review did not focus on specific legislative changes but offered the opportunity to hear Yukoners' views on how cannabis legalization was implemented in the territory.

Context—this may be an issue because:

- Following the tabling of the review report, stakeholders, Yukoners in general and the media may expect legislative changes to the cannabis framework in the near future.

Cannabis – Five-year review *Cannabis Control and Regulation Act*

Yukon Liquor Corp.

- Upon launching the review in October 2023, the Official Opposition raised questions about the regulatory framework as well as the timing of legislative amendments to the Act.
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Background:

Review of the *Cannabis Control and Regulation Act*

- The review included engagement with Yukon First Nations and a wide range of stakeholders including government departments and agencies, cannabis industry, RCMP, non-governmental organizations and the general public.
 - The review concluded with key findings and a list with conclusions and recommendations for future areas of research and policy development related to public health and safety, protection of youth, retail – licensee support, legislative amendments, financial considerations, additional research, and datasets.
 - The key findings are:
 - Normalization of cannabis – the attitude “it’s legal so it’s safe” – is concerning as legalization of a substance does not mean its consumption is without risks.
 - Yukoners are concerned about the high rate of cannabis consumption among youth and adolescents. More research is required into how youth access cannabis in the Yukon as this does not seem to occur through legal channels.
 - Yukoners have consumed cannabis at higher per capita rates than the national average since long before legalization. Yukon’s overall cannabis prevalence has remained fairly stable since legalization with general consumption patterns tracking relatively close in line with Canadian averages.
 - Cannabis-impaired driving rates in the Yukon are similar to national rates and are a concern for safety on the Yukon’s roads and highways.
 - Yukoners have made a strong transition from purchasing illicit cannabis to purchasing from licensed cannabis retailers. However, there’s public misunderstanding around which online sites are legitimate, and which are illicit.
-

Cannabis – Five-year review *Cannabis Control and Regulation Act*

Yukon Liquor Corp.

- Addressing illicit cannabis activity is challenging for law enforcement agencies for various reasons, including the Yukon's geographic isolation, proximity to international borders and transportation corridors.

Federal review of the Cannabis Act

- In March 2024, the Expert Panel's report on the three-year review of the Cannabis Act was tabled in Parliament.
- The report provides an assessment of progress made towards achieving the Act's objectives and outlines priority areas for improving the functioning of the Act and regulations. The report includes 54 recommendations and 11 observations to strengthen and improve the administration of the Act.
- Health Canada is reviewing and analyzing the report and its recommendations which will help inform ongoing efforts to improve Canada's cannabis control framework.
- Recommendations and observations that relate to jurisdiction of provinces/territories include:
 - Public education and prevention programming
 - First Nations, Inuit, and Metis
 - Policing and criminal enforcement
 - Medical access
 - Encouraging lower-potency cannabis products
 - Financial sustainability of legal cannabis producers (micro-scale)
 - Encouraging greater diversity, equity, and inclusion
 - Research and surveillance
 - Operation of distribution and retail frameworks
 - Oversight of health care practitioners

Approved by:
Philippe Mollet

November 20, 2024

President, Yukon Liquor Corporation

Date approved

Recommended response:

- The Yukon Liquor Corporation supports licensees in meeting the conditions of their licences by educating them about their responsibilities and providing access to free cannabis server training.
- The corporation ran an ID blitz campaign this summer to remind cannabis retailers of their obligations to check IDs and deny service to minors.

Additional response:

- Cannabis licensing applications follow a rigorous process to determine the eligibility and suitability of any potential cannabis licensee.
- We are supportive of a thriving cannabis retail market; however, we also support the independence of the Cannabis Licensing Board to grant, deny or renew licences.

Context—this may be an issue because:

- The Yukon Liquor Corporation recently completed a five-year review of the *Cannabis Control and Regulation Act*, which could result in questions about Cannabis licensing.

Background:

- From June 2024 to labour weekend in September, the corporation launched a Check 30 and ID blitz campaign. The purpose was to remind licensees of their responsibilities to check identification, especially if a customer looks 30 years old or younger, and to remind the public to bring government-issued identification when purchasing alcohol or cannabis from a licensed establishment.

Session Briefing Note

LQ-02

Fall 2024

Cannabis Licensing

Yukon Liquor Corp.

- The cannabis licensing process involves a comprehensive application, criminal record checks, review of financial information, a public notification period, potentially a board hearing if objections are received from the public, as well as inspection of the proposed licensed premises.
- The Yukon Liquor Corporation reviews cannabis licence applications for accuracy and completeness and provides an application analysis to assist the Board in their consideration of an application.

Approved by:

Philippe Mollet

September 27, 2024

President,
Yukon Liquor Corporation

Date approved

Recommended response:

- The Yukon has strong cannabis sales overall. Every retailer will feel this differently depending on their market share.
- Retail sales in the Yukon during the 2023-24 fiscal year were close to \$13 million. This is a \$2 million or 18% increase from 2022-23.
- The Yukon Liquor Corporation forecasts sales and expenses every year for this evolving industry. Any surplus is returned to the Government of Yukon to contribute to services and programs for all Yukoners.

Pricing

- The Corporation reduced the wholesale markup and cost of service in consultation with licensees at the end of 2021. This reduction returned approximately \$105,000 to licensee pockets the following year and represents continued savings.
- Licensed cannabis retailers set their own retail prices, whether that is for products priced lower to compete with the illicit market or higher priced premium products.

Variety and supply

- The Yukon's cannabis retailers influence which cannabis suppliers the Corporation signs on, and which products are purchased by the Corporation for wholesale distribution.
- The Corporation meets regularly with licensees to discuss product variety and supply, and to address any questions they have.
- Over the past two years, the Corporation has expanded the special order program offered to licensees to support them in ordering the exact products they want for their store.

Context—this may be an issue because:

- The Cannabis Control and Regulation Act Five-Year Review Report includes feedback on pricing and supply from the general public and licensees. The feedback comes from a five-year perspective since legalization and some of the concerns may not be recent or may have already been resolved.

Background:

- As the wholesale distributor, the Corporation invests in up to \$1 million dollars of inventory to ensure licensees have access to up to 8 weeks' worth of products in the territory. This helps to support licensees limited by space and cash flow for purchasing products, and in case of disruptions to shipping.
- In 2021, the Yukon Liquor Corporation reviewed cannabis pricing, together with licensees and a consulting firm. Cost-of-service was revised from a per-gram to a per-unit basis. Under the previous cost of service rate, large formats such as 28-gram bags had a cost-of-service charge to licensees of \$14 per unit. Under the new rate, the cost-of-service for the 28-gram bag is \$2.15.
- The wholesale markup was adjusted from 22% to 20% in December 2021 to further support licensees.
- The Corporation worked with a contractor to gather feedback on how these changes supported licensees and determined that the wholesale markup reduction provided savings of approximately \$105,000 to licensees in 2022.

Approved by:

Philippe Mollet

November 20, 2024

President,
Yukon Liquor Corporation

Date approved

Recommended response:

- The Yukon Liquor Corporation continues to advance this work for completion as soon as practicable.
- The new *Liquor Act* received assent in 2019, prior to the COVID-19 pandemic. Since that time, the socioeconomic context has changed significantly.
- The corporation remains responsive to new information and developments in its efforts to conclude modernized liquor regulations that will support the new Act.

Context—this may be an issue because:

- The *Substance Use Health Emergency Strategy* was released on August 23, 2023, and contains two recommendations pertaining to liquor legislation, which could lead to questions on the topic.
- The *Putting People First* Annual Report was released in December 2023, listing the recommendation relevant to YLC regarding policy and legislative changes as “in progress”.

Background:

- Given the legislation is over 40 years old, the Yukon Liquor Corporation undertook a review of the *Liquor Act* starting in 2017.
- Public engagement began in November 2017 and continued into 2019. Feedback was received from First Nation and municipal governments, industry, stakeholders and the public.
- The legislative analysis included a review of the National Alcohol Strategy as well as the last major *Liquor Act* review in 2001.

Liquor Act and Regulations

Yukon Liquor Corp.

- The *Substance Use Health Emergency Strategy* contains the following recommendations relevant to the *Liquor Act* (2019):
 - “Expand efforts to prevent alcohol-related harms by ensuring that new regulations under the *Liquor Act* balance the needs of businesses and communities.”
 - “Implement a managed alcohol program.”
- *Putting People First Annual Report* contains the following recommendation relevant to the *Liquor Act* (2019):
 - Improve health outcomes and reduce the social harms by introducing a suite of evidence-informed policy and legislative changes to encourage a culture of moderate alcohol consumption in the territory and create an environment that supports individual decision-making.

Approved by:

Philippe Mollet

November 20, 2024

President,
Yukon Liquor Corporation

Date approved

Recommended response:

- The Yukon Liquor Corporation works with licensees by educating them about their responsibilities, as well as issuing penalties if infractions occur.
- The Yukon Liquor Corporation adheres to the *Liquor Act*, which means there is no tolerance for service to minors, over serving patrons, or breaches of licence conditions.
- The corporation supports licensees and permit holders for events and special occasions by offering free responsible serving training.

Additional response:

- Alcohol and cannabis are distinct substances with different histories, so the licensing and regulatory approaches vary.
- The independent Yukon Liquor Board is responsible for all licensing decisions.
- The Yukon Liquor Corporation continues to work with licensees and permittees to ensure knowledge, understanding and compliance with the *Liquor Act* and regulations.

Context—this may be an issue because:

- There may be questions regarding the Yukon Liquor Corporation's approach to enforcement following enforcement actions following service to a minor.
- There have been questions in the past that compare licensing decisions and licence conditions for liquor to the licensing regime for cannabis.

Background:

Liquor Licensing

Yukon Liquor Corp.

- The Riverdale Pub's liquor licence was suspended in October 2023 and again in April 2024 following evidence that the licensee sold alcohol to a minor in each incident.
- From June 2024 to labour weekend in September, the corporation launched a Check 30 and ID blitz campaign. The purpose was to remind licensees of their responsibilities to check identification, especially if a customer looks 30 years old or younger, and remind the public to bring government-issued identification when purchasing alcohol or cannabis from a licensed establishment.
- The Be A Responsible Server – Liquor (BARS-L) training remains free for staff of the Yukon's licensed establishments. In November 2022, the corporation put the training online to make it more accessible. In-person offerings are also available upon request.
- The BARS-L training covers a server's obligations in relation to the *Liquor Act*, highlighting that service to minors or overservice of alcohol is not compliant with the legislation.
- Over the year, a total of nine in-person education sessions were delivered to liquor licence staff and to liquor permit event organizers.

Approved by:

Philippe Mollet

November 20, 2024

President,
Yukon Liquor Corporation

Date approved

Recommended response:

- As Minister responsible for the Yukon Liquor Corporation, my goal is to find an appropriate balance between:
 - the needs of licensees.
 - the need to return dollars to the government to fund crucial services for all Yukoners; and
 - social responsibility.
- No single solution will work well for all licensees, who each have different business models and practices.
- Pricing structures are not the same among provinces and territories. Comparison is difficult. Some have entirely different structures. The Yukon is geographically distant from most suppliers with a small population.

Additional responses:

- The petition request would mean an estimated \$2 million dollar reduction in profit and liquor tax remittances to the Government of Yukon, if all other variables remained unchanged.
- Licensees are already receiving \$1.1 million in savings a year from the last price structure change in 2021.
- This is a complex and enduring problem. Other government programs and services are available to support businesses, when they're facing economic hardship.

Context—this may be an issue because:

Liquor Pricing and Supply

Yukon Liquor Corp.

- On November 4, 2024, the Official Opposition put forward a motion regarding the hospitality sector.
 - The Official Opposition also tabled a petition on October 31, 2024 and raised questions on October 21, 2024, regarding a letter sent to the Minister responsible for the Yukon Liquor Corporation in 2023 from the Food and Beverage Committee of the Yukon Chamber of Commerce. The Official Opposition may raise similar questions.
 - Liquor store customers and licensees are sensitive to liquor price changes.
-

Background:

- The Corporation has the sole power to import liquor products into the Yukon for re-sale. YLC sets the pricing structure for YLC stores and all liquor licensees.
- Licensees pay wholesale prices and apply an additional markup. The mark-ups are as follows:
 - Products that YLC imports from large and medium producers have a retail mark-up of 20.48% (equivalent to a 17% discount for licensees);
 - Small producer products have a retail mark-up of 9.89% (equivalent to a 9% discount for licensees);
 - In addition, a rebate of 9% is automatically applied to licensees' orders for small producer products at the time of purchase at the YLC distribution centre or liquor store.
- There are many other components to the pricing structure, e.g., YLC cost of service, liquor tax, GST. YLC is transparent with its pricing and information is available on Yukon.ca, including product price lists updated monthly and the full pricing structure.
- In 2015, YLC implemented a wholesale discount of 10% from YLC retail prices for licensees. The discount was increased to 12% in 2019 and 17% October 1, 2021.
- Licensees worked with the Yukon Liquor Corporation on the pricing structure in 2021 in a series of detailed working group meetings.
- The Government of Yukon provided a suite of supports for businesses during the pandemic and the Yukon Liquor Corporation adjusted the liquor pricing structure in 2021 to further assist the recovery.

Liquor Pricing and Supply

Yukon Liquor Corp.

- Following a letter sent by the Food and Beverage Committee of the Yukon Chamber of Commerce in May 2023, the Minister and Premier met with committee members on several occasions between August 2023 and February 2024 to understand the nature of their concerns.
- YLC staff also held meetings with a member of the Food and Beverage Committee to discuss the committee's requests and determine potential options.
- Staff from the Yukon Liquor Corporation looked into the requests relating directly to liquor; however, the specific requests changed from spring to fall in 2023.
- On April 4, 2024, the Yukon Liquor Corporation hosted members of the Yukon Chamber Commerce by providing a tour of the liquor warehouse and gave a presentation to clarify liquor operations, such as the sourcing and supply of liquor, pricing, and social responsibility.
- The Yukon Liquor Corporation holds ongoing discussions with liquor licensees. This has included industry working groups previously.
- The Yukon Liquor Corporation has actioned industry requests as possible, for example, more variety and increase in availability of special-order products, from 2,000 products in 2022 to 6,000 products this year, in addition to our 1,500 core products.

Approved by:

Philippe Mollet

November 20, 2024

President,
Yukon Liquor Corporation

Date approved

Recommended response

- While supporting local licensees who contribute to a strong economy, the corporation is committed to promoting responsible consumption and reducing alcohol and cannabis-related harms.
- The Yukon Liquor Corporation's profits are remitted to the General Revenue Fund and then reinvested into a wide range of government programs and services that support Yukoners.
- The corporation undertakes a variety of initiatives and partnerships with other government departments and organizations to encourage safer consumption.

Additional response:

- In September, the corporation promoted Fetal Alcohol Spectrum Disorder awareness month by leading a non-alcoholic beverage awareness and tasting campaign at corporation liquor stores.
- The goal of the alcohol-free tastings was to remind Yukoners to support their pregnant friends and family members by having alcohol-free options available.

If asked about the Managed Alcohol Program:

- The corporation is the sole supplier of alcohol in the territory.
- The corporation supplies and sells the alcohol to the Department of Health and Social Services for the managed alcohol program.

Context—this may be an issue because:

- The corporation periodically receives questions regarding the prevention and reduction of alcohol and cannabis-related harms.

- There may be questions about the Yukon Liquor Corporation's relationship with the Managed Alcohol Program that opened in Whitehorse on November 6, 2024.

Background:

- The Fetal Alcohol Syndrome Society Yukon (FASSY) contacted the Yukon Liquor Corporation regarding options to support Fetal Alcohol Spectrum Disorder (FASD) awareness month (i.e., September).
- Weekly alcohol-free beverage tastings were held at Yukon Liquor Corporation stores throughout September.
- The Yukon Liquor Corporation plans its own social responsibility initiatives that are tied to the corporation's mandate. As well, it provides some funding to local non-profits or partner organizations to fund projects that either prevent or treat alcohol or cannabis-related harms, or support individuals and families impacted by alcohol or cannabis-related harms.
- In 2023-24, the corporation gave funding to FASSY to support an event for clients, offered a shuttle service for Rendezvous festival attendees, and continued to promote socially responsible messaging, such as advertisements reminding Yukoners of the dangers of consuming alcohol and being outdoors when temperatures are below freezing.
- In addition to other initiatives throughout the year, the corporation annually funds Safe Grad for substance-free high school graduation events for Yukon students.
- The Department of Health and Social Services has a contract with the Yukon Liquor Corporation to procure alcohol for the managed alcohol program.

Approved by:

Philippe Mollet

November 19, 2024

President

Date approved

Yukon Liquor Corporation

Recommended response:

- As Minister responsible for the Yukon Liquor Corporation, my goal is to find an appropriate balance between:
 - the needs of licensees;
 - the need to return dollars to government to fund crucial services for all Yukoners; and
 - social responsibility.
- The Yukon Liquor Corporation works on initiatives above and beyond normal business to support licensees and communities.

Additional response:

Cannabis operations

- In 2021, the wholesale markup for cannabis was reduced from 22% to 20%. This represented an approximate \$105,000 investment in the Yukon's cannabis industry between December 2021 and December 2022.
- In 2021, the corporation updated the cost of service for cannabis, shifting from a per-gram to per-unit pricing structure. For some products, the cost-of-service decreased significantly from \$14 dollars to as low as \$2.15.
 - This change highlights the Yukon Liquor Corporation's commitment to finding efficiencies that both support the local cannabis industry and ensure that Yukoners have access to a legal, and safer option if they choose to consume cannabis products.

Achievements

Yukon Liquor Corp.

- In May 2022, the corporation introduced cannabis e-commerce and delivery regulations, granting the Yukon's private retailers the opportunity to engage in online sales of cannabis.
- In October 2022, the corporation made the strategic move to close its online retail store, marking the corporation's exit from the cannabis retail business.
- This government remains committed to its mandate of advocating for a federal review of cannabis packaging requirements. Our goal is to ensure that packaging is environmentally friendly while still maintaining safety standards. To support this, we sent letters to federal ministers in 2022 and 2023, urging action.
- The corporation supported cannabis licensees in expanding their product variety by:
 - increasing cannabis warehouse capacity through an extension;
 - conducting a cannabis inventory review and evolving the special order process;
 - putting in place a process to support cannabis licensees in accepting samples from licensed producers, helping licensees to decide whether to offer a product; and
 - adding 31 new cannabis suppliers for licensees to order from.
- The corporation completed the five-year review of the *Cannabis Control and Regulation Act*.
 - We have followed through on our commitment to complete this review.
 - The final version of the report was released in October 2024.

Achievements

Yukon Liquor Corp.

- The review focused on the Yukon's cannabis legislation, particularly the principles of protecting youth, protecting public health and safety, and displacing the illicit market.

Liquor operations

- In 2021, the Yukon Liquor Corporation adjusted the discount from 12 percent to 17 percent when licensees purchase large producer products and 18 per cent on small producer products.
 - This adjustment to the pricing structure represents approximately \$1.1 million more revenue per year in licensee pockets.
- The Yukon Liquor Corporation continues to source products from both Alberta and British Columbia. By sourcing products from both provinces, the corporation reduces the risk of a disruption in the supply chain and can offer more choices to consumers and licensees.
- The corporation supported liquor licensees in supplementing their product variety by expanding the list of special order products available for liquor licensees to order by about 2000 products in the past year.

Social responsibility

- In July 2022, the Yukon Liquor Corporation and Health and Social Services provided \$46,000 to the Fetal Alcohol Syndrome Society Yukon for a healing camp at Jackson Lake.
- In 2022, to combat the substance use health emergency in the Yukon, the corporation worked with Blood Ties to provide naloxone kits and

Achievements

Yukon Liquor Corp.

fentanyl test kits as a pilot project through the Mayo liquor store's Territorial Agent services.

- Between 2022 and 2024, the Yukon Liquor Corporation partnered with the department of Health and Social Services to provide kits in all community corporate stores through the Territorial Agent Services.
- Both naloxone and fentanyl test kits have been available across all Yukon Liquor Corporation stores since early 2024. In 2022, the corporation expanded the offering of the BARS-L liquor server training course through an online platform to make it more accessible to licensees.
 - Additionally, in 2023, the corporation updated the BARS-L course content to include the latest information on low-risk drinking guidelines from the Canadian Centre on Substance Use and Addictions.
- In December 2023, the corporation provided funding to FASSY to support a non-alcoholic holiday dinner for FASSY clients and their families.
- For Rendezvous this year, the corporation piloted offering a free shuttle service to encourage festival-goers to consider safe and alternative transportation to driving impaired.
- During Rendezvous, the Yukon Liquor Corporation also piloted new advertisements to remind Yukoners of the safety risks of consuming alcohol and being outdoors when temperatures are below freezing. The corporation is assessing the initial advertisements to determine where improvements can be made.
- The Yukon Liquor Corporation conducted a territory-wide ID blitz this summer as a part of the Check 30 program. While the campaign ran

Achievements

Yukon Liquor Corp.

in past years for liquor licensees, it was expanded to include cannabis licensees this year.

- During the ID blitz, the corporation ran a public awareness campaign reminding the public to bring valid, government-issued photo ID.
 - Additionally, the Yukon Liquor Corporation continues to work closely with licensees to ensure they understand their obligations to check the ID of customers who appear under the age of 30, which is a key factor in preventing underage consumption.
- In support of Fetal Alcohol Spectrum Disorder awareness month this September, the Yukon Liquor Corporation held weekly tastings across corporation liquor stores to raise awareness of non-alcoholic beverage options.
 - This initiative was intended to educate the public about the importance of making alcohol-free options available for people who are pregnant.
- The corporation continues to fund the “Safe Grad” initiative annually, which is designed to help graduation planners keep graduates safe from alcohol and drug use during celebrations by hosting substance-free graduation events.

Context—this may be an issue because:

- The Yukon Liquor Corporation is mandated to return the profits from liquor and cannabis sales to the Government of Yukon. The remitted profits go towards a variety of programs for Yukoners.

Achievements

Yukon Liquor Corp.

Background:

- The Yukon Liquor Corporation is responsible for the wholesale distribution and regulation of liquor and cannabis products in the territory.
- The corporation also sells liquor through its six liquor stores across the territory.
- The Yukon Liquor Corporation's strategic priorities include:
 - Implementing the lawful importation, production, sale, service and possession of liquor and cannabis, while promoting social responsibility in the public interest.
 - Providing service excellence that supports a healthy, vibrant and prosperous Yukon.
 - Offering our customers legal access to a variety of liquor and cannabis products while considering the wellbeing and economic prosperity of the Yukon.

Approved by:

Philippe Mollet

November 19, 2024

President,
Yukon Liquor Corporation

Date approved

Recommended response:

- Yukoners continue to face challenges across the housing continuum, which include:
 - Homelessness and a lack of access to housing with services;
 - A lack of affordable rental supply; and
 - High house prices and mortgage rates.
- Exceptionally high building costs and high borrowing costs due to interest rates are creating significant challenges for both Yukon Housing Corporation and partners.
- The corporation's five-year strategic plan, Creating Home, will help transform affordable housing service delivery through the adoption of a more client-centred and collaborative approach that integrates support and leads to better outcomes for Yukoners.

Additional response:

- Across governments, we are working with stakeholders to develop new land parcels, increase housing stock while also responding to the findings of the 2022 Office of the Auditor General Report on Housing.
- We continue to advance projects that provide new housing to meet Yukoners' needs.

Context:

- The combination of high rental costs, limited affordable housing options and difficulties in securing mortgages, continues to be a challenge for many Yukoners.

Background:

General housing information in the Yukon

Homelessness

- At least 197 people were experiencing homelessness in the 2023 Whitehorse Point-in-Time Count. This included: 58% men; 38 % female; 4% other.

Rental housing

- According to the Census 2021, within the renter population in Whitehorse:

Housing Issues

Yukon Housing Corporation

- 22.7% of households live in unaffordable housing;¹
- 17.9% live in unsuitable housing; and
- 10.5% live in inadequate housing.

Rents and vacancy rate, Yukon (YBS)

| | October 2022 | April 2023 | October 2023 | April 2024 |
|--------------------------|------------------------------|----------------------------|------------------------------|----------------------------|
| Median rent (all types) | \$1,300 | \$1,325 | \$1,350 | \$1,420 |
| Vacancy rate (all types) | 1.9% | 2.2% | 1.8% | 1.8% |

Housing construction

- Labour shortages contribute to higher construction costs and are leading to lower residential construction output.²

Residential building construction, Yukon (YBS)

| | January-June 2023 | January-June 2024 |
|-------------------------------|-----------------------------------|-----------------------------------|
| # residential permits issued* | 518 | 329 (-35% decrease) |
| \$ value of new permits* | \$59.4 million | \$47.6 million (-20% decrease) |

*In addition to new dwelling units, residential permits include renovations, garages, and additions. The totals do not include permits issued for plumbing or stoves.

House prices

- Yukon Bureau of Statistics reports that there were 84 real estate transactions recorded in Whitehorse in the first quarter of 2024 – a decrease of 35 compared to the first quarter of 2023 (119).
- While average prices for single-detached homes in Q1-2024 had fallen relative to Q1-2022 and Q1-2023, condo prices for Q1-2024 had increased 13% since Q1-2023.

Average House Prices, Whitehorse (YBS)

| Residence type | Whitehorse Average House Prices | | |
|-----------------------|---------------------------------|-------------------------|----------|
| | 2023 Q1 | 2024 Q1 | % Change |
| Single-detached house | \$635,000 | \$629,500 | -0.9% |
| Condominium | \$403,800 | \$456,400 | 13.0% |

¹ Housing costs are considered “unaffordable” when they exceed 30% of household income.

² Northern Housing Report, 2023

Yukon Housing Corporation Approach to Address Housing Issues

Creating Home – YHC’s new strategic plan

- Creating Home draws on a recognized framework intended to re-design and transform health care delivery, called the Quadruple Aim, and adapts it to housing.
- This innovative approach to housing delivery will lead to better outcomes by:
 - Improving the client and provider experiences;
 - Strengthening community wellbeing; and
 - Contributing to a sustainable future.
- Creating Home represents a significant shift in how Yukon Housing Corporation operates and delivers housing services.

Capital builds recently completed by YHC or partners:

- Since 2022, 10 YHC-led projects have been completed, creating a total of 77 new residential units; and
- 8 major partnership projects have been completed through the Housing Initiatives Fund, creating over 276 new units.

YHC projects completed 2022-2024

| YHC Project | Construction Start Date | Construction Completion Date | Number of Units |
|--|-------------------------|------------------------------|-----------------|
| 401 Jeckell Street, Whitehorse | May 2020 | December 2022 | 47 |
| RHI affordable triplex, Whitehorse | June 2021 | June 2022 | 3 |
| RHI affordable triplex, Watson Lake | June 2021 | March 2022 | 3 |
| RHI affordable triplex, Mayo | June 2021 | March 2022 | 3 |
| Accessible duplex, Mayo | July 2022 | June 2023 | 2 |
| Accessible duplex, Carmacks | August 2022 | July 2023 | 2 |
| RRDC staff trailer, Ross River | June 2023 | December 2023 | 3 |
| 10-plex*, Old Crow (*Asset owned by HPW and managed by YHC) | Summer 2021 | January 2024 | 10 |
| Accessible duplex, Faro | Summer 2023 | Spring 2024 | 2 |
| Affordable duplex, Dawson City | August 2022 | June 2024 | 2 |
| Total units completed (YHC projects): | | | 77 |

Major partnership projects completed 2022-2024

| Project (Lead) | Construction Completion Date | Number of Units |
|---|------------------------------|-----------------|
| Bringing Citizens Home, Whitehorse (Champagne and Aishihik FN) | Summer 2022 | 20 |
| Cornerstone multi-use building, Whitehorse (Opportunities Yukon) | July 2022 | 53 |
| Normandy Living seniors supportive residence, Whitehorse (KBC) | December 2022 | 84 |
| Boreal Commons apartments, Whitehorse (536754 Yukon Inc) | January 2023 | 87 |
| Affordable modular housing, Mayo (Na-Cho Nyäk Dun FN) | March 2023 | 8 |
| Jëje Zho 12-bed men's shelter, Dawson City (Tr'ondëk Hwëch'in FN) | July 2023 | 8 |
| VGFN elders complex, Old Crow (Vuntut Gwitchin FN) | January 2024 | 9 |
| VGFN mobile homes, Old Crow (Vuntut Gwitchin FN) | March 2024 | 7 |
| Total units completed (major partnerships): | | 276 |

Underway or upcoming housing capital projects for YHC and partners

YHC – Underway (113 units):

- 10-unit Supported Living Residence in Watson Lake
- 34-unit residential building with 8 accessible units in Dawson (former Korbo Apartments)
- 45-unit residential building, which includes 9 accessible units in Whitehorse (former Ryder Apartments)
- 6 staff units across three duplexes in Burwash Landing
- 18 two-bedroom units – purchase of 190 Olive May Way in Whitehorse

YHC – Upcoming (37+ units):

| Community housing | Staff housing |
|---|---|
| <ul style="list-style-type: none"> • 10 units in Mayo • 6-plex in Teslin • 6-plex in Carcross • 6-plex Haines Junction • Accessible triplex in Whitehorse • Accessible duplex in Ross River | <ul style="list-style-type: none"> • Accessible duplex in Destruction Bay • Accessible duplex in Pelly Crossing |

Major partnership projects underway (299 units):

| Project | Anticipated Start Date | Anticipated Completion Date | Number of Units |
|--|------------------------|-----------------------------|-----------------|
| Safe at Home Society's permanent supportive housing project "The Hearth" | March 2024 | Spring 2026 | 67 |
| Safe at Home Society's temporary housing project at 408 Alexander | May 2024 | October 2024 | 17 |
| DDDC's affordable rental project "Winter Crossing" | Spring 2024 | Spring 2026 | 105 |
| Northern Community Land Trust Society's "Project 1096" | June 2024 | December 2025 | 32 |
| HIF-7 funding recipients | Spring 2024 | Fall 2026 | 78 |
| Total units | | | 299 |

Rent subsidy programs to make life more affordable for renters and seniors

- July 2023, the corporation acquired an additional 16 units for lease from Normandy, for a total of 26 units to lease to clients through its rent supplement program.
- Since 2020, the corporation has supported over 300 households pay rent through the Canada-Yukon Housing Benefit. As of September 2024, 170 clients are receiving monthly support.

Support for homeowners

- March 8, the corporation announced the Canada-Yukon Housing Benefit Homeowner Stream for homeowners in severe core housing need³ with annual household incomes under \$100,000:
 - Clients received a one-time payment of \$1,000.00 for Whitehorse homeowners and \$1,500.00 for homeowners living outside of Whitehorse.
- June 2023, the Yukon government launched an \$8.25 million flood recovery program for residents and businesses affected by flooding in the Klondike Valley.
- April 2023, Yukon Housing Corporation launched the expanded Yukon Home Ownership Program to provide qualified households with mortgages to build or buy their homes across the territory, including Whitehorse.
- The program was recently discontinued due to low uptake and the corporation is currently exploring alternative program options to support homeownership.

³ Severe core housing need is spending 50% or more of a household's income on shelter costs.

- In 2020, Yukon Housing Corporation launched the revised Home Repair Program to support low to moderate-income Yukon homeowners to remain in their homes and age in place by providing funding to address mobility requirements, repairs or core housing needs.

Support for new residential land development

| | |
|----------------|---|
| September 2024 | <p>As part of the Government of Yukon's ongoing commitment to increase land and housing availability and support business growth, new residential and industrial lots were released in partnership with municipalities and Yukon First Nations.</p> <ul style="list-style-type: none"> seven residential lots in Haines Junction, Mayo and Watson Lake; and three industrial lots in Teslin and Haines Junction <p>This was the sixth lot release this year and is a direct result of the Government of Yukon's historic investment in land development. Through the lotteries and tenders process, the Government of Yukon has released 685 lots across the territory since 2021 and is on track to release over 1,000 lots by 2026 (TAB #59).</p> |
| August 2024 | <p>As part of its efforts to work in collaboration with municipalities and Yukon First Nations governments to address housing and business space needs across the territory, the Government of Yukon released 33 new residential lots across the Yukon.</p> <ul style="list-style-type: none"> Twelve lots were made available in Carmacks and Faro 21 country residential lots were made available in the Lone Tree subdivision north of Teslin. |
| June 2023 | Government of Yukon partnered with the Government of Canada and the City of Dawson to develop four new residential lots in Dawson. |
| February 2023 | 120 lots, including single family, multi-family and townhouse lots in Whistle Bend made available through public lottery. |
| March 2023 | Government of Yukon partnered with Liard First Nation on developing 43 new residential lots on Frances Avenue in Watson Lake. |
| March 2023 | 74 residential lots in Logan, Mayo and in Whitehorse's Whistle Bend made available through public lottery. |
| November 2022 | Signed a loan agreement with Kwanlin Dün First Nation's arm's-length development corporation, Chu Níkwän Limited Partnership, for a new |

Session Briefing Note

TAB #66
Fall 2024

Housing Issues

Yukon Housing Corporation

| | |
|--|---|
| | residential land development project at Copper Ridge West in Whitehorse, the first large-scale residential land development on settlement land in the Yukon. An amended loan agreement was signed August 2023 with Chu Níkwän for the same development. |
|--|---|

25-09-24
Date approved

Session Briefing Note

Our Clean Future Implementation

Environment and Energy,
Mines and Resources

Recommended response:

- We recognize the urgency of the climate emergency and launched Our Clean Future in September 2020 to map our route forward.
- The Government of Yukon continues to make significant progress on implementing Our Clean Future.
- In 2023, we announced the addition of 42 new actions to help us reach our climate goals, which brings the total number of climate actions to 178.
- These new actions are a product of the important work of the Yukon Climate Leadership Council, the Yukon Youth Panel on Climate Change, Navius Research and the findings in the Climate Risk Assessment report.
- We continue to track our progress on goals, targets and actions. Information on our progress was most recently published in [November in the 2023](#) Our Clean Future Annual Report and on the Our Clean Future website.
- Since releasing Our Clean Future in 2020, the Government of Yukon has completed [68](#) Our Clean Future actions, [105](#) are in progress or ongoing and [5](#) have not yet been started.

Additional response:

- As we continue to address climate change, it is important for us to look back on our progress as we diligently work towards our objectives.
- Under Our Clean Future, the government is focused on ensuring the Yukon is highly resilient to climate change impacts by 2030. (See ENV BN #21)

Session Briefing Note
Our Clean Future
Implementation

Environment and Energy,
Mines and Resources

- This year, we:
 - Completed flood maps for the Southern Lakes region, [Teslin](#) and Carmacks. Flood hazard mapping for Old Crow and the City of Dawson and the Klondike Valley are expected to be completed in 2025. [A flood hazard mapping study for Mayo is also underway and will be completed in 2026.](#)
 - Worked with municipalities and First Nations governments to finalize the Community Wildfire Protection Plans in Faro, Haines Junction, Teslin, the [City of Dawson and Whitehorse](#). [Plans for Beaver Creek, Mayo, Old Crow, Watson Lake, Destruction Bay and Burwash Landing are underway.](#)
 - Advanced climate change preparedness by initiating development of a permafrost monitoring system for key public buildings, and guidelines to address climate hazards in major infrastructure projects.
 - Established a geohazard mapping program to understand risks from climate change to the Yukon's transportation corridors.
 - Completed flood risk mapping for all transportation corridors in the Yukon.
- We are committed to efforts to reduce greenhouse gas emissions and we support Yukoners in the transition to cleaner transportation options and energy efficient homes and buildings.
- This year, we:
 - Began providing rebates for medium-duty electric vehicles.
 - Passed an electric vehicle charging station regulation under the *Public Utilities Act* to allow First Nation governments, private

Session Briefing Note

Our Clean Future Implementation

Environment and Energy,
Mines and Resources

businesses and municipalities to sell electricity through electric vehicle charging stations.

- Installed electric vehicle chargers in every road-accessible community in the Yukon, enabling zero-emissions travel throughout the territory. 19 fast charging stations are now operational throughout the territory, [and one new Level 2 charger in Swift River](#). (See EMR BN #30)
- Since 2020, we have provided rebates for 518 energy efficient new homes, exceeding our 2030 target of 500.

Third response:

- Existing actions put us on track to reduce the Yukon's emissions by 30 per cent by 2030. However, there is still significant work required to meet our target reduction of 45 per cent by 2030.
- [One of the major drivers of emissions is population – more people means more cars on the road and more homes to heat.](#)
- [However, as the population of the Yukon continues to grow, we aren't seeing the rate of emissions increase that we would expect.](#)
- [We are seeing lower emissions per Yukoner than we saw in 2010.](#)
- [This is a promising sign that the emissions intensity of everyday life for Yukoners may be starting to decrease.](#)
- We [passed](#) legislation to set a target of a 45 per cent reduction in mining sector emissions per unit of production by 2035.
- We will continue to build on Our Clean Future as we learn more and implement new actions. This will be reflected in future annual reports.

Session Briefing Note

Our Clean Future Implementation

Environment and Energy,
Mines and Resources

- We will continue to find opportunities to reach our targets as we work with experts, stakeholders and partner governments across the territory and beyond.

Context — this may be an issue because:

- Climate change and the government's progress in delivering on Our Clean Future commitments is of interest to Yukoners.

Background:

- Our Clean Future was released on September 14, 2020, and now has 178 actions, of which 136 are original actions and 42 are new actions. These actions seek to reduce greenhouse gas emissions and support the Yukon to be highly resilient to the impacts of climate change by 2030.
- The Government of Yukon reports annually on progress for the implementation of Our Clean Future. Four Annual Reports have been published to date, with the latest report released on [November 12, 2024](#) (capturing [2023](#) data).
- The Our Clean Future website was launched in December 2023, which shows the government's commitments and successes towards fighting climate change.

Approved by:

Dennis Berry

November 19, 2024

Deputy Minister, Environment

Date approved

Paul Moore

November 13, 2024

Deputy Minister, Energy, Mines and Resources

Date approved

Session Briefing Note
Supplementary Overview
(Corporate Note)

Recommended response:

- The 2024-25 Supplementary Estimates No. 1 forecasts an overall gross increase of \$150.1 million in O&M spending, with an offsetting increase of \$20.7 million in recoveries. The net increase in new O&M spending is forecast at \$129.4 million.
- Capital spending for Supplementary Estimates No. 1 reflects a slight overall gross decrease of \$299,000 in spending and a \$4.2 million decrease in recoveries, resulting in a net increase in spending of \$3.9 million. These adjustments are mainly the result of updated cashflow forecasts for various projects.
- Revenues are projected to decrease by \$8.8 million, primarily due to a revenue forecast update from Canada which revised the projection for Corporate Income Tax downward by \$6.7 million as well as a reduction in royalty payments from Victoria Gold of \$2.5 million. This is partially offset by a \$350,000 increase for driver licenses due to recently increased fees.
- The Yukon government continues to maintain a surplus. As part of the 2024-25 Main Estimates, the Yukon government budgeted for a \$50 million contingency to address emergency pressures. \$50 million of the contingency has been applied towards the pressures identified in the Supplementary Estimates No. 1.
- The use of the contingency fund allows the government to present a revised surplus of \$75.4 million as part of these Supplementary Estimates. Changes in the Supplementary Estimates result in a revised year-end net debt of \$530.4 million

Session Briefing Note
Supplementary Overview
(Corporate Note)

Additional response:

- The Supplementary Estimates reflect an O&M increase mainly for:
 - \$50 million for payments to the Receiver for environmental protection work at the Eagle Gold Mine;
 - \$34 million for pressures in Insured Health reflecting support for the wellbeing of Yukoners;
 - \$21 million for wildland firefighting costs in response to the significant fire season experienced in the territory and which helped ensure the safety of Yukoners; and
 - \$10 million for various Yukon Hospital Corporation funding requirements including the added O&M costs of converting ten beds at the Thompson Centre for Acute Care use.
- For the Supplementary Estimates, updates to the 2024-25 Capital Plan have resulted in a decreased allocation of \$299,000. Notable changes include:
 - \$1.9 million towards the completion of the Mental Wellness Unit at Whitehorse General Hospital;
 - \$1.9 million for long-term and acute care bed optimization at Whistle Bend Place and Whitehorse General Hospital;
 - Decrease of \$3.2 million due to cash flow revisions for the construction of the school in Burwash Landing;
 - Decrease of \$600 thousand for the creation of new campsites aligning costs with the revised project timeline.

Session Briefing Note

Supplementary Overview

(Corporate Note)

- There is an increase of 46.6 in FTEs (Full Time Equivalents) for Supplementary Estimates No. 1. These are primarily to hire new long-term care staff in support of additional care beds at Whistle Bend Place, for the Aging with Dignity initiative and new FTEs for schools including teachers, clerical and custodial staff.
- There is also an increase in FTEs related to a transfer in the Capital Planning Office from Highways and Public Works capital budget to Finance in the O&M budget.

Corporate approach to fiscal sustainability:

- We continue to work to ensure that government spending is allocated in a way that meets key priorities and long-term goals.
- To meet these priorities, departments continue to follow established processes to ensure that funding is distributed efficiently and effectively across public services and programs.
- This means regular financial scrutiny is applied to decision-making and that new requests for funding are approved in a financially sustainable way, while continuing to provide the services that Yukoners expect.
- This coordinated approach to funding ensures that government can respond to new and evolving challenges, while managing resources responsibly.

Session Briefing Note
Supplementary Overview
(Corporate Note)

Context—this may be an issue because:

- The 2024-25 Second Appropriation Act is tabled in the fall session and will be the subject of debate.

Background:

- Supplementary Estimates are used annually by a government to account for unforeseen spending at the time of tabling the annual Budget. It is common to have one or two spending updates throughout the fiscal year.
- They are tabled during the fall and spring sessions, debated and voted on in the legislature and provide departments with increased spending authority for O&M and Capital for the current fiscal year.

Approved by:

Jessica Schultz

September 19, 2024

Deputy Minister, Finance

Date approved

**Truth and Reconciliation Commission
– Update on Calls to Action**Executive Council
Office

Recommended response:

- Reconciliation is an ongoing process and a shared responsibility of all governments and individuals in the Yukon.
- Our government is deeply committed to advancing reconciliation through collaboration and partnership with Indigenous governments and groups.
- We continue to share our progress toward addressing the Truth and Reconciliation Commission's Calls to Action, most recently through a progress report and Pathways magazine both released in Fall 2023.
- The magazine and report provided an update on the actions being taken across the Yukon government and in collaboration with First Nation governments and groups in areas including child welfare, health, education and justice.

Additional response:

- The Government of Yukon and Yukon First Nation governments are leaders in demonstrating a collaborative approach to reconciliation.
- While there is still work to do, targeted investments are resulting in meaningful change and creating better programs and services for all Yukoners.
- We will continue our collaborative work to implement and report on the Calls to Action, including through work on the Yukon Forum joint priorities and by implementing the *Putting People First* recommendations.

Context—this may be an issue because:

- The 2023 mandate letters include a commitment to fulfill the Truth and Reconciliation Commission's (TRC's) Calls to Action.
- The 2023 Confidence and Supply Agreement includes a commitment to working with Yukon First Nations to continue to implement the recommendations of the Truth and Reconciliation Commission through targeted investments.

Truth and Reconciliation Commission – Update on Calls to Action

Executive Council
Office

Background:

- The TRC report *Honouring the Truth, Reconciling for the Future* was released in 2015 and contains 94 Calls to Action on redressing the harms resulting from Residential Schools and creating better relations between the federal, provincial and territorial governments and Indigenous Peoples. There are 32 Calls to Action that relate directly to YG.
- The Government of Yukon and Yukon First Nations (YFNs) collaborated on addressing the Calls to Action under the 2017 Yukon Forum Joint Priority Action Plan and through other reconciliation initiatives, such as supporting the important work of the YFN-led Yukon Residential Schools and Missing Children Project.
- The Government of Yukon has taken additional steps to address the Calls to Action, including:
 - establishing the position of Assistant Deputy Minister of First Nations Initiatives at the Department of Education, signing an agreement to establish a YFN School Board and entering into education agreements with all YFNs (speaks to Calls 7 and 10 directed to the federal government);
 - supporting Indigenous athletes and the North American Indigenous Games (Call 88);
 - implementing the YFN Procurement Policy (relates to Call 92) and the Representative Public Service Plan: *Breaking Trail Together* (relates to Call 7);
 - working with YFNs and Yukon Indigenous women's groups to implement the Yukon's *Missing and Murdered Indigenous Women, Girls and 2-Spirit+ People Strategy* (MMIWG2S+ Strategy) (relates to Call 41);
 - participating at the Trilateral Table on the Wellbeing of YFN Children and Families to address gaps for culturally appropriate parenting programs (Call 5); and
 - receiving input from YFNs on Health and Social Services programming through the Mental Health Advisory Committee (relates to Call 19).

Approved by:

Justin Ferbey

2024 08 20

Deputy Minister, Executive Council Office

Date

Session Briefing Note

Inflation and Affordability (Corporate Note)

Recommended response:

- Inflation has continued to improve in recent months, but Yukon households continue to see their budgets stretched by elevated prices, with lower-income households often feeling the worst effects.
- The Government of Yukon continues to monitor inflation and its impact on Yukoners, so that we can take steps to ease the burden.
- As inflationary pressures continue to lessen, efforts to make life more affordable for Yukoners and to help industry are shifting from short-term assistance to measures with the potential to provide longer-term benefits, such as actions to improve home affordability.

Additional response:

- The Main Estimates for this year has continued to build on existing supports for Yukoners by making sure they can access essential services at prices they can afford.
- Budget 2024-25 included investments to advance affordable housing projects across the territory. From the Housing First Project in Watson Lake to the recently awarded replacement of the Ryder Apartments in Whitehorse, the Yukon government is taking action to build more affordable homes for Yukoners, especially those in vulnerable situations.

Session Briefing Note

Inflation and Affordability (Corporate Note)

- There is also over \$42 million in continued funding for early learning and childcare. This includes funding for the universal childcare program, which has reduced childcare fees to less than \$10 per day, on average.
- We are also making life more affordable and leading the nation with our Yukon-wide dental program, which has \$5.4 million in continued funding for 2024-25.
- To make sure that more people have the option of staying home when they are sick, the Temporary Paid Sick Leave was extended.
- We also extended the Interim Electrical Rebate, which provides welcome relief from power bills to Yukoners across the territory.
- In addition to items included in the 2024-25 Main Estimates, additional initiatives in many departments are continuing to assist Yukoners with the cost of living.
- The Department of Community Services, for example, is developing a program that will see free transit passes provided to non-governmental organizations, vulnerable populations and youth.
- The Department of Health and Social Services will also provide additional funding of \$777,000 for Safe at Home to provide temporary supportive housing at 408 Alexander Street.

Session Briefing Note

Inflation and Affordability (Corporate Note)

- These are just a few examples of the many programs and initiatives that continue to support Yukoners.

Third response

- The Government of Yukon has also remained responsive to higher inflation in recent years through its various grants and subsidies, which are indexed to inflation. These include:
 - Subsidies for medical travel
 - The Yukon Child Benefit
 - Social Assistance Payments
 - Student Financial Assistance
 - Seniors' benefits
 - The Pioneer Utility grant
 - The Comprehensive Municipal Grant Regulation
 - Residential rent caps
- The Yukon's minimum wage is also responsive to price changes, as its annual change is tied to inflation in the previous year.
- After growing 6.8 per cent in 2023, the minimum wage increased a further 4.9 per cent to \$17.59 per hour on April 1, 2024.
- The Yukon's minimum wage is the second highest wage in Canada, behind only Nunavut's minimum wage of \$19.00 per hour.

Session Briefing Note

Inflation and Affordability (Corporate Note)

- These increases also contribute towards the strong earnings growth we continue to see in the territory, where average weekly earnings grew 6.1 per cent over the first half of 2024. This is the strongest growth in the country.

Context—this may be an issue because:

- Inflation has fallen from historical highs, but Yukoners are still dealing with higher prices for a variety of goods and services following a lengthy period of elevated inflation.
- The moderation of inflationary pressures that began to take hold late last year has continued into 2024. Growth in the Whitehorse Consumer Price Index (CPI) has been much lower in every month in 2024, and inflation in recent months has been near or below the historic average of 2 per cent.

Background:

Inflation – Recent performance and outlook

- Following ten increases in the overnight rate since March 2022, the Bank of Canada has made three 25 basis point cuts in 2024, with the overnight rate dropping from 5.0 per cent to 4.25 per cent. Expectations of further rate cuts this year and in 2025, could further reduce pressure on shelter prices as mortgage rates decline.

Session Briefing Note

Inflation and Affordability (Corporate Note)

- Both locally and nationally, price pressures have lessened, and inflation continues to trend towards historic norms. The current outlook for the Whitehorse CPI reflects expectations of a return to 'normal' levels of inflation, with the inflation forecast of 2 per cent in 2024, much improved from 4.9 per cent in 2023 and 6.8 per cent in 2022. Beyond 2024, annual inflation is expected to remain at 2 per cent over the remainder of the five-year forecast.

PROGRAMS AND OTHER MEASURES THAT SUPPORT AFFORDABILITY

Five-Year Capital Plan projects supporting housing affordability (Yukon Housing Corporation)

- The **Old Crow 10-Plex Mixed-Use Housing** facility is complete and opened in April 2024.
- Construction of the **10-plex Housing First Project in Watson Lake** began in the summer of 2023. It is scheduled to be completed in the fall 2024.
- Construction of the **Faro and Dawson Duplex** projects started in summer 2023 and is now complete.
- Groundwork began at the old **Ryder Apartments in Whitehorse** in September 2024 and we are aiming for completion in spring 2026. When completed, the new complex is anticipated to deliver over 45 new units.

Universal Child Care Program (Education)

- Universal child care is available to all Yukon families using licensed child care spaces. The universal child care program has reduced fees to less than \$10 per day, on average, for families across the Yukon.

Session Briefing Note

Inflation and Affordability (Corporate Note)

Dental Care program (Health and Social Services)

- The Yukon's Dental Program was launched in 2023 and provides \$1,300 per year in dental benefits to Yukoners without dental coverage. The program will cover dental treatments necessary to relieve pain and infection, prevent disease, treat cavities, and restore chewing and social function. It will also offer full coverage for preventive care, such as routine dental cleaning.

Paid sick leave program (Economic Development)

- On April 1, 2023, the Department of Economic Development launched the Paid Sick Leave Rebate. The program runs for two 12-month blocks:
 - April 1, 2023 to March 31, 2024; and
 - April 1, 2024 to March 31, 2025
- The Paid Sick Leave Rebate is a temporary program that offers up to 40 hours of paid sick leave to employees and self-employed Yukoners that earn less than the average private-sector wage of \$33.94/hour. The program includes all illnesses (and injuries not covered by any other Act, benefit, or program). The program is available to employees regardless of whether their employer offers paid sick leave, though employees must use all paid sick leave available to them through their employer before they are eligible for the Paid Sick Leave Rebate. The program is still in effect and will run until March 31, 2025.

Yukon Child Benefit (Health and Social Services and Finance)

- The Yukon Child Benefit provides monthly payments to modest and low-income households who have children under 18. The maximum benefit per child is now tied to inflation, effective the 2023–24 benefit year.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

Yukon Seniors' Income Supplement (Health and Social Services)

- The Yukon Seniors' Income Supplement provides a monthly income supplement for eligible Yukoner senior's receiving Old Age Security (OAS) and the Guaranteed Income Supplement (GIS) from the federal government. This amount is adjusted for inflation in October, each year.

Inflation Relief Rebate and Interim Electrical Rebate (Yukon Development Corporation)

- The Inflation Relief Rebate, a \$50 rebate that was automatically applied to electrical customers' bills, was a temporary measure to address inflation. The Inflation Relief Rebate was most recently applied to all ATCO Electric Yukon and Yukon Energy bills for November and December 2023 and January 2024.
- The Interim Electrical Rebate continues to provide residential electrical customers with a maximum rebate of \$22.62 per month based on the electricity they consume, up to 1,000 kilowatt hours (up to \$271.44 per year). This affordability measure will continue until March 2025.

Social Assistance Review (Health and Social Services)

- Health and Social Services is undertaking a review of the Yukon's Social Assistance rates to inform options to improve the delivery of the program and ensure it is meeting the needs of program clients.
- While the review is underway, the department is providing a \$100 monthly increase to eligible Social Assistance recipients.

Out of Home Childcare Increases (Health and Social Services)

- To offset inflationary cost of living increases and provide sufficient financial resources to meet the needs of children placed in their care, Health and Social Services provided an ongoing 10 per cent increase to monthly payments to caregivers of children in out of home care in 2023-24, on top of the annual indexed increase.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

- Combined, this amounted to a 16.46 per cent rate increase for community and extended family caregivers. The new rates are as follows:
 - o Whitehorse: \$46.86 per day
 - o Rural Communities: \$50.16 per day
 - o Old Crow: \$86.40 per day
- Rates are indexed annually to the Whitehorse Consumer Price Index, with an increase of 2.4% scheduled to take effect in October 2024.

Supportive Housing (Health and Social Services)

- \$777,000 for Safe at Home will go towards establishing temporary supportive housing at 408 Alexander Street.

Canada-Yukon Housing Benefit Rental Subsidy (Yukon Housing Corporation)

- The Canada-Yukon Housing Benefit offers a rental subsidy for low-to-moderate income renters.

Comprehensive Municipal Grant (Community Services)

- The Comprehensive Municipal Grant is how the Government of Yukon directly funds municipal governments. This core funding supplements municipal resources and pays for vital services, like the provision of fresh drinking water, the collection of solid waste and recycling, recreation programming and other services as required under the Municipal Act and other legislation.
- The high inflation seen in 2022 (6.8 per cent) increased the grant payments provided in April 2024. This resulted in a \$2.3 million increase for Yukon municipalities with overall contributions of over \$24.5 million for the 2024-25 fiscal year.

Session Briefing Note
Inflation and Affordability
(Corporate Note)

Energy retrofits and funding to improve efficiency and offset costs (Energy, Mines and Resources)

- Energy efficiency rebate programs are available for the transportation sector, renewable heating sector, and the construction sector focusing on high efficiency buildings.
- For existing homes, the Energy Branch offers the Good Energy rebate program for high performance heating systems and upgrades to thermal enclosures including insulation and windows, and high-performance new homes. Taking these measures will save homeowners money on their energy costs.
- Between January 1, 2018, and June 30, 2024, 286 high-performance retrofits to residential, commercial and institutional buildings have been completed across the territory.
- Innovative programs like the Better Buildings Program that offer up-front funding, combined with our Good Energy rebates, make energy retrofits more accessible and affordable for Yukoners.

Approved by:

Jessica Schultz

September 25, 2024

 Deputy Minister
 Department of Finance

 Date Approved

Session Briefing Note**Fall 2024****Carbon Pricing
(Corporate Note)**Environment & Finance

Recommended response:

- Since its introduction in 2019, the Government of Yukon has been supportive of carbon pricing as a policy to help us reduce emissions and move toward our ambitious climate targets.
- We take a balanced approach to carbon pricing in the territory, one which considers the need to reduce emissions as well as the fair return of carbon pricing revenues to Yukoners.
- The Yukon's carbon rebate is revenue neutral. We are committed to both reducing carbon emissions in the territory and to returning all the federal government's revenues to Yukoners.
- Returning proceeds to individuals, municipal governments, Yukon First Nations, businesses, and mining operations is a critical part of our approach to carbon pricing in the Yukon.
- We are returning 100 per cent of the federal carbon levy to these five rebate groups who receive more, on average, than they pay in carbon pricing levies.

Additional response:

- The departments of Environment and Finance work together to coordinate with our federal counterparts to assess the implications of carbon pricing in the territory and to ensure the needs of the territory are recognized in national policy.
- This includes retaining control over how revenues are distributed back to Yukon individuals, municipal governments, Yukon First Nations and businesses.

Session Briefing Note**Fall 2024****Carbon Pricing
(Corporate Note)**Environment & Finance

- It also includes excluding the carbon price from electricity generation and aviation, in recognition of the unique constraints of our northern jurisdiction.

Third response:

- Carbon pricing is just one tool in our toolkit to address the climate emergency.
- We continue to implement Our Clean Future to reduce the Yukon's greenhouse gas emissions and, more broadly, to reduce the impact of the carbon levy on Yukoners.
- In December of last year, we announced 42 new actions under Our Clean Future as part of the third Our Clean Future annual report outlining the progress we have made on the strategy.
- Although we have made progress on many of our commitments, there is still significant work required to meet our target of reducing our emissions by 45 per cent by 2030.
- Ensuring that we utilize every policy lever at our disposal, including carbon pricing, is essential to meet our goals.
- Together, we are finding solutions to reduce our emissions while strengthening our economy and supporting our industry partners.

Context—this may be an issue because:

- Carbon pricing remains a highly sensitive topic across the country with many provinces and territories voicing their own perspective on how they would like to see this pricing mechanism handled moving forward.

Session Briefing Note**Fall 2024****Carbon Pricing
(Corporate Note)**Environment & Finance

- In October 2023, the federal government announced a temporary 3-year exemption for home-heating oil from the federal carbon price, with the intention of helping Atlantic Canada in particular.
 - While Atlantic Canada welcomed this change, the exemption has received considerable backlash. Most provincial governments (except for British Columbia) have called for extending the carbon price exemption to all home-heating fuels (including natural gas).
 - Critics also argued that the exemption undermines the credibility of the carbon tax and may weaken the incentives to switch to lower carbon heating options.
-

Background:

- The federal Draft Regulations Amending the Fuel Charge Regulations stipulate that all heating oil will be exempt from the fuel charge starting November 8, 2023, until April 2027.
- This means that light fuel oil consumption in all buildings, including residential, commercial, and institutional, will be exempt from the fuel charge.
- Nearly half (49.2% in 2022) of Yukon homes use oil-based heating.
- In Yukon, individuals, businesses, placer/quartz mining operations, Yukon First Nations governments and municipal governments are all eligible for a rebate for carbon pricing.
- Individuals who live outside of Whitehorse receive a remote supplement, which was recently increased from 10 to 20% (and is now in line with the federal remote supplement for backstop jurisdictions including Alberta, Manitoba, Ontario, and Saskatchewan).
- On September 12, 2024, British Columbia's Premier David Eby announced that if the federal government were to remove the carbon pricing backstop, then British Columbia would end the carbon levy in the province.
- British Columbia has had its own carbon pricing system in place since 2008.

Session Briefing Note

Carbon Pricing (Corporate Note)

- British Columbia and the Yukon were the remaining supporters of carbon pricing as a climate change policy, with all other provinces publicly opposing the federal system. In late 2023, the newly elected Premier of the Northwest Territories also called for an exemption from the federal carbon levy for the territory.
- To date, Canada has been firm on granting no exception to the backstop.

Approved by:

Dennis Berry

October 2, 2024

A/Deputy Minister of Environment

Date approved

Jessica Schultz

October 1, 2024

Deputy Minister of Finance

Date approved

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Recommended response:

- The Government of Yukon recognizes the seriousness of the heap leach failure that occurred at the Eagle Gold mine on June 24 and is treating the response as a government priority that reflects the urgency of the situation.
- Our priorities are to ensure the health and wellbeing of Yukoners and to protect the environment.
- An Independent Review Board has been established to investigate the heap leach failure that occurred at the Eagle Gold mine. Three highly qualified experts are on the Independent Review Board. The objective of the investigation is to determine the causes of the heap leach facility failure.
- We are committed to working with the First Nation of Nacho Nyak Dun to develop remediation strategies for the failure. A joint team of technical experts hired by the Government of Yukon and the First Nation meet on a regular basis to inform our actions.
- For the most up to date information on the situation at Eagle Gold Mine and actions we are taking, you can visit Yukon.ca/victoria-gold-updates.

Additional responses:

- On August 14, 2024, PricewaterhouseCoopers Inc. was appointed by the court as Receiver of the assets and property of Victoria Gold Corp.

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The Receiver is responsible for overseeing remediation of the heap leach failure and its environmental impacts, including compliance with territorial and federal orders.

- The Government of Yukon is committed to a thorough accounting of events leading up to the failure and the development of recommendations so that a similar event does not happen again in the Yukon.
- Once the causes of the failure are determined by the Independent Review Board, this information will inform the most appropriate subsequent steps and potential investigations, including consideration of a public inquiry.
- As of September 4, 2024, there are 27 liens against Victoria Gold worth over \$58.7 million.

Environmental and health impacts:

- The Department of Health and Social Services is monitoring impacts on human health. This includes ongoing review of any technical information and water sampling results, as well as situational reports, as they become available. Results from surface water samples taken show that the regulated drinking water system serving the area continues to meet the guidelines for drinking water quality.
- Water is sampled both at the site and downstream of Victoria Gold's Eagle Gold Mine. Water samples are collected regularly at select sites to monitor water quality. The results of the testing will let us know the

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impacts and inform next steps.

- Technical experts from the Government of Yukon, the First Nation of Nacho Nyak Dun and the federal Department of Fisheries and Oceans are working closely together to monitor the fish and wildlife in the surrounding areas of the Eagle Gold Mine.

Economic and labour market impacts:

- Operations ceased at Eagle Gold Mine after the heap leach failure occurred. This situation has changed the outlook for mineral production in the Yukon and resulted in a notable downward revision in the medium-term outlook for the Yukon's real Gross Domestic Product (GDP). The 2024-25 Interim Fiscal and Economic Update released in early October includes the latest forecasts for real GDP.
- At the close of 2023, Victoria Gold had 471 direct hires and another 134 on contract.
- Of the more than 600 employed, the company reported that about 34 per cent were local, amounting to approximately 200 local workers. This represents about 0.8 per cent of the territorial labour force.
- Any possible negative impacts on the labour market are expected to be short-lived, as many displaced workers are likely to be reabsorbed into what is currently a tight labour market. The Yukon's unemployment rate is about half the national figure and the local job vacancy rate has been among the highest in the country throughout

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- Monitoring of labour market data, such as the number of unemployed and the number of Employment Insurance claimants, for potential impacts of the mine closure is ongoing.
- As the Eagle Gold situation continues to unfold, we should have a better understanding if there may be longer-term impacts for the local economy.

Context — this may be an issue because:

- The June 24, 2024 heap leach failure at the Eagle Gold Mine affects the environmental and socio-economic wellbeing of Yukoners – from an environmental and business perspective.

Background:

- On June 24, 2024, a failure occurred at the heap leach facility of the Eagle Gold Mine operated by Victoria Gold Corporation.
- On July 30, 2024, the Premier provided remarks to the Council of Yukon First Nations' General Assembly on a variety of topics including mining and the incident at Eagle Gold Mine
- On August 5, 2024, the Premier provided a statement on mining activity in the Traditional Territory of First Nation of Nacho Nyak Dun.
- On August 14, 2024, the Government of Yukon with First Nation of Nacho Nyak Dun, submitted an application for receivership of Eagle Gold Mine.
- On August 16, 2024, the receivership was granted. It was appointed to PricewaterhouseCoopers. Implementing a receiver is an established process under federal bankruptcy legislation. Decision making and responsibility has

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shifted from Victoria Gold to PricewaterhouseCoopers, with direction from the Yukon government.

- As of September 20, 2024, the Government of Yukon has done 10 technical briefings to continue to keep Yukoners informed with up-to-date information.
- The Yukon.ca website is updated on a regular basis along with weekly information bulletins to inform the public on the Victoria Gold heap leach failure's current situation.

Approved by:

Justin Ferbey

October 9, 2024

Deputy Minister, Executive Council Office

[Date approved]

Lauren Haney

October 9, 2024

Deputy Minister, Energy, Mines and Resources

[Date approved]

Jessica Schultz

October 9, 2024

Deputy Minister, Finance

[Date approved]