

## 2024 SPRING SESSION BRIEFING NOTES

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## Cannabis – Five-year review of the Cannabis Control and Regulation Act

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Yukon Liquor Corp.

### Recommended response

- The Yukon Liquor Corporation is currently undertaking a five-year review of the *Cannabis Control and Regulation Act*, which started with public engagement in October 2023.
- The review is aimed at ensuring that the Yukon's cannabis legislation remains responsive to the needs of all Yukoners, while continuing to support the Yukon's legal cannabis industry.

### Additional response:

- We are not pursuing specific legislative changes at this time, but they may arise in the future as a result of the review's findings.
- We are examining the recent findings and recommendations coming out of the federal review of the *Cannabis Act* while the Yukon Liquor Corporation's review remains underway.

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### Context—this may be an issue because:

- Cannabis legalization and potential changes to rules in the industry is of high interest to local as well as national media.
- When the review was launched in October 2023, the Official Opposition raised questions about the regulatory framework and the timing of legislative amendments to the Act.
- The federal review of the *Cannabis Act* was concluded on March 21, 2024. Changes at the federal level may necessitate changes to provincial and territorial cannabis legislation.

## Cannabis – Five-year review of the Cannabis Control and Regulation Act

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Yukon Liquor Corp.

- Cannabis topics covered by media include licensing and taxation, pricing, accidental ingestion of (illicit) cannabis gummies, potency of edibles, industry perspectives and regulatory changes across jurisdictions just to name a few.

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### Background:

- A five-year review of the cannabis legislation is mandated in the Yukon's *Cannabis Control and Regulation Act*.
- The review focuses on the progress made towards achieving the purposes of the Act. Any findings that may warrant amendments to the Act or regulations will be put forward for future consideration through the regular legislative process.
- In addition to public engagement, the review also includes analysis of national and Yukon specific research studies, analysis of health indicators specifically collected in the Yukon since legalization, and consideration of other matters.
- To date, the public online survey as well as engagement with a variety of stakeholders - such as licensed cannabis retailers, Yukon municipalities, the Chief Medical Officer of Health, the Child & Youth Advocate, RCMP and others – have been completed. The engagement period with Yukon First Nations concluded on March 11<sup>th</sup>, but if late entries are received, they will be included.
- The three-year review of the federal Cannabis Act, led by an Independent Expert Panel, concluded on March 21, 2024 with the publishing of the final report. The report includes 54 recommendations and 11 observations.
- No timelines have been provided for next steps. No decisions to implement the recommendations and observations of the Expert Panel have been made.

<b>Approved by:</b>	
<b>Dennis Berry</b>	<b>May 1, 2024</b>
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President, Yukon Liquor Corporation	Date approved

### Cannabis – Licensing and Applications

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Yukon Liquor Corp.

#### Recommended 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.

#### Additional response:

- In deciding whether to grant a licence, the Board assesses “relevant considerations” defined in the Act, which include matters such as the number of licences and population in the area, financial matters, public views, proximity to schools and several other factors.
- I support the independence of the Cannabis Licensing Board and cannot comment on their decisions.

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#### Context—this may be an issue because:

- The Corporation is currently undertaking a five-year review of the *Cannabis Control and Regulation Act*, which could result in questions about Cannabis licensing and applications.
- Following a recent court decision involving a potential licensee, the Cannabis Licensing Board has requested that the licensee in question pay the board’s legal fees.

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#### Background:

- In February 2023, the Board denied a licence for a cannabis store in Whitehorse. The applicant subsequently filed a request for judicial review with the Supreme Court of Yukon.

# Session Briefing Note

**LQ-02**

**Spring 2024**

## **Cannabis – Licensing and Applications**

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Yukon Liquor Corp.

- On October 10, 2023, the Court dismissed the application for judicial review. Although the application raised concerns regarding how the definition of school was interpreted, the Court stated that the Board can define the terms “elementary school” and “secondary school” to best address the public interest.
- 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 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:**

**Dennis Berry**

**January 26<sup>th</sup>, 2024**

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President, Yukon Liquor Corporation

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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 calendar year were approximately \$12 million. This is a \$1.6 million or 15.4% increase from 2022.
- The 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.

### Additional response:

#### Wholesale markup

- 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 in 2022.

#### Variety and supply

- 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 road closures.
- The Corporation meets regularly with licensees to discuss product variety and supply, and to address any questions they choose to raise. Licensees can contact YLC with suggestions at any time.
- Licensees can request new products and suppliers on a weekly basis.

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### Context—this may be an issue because:

# Session Briefing Note

LQ-03

Spring 2024

## Cannabis Pricing and Supply

Yukon Liquor Corp.

- Some licensees have raised concerns about a perceived lack of product variety, high prices and slow sales.
- Some Health Canada licensed producers are struggling financially. The financial status of licensed producers should not be confused with that of the Yukon's licensed retailers.

### Background:

- As the cannabis distributor, the Yukon Liquor Corporation leads price negotiations with suppliers signed-on in consultation with licensees.

### Wholesale markup changes

- The Yukon Liquor Corporation reviewed cannabis pricing, together with licensees and a consulting firm. The cost of service was revised from a per-gram to a per-unit basis in fall 2021. 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:

**Dennis Berry**

**May 1, 2024**

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**President, Yukon Liquor Corporation**

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**Date approved**

#### Recommended response:

- The Corporation is advancing this work for completion as soon as practicable.
- The new Act received assent in 2019, prior to the COVID-19 pandemic. The socioeconomic context has since changed significantly.
- The Corporation remains responsive to new information and developments, such as the release of the *Substance Use Health Emergency Strategy*, in its efforts to conclude modernized liquor regulations that will support the new Act.

#### Additional response – Act amendments:

- As regulations are developed it is common practice to ensure alignment with the Act, which may necessitate minor amendments. While the Corporation continues to advance the regulations, they will respond to changing circumstances and new information.
- The Corporation continues to uphold its mandate of balancing the needs of businesses and communities, while promoting social responsibility. The work of developing regulations will continue in collaboration with legal counsel at the Department of Justice.

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#### 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 may reinvigorate questions from the media on the topic.
- The *Putting People First* Annual Report was released in December 2023, listing the recommendation relevant to YLC as “in progress.”



- The Yukon Liquor Corporation received questions from the Third Party on whether the Liquor Act, 2019 would require amendments before coming into effect.

#### 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 Nations 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.
- The *Substance Use Health Emergency Strategy* contains the following recommendations that are 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.”

#### Approved by:

**Dennis Berry**

**May 1, 2024**

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**President, Yukon Liquor Corporation**

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**Date approved**

### Liquor Licensing and Applications

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Yukon Liquor Corp.

#### Recommended response:

- The independent, quasi-judicial Yukon Liquor Board is responsible for all licensing decisions – granting, suspending or cancelling and hearing appeals.
- The Board considers a range of factors before granting a licence, such as the density of existing licensees and the population of the area.
- Yukoners can raise objections to liquor licence applications during the public notification period.

#### Additional response:

- The Board also determines the advertising standards applicable to licensees; the Corporation is responsible for education and enforcement.
- Alcohol and cannabis are distinct substances with different histories, so the licensing and regulatory approaches vary.

#### Dome Road event, Dawson:

- The Corporation is unable to comment further while the separate RCMP investigation is underway.

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#### Context—this may be an issue because:

- Questions about the authority of the Corporation in relation to Yukon Liquor Board are anticipated when licence applicants are unsuccessful.
- While leaving a permitted event in October 2023, a car struck a gate on the Dome Road near Dawson, resulting in a passenger fatality. The car accident was covered by local media outlets.

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#### Background:

# Session Briefing Note

LQ-05

Spring 2024

## Liquor Licensing and Applications

Yukon Liquor Corp.

- The Corporation reviews applications for accuracy and completeness and provides an analysis to the Board to assist in their consideration of an application.
- Factors the Board will consider during a licensing hearing include the applicant's character, the population, economic activity, hours of service, schools and daycares, alcohol treatment facilities, public parks, existing off-sales licensees or other issues deemed to pose a potential conflict.
- All licenced premises, including off-premises licensees, are permitted to sell alcohol from 9 am to 2 am. For flexibility, most licensees apply for these maximum hours and operate within this window as suits them.
- The *Liquor Act* regulations delegate advertising standards to the Board, which uses the Canadian Radio-television and Telecommunications Commission's *Code for Broadcast Advertising of Alcoholic Beverages* with some additions.
- The Corporation is responsible for enforcing the rules around advertising, which starts with warning letters posted on the Yukon government website.
- There was a liquor permit issued for a fundraising event on Dome Road on October 29, 2023. RCMP launched an investigation.
- Liquor inspectors have undertaken their own investigation. Any actions against the permit holder under the *Liquor Act* will rest on the final findings of the RCMP report and subsequent court case.

Approved by:

Dennis Berry

May 1, 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 government to fund crucial services for all Yukoners; and
  - social responsibility.
- A new pricing structure was implemented in October 2021. This adjustment to our wholesale price represents approximately \$1.1 million more revenue per year in licensee pockets.

#### Shipping

- The Corporation adheres to the Government of Yukon's procurement policies and works with the Department of Highways and Public Works during tendering processes.
- The Corporation's shipping tenders are value-driven, meaning they are evaluated on a points basis.

#### Sales

- Sales by licensees have rebounded since 2021.

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#### Context—this may be an issue because:

- Liquor store customers and licensees are sensitive to liquor price changes.
- In March, the corporation awarded contracts for shipping liquor into the territory, as well as awarding shipping contracts for 8 in-territory shipping routes. Unsuccessful bidders were notified and post-tender debriefings were scheduled to give these bidders the chance to learn about the scoring for their own bids.

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#### Background:

#### Pricing

- 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.
- Off-sales are limited to pricing individual liquor products at a maximum of 30% above the YLC retail price. Licensees could sell a product at a loss if they considered it viable to do so.
- 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. Product pricing is complex, and no single solution can work well for all licensees, who each have different business models and practices.

#### Shipping

- The Corporation contracts out shipping for products sourced from BC and Alberta to the YLC warehouse in Whitehorse. It also contracts shipping to freight companies delivering to YLC stores and licensees across the territory.
- The Corporation has concluded a bids and tender process relevant for the next two fiscal years. In addition to awarding contracts for shipping into the territory from BC and Alberta, contracts were awarded for 8 in-territory contracts (Watson

Lake, Carcross/Tagish, Whitehorse, Haines Junction, Faro, Mayo, Dawson City, Eagle Plains).

- These shipping tenders were value-driven, meaning they were evaluated on a points basis rather than price.

#### Excise tax

- The federal government collects tax under the *Excise Act* for alcoholic beverages.
- The rates are adjusted each spring and are normally indexed to the Consumer Price Index.
- On March 9, 2024, the federal government [announced](#) a two-year extension of the two per cent cap on the annual alcohol excise duty inflation adjustment, and a 50 per cent reduction for two years on excise duty rates for the first 15,000 hectolitres of beer brewed in Canada.

#### Approved by:

**Dennis Berry**

**May 1, 2024**

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President, Yukon Liquor Corporation

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Date approved

#### Recommended response:

- For more than 30 years, the Yukon Liquor Corporation has applied warning labels to the packaging of alcohol products sold in its stores throughout the Yukon. The labels warn the public about the risk of drinking alcohol during pregnancy.
- The Government of Yukon supports a federal approach to alcohol labelling.
- We are working with our provincial and territorial counterparts to bring the topic of warning labels forward to the federal government whenever possible.

#### Additional response:

If asked about warning labels and the corresponding reduction in sales:

- The Government of Yukon was not aware of the roughly 7 percent reduction in sales until the researchers published their findings years later.
- The 6.6 percent reduction is interesting for research purposes but does not reflect a net reduction in sales during the study period.

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#### Context—this may be an issue because:

- There is currently a bill in the Senate to amend the *Food and Drugs Act* to include consumer warnings of the health risks of alcohol consumption.
- Media coverage of the Senate bill, or related topics, often mentions the Yukon's participation in the alcohol warning label study.

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#### Background:

- Since 1991, the Yukon uses brightly coloured labels to warn the public of the risks of pregnant women consuming alcohol and raise public awareness of Fetal Alcohol Spectrum Disorder.
- In 2015, a research team led by the University of Victoria and Public Health Ontario carried out three focus groups in the Yukon (Whitehorse, Mayo, and Watson Lake) to examine the merits of a labelling study and get feedback.
- New warning labels were applied to alcohol packaging at the Whitehorse liquor store from November 20, 2017, until July 31, 2018. These warning labels contained information about Canada's national Low Risk Drinking Guidelines, standard drink measurements and the link between alcohol use and increased risks of cancer.
- Members of the research team noted a 6.6 percent reduction in sales during the study period when compared to sales from other government-owned liquor stores and when converted to standard drinks.
- Since the federal government is responsible for overseeing that manufacturers adhere to alcoholic beverage labelling requirements, Ministers responsible for the Yukon Liquor Corporation have urged the federal government to take a national approach to the issue of warning labels since 2020 and most recently in 2023.
- In May 2023, a group of researchers at St. Francis Xavier University in Nova Scotia announced they would begin testing the effectiveness of alcohol warning labels.
- A proposed amendment to the federal Food and Drugs Act (Bill S-254) was introduced in the Canadian Senate and passed second reading on June 1, 2023. Yukon Senator Pat Duncan has publicly expressed support for the bill.

**Approved by:**

**Dennis Berry**

**May 1, 2024**

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President, Yukon Liquor Corporation

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Date approved



#### Recommended response:

- Our government takes its responsibility for promoting responsible drinking and reducing alcohol-related harms seriously.
- The Corporation is mindful to balance the health and wellbeing of Yukoners while supporting local licensees who contribute to a strong economy.
- Yukon Liquor Corporation profits are remitted to the General Revenue Fund and are then reinvested into a wide range of government programs and services that support Yukoners.

#### Additional response:

- The Corporation undertakes a variety of initiatives to promote safer consumption.
- Recently, the corporation offered a safe, free shuttle service during Rendezvous to encourage festival-goers to consider alternatives to driving impaired.
- To combat the substance use health emergency in the Yukon, the Corporation is working with the department of Health and Social Services to provide naloxone kits and fentanyl test kits available through Territorial Agent services at Yukon Liquor Corporation community stores.

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#### Context—this may be an issue because:

- In May 2023, the Canadian Alcohol Policy Evaluation (“CAPE 3.0”) released scorecards for each province and territory, giving the Yukon an “F” grade. The report also included alcohol consumption patterns, which shows that the Yukon continues to have one of the highest per capita rates of consumption in the country.

- A letter from the former Executive Director of the Fetal Alcohol Spectrum Society Yukon, requested that profits from alcohol go toward treatment or support programs for people affected by alcohol-related harms.

#### Background:

- On January 20, 2022, the Government of Yukon declared a Substance Use Health Emergency in response to a surge in substance use related harms, including a drastic increase in opioid-related deaths.
- In August 2023, the Government of Yukon released the Substance Use Health Emergency Strategy covering several substances including cannabis and alcohol.
- The Corporation piloted making naloxone kits and fentanyl test kits available in the Mayo liquor store in 2022 and is working with Health and Social Services to expand the pilot to all Yukon Liquor Corporation stores.
- The Canadian Alcohol Policy Evaluation (CAPE) assesses each of Canada's 13 provinces and territories on the basis of various "best practices" aimed at reducing and preventing alcohol-related harms.
- In May 2023, provinces and territories fared equally poorly as all received an "F" grade from CAPE 3.0 (i.e. the third iteration of the evaluation). Across the various categories assessed, the Yukon received its lowest scores for pricing and taxation policies while scoring well for policies concerning liquor law enforcement as well as monitoring and reporting.

#### Approved by:

**Dennis Berry**

**March 20<sup>th</sup>, 2024**

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President, Yukon Liquor Corporation

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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 government to fund crucial services for all Yukoners; and
  - social responsibility.
- The 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 switched the cost of service for cannabis from a per-gram to per-unit. For some products, the cost-of-service dropped from \$14 dollars to as little as \$2.15.
  - This change highlights the 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.
- 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 cannabisyukon.ca to the public, marking the Corporation's exit from the cannabis retail business.
- This government continues to fulfill a mandate commitment to advocate for a federal review of cannabis packaging to ensure they are environmentally friendly while still maintaining safety standards by sending letters to federal ministers in 2022 and 2023.
- 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 or not to bring in a product; and
  - adding 31 new cannabis suppliers for licensees to order from.
- This fall, the Corporation launched the five-year review of the *Cannabis Control and Regulation Act*.
  - We are following through on our commitment to conduct this review when cannabis was legalized 2018. The review ensures that the Yukon's cannabis legislation will remain responsive to the needs of all Yukoners, while ensuring continued support for the Yukon's legal cannabis industry.

### Liquor operations

### Achievements

Yukon Liquor Corp.

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- In 2021, the Yukon Liquor Corporation adjusted the wholesale price discount from 12 percent to 17 percent for large producer products and 18% 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 expanding 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 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 fentanyl test kits as a pilot project through the Mayo liquor store's Territorial Agent services.
- Currently, the corporation is working with the department of Health and Social Services to provide naloxone kits and fentanyl test kits through the Territorial Agent Services in all community Yukon Liquor Corporation stores.

## Achievements

Yukon Liquor Corp.

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- In 2022, the Corporation transitioned the BARS-L liquor server training course online 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 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 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.

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### Context—this may be an issue because:

- The 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.

- The Minister responsible for the Yukon Liquor Corporation received letters representing some licensees through the Yukon Chamber of Commerce requesting assistance. He also received a letter from the former Executive Director of FASSY requesting that profits from liquor sales go toward supporting diagnosis and support of adults living with Fetal Alcohol Spectrum Disorder in the territory.

### Background:

The 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:

**Dennis Berry**

**May 1, 2024**

\_\_\_\_\_  
President, Yukon Liquor Corporation

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Date approved

**Session Briefing Note**  
**Corporate Note – Budget Highlights**

**TAB# 27**  
**Spring 2024**  
Finance

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**Recommended response:**

- The Government of Yukon is committed to supporting Yukoners and communities while delivering strong, sustainable fiscal management.
- The Yukon's economy is returning to normal with inflation falling, tourism rebounding, and growth in wages leading to higher consumer spending.
- This budget will benefit all Yukoners by providing significant investments in health care, education, and housing, and will ensure that Yukoners have opportunities to thrive in a vibrant and sustainable economy:
  - An additional \$15.3 million in funding is included to support the operations of the Yukon Hospital Corporation and another \$30 million is directed towards our Insured Health services system.
  - \$4.4 million will help increase the number of educational support staff and wellness professionals in our schools and create a learning environment that is inclusive and responsive to the diverse needs of our students.
  - \$101 million in capital is dedicated for land development, housing, education and health care.
  - This year's budget also delivers on our commitment to environmental stewardship, demonstrated through more than \$55 million allocated to support existing and new actions identified in *Our Clean Future*.



**Session Briefing Note****Spring 2024****Corporate Note – Budget Highlights**

Finance

**Embargoed until day of budget tabling**

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- Through Budget 2024-25, the government will continue to lay the foundation for the territory's new health authority. We will also provide funding to implement the *Substance Use Health Emergency Strategy* in coordination with our partners.
- This budget includes strategic investments in infrastructure, particularly in housing for the most vulnerable. Investments in housing include projects in Watson Lake, Mayo, Faro and Dawson City and funding support for various affordable and community housing projects.
- Like in previous budgets, Budget 2024-25 continues to build relationships and further reconciliation with Yukon First Nations.
- Revenue growth continues to accelerate alongside record levels of recoveries. The Yukon's strong financial position continues to improve as we look towards the future.

**Additional response:**

- The Yukon government is delivering on its commitment to grow a strong and resilient economy while ensuring robust, sustainable fiscal management.
- A strong surplus will serve as a prudent fiscal management tool and demonstrates the ability of the government to address unforeseen events without going into a deficit.

**Session Briefing Note****Corporate Note – Budget Highlights**

Finance

**Embargoed until day of budget tabling**

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- The fiscal summary includes a \$50 million contingency for unforeseen pressures and emergencies. Including a contingency has been a proven method to offset the cost of expected but undefined expenditures that arise throughout the fiscal year while limiting their impact on the territory's fiscal position.

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**Context—this may be an issue because:**

- The 2024-25 Main Estimates will be debated during the March 2024 legislative session.
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**Background:**

- The 2024-25 Main Estimates include a projected surplus of \$119 million and net debt of \$488.8 million.
- Total revenue is expected to be \$1.69 billion in 2024-25. This is an increase of \$115.8 million, or 7.4 per cent, from the 2023-24 Main Estimates.
- Gross O&M spending is forecast at \$1.6 billion, reflecting a \$141.4 million or 9.7 per cent increase over 2023–24 Main Estimates. Approximately 12 per cent is recoverable from Canada and other partners, making the net impact \$88.6 million, or a 6.7 per cent net increase over 2023–24 Mains.
- Forecast capital expenditures total \$484.0 million with recoveries of \$171.3 million. Although gross capital expenditures are consistent with the previous year (\$483.8 million in 2023-24) increased recoveries result in a 2.1 per cent decrease in net capital expenditures from the 2023-24 Main Estimates.

**Session Briefing Note**

**Spring 2024**

**Corporate Note – Budget Highlights**

Finance

**Embargoed until day of budget tabling**

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- There are 5,484.5 FTEs in the 2024-25 budget, which is an increase of 152.8 FTEs from 2023-24. Growth primarily for CASA Education commitments (61.0) and Health Human Resources commitments (11.5) as well as Putting People First (28.5).

**Approved by:**

Jessica Shultz

February 28, 2024

\_\_\_\_\_  
Deputy Minister, Finance

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Date Approved

## Session Briefing Note

### Corporate Note – Fin/HPW 2023-24 Supplementary Overview

HPW TAB#1

FIN TAB#28

Spring 2024

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#### Recommended response:

- The changes outlined in the Supplementary Estimates No. 2 highlight the government's commitment to supporting the health and wellbeing of Yukoners and communities. The government will continue to make important investments to support our healthcare system, enhance public safety, and provide needed infrastructure across the territory.
- The 2023-24 Supplementary Estimates No. 2 forecasts an overall net increase of \$32.1 million in spending. This includes:
  - A \$61.0 million increase in gross O&M spending, with an offsetting increase of \$29.4 million in recoveries, and
  - Other than a small transfer of \$143,000 in the Yukon Legislative Assembly, there is no change in overall gross capital spending, and a small decrease of \$397,000 in recoveries.
- Changes in the Supplementary Estimates result in a revised forecast surplus of \$1.7 million and year-end net debt of \$444.5 million.
- The ability to remain in a surplus position despite an increase in spending is largely owed to significant infrastructure investments:
  - Infrastructure investments, which are mostly tangible capital assets, impact net debt when they are realized. However, as they are anticipated to provide benefits over many years, their

## Session Briefing Note

### Corporate Note – Fin/HPW 2023-24 Supplementary Overview

HPW TAB#1

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**Embargoed until day of budget tabling**

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impact on the surplus/deficit position is recognized over their expected life.

#### O&M

- In O&M, the most significant increases are for programs and initiatives in the Department of Health and Social Services:
  - \$25.6 million is required for Insured Health Services for physician claims, hospital claims, pharmacare and medical travel.
  - More than \$12 million in O&M spending will increase funding for the Yukon Hospital Corporation for unanticipated costs, which are partially a result of a global shortage of health care providers and work done to retain our valuable nurses.
- Some other significant items in the supplementary estimates include:
  - \$6.7 million to sustain initiatives aimed at strengthening justice and community safety within our territory.
  - \$4.1 million to cover costs for new teachers, educational assistants, learning assistant teachers and mental health and wellness counsellors, as well as Yukon University and Governance increases.
- The 29.4 million increases in O&M recoveries are mostly comprised of a \$25 million recovery expected to be received for work completed and underway at the Minto Mine, this year.

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### Corporate Note – Fin/HPW 2023-24 Supplementary Overview

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#### Capital

- In Capital, there is no significant change in overall expenditures, but there are increases in several projects which are offset by decreases in other areas:
  - Most of the increases are for the Dempster Fibre project, which will receive an additional \$18.4 million to support faster than anticipated progress during the year. This project will provide Yukoners with more reliable access to the internet as well as necessary redundancy.
  - There is also a \$14.6 million increase for the Nisutlin Bay Bridge Replacement project and a \$7.9 million increase for the Erik Nielsen Whitehorse International Airport taxiway improvements and main runway replacement.
  - Finally, a \$5.8 million increase is required for the Old Crow Health and Wellness Centre replacement and the Old Crow 10-unit mixed-use housing project.
- These increases are offset by a number of decreases in other capital projects to reflect revised timelines:
  - The most notable decrease is a \$21.3 million reduction for the Skagway Marine Service Platform project, which has been moved to 2025-26.



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- There is also an \$8 million decrease in Northern Carve Out funding, which is being deferred to 2024-25.
- Delays in some of the community projects under the infrastructure development funding will also see an additional \$7.7 million decrease in capital.

#### Additional Response:

- Revenues for 2023-24 are expected to decrease by \$14.9 million, mainly to reflect lower forecasts for tobacco and corporate income tax revenues and quartz mining royalties.

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#### Context—this may be an issue because:

- The 2023-24 Supplementary Estimates #2 is tabled in the spring session and will be the subject of debate.

#### Approved by:

Jessica Shultz

Deputy Minister, Finance

Feb 29/24

Catherine Harwood

Deputy Minister, HPW

Feb. 28, 2024

Approved

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

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**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.
- The Department of Environment and the Department of Finance work closely to ensure that 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.
- Our two departments 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.
- It also includes excluding carbon price from electricity generation or aviation, in recognition of the unique constraints of our northern jurisdiction.



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

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**Additional 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
- Our government continues to stand by carbon pricing as sound, evidence-based policy on climate change, but we share concerns about equity; specifically, for those Yukoners who do not use heating oil for their homes.
- The policies in Our Clean Future, as well as carbon pricing, are intended to incentivize Yukoners to make the switch to low carbon energy sources, like electric heating or heat pumps. Despite this change to the federal carbon levy, Yukoners continue to lead the way to support this low carbon transition.

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

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- 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.

**Third response:**

- 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, and businesses 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 four rebate groups who receive more, on average, than they pay in carbon pricing levies.
- 

**Context—this may be an issue because:**

- 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).
-

**Session Briefing Note****Spring 2024****Carbon Pricing  
(Corporate Note)**

Environment &amp; Finance

- 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).

**Approved by:**

Michael Prochazka

March 1, 2024

Deputy Minister of Environment

Date approved

Jessica Shultz

February 26, 2024

Deputy Minister of Finance

Date approved

Prepared for Premier Pillai, Ministers Clarke and Silver  
Departments of Environment and Finance

Date prepared: January 8, 2024

Last Updated: February 22, 2024

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# **Session Briefing Note**

## **Inflation and Affordability**

### **(Corporate Note)**

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**Spring 2024**

Finance

**Recommended:**

- Inflation has continued to improve in recent months, but all 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 track 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:**

- This year's Budget continues to support Yukoners by making sure they can access essential services at prices they can afford.
  - o The Budget includes massive investments to advance affordable housing projects across the Yukon. From the Housing First Project in Watson Lake, the Ryder Apartments in Whitehorse, and the Korbo Multiplex in Dawson, the Yukon government will be taking action to build more affordable homes for Yukoners, especially those in vulnerable situations.
  - o There is also over \$42 million in continued funding for early learning and child care in this Budget. This includes funding for the universal child care program, which has reduced child care fees to less than \$10 per day on average.

## **Session Briefing Note**

### **Inflation and Affordability**

#### **(Corporate Note)**

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**Spring 2024**

Finance

- o We are also making life more affordable and leading the nation with our Yukon-wide dental program, which will see \$5.4 million in continued funding for 2024-25.
  - o To make sure that more people have the option of staying home when they are sick, we have extended the Temporary Paid Sick Leave and included the necessary funding to do so in this Budget. We have also extended the Interim Electrical Rebate, which will provide welcome relief from power bills to Yukoners across the territory.
- These are just a few examples of the many programs and initiatives that will continue to support Yukoners this year.
- The Yukon's minimum wage has also been responsive to price changes, as its annual change is tied to inflation in the year prior. After growing 6.8 per cent in 2023, the minimum wage is scheduled to grow a further 4.9 per cent to \$17.59 per hour as of April 1, 2024. The new minimum wage would represent the second highest wage in Canada, behind only Nunavut's minimum wage of \$19.00 per hour.
- Higher inflation impacts various Government of Yukon programs through indexation, including:
  - o Subsidies for medical travel
  - o The Yukon Child Benefit
  - o Social Assistance Payments
  - o Student Financial Assistance
  - o Seniors' benefits
  - o The Pioneer Utility grant

## **Session Briefing Note**

### **Inflation and Affordability**

#### **(Corporate Note)**

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**Spring 2024**

Finance

- o The Comprehensive Municipal Grant Regulation
- o The minimum wage
- o Residential rent caps
- o The tobacco tax rate

#### **Context—this may be an issue because:**

- Inflation has fallen from historical highs but remains elevated in Canada and in the Yukon.
- While improved, energy prices remain elevated, and food and shelter costs continue to be prominent drivers of overall inflation. These are all areas where higher prices are more obvious to consumers.
- Housing affordability has been a concern in the Yukon for several years.
- After more than a year of local inflation being among the highest in Canada, growth in the Whitehorse CPI trended down throughout 2023 and was once again below the national inflation in the last three months of 2023.
- Higher earnings were reported across most industries in 2023, and several industries reported earnings growth more than 2023's average inflation of 4.9 per cent. Even as some industries had earnings gains outpace inflation, earnings growth of 2.8 per cent in the industry total fell short of the overall increase in prices in 2023.

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#### **Background:**

##### **Inflation – Recent performance and outlook**

- Early in the recovery from the COVID-19 pandemic, some price pressures were slower to materialize in the Yukon than in other parts of the country, as inflation for Whitehorse was amongst the lowest in Canada in the first half of 2022.

## Session Briefing Note

### Inflation and Affordability (Corporate Note)

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- Robust price growth in the CPI components of food, shelter and recreation, education and reading material were key drivers of overall inflation in 2023.
- Actions taken by the Bank of Canada to rein in inflation by cooling the Canadian economy appear to be having the desired effects. The national labour market has softened, consumer spending has slowed, and real GDP has leveled out. Following ten increases in the overnight rate since March 2022, discussion among many analysts has shifted towards the timing of rate cuts.
- The Bank's efforts to tame inflation look to have set the stage for a soft landing for Canada, as inflation is trending down without an accompanying sharp downturn in economic activity. Weaker energy prices and improving supply chains have also helped contribute to a much-improved national inflation picture.
- Prior to the recent period of elevated inflation, prices in the Yukon had generally tracked close to the national trend. After averaging 3.9 per cent in 2023, the Bank expects national inflation to fall to 2.8 per cent in 2024 and 2.2 per cent in 2025. As price pressures continue to recede, a similar story is expected locally with growth of the Whitehorse CPI forecast to fall from 4.9 per cent in 2023 to 3.0 per cent in 2024 and 2.5 per cent in 2025.

#### PROGRAMS AND OTHER MEASURES THAT SUPPORT AFFORDABILITY

Projects under the Five-Year Capital Plan supporting housing affordability (Yukon Housing Corporation)

- The **Old Crow 10-Plex Mixed-Use Housing** facility will be completed and will be ready for residents to start moving in by March 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 are scheduled to be complete in early 2024.

# Session Briefing Note

## Inflation and Affordability (Corporate Note)

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- The **Korbo Multiplex in Dawson** is in the design phase. This project will deliver approximately 34 new housing units.
- The old **Ryder Apartments in Whitehorse** was demolished in December 2023 and plans are underway to replace it with a new multi-family affordable housing complex. The project is in the design phase and 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.

### 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, Economic Development launched the Paid Sick Leave Rebate. The program will run 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



# Session Briefing Note

## Inflation and Affordability (Corporate Note)

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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.

### Yukon Child Benefit (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, starting in the 2023–24 budget year.

### 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 is 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 has been extended to March 2025.

### **Other Government initiatives**

#### Initiatives under Health and Social Services:

- Engagement on the Yukon's Social Assistance rates started in late summer 2023 with clients on Social Assistance.
- While the review is underway, the department is providing a \$100 monthly increase to eligible Social Assistance recipients.

# Session Briefing Note

## Inflation and Affordability (Corporate Note)

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- To offset inflationary cost of living increases and provide sufficient financial resources to meet the needs of children placed in their care, the department is providing a 10 per cent increase to monthly payments to caregivers of children in out of home care, on top of the annual indexed increase.
- During the 2023-24 fiscal year, a 16.46 per cent rate increase for community and extended family caregivers was provided. The rates are as follows:
  - o Whitehorse: \$46.86 per day
  - o Rural Communities: \$50.16 per day
  - o Old Crow: \$86.40 per day

### 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) will increase the grant payments to be provided in April 2024. This will result in a \$2.3 million increase for Yukon municipalities with overall contributions of over \$24.5 million for fiscal year 2024/25.

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

- Our energy programs are successfully encouraging Yukon residents and local businesses to reduce their energy use, save money and choose low carbon options to live and move.
- Energy efficiency rebate programs are available for the transportation sector, renewable heating sector, and the construction sector focusing on high efficiency buildings.

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## Inflation and Affordability (Corporate Note)

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- 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 December 31<sup>st</sup>, 2023, 221 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.

### Support to the forestry industry (Energy, Mines and Resources)

- To help increase the supply of firewood, over the past two years the Yukon government has offered an incentive to timber harvesters. In 2022-23, the Government of Yukon distributed \$315,000 to 33 Yukon businesses. The program has contributed to an increase in timber harvest volumes.
- In fall 2023, the Government of Yukon and the Canadian Northern Economic Development Agency combined financial contributions to launch the \$200,000 Forestry Support Program. The program is helping to enhance operational safety and resilience by allowing commercial harvesters and retailers to purchase or repair things like harvest equipment, vehicles, trailers, and personal protective equipment.
- We have distributed over \$170,000 through this program and anticipate exhausting the funds by the application deadline of March 31, 2024.

### Temporary Landlord Assistance Program (Economic Development)

- Vacancy rates in the local rental market remain very low. The Government of Yukon is committed to encouraging landlords to remain in the residential market. To help support this, the department of Economic Development introduced a temporary Landlord Assistance Program in November 2023.

# Session Briefing Note

## Inflation and Affordability (Corporate Note)

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Finance

- The program is available to all Yukon residential landlords who rent out accommodations to which the Yukon's Residential Landlord and Tenant Act applies and who rented out accommodation in 2023. The program provides a one-time, per-unit payment of \$338 for 2023.

### Government initiatives indexed to inflation

- Higher inflation impacts various Government of Yukon programs through indexation, (indexation is updated each April unless otherwise noted), including:
  - o Comprehensive Municipal Grant Regulation (with a one-year lag)
  - o The minimum wage
  - o Subsidies for medical travel
  - o Pioneer Utility grant
  - o Residential rent caps
  - o Seniors benefits (updated each October)
  - o Social Assistance Payments (updated each November)
  - o Student Financial Assistance (updated each school year)
  - o Tobacco Tax is updated each January
  - o Yukon Child Benefit (July)

### **Covid-19 and other temporary inflation relief measures no longer in place:**

#### **Tourism and Culture:**

##### **COVID-19 Business Relief Programs**

- In response to the COVID-19 pandemic, the Government of Yukon acted quickly and decisively by implementing one of the most robust business relief programs in the country. This began with the Yukon Business Relief Program (YBRP) in 2020, which was open to any business from any sector that experienced at least a 30 per cent revenue loss due to the pandemic.

# Session Briefing Note

## Inflation and Affordability (Corporate Note)

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- In that same year, Tourism and Culture (T&C) also launched the Tourism Relief and Recovery Plan (TRRP), which was reviewed and endorsed by the Yukon Tourism Advisory Board (YTAB) and industry.
- The Tourism Relief and Recovery Plan committed \$15 million over 3 years to support the tourism sector and was focused on 4 key themes:
  - Providing tourism sector leadership;
  - Rebuilding confidence and capabilities for tourism;
  - Supporting the recovery of tourism industry operators; and
  - Refining the brand and inspiring travelers to visit.
- Through the TRRP, various financial support programs were rolled out during the course of the pandemic to sustain the tourism industry and prepare it for the eventual reopening of borders, including:
  - Tourism Accommodation Sector Supplement (TASS);
  - Tourism Non-Accommodation Sector Supplement (TNASS);
  - Culture and Tourism Non-profit Sector Supplement;
  - Great Yukon Summer (GYS) program;
  - Great Yukon Summer Freeze program;
  - ELEVATE program; and
  - A top-up to the Tourism Cooperative Marketing Fund (TCMF).

### **Health and Social Services:**

- a one-time \$150 payment to social assistance recipients;
- a one-time payment of \$150 to Yukon Seniors Income Supplement recipients;
- a one-time 10 per cent additional payment to Pioneer Utility Grant recipients;

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**Inflation and Affordability**  
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- a 6-month extension of \$500 per month to caregivers of children in out of home care; and
- a commitment of \$100,000 to Yukon Anti-Poverty Coalition to continue to support food security across the territory.

**Approved by:**

Jessica Shultz

February 28, 2024

Deputy Minister, Finance

Approved

**Session Briefing Note**  
**Our Clean Future**  
**Implementation**

Environment and Energy,  
Mines and Resources

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**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 December 2023, we released the third Our Clean Future annual report outlining the progress we made responding to climate change in 2022.
- The report announced the addition of 42 new actions to help us reach our climate goals. 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.
- The 42 new actions implement 15 recommendations from the Yukon Climate Leadership Council and three recommendations from the Yukon Youth Panel on Climate Change.
- Additionally, several of the new recommendations put forward by the Yukon Climate Leadership Council align with existing Our Clean Future actions.
- We will continue to work together to advance our efforts to reduce emissions as we assess our progress year-to-year, consider new research and the input of others, and increase our resilience to climate change.
- We have also revised 19 existing actions to better align with our efforts to reduce the Yukon's greenhouse gas emissions and build a climate resilient territory.

**Session Briefing Note**  
**Our Clean Future**  
**Implementation**

**Spring 2024**  
Environment and Energy,  
Mines and Resources

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**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.
- We legislated greenhouse gas emissions targets and associated reporting through the Clean Energy Act in 2022.
- We installed electric vehicle chargers in every road-accessible community in the Yukon, enabling zero-emissions travel throughout the territory. (See EMR BN #29)
- We launched the five-year Sustainable Canadian Agricultural Partnership in 2023 which will enhance the agriculture sector's resiliency and adaptation to climate change.
- In collaboration with the Yukon's public utilities, we met our target to install seven megawatts of renewable electricity capacity through the Micro-Generation program by 2030. (See EMR BN #38)
- We launched the Better Buildings Program to offer affordable financing for energy retrofits to Yukoners' homes and buildings in 2022.
- We established a geohazard mapping program to understand risks from climate change to the Yukon's transportation corridors.
- We advanced emergency preparedness as we progressed the Community Wildfire Protection Plans for Dawson City, Mayo, Watson Lake, Beaver Creek, the Town of Faro and the Kluane Lake Region.
- We have begun work to develop flood hazard maps for all flood-prone Yukon communities. We expect to release flood maps for the Southern Lakes, Carmacks, and Teslin in 2024. Flood hazard mapping



**Session Briefing Note**  
**Our Clean Future**  
**Implementation**

Environment and Energy,  
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for Old Crow and Dawson and the Klondike Valley will begin in 2024 and 2025.

- In May 2023, we completed the installation of a biomass heating system at Elijah Smith Elementary School in Whitehorse.
- In January 2024, we passed an electric vehicle charging station regulation under the *Public Utilities Act* to allow First Nation governments, private businesses and municipalities to sell electricity through electric vehicle charging stations.

**Third response:**

- Of the original 136 actions released in Our Clean Future in 2020, we have completed 45 actions. Eighty-seven actions are in progress and four are yet to begin.
- The ambitious addition of 42 new actions in 2023 puts 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.
- We are working with industry to establish a path to implement the mining intensity target of a 45 per cent reduction in 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.
- 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:**

## ENV #1 / EMR #33

Spring 2024

# Session Briefing Note

## Our Clean Future Implementation

Environment and Energy,  
Mines and Resources

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

### 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 (see Appendix A).
- The Government of Yukon reports annually on progress for the implementation of Our Clean Future. Three Annual Reports have been published to date, with the latest report released on December 20, 2023.
- The Our Clean Future website was launched in December 2023, which shows our commitments and successes towards fighting climate change.
- On February 16, 2024, the Government of Canada released an update on design options being considered for the upcoming Clean Electricity Regulations. This regulation is one of the Government of Canada's central commitments towards transitioning Canada towards a net-zero electricity grid by 2035.
- Yukon will be exempted from the Clean Electricity Regulations as the territory's electricity grid is currently not interconnected with any other region and is therefore not regulated by North American Electric Reliability Corporation.

### Approved by:

Michael Prochazka

March 19, 2024

Deputy Minister  
Department of Environment

Date approved

Lauren Haney

March 19, 2024

Deputy Minister  
Department of Energy, Mines and Resources

Date approved

## Housing Issues

Yukon Housing Corporation

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### Recommended response:

- Many Yukoners continue to face challenges across the housing continuum, including:
  - 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 rising interest rates are creating significant challenges for both Yukon Housing Corporation and its partners.
- The corporation's new strategic plan, Creating Home, will help transform affordable housing service delivery through the adoption of a more client-centred and collaborative approach that integrates supports and leads to better outcomes for Yukoners.

### Additional response:

- Across government, 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.

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### Context:

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

## Housing Issues

Yukon Housing Corporation

### Rental pricing

- As of October 2023, the median rent for units in Whitehorse in all types of buildings \$1,368. This is 5.1% higher than it was in October 2022. For rental units in buildings with three or more units, the median rent was \$1,250, and the vacancy rate was 1.2%. Within the renter population in Whitehorse:
  - 22.7% live in unaffordable housing;
  - 17.9% live in unsuitable housing; and
  - 10.5% live in inadequate housing.

### Rental and vacancy rate, Yukon (YBS)

	<a href="#">April 2022</a>	<a href="#">October 2022</a>	<a href="#">April 2023</a>	<a href="#">October 2023</a>
Median rent (all types)	\$1,300	\$1,301	\$1,325	\$1,368
Vacancy rate (all types)	1.6%	1.7%	2.2%	1.9%

### Housing Construction

- Residential building construction declined by 19.3% over the same period. There was \$81.9 million in residential building construction in Yukon in 2023. This figure represents a 7.5% decline from 2022.
- Labour shortages contribute to higher construction costs and are leading to lower residential construction output.<sup>1</sup>

### House prices

- Yukon Bureau of Statistics real estate reports show that average prices for single detached and condos have fallen for three consecutive quarters; however, house prices remain high and many Yukoners face affordability challenges due to rising mortgage rates.
- Average House Prices (YBS)

Type	Whitehorse Average House Prices		
	<a href="#">2022 Q3</a>	<a href="#">2023 Q3</a>	Change
Single-detached house	\$701,200	\$664,600	(-5.2%)
Condominium	\$459,400	\$426,600	(-7.1%)

<sup>1</sup> Northern Housing Report, 2023

### Yukon Housing Corporation Accomplishments

#### Creating Home – YHC new strategic plan

- Creating Home is the corporation's new 5-year strategic plan that will transform affordable housing service delivery through the adoption of a more client-centred and collaborative approach that integrates supports and leads to better outcomes for Yukoners and communities.
- The plan 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 experience
    - 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:

- 60 units completed between 21/22 and 22/23 by YHC
- **February 2024** 10 units in Old Crow (with HPW)
- **March 2024** accessible duplex in Faro
- **January 2024** – 3-unit mobile home delivered and prepared for occupancy for RRDC staff to help improve social conditions in the community.
- **August 2023** – two accessible, affordable duplexes in Mayo and Carmacks, YHC
- **July 2023** – a 12-bed men's shelter, Jëje Zho, in Dawson City, Tr'ondëk Hwëch'in
- **May 2023** – 9-unit Elders' complex, Vuntut Gwitchin First Nation
- **January 2023** – 87-unit rental development in Whitehorse by Boreal Commons
- **January 2023** – 47-unit build for in Whitehorse YHC
- **December 2022** – 84-unit Seniors' Supportive Housing Facility, Normandy Living.
- **July 2022** – 45-unit multi-use building, Cornerstone: Opportunities Yukon
- **June 2022** – triplex in Whitehorse, YHC
- **Summer 2022** – 20-unit, Whistle Bend: Champagne and Aishihik First Nations
- **March 2022** – triplexes in Mayo and Watson Lake, YHC

## Housing Issues

Yukon Housing Corporation

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### Underway or Upcoming housing capital projects for YHC and partners

#### YHC- Underway (12 units)

- 10-unit Watson Lake Housing First building
- 2-unit affordable duplex in Dawson

#### YHC – Upcoming (112+ units) Community housing:

- 34-unit building with 8 accessible units in Dawson
- 45+ unit building with 9 accessible units on 6<sup>th</sup> Avenue in Whitehorse (formerly Ryder Apartments)
- 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

#### Staff housing:

- Accessible duplex in Destruction Bay
- Accessible duplex in Pelly Crossing
- Duplex in Burwash Landing

### 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 YHC 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 April 2024, 177 clients are receiving monthly support.

### Support for homeowners:

- March 2024 – CYHB Homeowners stream
- June 2023 the Yukon government launched an \$8.25 million flood recovery program for residents and businesses affected by flooding in the Klondike Valley. (Tab #19)

### Housing Issues

### Yukon Housing Corporation

- April 2023, YHC launched the expanded Yukon Home Ownership Program which provides mortgages for qualified households to build and buy their homes across the territory, including Whitehorse.
  - The program is currently under review and scheduled for revision in the coming year.
- In 2020, YHC 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 2023:

- June 2023, the Government of Yukon partnering with the Government of Canada and the City of Dawson to develop [four new residential lots in Dawson City](#).
- 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 Mayo and the Logan and Whistlebend subdivisions of Whitehorse made available through public lottery.
- November 2022, signed a loan agreement with Kwanlin Dün First Nation's (KDFN) arm's-length development corporation Chu Níkwän Limited Partnership (CNLP) for a new 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.

#### Approved by:

Justin Ferbey

President, Yukon Housing Corporation

April 30, 2024

Date approved

**Truth and Reconciliation Commission  
– Update on Calls to Action**

Executive Council  
Office

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**Recommended response:**

- Reconciliation is an ongoing process and a shared responsibility of all governments and individuals in our society.
- Our government is deeply committed to advancing reconciliation through collaboration and partnership with Indigenous governments.
- While there is still work to do, our efforts are resulting in meaningful change and creating better programs and services for all Yukoners.
- In 2023, on the National Day for Truth and Reconciliation, we shared our progress toward addressing the Truth and Reconciliation Commission's Calls to Action through the release of the Pathways magazine and an accompanying report.
- The magazine and report provide an update on the actions being taken across the Yukon government and in close collaboration with First Nation governments and organizations 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.
- 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.

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**Context—this may be an issue because:**

- The 2023 mandate letters include a commitment to fulfill the Truth and Reconciliation Commission's (TRC) Calls to Action.



### 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 June 2015. It contains 94 Calls to Action focused on redressing the harms resulting from Residential Schools and creating better relations between the federal, provincial and territorial governments and Indigenous Peoples. Thirty-two of the Calls to Action relate directly to YG.
- YG 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.
- YG 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

Deputy Minister, Executive Council Office

2024.02.02

Date