

2023 FALL SESSION BRIEFING NOTES TABLE OF CONTENTS

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Session Briefing Note**Fall 2023****Cannabis - Five-Year Review**

Yukon Liquor Corp.

Cannabis Control and Regulation Act

Recommended response:

- This fall, the Yukon Liquor Corporation will kick-off the start of the five-year review of the *Cannabis Control and Regulation Act*.
- We are following through on our commitment, made when cannabis was legalized in 2018, to conduct this review.
- The review is aimed at ensuring that the Yukon's cannabis legislation remains effective and responsive to the needs of all Yukoners, while continuing to support the Yukon's legal cannabis industry.

Additional response:

- We want to hear from Yukoners to gather their perspectives on five years of cannabis legalization in the territory.
- We are not pursuing specific legislative changes at this time, but they may arise in the future as a result of the review.

Context—this may be an issue because:

- The *Cannabis Control and Regulation Act* requires a five-year review of the Act after coming into force in 2018. Based on mandated timelines this review must start in October 2023 with a report to be tabled in the legislative assembly by October 2024.
- Cannabis licensees, the public and other stakeholders may have questions as to how they can participate in the review and provide their views.
- Some licensees have suggested a privatized model would improve the industry.
- Media coverage may raise expectations and assumptions around what the five-year review will address. Local media topics have included the rejection of a licence application due to its proposed proximity to a school and the (accidental) sale of cannabis-tainted jerky by a non-licensee.
- National media coverage has included the accidental ingestion of (illicit) cannabis gummies by children, pricing and regulatory changes across jurisdictions.

Background:

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Fall 2023

Cannabis - Five-Year Review

Yukon Liquor Corp.

Cannabis Control and Regulation Act

- The review will focus 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.
- The review includes public engagement as well as analysis of national and Yukon specific research studies, analysis of health indicators specifically collected in the Yukon since legalization, and consideration of other matters.
- The engagement will be open to the general public, First Nation governments, municipalities, cannabis licensees, the Cannabis Licensing Board, the Chief Medical Officer of Health, the Child & Youth Advocate and various other stakeholders.
- When the public engagement period is open, the public will have access to the public survey on Yukon.ca. The Corporation will reach out to all other stakeholders.
- During the public engagement at legalization, most respondents favoured a government-run distribution model, while only 24% thought cannabis producers should be allowed to sell directly to retail stores.
- In Canada, only Saskatchewan has a privatized cannabis model. Saskatchewan registers licensed producers and issues permits for wholesalers. Both must pay a fee.
- In 2019, smaller, independent retailers in Saskatchewan felt compelled to launch the Weed Pool Cannabis Cooperative to create a shared buying power and secure better pricing and product selection from producers.
- A three-year review of the federal Cannabis Act is also currently underway, led by an independent Expert Panel. The Panel will report on progress made towards achieving the Act's objectives and will make recommendations for potential changes.
- Changes in the federal Act may affect the Yukon's legislation long-term as the two statutes are aligned. Key focus areas of the federal review are:
 - health and cannabis consumption habits of young persons;
 - impact of cannabis on Indigenous people and communities;
 - impact of cultivation of cannabis plants in housing context;
 - economic, social and environmental impacts of the Act;
 - progress made towards providing access to legal cannabis products;
 - progress made in deterring criminal activity and displacing the illicit market;
 - impact of legalization on access to cannabis for medical purposes; and
 - impacts on indigenous peoples, racialized communities and women.

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Cannabis - Five-Year Review

Yukon Liquor Corp.

Cannabis Control and Regulation Act

Approved by:

Dennis Berry

September 5, 2023

President, Yukon Liquor Corporation

Date approved

Session Briefing Note

Cannabis – Licensing and Applications

Fall 2023

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 licenses.
- 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.

Additional response:

- The Corporation takes all concerns from licensees and members of the public seriously and carries out due diligence on all licensing activities.
- Any concerns brought to the attention of the Corporation are investigated and any contraventions of the *Cannabis Control and Regulation Act* are dealt with accordingly.
- The Corporation balances transparency and privacy considerations related to business information of licensees. The Corporation does not comment on a licensee’s hiring decisions.

Context—this may be an issue because:

- A refusal to grant a licence in February of 2023 by the Board has led the applicant to seek judicial review by the Yukon Supreme Court. The Court’s decision was made available on October 10, 2023.
- Licensees have expressed concerns regarding licensing and hiring practices of other licensed retailers.

Session Briefing Note

Cannabis – Licensing and Applications

Fall 2023

Yukon Liquor Corp.

- The CBC is currently doing a series about the five years since cannabis legalization, including a segment on cannabis use and access among youth.

Background:

- 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.
- 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.
- The Court hearing was held on July 5, 2023. 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 Corporation reviews cannabis licence applications for accuracy and completeness and provides an application analysis to assist the Board in their consideration of an application.
- Changes in ownership require a new licence application; changes in management do not.

Approved by:

Dennis Berry
President, Yukon Liquor Corporation

October 16, 2023
Date approved

Session Briefing Note**Fall 2023****Cannabis Pricing and Supply**Yukon Liquor Corp.

Recommended response:

- The Yukon has strong cannabis sales overall. Every retailer will feel this differently depending on their market share.
- 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 last year.
- The Corporation meets weekly with licensees to discuss product variety and supply, and to address any questions they choose to raise.
- 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 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 responses:Challenges faced by licensed producers

- Licensed producers are federally regulated and report facing challenges in recent years, such as negative net income, that they attribute to federal tax and regulatory burdens.
- Yukon cannabis retailers, licensed with the Yukon Liquor Corporation, continue to experience sales growth overall.

Sales

- Cannabis retail sales in the Yukon experienced close to 15% year-to-date growth so far this year.

Session Briefing Note**Fall 2023****Cannabis Pricing and Supply**Yukon Liquor Corp.

- The Corporation's wholesale sales to licensees were at their highest ever this August, at \$945,000.

Pricing

- The Yukon Liquor Corporation offers a fixed wholesale markup of 20% across all products.
- The Ontario Cannabis Store's recent change is a wholesale markup ranging from 20-29% depending on the product category, with most categories set at 25%.

Variety and supply

- Licensees can request new products and suppliers on a weekly basis. In total, our 6 licensees purchased close to 1800 different products from 81 different suppliers so far this year.

Context—this may be an issue because:

- Some licensees have complained about a perceived lack of product variety, high prices and slow sales.
- The Cannabis Council of Canada issued a [news release](#) and [position paper](#) appealing to the Government of Canada to make reforms benefiting licensed producers, such as on excise duty and payment of Health Canada regulatory fees. Although there may be trickle-down effects, the producer-specific industry challenges should not be confused with those that local Yukon retailers, licensed with the Yukon Liquor Corporation, may feel they face.
- The Ontario Cannabis Store recently reduced its markup to provide more profit for industry. While some provinces were criticized after legalization for not turning a profit, some are now being criticized for being profitable when the industry is perceived to be facing difficulties.

Background:

Session Briefing Note

Fall 2023

Cannabis Pricing and Supply

Yukon Liquor Corp.

- As the cannabis distributor, the Yukon Liquor Corporation leads price negotiations with suppliers signed-on in consultation with licensees.
- To support the cost of shipping cannabis to the territory, the Corporation contributes 3.5% of a purchase order's value towards each licensed producer's shipping costs.
- 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.
- The Ontario Cannabis Store recently transitioned to a fixed wholesale markup structure which is applied as a percentage above the landed cost to arrive at the wholesale price. The markup varies across each product category and ranges between 20-29%. YLC already has a fixed wholesale markup, set at 20% across all products.

Approved by:Dennis Berry

President, Yukon Liquor Corporation

October 18, 2023

Date

Session Briefing Note**Fall 2023****Liquor Act and Regulations**Yukon Liquor Corp.

Recommended response:

- The Corporation is advancing this work for completion as soon as practicable.
- The new Act received assent in 2019, prior to the 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:

- Corporation liquor inspectors work with licensees and contribute to responsible alcohol consumption through an education-first approach to encourage compliance before applying stronger enforcement measures.

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.
- YLC received a media inquiry in 2022 about the status of new liquor legislation, whether it addresses the substance use emergency, the recommendations of the *Putting People First* report and recommendations provided in a separate report by the previous Chief Medical Officer of Health.

Background:

- Given the legislation is over 40 years old, the Corporation undertook a *Liquor Act* review starting in 2017.

Session Briefing Note**Fall 2023****Liquor Act and Regulations**

Yukon Liquor Corp.

- 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.
- Limited access to alcohol, or intentionally restricting access, can lead to other social harms such as bootlegging and other criminal activities. The Corporation must balance how access to alcohol is regulated with other social harms.
- The *Putting People First* report was released on April 30, 2020, containing recommendations intended to reduce the rates of alcohol-related harms. The Corporation required time to consider these recommendations while contemplating the ongoing legislative work.
- 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

President, Yukon Liquor Corporation

October 3, 2023

Date approved

Session Briefing Note**Fall 2023****Liquor Licensing and Applications**

Yukon Liquor Corp.

Recommended response:

- The Yukon Liquor Board is the territory's liquor licensing authority, not the Yukon Liquor Corporation.
- The Board is independent from the Government of Yukon and the Yukon Liquor Corporation.
- The Board is a quasi-judicial body that considers a range of factors before granting a licence.
- All Yukoners have the opportunity to raise an objection to a liquor licence application through the public notification period.

Additional response:

- All applicants must pay the \$150 application fee. There is also an advertising fee for the public notice period, as well as additional fees depending on the class of licence.
- The Board determines the advertising standards applicable to licensees. The Corporation is responsible for education and enforcement.
- Alcohol and cannabis are two distinct substances with different histories, so the licensing and regulatory approaches vary. Prior to 2018, there was no legal supply of cannabis in the Yukon.

Context—this may be an issue because:

- During the 2023 spring session, the Third Party raised questions about the cost of liquor licences based on a misunderstanding that the application fee was the licence fee and the only fee applicable for opening a licenced premises. A

Session Briefing Note**Fall 2023****Liquor Licensing and Applications**

Yukon Liquor Corp.

comparison was also made between the application fees and regulatory regimes for cannabis and liquor.

- Also during the 2023 spring session, the Third Party claimed that because off-sales hours were extended in 2016 and licensees could choose to be open for 17 hours/day, it contributed to increased alcohol-related harms.
 - A food primary licensee with an off-sales reopened in June 2023 at a new location. The Corporation received some complaints related to signage and advertising. Liquor inspectors responded through site visits and continue to take an educational approach on acceptable marketing practices.
-

Background:Licensing

- The Corporation reviews liquor licence applications for accuracy and completeness and provides an application 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 considered by the Board to pose a potential conflict.
- When considering these factors, the board strives to ensure an appropriate balance between liquor retail opportunities and social responsibility.
- The Board essentially issues and cancels licences or permits and hears appeals.
- The Corporation and the Board have powers to suspend licences.

Licensing fees

- There are 11 licence classes (and two permit classes).

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Fall 2023

Liquor Licensing and Applications

Yukon Liquor Corp.

- Liquor licence applications include a one-time application fee of \$150 and an annual licence fee (up to \$630). Prior to receiving their licence, licensees also pay advertising costs directly to local media outlets (newspapers) for the three-week public notice period.
- Applicants wishing to apply for multiple licences, such as a restaurant with an off-sales, must pay the fees associated with both licence classes.

Current issues (licensee hours)

- Off-sales hours were extended in 2016, enabling these licensees to operate for 17 hours.
- The maximum hours that liquor may be sold by any licenced premises is from 9am to 2am (17-hour window). For flexibility, most licensees apply for the maximum hours permitted and adjust their operating hours from there.
- The number of licensees choosing shorter operating hours despite being approved for the maximum operating period fluctuates and is not tracked.

Marketing

- The *Liquor Act* regulations delegate advertising standards to the Board.
- The Board uses the Canadian Radio-television and Telecommunications Commission's *Code for Broadcast Advertising of Alcoholic Beverages* as its core policy with some additions.
- The Corporation is responsible for enforcing the rules around advertising, which starts with warning letters that are posted on the Yukon government website.

Approved by:

Dennis Berry

President, Yukon Liquor Corporation

August 30, 2023

Date

Session Briefing Note**Fall 2023****Liquor Pricing and Supply**Yukon Liquor Corp.

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.

Food and Beverage Committee follow-up

- I met with members of the Food and Beverage Committee in early October.
- The Yukon Liquor Corporation continues to correspond with a representative of the Food and Beverage Committee and support the industry as much as possible.

Bi-annual liquor price update of November 15th

- Liquor prices can fluctuate because of price changes from vendors, shipping and warehousing costs.
- For the bi-annual price update that took place this week, warehousing costs and shipping costs did not change. Vendors changed their prices according to their internal pricing strategies.
- Wholesale and retail liquor prices are updated bi-annually in fall and spring. This helps licensees have consistent pricing during busy summer and winter seasons.
- As with any price update, the Corporation works closely with licensees who believe they have identified a pricing error. YLC has a list of more than 1500 regularly stocked items and 6000 special order

Session Briefing Note**Fall 2023****Liquor Pricing and Supply**Yukon Liquor Corp.

items. Occasionally corrections are made due to vendor, system or human error.

Pricing structure

- 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.
- Reviewing the full impacts of the price structure change takes time. The findings have been shared with the Food and Beverage Committee and the Corporation has offered to discuss the findings.

Off sales versus retail store pricing

- Licensees pay wholesale prices and must purchase from the Yukon Liquor Corporation.
- Off-sales are limited to pricing individual liquor products at a maximum of 30% above the YLC retail price. It is possible for them to sell a product at a loss to their business if they think that's viable.

Context—this may be an issue because:

- The Yukon Chamber of Commerce Food and Beverage Committee has requested a rebate on invoices due to the perceived state of the food and beverage industry.
- Liquor store customers and licensees are sensitive to liquor price increases.
- 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.
- Yukoners are curious about the pricing differences at the new off-sales versus the YLC Whitehorse store.

Background:Pricing

Session Briefing Note**Fall 2023****Liquor Pricing and Supply**

Yukon Liquor Corp.

- 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 through YLC's distribution centre or YLC liquor stores. Licensees also apply additional mark-up, but 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.
- 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.

Approved by:Dennis Berry

President, Yukon Liquor Corporation

November 23, 2023

Date approved

Session Briefing Note**Fall 2023****Alcohol Warning Labels**Yukon Liquor Corp.

Recommended response:

- I am pleased to see alcohol labelling discussed in the Parliament of Canada.
- We support a federal approach to alcohol labelling. We look to the national level for further guidance on this important topic.
- For more than 30 years, the Yukon Liquor Corporation has applied warning labels on the alcohol sold in its stores throughout the Yukon. The labels warn the public about the risk of drinking alcohol during pregnancy.

Additional response – 6.6 percent reduction in sales during label study

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

Context—this may be an issue because:

- With the federal government investigating tools that promote safer consumption, such as alcohol warning labels, there may be questions about what the Government of Yukon is doing and what has been done in the past.
- In the spring of 2023, national news outlets covering Senator Brazeau's bill on alcohol labelling reported that the Yukon saw a seven percent reduction in sales during the label study. Media coverage neglected to note that it was not a reduction in net sales. To observe the reduction, researchers compared sales data for the research period for the Whitehorse liquor store to other government-owned liquor stores in the north after converting the quantity of alcohol products sold to standard drink equivalents.

Session Briefing Note

Fall 2023

Alcohol Warning Labels

Yukon Liquor Corp.

Background:

- Since 1991, the Yukon has been affixing bright orange-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 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.
- A proposed amendment to the federal *Food and Drugs Act* (Bill S-254) was introduced in the Canadian Senate that would require alcoholic beverage labels to include consumer warnings of the health risks of alcohol consumption.
 - The bill passed second reading on June 1, 2023, and is being studied by the standing Senate Committee on Social Affairs, Science and Technology.
 - Yukon Senator Pat Duncan has publicly expressed support for this bill.
- In March 2023, Carolyn Bennett, Minister of Mental Health and Addictions, replied to Minister Silver by providing an update on the federal initiative related to alcohol warning labels and invited information sharing between the federal government and the territory.

Approved by:

Dennis Berry

President, Yukon Liquor Corporation

August 30, 2023

Date approved

Session Briefing Note**Fall 2023****Liquor External Initiatives**Yukon Liquor Corp.

Recommended response:

- The Corporation undertakes a variety of initiatives to promote safer consumption.
- Existing campaigns and messaging include:
 - Information around safety while drinking;
 - Safe Grad, to encourage a substance-free graduation among youth;
 - Warning labels on the risks of drinking while pregnant; and
 - Check 30, a program that encourages retail staff to ask for identification if there's doubt around the consumer's age.

Canadian Alcohol Policy Evaluation (CAPE) 3.0

- Our government takes its responsibility for promoting responsible drinking and reducing alcohol-related harms seriously.
- Employees with the Yukon Liquor Corporation have reviewed the CAPE policy areas, in addition to the issues affecting Yukoners, to help guide their work in balancing territorial economic interests and public health concerns.
- It is important to note that the CAPE report is based off current provincial and territorial legislation and not what our government is actively doing to curb alcohol-related harms through policy, information sharing, and other initiatives.

Session Briefing Note**Fall 2023****Liquor External Initiatives**Yukon Liquor Corp.

Low-risk drinking guidelines

- Currently, the Yukon Liquor Corporation raises awareness of the revised low-risk drinking guidelines in YLC liquor stores, on social media and on Yukon.ca.

Context—this may be an issue because:

- The Corporation received a media inquiry in 2022 about how the Corporation promotes and utilizes reports like the Canadian Centre for Substance Use and Addictions' low-risk drinking guidelines.
- Due to these initiatives, there may be an increased push for greater government oversight and intervention when it comes to the health and social impacts of alcohol use.
- CAPE released jurisdictional scorecards in May which included alcohol consumption patterns for each province and territory.

Background:CAPE 3.0

- CAPE assesses each of Canada's 13 provinces and territories based on the inclusion of various "best practices" aimed at reducing and preventing alcohol-related harms.
- CAPE released a report in 2013 (CAPE 1.0), which focused on the provinces, and included the territories in the assessment in 2017 (CAPE 2.0).
- In 2017 and in May 2023, the Yukon received an overall "F" grade for policy implementation. All other jurisdictions fared equally poorly or marginally better.
- According to CAPE, the Yukon has one of the highest per capita consumption rates at 780 standard drinks per person over the age of 15. For comparison, the Canadian national average is 487 standard drinks per person.

Session Briefing Note**Fall 2023****Liquor External Initiatives**

Yukon Liquor Corp.

Low-risk drinking guidelines

- The Canadian Centre for Substance Use's previous low-risk drinking guidelines were released in 2011 and recommended that men should not exceed 3 drinks per day or a maximum of 15 drinks per week, and women should not exceed 2 drinks per day or a maximum of 10 drinks per week.
- The new guidelines, however, state that for both men and women, the low-risk drinking threshold is now lower, at no more than 2 drinks per week and no more than 2 drinks per day on any occasion. There is no safe amount of alcohol.

Approved by:Dennis Berry

President, Yukon Liquor Corporation

November 30, 2023

Date approved

Session Briefing Note**Fall 2023****Social Responsibility**Yukon Liquor Corp.

Recommended response:

- The Corporation is mindful to balance the health and wellbeing of Yukoners while supporting local licensees who contribute to a strong economy.
- 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.
- The Corporation works through strategic partnerships with departments, other governments, licensees and other stakeholders to encourage only responsible consumption and to help reduce alcohol and cannabis related harms.

Additional response:

- For cannabis, the aim every year is to operate on a revenue neutral basis.
- For liquor, the Corporation remits the net profit to the Government of Yukon, which is then used to fund government's priorities, from health care to education.
- For example, in July 2022, the Corporation and Health and Social Services collaborated to provide \$46,000 to the Fetal Alcohol Syndrome Society Yukon for a healing camp at Jackson Lake.
- In December 2022, the Corporation made BARS-L available for free through Yukon.ca, making the training more accessible to staff who sell and serve alcohol. Over 152 servers have completed the training since it was made available online.

Session Briefing Note

Fall 2023

Social Responsibility

Yukon Liquor Corp.

- 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.

Context—this may be an issue because:

- The Yukon's *Putting People First* report has identified pricing, taxation and restricting access as important early steps to reduce alcohol-related harms.
- The Substance Use Health Emergency was a topic of discussion at Yukon Forum in March and September this year.
- Media coverage of the fifth anniversary since cannabis legalization, as well as a letter from the former Executive Director of the Fetal Alcohol Spectrum Society Yukon, requested that profits from alcohol and cannabis go toward treatment or support programs for people affected by alcohol or cannabis-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 other Yukon Liquor Corporation stores.

Approved by:	
<u>Dennis Berry</u>	<u>October 17, 2023</u>
President, Yukon Liquor Corporation	Date approved

Session Briefing Note**Fall 2023****Achievements**

Yukon Liquor Corp.

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.
- In the past three years, the Corporation has worked on close to 25 initiatives above and beyond normal business to support licensees and communities during the pandemic and afterwards.
- To name a few examples, the Corporation has:
 - spent over \$230,000 in the last three years on social responsibility measures, educating Yukoners on the health impacts of alcohol and cannabis consumption;
 - Permitted online sales for cannabis licensees and closed the government online site to give them the market; and
 - rolled out a new pricing structure for liquor licensees that leads to approximately \$1.1 million more revenue in their pockets every year.
- The Corporation continues to provide service excellence to all Yukoners, while educating them on the harms associated with alcohol and cannabis consumption.

Additional response:**COVID-19 supports**

Session Briefing Note**Fall 2023****Achievements**

Yukon Liquor Corp.

The Corporation implemented a range of COVID-19 support for licensees, collectively amounting to \$2 million between 2020 and 2022. For example, the Corporation:

- provided liquor licensees with rebates for licence renewals during the pandemic totaling \$86,000;
- temporarily waived the restocking fee when licensees returned unsold alcohol products to the Corporation;
- worked with the Yukon Liquor Board to support off-sales licensees by extending hours and providing additional flexibility in the space and footprint requirements of restaurants; and
- skipped the 2020 biannual spring wholesale price update, which may have saved licensees up to \$224,000.

Additionally, the Corporation adapted to the public health measures and new business environment brought on by the COVID-19 pandemic, which included:

- ensuring physical distancing requirements were adhered to at all Corporation liquor stores;
- installing plexi-glass shields at all service counters to protect both the public and Corporation staff;
- conducting regular cleaning and disinfecting routines to protect employee and customer health and safety;
- implementing special shopping hours for seniors and those with health and mobility issues at the YLC Whitehorse store to help reduce the risk to the Yukon's most vulnerable to COVID-19;

Session Briefing Note**Fall 2023****Achievements**

Yukon Liquor Corp.

-
- offering curbside pick-up to the public during the busy Christmas seasons in 2020 and 2021 for pick-up at the Corporation's warehouse, and;
 - implementing a Ministerial Order that temporarily allowed cannabis licensees to sell products online for pick-up in store, to support physical distancing.

These measures allowed the Corporation to ensure Yukoners had access to a safe option to purchase and consume alcohol and cannabis if they wish, while adhering to all COVID-19 protocols.

Cannabis operations

- 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 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.

Session Briefing Note**Fall 2023****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 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 will kick-off the start of 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 remains effective and responsive to the needs of all Yukoners, while ensuring continued support for the Yukon's legal cannabis industry.

Session Briefing Note**Fall 2023****Achievements**Yukon Liquor Corp.

Liquor operations

- A new pricing structure for liquor was implemented in October 2021. This adjustment to the Corporation's wholesale price from a 12% wholesale discount to a 17% discount on large producer products and 18% on small producer products, which represents approximately \$1.1 million more revenue per year in licensee pockets.
- Additionally, the Corporation is working with Vector Research to evaluate how the Corporation's pricing structure balances supporting the local economy while safeguarding the need to enhance the responsible consumption of alcohol.
 - Yukon licensees were contacted this summer to provide their input and their feedback is invaluable to the evaluation.
- 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.

Social responsibility

- In 2021, the Corporation provided approximately \$25,000 to the Prevent Alcohol and Risk Related Trauma in Youth program. The

Session Briefing Note**Fall 2023****Achievements**

Yukon Liquor Corp.

program helps Yukon youth recognize and minimize the risk of alcohol and make informed choices about risky activities.

- 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.
- 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.
- The Corporation continues to provide information regarding safer alcohol consumption in all Corporation Liquor Stores in the form of in-store tv advertising, information on receipts, messaging in shopping carts, and educational pamphlets.
- The Corporation continues to fund the "Safe Grad" initiative annually, which is designed to help school graduation planners keep graduates safe from alcohol and drug use during their graduation celebrations.
 - The Yukon Liquor Corporation donated over \$5,000 to high schools across the territory to support substance-free graduations in 2023.

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Fall 2023

Achievements

Yukon Liquor Corp.

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 that benefit all Yukoners.
- The Minister responsible for the Yukon Liquor Corporation received letters in the spring and summer of 2023 from the Food, Beverage and Cannabis Committee of the Yukon Chamber of Commerce requesting more assistance. The Minister also received a letter during that period from the former leader of the Third Party requesting more information about the Corporation's guiding principles with respect to privatization of liquor sales in Yukon and how these principles are integrated into health and other government priorities.

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

President, Yukon Liquor Corporation

September 06, 2023

Date approved

Session Briefing Note**Fall 2023****Tabling of Annual Reports**Yukon Liquor Corp.

Recommended response:

- Tabling of these annual reports fulfils the legislative obligations of the Corporation and the Minister under the Liquor and Cannabis Control and Regulation Acts.
- The reports set out the progress and achievements made in ensuring the responsible sale and consumption of liquor and cannabis in the Yukon.

Additional response:

- The Yukon Liquor Corporation has continued to promote the health risks associated with cannabis and alcohol use and responsible consumption of legal cannabis and liquor products.
- I would like to recognize the commitment and dedication of Corporation staff, the Cannabis Licensing Board and the Yukon Liquor Board.

Context—this may be an issue because:

- Opposition may review the Annual Reports and have questions.

Background:**Cannabis**

- The distributor corporation must prepare and submit an annual report to the Minister no later than 120 days after the end of the fiscal year in accordance with s.14 of the *Cannabis Control and Regulation Act*.
- In accordance with s.15 the Minister is responsible for tabling the annual report once submitted.

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Tabling of Annual Reports

Yukon Liquor Corp.

- The cannabis annual report was approved for release by the auditors on July 28 and shared with the Minister's office the same day.
- The annual report contains, in accordance with s.14 of the Act:
 - a statement of the nature and amount of business transacted;
 - a statement of assets and liabilities showing the results of the previous year's operations;
 - measures taken to reduce the illicit market;
 - measures taken to facilitate responsible consumption and enhance public awareness of health risks;
 - and, general information and remarks relating to cannabis in the Yukon.
- Tabling of annual reports is done each year for all government corporations.

Liquor

- The distributor corporation must prepare and submit an annual report at the end of each fiscal year in accordance with s.14 of the *Liquor Act*.
- In accordance with s.16 the Minister is responsible for tabling the report once submitted.
- The liquor annual report was approved for release by the auditors with the Office of the Auditor General of Canada on October 20, 2023.
- The annual report contains, in accordance with s.15 of the Act: a statement of the nature and amount of business transacted, a statement of assets and liabilities showing the results of the previous year's operations, and general information and remarks relating to liquor in the Yukon.
- Tabling of annual reports is done each year for all government corporations.

Approved by:

Dennis Berry
President, Yukon Liquor Corporation

November 16, 2023
Date approved

Session Briefing Note**Fall 2023****Procurement**

Yukon Liquor Corp.

Recommended response:

- Ten transportation contracts for liquor products are all expiring on March 31, 2024 and these tenders will be posted for a 6-week period.
- As part of the normal course of business, Yukon Liquor Corporation posts tenders for these services.
- The Yukon Liquor Corporation follows the Government of Yukon's procurement practices.

Context—this may be an issue because:

- On November 17, 2023, a Notice of Planned Procurement will be posted to identify that a total of ten tenders will be posted for the transportation of liquor products (and where applicable, cannabis products) within approximately one to two weeks of each other.
- On November 27, 2023, the first two transportation tenders from Alberta and British Columbia will be posted followed by the in-territory transportation tenders the following two Mondays. These tenders will be posted for 6 to 7 weeks.
- Information about awarded contracts is available on the contract registry.

Background:

- YLC is the sole distributor of liquor products in the territory. The largest contracts for YLC are the transportation of products to and from the warehouse in Whitehorse.
- The current transportation contracts will expire on March 31, 2024 and as part of the normal course of business, YLC posts tenders for these services.

Approved by:Dennis Berry

President, Yukon Liquor Corporation

November 16, 2023

Date approved

Housing Issues

Yukon Housing Corporation

Recommended response:

- There are challenges the Yukon's housing continuum, including:
 - a lack of affordable rental supply;
 - high house prices and mortgage rates; and
 - homelessness and a lack of access to housing with services.
- Exceptionally high building costs and rising interest rates are creating significant challenges for new housing projects, for both Yukon Housing Corporation and its partners.
- We continue working hard to move projects forward - through collaboration and strong partnerships - to provide relevant solutions to Yukoners' housing needs.

Additional response:

- Our government is seeking to increase housing options across the continuum and to make housing more affordable for Yukoners. (See [Tab #0](#))
- We continue to work to increase housing and land supply and to provide rental subsidies and support programs for homeowners to offer more affordable options for Yukoners.
- Following the 2022 Office of the Auditor General's (OAG) report, the Corporation and Department of Health and Social Services continue to progress implementing the OAG's recommendations. ([Tab #09](#))

Context:

- On a square footage basis, contractors' bids for YHC projects have more than doubled in the last two years alone.
- The rental vacancy rate in the Yukon for all building types is currently 2.2 per cent (YBS Spring Rental Survey).
- The Banks 5-year average mortgage interest rate increased from 4.75 per cent in February 2022 to 6.24 per cent in May 2023 (Weekly Updates).

Housing Issues

Yukon Housing Corporation

Background:

- In 2022-23, the Yukon Housing Corporation lapsed 34 per cent of its revised capital budget.
 - This was largely due to cancellation and scaling back of projects being supported through the corporation's loans and grants programs.
- New housing projects led by YHC's partners – including the Safe at Home Society and the Vimy Heritage Housing Society – continue to face delays.
- The 5th and Rogers RFP received only a single application. It is currently under review.

Approved by:



Colin McDowell
A/ President, Yukon Housing Corporation

September 8, 2023

Date approved

ENV #21 / EMR #36

Fall 2023

Session Briefing Note

Our Clean Future Implementation

Environment and Energy,
Mines and Resources

Recommended response:

- Our Clean Future is the Government of Yukon's path to address the climate emergency.
- The strategy is continually being strengthened year after year as we assess our progress, review new research, consider the input of others and identify new and innovative solutions.
- We have committed to an ambitious target of reducing our emissions by 45 per cent below 2010 levels by 2030.
- We have also committed to ensuring the Yukon is highly resilient to the impacts of climate change by 2030, because we know the North will face climate impacts.

Additional response:

- It is important to look back on our progress to date and remain diligent in implementation when it comes to addressing climate change.
- We have legislated greenhouse gas emissions targets and associated reporting through the Clean Energy Act. (See EMR BN #31 / ENV #23)
- We launched the five-year Sustainable Canadian Agricultural Partnership this year which will enhance the agriculture sector's resiliency and adaptation to climate change. (See EMR BN # 20)
- In collaboration with Yukon's public utilities, we exceeded our target to install seven megawatts of renewable electricity capacity through the Micro-Generation program by 2030. (See EMR BN #37)
- We launched the Better Buildings program to offer affordable financing for energy retrofits on Yukoners' homes and buildings.

ENV #21 / EMR #36

Fall 2023

Session Briefing Note Our Clean Future Implementation

Environment and Energy,
Mines and Resources

- We established a geohazard mapping program to understand risks from climate change to the Yukon's transportation corridors.
- We advanced emergency preparedness by progressing on 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 on developing flood maps for all flood-prone Yukon communities. Flood maps for the Southern Lakes, Carmacks, and Teslin [are anticipated to be released in 2024](#). The next communities for flood hazard mapping will be Old Crow, Ross River and Dawson/Klondike, with work occurring in 2024-25.
- We completed the installation of a biomass heating system at Elijah Smith Elementary School in May 2023.

Third response:

- Although we have made progress on many of our commitments, there is still significant work required to meet our 45 per cent greenhouse gas emissions target reduction by 2030.
- We are working with industry to establish a mining emissions intensity target for quartz and placer mining operations.
- 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.
- [Our 2022 Annual Report will be released in late 2023. We look forward to highlighting the good work that has been done in 2022.](#)
- [As this is an adaptative management strategy which involves 14 departments and agencies, it has taken some time to ensure that the report is strategically focused on helping us reach our targets.](#)

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Fall 2023

Session Briefing Note Our Clean Future Implementation

Environment and Energy,
Mines and Resources

- As a government, we continue to collaborate on implementation of actions.
- We will continue to work with experts, stakeholders and partner governments across the territory and beyond, to identify opportunities to accelerate and intensify our efforts to reach our ambitious targets.
- We established the Yukon Climate Leadership Council to provide advice and perspectives to support us in meeting our greenhouse gas emissions targets. We are working to integrate the work of the Council directly into Our Clean Future and continue to implement existing actions that align with their recommendations.
- With the end of the second Yukon Youth Panel on Climate Change in 2022, we are exploring how to continue mentorship opportunities on climate change for the important voice of youth.

Context — this may be an issue because:

- Climate change is of high interest to Yukoners; they will want to know the government's progress in delivering on Our Clean Future commitments.

Background:

- Our Clean Future was released on September 14, 2020.
- Our Clean Future contains 136 actions to reduce greenhouse gas emissions and support the Yukon to be highly resilient to the impacts of climate change by 2030.
- The Our Clean Future 2020 Annual Report was publicly released on August 12, 2021. The 2021 Annual Report was publicly released on September 12, 2022.

ENV #21 / EMR #36

Fall 2023

Session Briefing Note Our Clean Future Implementation

Environment and Energy,
Mines and Resources

Approved by:



Deputy Minister
Department of Environment

2023-11-14

Date approved



Deputy Minister
Department of Energy, Mines and Resources

November 14, 2023

Date approved

Session Briefing Note

Inflation and Affordability (Corporate Note)

Recommended:

- All Yukon households continue to see their budgets stretched by higher prices, with lower-income households often feeling the worst effects.
- At the same time, our government continues to track inflation and its impact on Yukoners, so that we can take steps to ease the burden, as we have been doing for the last year.
- The Government of Yukon continues to work hard to make life more affordable for Yukoners and has announced an extension of the temporary \$150 Inflation Relief Rebate to reduce the impacts that inflation continues to have on Yukoners.
- All non-government residential and commercial electricity customers will see a \$50 credit on their bills starting in November 2023 and running through December 2023 and January 2024.
- Several other measures included in the 2023-24 Budget are helping to make life more affordable for Yukoners.
 - funding for food in Yukon schools;
 - the timber harvesting incentive and a support program for commercial fuelwood harvesters and retailers to boost the fuelwood supply;
 - a quarterly top-up of \$150 to eligible recipients of the Yukon Senior Income Supplement;

Session Briefing Note

Inflation and Affordability (Corporate Note)

- o a \$100 monthly increase to eligible Social Assistance recipients;
 - o increasing the Yukon Child Benefit to \$867 per child and tying the benefit amount in future years to the rate of inflation; and
 - o a 10 per cent increase to monthly payments to caregivers with children in out of home care.
- The Government of Yukon has also made significant and ongoing financial investments in Early Learning and Child Care. The new Universal Child Care Program has reduced fees to less than \$10 per day on average.

Additional response:

- This government first established a strong record of making life more affordable for Yukoners with almost \$10 million-worth of inflation relief made available in last year's budget.
- This included more funding for Food Network Yukon, a 10 per cent top up to the Pioneer Utility Grant and rebates on the purchase of firewood.
- Yukoners are also receiving inflation relief from the federal government. This includes the accelerated Canada Workers' Benefit, the elimination of interest on student loans, a doubling of the GST tax credit, dental care and the Canada Housing Benefit for renters.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

Context—this may be an issue because:

- Inflation has fallen from many decade highs but remains elevated in Canada and in the Yukon.
- Energy prices remain elevated, and higher costs for food and shelter have become prominent drivers of overall inflation in recent months. These are all areas where higher prices are more obvious to consumers.
- Housing affordability has been a concern in the Yukon for several years.
- While remaining above historic norms, inflation of 3.8 per cent in September matched the national figure and was the lowest year-over-year increase in the Whitehorse Consumer Price Index (CPI) since January 2022 (3.7 per cent).

Background:

Key government initiatives addressing inflation in the Yukon

- 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.
- A significant portion of the Government of Yukon's Five-Year Capital Plan is allocated to housing and land development in order to continue to help address the supply side of the housing equation.
- Yukon Housing Corporation is investing across all parts of the housing continuum, including increase to supportive housing, subsidized Community Housing, and rental subsidy programs.
- This builds on previous programs to improve affordability for Yukoners under previous budgets.
- Last year, the Government of Yukon announced almost \$10 million in new inflation relief measures targeted at vulnerable groups.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

- The inflation relief rebate covered seven months at a total cost to Government of \$7.6 million. The inflation relief rebate automatically applied a \$50 credit to all residential and commercial ATCO Electric Yukon and Yukon Energy electricity bills.
- Yukoners on social assistance received a one-time payment of \$150.
- Seniors were supported by a 10 per cent top up in the Pioneer Utility grant and a one-time payment of \$150 to recipients of the Yukon Seniors Income Supplement.
- Yukoners who heat their homes with wood are eligible for a \$50 rebate per cord of fuel wood purchased from April 1, 2022 to March 31, 2023. Yukon also introduced the Timber Harvesting Incentive that gives commercial timber harvesters \$10 per cubic metre.
- The pilot program that gave an extra \$500 per month to Extended Family Caregiver agreement caregivers and foster caregivers was extended by 6 months to March 31, 2023.
- In June 2022, the Yukon government extended the Tourism Accommodation Sector Supplement and Tourism Non-Accommodation Sector Supplement programs, administered through Economic Development.

Yukoners are also supported by Federal Government affordability programs:

- Accelerated Canada Workers Benefit payments and new minimum entitlement started in July 2023 (\$4 billion over six years, starting in 2022-23).
- All Canada Student Loans and Canada Apprentice Loans became permanently interest-free starting in April 2023 (\$2.7 billion over five years and \$556.3 million ongoing).
- GST Tax Credit: The GST tax credit has doubled for six months in the current benefit year. Additional payment will be provided in one lump sum, before the end of the benefit year. Targeted to individuals and families with low incomes

Session Briefing Note

Inflation and Affordability (Corporate Note)

(below \$39,826, and gradually phased out above that level). Single Canadians without children will receive up to an extra \$234, and couples with two children will receive up to an extra \$467 this year. Seniors will receive an extra \$225 on average.

Government initiatives which are indexed to inflation:

- Higher inflation impacts various government of Yukon programs through indexation, (indexation is updated each April unless otherwise noted), including:
 - o Tobacco Tax is updated each January
 - 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)

Inflation outlook

- Following record annual inflation for Whitehorse of 6.8 per cent in 2022, the same increase seen nationally, monthly inflation has remained elevated in 2023. [September's inflation of 3.8 per cent was the lowest since January 2022 and matched the national increase. Prior to September, Whitehorse inflation had exceeded the Canadian figure for fourteen consecutive months.](#)

Session Briefing Note

Inflation and Affordability (Corporate Note)

- 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.
- Robust price growth in the CPI components of food, shelter and recreation, education and reading material have been key drivers of overall inflation in 2023. Stronger growth in these three components in the Whitehorse CPI, account for much of the difference between the overall levels of inflation for Whitehorse and Canada in recent months.
- The Bank of Canada continues to be aggressive in trying to get inflation under control. With a 0.25 percentage point increase in July, the Bank has raised the target for its overnight rate 4.75 percentage points since January 2022. At 5.0 per cent, the overnight rate is at its highest level since early 2001.
- Most forecasters still expect inflation in Canada will move towards historic norms over the next couple of years as the effect of higher interest rates move through the economy. Canadian inflation is expected to decline from near 7 per cent in 2022, to 3.5-4.0 per cent in 2023. Inflation in 2024 is expected to return to within the Bank of Canada's target range of 1-3 per cent.
- While inflation in Whitehorse has been stronger in recent months, it generally follows the national trend. Current expectations are for inflation to come in at 5.5 per cent in 2023, before falling to 2.5 per cent in 2024.

Carbon Taxes and Grocery Prices

- The effect of the carbon tax on CPI has contributed to inflation, but only modestly and mostly through the direct effect on fuel prices.
- According to the Bank of Canada, the direct effect of carbon tax is adding 0.15 percentage points to inflation this year.

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Inflation and Affordability

(Corporate Note)

- An economist at the University of Calgary¹, estimates that accounting for indirect effects brings this impact to 0.2 percentage points.
- For food in particular, the entire \$65 per tonne carbon tax increases monthly spending on groceries by at most \$20 per month, and likely closer to \$5 per month after accounting for emissions allowances provided by the federal Output Based Allocation system.²
- Overall, food price increases appear to be predominantly driven by other factors as prices have increased across North America independent of the implementation of a carbon tax.
- In the US, with no carbon tax system in place, food prices have increased by 26 per cent since the carbon tax came into effect in Canada in January 2018. In Canada the increase has been a similar 28 per cent.
- Whitehorse recorded an 18 per cent increase in food prices since January 2018 while Urban Alaska reported a 28 per cent increase.

INFLATION RELIEF ACROSS GOVERNMENT

Programs currently in place:

Tourism and Culture:

Community Tourism Destination Development Fund

- In October 2022, the Department of Tourism and Culture announced the creation of the Community Tourism Destination Development Fund, which is slated to run for an initial 3-year term.
- The new annual funding program is available to local businesses, First Nations governments, First Nation Development entities, municipalities and not-for-profit

¹ Trevor Tombe

² Energy and Environmental Policy Trends: Indirect Carbon Tax Costs Reduced By Policy Design, Kent Fellows and Trevor Tombe, University of Calgary

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Inflation and Affordability

(Corporate Note)

organizations for projects that will improve tourism-related services and infrastructure.

- Projects can focus on infrastructure like accommodations, attractions, activities and amenities, and special consideration will be given to umbrella projects, where multiple organizations are working together.

Creative and Cultural Industries

- In November 2021, the Department of Tourism and Culture released Creative Potential; Advancing the Yukon's Creative and Cultural Industries, a 10-year strategy to support the growth and development of the creative and cultural industries in the Yukon.
- The CCIS identified 4 strategic objectives and 22 key actions, which reflect input gathered through extensive public and sector engagement.
- We also identified 10 actions in support of pandemic recovery to be completed over 3 years as Phase 1 implementation, which includes:
 - Modernizing existing funding;
 - Offering new funding streams;
 - Industry branding and promotion;
 - Marketing and export strategies;
 - Workshops; and
 - Labour market supports.
- In 2023-24, 3 new funding programs will provide \$450,000 annually to the creative and cultural sectors, including:
 - Express Micro-grant;
 - Indigenous Artists and Cultural Carriers Micro-grant; and
 - Creative and Cultural Career Advancement Fund.

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Inflation and Affordability

(Corporate Note)

Additional Funding Programs

- Tourism and Culture also provides annual supports to the tourism and culture sectors through Transfer Payment Agreements (TPAs) with many NGOs across the Yukon and through a number of regular funding programs, including:
 - Advanced Artist Award;
 - Arts Fund;
 - Arts Operating Funds;
 - Cultural Industries Training Funds;
 - Culture Quest;
 - New Canadian Events Fund;
 - Touring Artist Fund;
 - Historic Properties Assistance Program;
 - Historic Resources Fund;
 - Museums Contribution Program;
 - Special Projects Capital Assistance Program (SPCAP); and
 - Tourism Cooperative Marketing Fund;

Yukon Development Corporation:

Inflation Relief Rebate

- The Inflation Relief Rebate (IRR) provides \$50 per month to all non-government residential and commercial electricity customers to help ease the impacts of rising inflation.
- The IRR was subsequently extended for March, April, and May 2023. The budget in 2023-24 is comprised of:

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Inflation and Affordability

(Corporate Note)

- \$2,056,000 for program costs in April and May 2023 (costs for March 2023 are included in the 2022-23 Supplementary Estimates #2).
- \$3,246,000 for a further 3 additional months. We will continue to monitor inflation and costs of living, and we anticipate this will show on electricity bills next winter when electricity bills are typically higher.

Economic Development:

Paid sick leave program

- 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 is available to employees regardless of whether their employer offers paid sick leave.

Energy, Mines and Resources:

Energy retrofits and funding to improve efficiency and offset costs

- 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 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.

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Inflation and Affordability

(Corporate Note)

- For commercial and institutional buildings, the Energy Branch offers rebates for greenhouse gas-reducing retrofits and renewable heating.
- Between January 1, 2018, and June 30, 2023, 176 high-performance retrofits to residential, commercial and institutional buildings have been completed across the territory.
- Innovative programs like the Better Buildings Program, combined with our Good Energy rebates, make energy retrofits more accessible and affordable for Yukoners.
- For First Nation and municipal buildings, the Energy Branch offers retrofit and funding support through its Community Institutional Energy Efficiency Program.
- To help increase the supply of firewood, we distributed \$315,000 to 33 Yukon businesses under the Timber Harvest Incentive program in 2022-23. We are offering this program for another year as it increased timber harvest volumes and prompted new harvesting businesses to emerge. No new applications have been received yet for this year, but we did not anticipate to see them until the fall when the businesses start operating again.
- The Government of Yukon and the Canadian Northern Economic Development Agency combined financial contributions to launch a new \$200,000 support program offering funding for commercial harvesters and retailers.
- The program will help forest sector businesses with the cost of purchases and repairs from local suppliers for harvest equipment, vehicles and trailers, personal protective equipment, and other equipment. For larger harvesting businesses, the funds can also be used for things like planning and administrative costs.
- Applicants have until March 31, 2024, to apply or until available funds are exhausted.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

Yukon Housing Corporation:

Projects under the Five-Year Capital Plan which support housing affordability and those in need include:

- The 47-unit housing complex at 401 Jeckell Street in Whitehorse opened in January 2023. The building provides new homes to Yukoners, including 5 three-bedroom, 12 two-bedroom, 16 one-bedroom and 14 bachelor units.
- A Yukon Housing Corporation Housing Initiatives Fund recipient, Right On Property Group, has completed Boreal Commons, a new 87-unit rental development in Whitehorse's Whistle Bend neighbourhood. This large-scale housing project will help address the need for more rental housing in the Yukon, including for more affordable and accessible units.
- Normandy Living, the Yukon's first private seniors' supportive living community, has officially opened its doors in Whitehorse with 84 modern suites, including housing units for First Nations Elders and affordable units for low-income seniors.
- Triplex housing units in Watson Lake, Mayo and Whitehorse were completed in spring 2022 and are providing affordable homes to families in each of these communities.
- A 10-Plex Mixed-Use Housing complex in Old Crow is under construction.
- Construction of a 10-Plex Housing First Project in Watson Lake started in the summer 2023 and is expected to be completed by fall 2024;
- Two accessible duplexes in Mayo and Carmacks were completed this summer and are now available for YHC clients.

Other highlights from the plan

- More homes will be created for Yukon families in rural communities through the construction of three duplexes in Dawson City and Faro. These homes are on track for completion in summer 2024.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

Health and Social Services:

- A 37.5 per cent top-up to eligible Yukon Senior Income Supplement recipients' monthly payment;
- a \$100 monthly increase to eligible Social Assistance recipients; and
- a 10 per cent increase to monthly payments to caregivers of children in out of home care.

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.
- 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:

Session Briefing Note

Inflation and Affordability

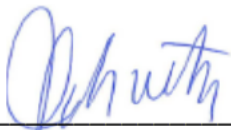
(Corporate Note)

- 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;
- 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:



Deputy Minister, Finance

October 26, 2023

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 our society.
- Our government is deeply committed to advancing reconciliation through collaboration and partnership with Indigenous governments.
- While there is still more work to do, our efforts are resulting in meaningful change and creating better programs and services for all Yukoners.
- In honour of the National Day for Truth and Reconciliation this year, 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 our actions being taken across the Yukon government and in close collaboration with First Nations governments and organizations in areas including child welfare, health, education and justice.

Additional response:

- The Government of Yukon and Yukon First Nations 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 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) Calls to Action.
- CASA 2023 contains a commitment to work with First Nations to continue to implement the TRC recommendations through targeted investment.

Truth and Reconciliation Commission – Update on Calls to Action

Executive Council
Office

- It is expected that the media and opposition will be interested in the fall 2023 public update, which will be the first comprehensive public update since 2016.

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) have 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

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

Executive Council
Office

- receiving input from YFNs on Health and Social Services programming through the Mental Health Advisory Committee (relates to Call 19).

Approved by:



Deputy Minister, Executive Council Office

October 10, 2023

Date

Session Briefing Note (Corporate)**Fall 2023****2023-24 Supplementary Estimates #1**

Finance

Key Information

Recommended response:

- The 2023-24 Supplementary Estimates No. 1 forecasts an overall gross increase of \$132.7 million in O&M spending, with an offsetting increase of \$26.8 million in recoveries. The net increase in new O&M spending is forecast at \$105.9 million.
- Revenues are expected to increase by \$18.7 million, mainly to reflect an increase of \$2 million to the Canada Health Transfer and \$15 million for federal funding for Affordable Housing in the North.
- A large portion of the increase in O&M is for the new collective agreement between the Government of Yukon and Yukon Employee's Union. This new collective agreement was ratified in June and accounts for a \$36.9 million increase in O&M.
- The Supplementary Estimates also respond to several new or unanticipated challenges requiring funding. Some of these items include:
 - \$25.0 million for environmental care and maintenance work at the Minto Mine following the cessation of operations at the site in May, which will ensure that our environment remains protected;
 - \$19.6 million for wildland firefighting costs in response to the significant fire season experienced in the territory and which helped ensure the safety of Yukoners;
 - \$14.9 million in response to operational funding pressures at the Yukon Hospital Corporation to ensure that Yukoners have access to the health care services and supports they need;

Session Briefing Note (Corporate)**2023-24 Supplementary Estimates #1****Key Information**

- \$9.8 million in response to cost pressures for Insured Health to support the wellbeing of Yukoners; and
- \$1.9 million to support the Substance Use Health Emergency Strategy, and \$1.4 million for initiatives to support reconciliation with Yukon First Nations governments.
- The Supplementary Estimates also include a \$21.4 million capital allocation to support the development of a marine services platform in Skagway, which will create positive opportunities for Yukon's mining industry and its broader economy. We have identified offsetting adjustments based on timelines, loan program uptake, and the progress of various capital projects to accommodate this new project without any gross changes to capital spending.
- The Yukon government has maintained its surplus by making use of its contingency fund, included as part of Budget 2023-24. This \$50 million contingency fund helped shelter the government's fiscal position and allowed us to respond to emerging challenges throughout the year. The use of the contingency fund has allowed the government to present a revised surplus of \$3.6 million as part of these Supplementary Estimates.

Additional response:

- Changes in the Supplementary Estimates result in a revised year-end net debt of \$423.8 million.

Session Briefing Note (Corporate)

Fall 2023

2023-24 Supplementary Estimates #1

Finance

Key Information

- The use of the contingency fund will cover the following emergency cost pressures:
 - \$25 million for unplanned maintenance costs at the Minto mine;
 - \$19.6 million for increased wildland firefighting activity.
 - \$2.3 million for other emergency response measures, like the Village of Mayo evacuation in response to the Talbot Creek fire;
 - and \$1.9 million for Substance Use Emergency response.
-

Context—this may be an issue because:

- The 2023-24 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 spending that is unforeseen 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:



Deputy Minister, Finance

September 29, 2023

[Date approved]