



Budget address 2023–24

presented by

Minister of Finance
SANDY SILVER

First Session of the Thirty-fifth Yukon Legislative Assembly

Whitehorse, Yukon
March 2, 2023

Introduction

Thank you, Honourable Speaker.

It is an honour to present the Government of Yukon's budget for 2023–2024 on the traditional territory of the Kwanlin Dün First Nation and the Ta'an Kwächän Council, and it is a distinct privilege to do so at such a significant moment for our territory.

2023 is truly an historic year for the Yukon.

This year marks 125 years since the Yukon became a territory and joined Confederation. From the influx of fortune seekers chasing dreams during the Klondike Gold Rush, to punching above our weight in the great world wars, the construction of the Alaska Highway, surviving two global pandemics and becoming the birthplace of modern treaties within Canada, the Yukon has played a seminal role in our country for more than a century. The territory's rich history of ingenuity, perseverance and leadership continues to guide our government's efforts to move the territory forward for the benefit of all Yukoners.

This year also marks the 50th anniversary of *Together Today for Our Children Tomorrow*. This visionary document created by Yukon First Nations leaders redefined Indigenous and non-Indigenous relations and formed the basis for modern land claims and self-government agreements in Canada. It led to the Umbrella Final Agreement between the Government of Yukon, the Government of Canada and what became the Council of Yukon First Nations and, subsequently, Final and Self-Government Agreements for 11 of the Yukon's 14 First Nations. It continues to inspire and inform the reconciliation commitments of the Government of Yukon to this day.

Twenty years ago, the Yukon also became the first territory to take over land and resource management responsibilities from the federal government. In the two decades since, the territory has experienced growing pains, but our government's focus on collaboratively modernizing legislation and creating an inclusive, vibrant and prosperous territory for all has allowed the Yukon to emerge as a model jurisdiction for Canadians.

The Yukon is full of promise and we are poised to continue playing an exceptional role within Canada. We have the strongest economy in Canada and the lowest unemployment rate. As Canada emerges from the COVID-19 pandemic and faces increasing geopolitical instability – which we saw first hand with NORAD activities over our territory just last month – eyes are on the North in an increasingly uncertain world.

This year's budget has a total of \$1.94 billion in spending. This includes \$484 million in capital spending, and operations and maintenance expenditures accounting for \$1.45 billion. Our Five-Year Capital Plan includes approximately \$2.15 billion in planned spending.

Our government pledged to exercise good governance and responsible fiscal management. We continue to deliver on that commitment with a budget surplus of \$48 million and a \$50 million contingency fund for emerging priorities, including wildfires and flooding, which reached historic, unpredictable proportions in recent years.

As more and more people pursue the unparalleled opportunities available in the territory and choose the Yukon as a place to call home, our government continues to invest in the areas needed to grow our communities in resilient, sustainable ways.

Since we took office, our government has been focused on making life more affordable for Yukoners. We cut taxes for businesses, eliminating the small business tax rate entirely. We extended the Interim Electrical Rebate, introduced a made-in-Yukon carbon rebate system, and introduced the Inflation Relief Rebate to help Yukoners save money on electricity bills.

We also increased support for low-income Yukoners, seniors, those on social assistance, and caregivers of children. We made history in 2021 when we introduced the first universal, affordable childcare program in the Yukon. This program has been a game changer for Yukon families. It has also significantly reduced the cost of living in the territory.

This year's budget will make life more affordable for Yukoners. It moves our territory forward on reconciliation. It sets out our plan to grow a strong, resilient economy. We are putting real money behind our efforts to build a better health and social services system, and we continue to build our clean, green future, all so that the Yukon can truly be a place that everyone can call home.

Making life more affordable in the Yukon

Honourable Speaker, we know that inflation is a real concern, not just here in the Yukon, but across the country and around the world.

Our work to make life more affordable for Yukoners continues with this budget.

We have included almost \$10 million worth of inflation relief measures, including an extension of the Inflation Relief Rebate, top-ups to Social Assistance and the Yukon Senior Income Supplement, and an increase to the Yukon Child Benefit.

We will also continue to fund the Paid Sick-Leave Rebate program to ensure employees and self-employed individuals can afford to stay home from work when they are not well. Through this program, we are ensuring paid sick leave does not cost businesses more as they recover from the impacts of the pandemic.

The Yukon: A place to call home

The spell of the Yukon continues to attract people from far and wide. Between 2016 and 2021, the Yukon experienced a population growth rate of 12.1 per cent, more than double the national average. During that same period, residential development more than kept pace, with the number of private dwellings in the Yukon increasing by 12.9 per cent.

Our government's work over the past six years to create a modern, inclusive and prosperous territory in partnership with First Nations has attracted thousands of new people and led to historic economic growth.

Our government continues to make unprecedented investments as we work collaboratively with partners across the territory to address the housing needs of all Yukoners. This year's budget includes more than \$40 million to stimulate housing development and help make housing more affordable for renters and owners. \$22.4 million from the Northern Carve Out of the National Housing Co-Investment Fund will support projects in rural communities, including new homes in Dawson City, Teslin, and Watson Lake.

This year's budget also includes \$26 million for land development projects to address the strong demand for residential lots. We are working closely with Yukon communities and First Nations governments on a mix of residential, commercial and industrial lots in Watson Lake, Carmacks, Teslin, Dawson City, Faro, Haines Junction and Mayo.

We are pleased to continue funding the successful Housing Initiatives Fund that supports First Nations governments, First Nations Development Corporations, developers, contractors, community organizations and individual Yukoners to build more affordable housing projects in Yukon communities. We launched this innovative program in 2017 and to date, 361 new housing units have been built, including 220 new affordable homes for Yukoners. More than 150 additional units are currently under construction.

This highlights just some of the good work we are doing to address the growing housing needs in our territory. The Government of Yukon will continue to make investments across the housing spectrum and work collaboratively with partners throughout the territory to make housing more affordable and attainable for all Yukoners.

Building a better healthcare system

Honourable Speaker, you will recall that our government launched a comprehensive review of health and social services, led by a five-member independent expert panel that engaged extensively with Yukoners throughout the territory. The result of the review was *Putting People First*, a roadmap to transform the Yukon's health and social services system into a more integrated, collaborative and person-centred system that will better meet the needs of all Yukoners. This year's budget includes \$10 million to continue this important work.

More than two thirds of the 76 recommendations in the *Putting People First* report have been implemented or are currently in progress. These include doubling the medical travel benefit for Yukoners, reducing pharmacy markups and fees, hiring additional nurse practitioners to increase access to primary health care providers in Yukon communities, and the implementation of an affordable, universal early childhood education program.

This year's budget includes an increase of \$3.6 million for the new Yukon Dental Program. Up to 8,000 uninsured Yukoners will benefit from \$1,300 in dental coverage each year under the new program.

Increasing access to primary care for all Yukoners is a priority of our government. That is why we are investing more than \$4 million to support our work with healthcare partners to increase

the number of healthcare professionals in the territory. Our government recently signed a new Memorandum of Understanding with the Yukon Medical Association. Through this agreement, we will support a series of innovative projects, including the new Attachment and Attraction Program, which will increase access to primary health care services, support recruitment and retention efforts, and reduce overhead operating costs for physicians. The Yukon Medical Association is confident that the new agreement will make the Yukon one of the most competitive and desirable places to practice medicine in Canada.

Our nurses have gone above and beyond the call of duty while responding to the local, national and global shortage of health care providers. We are investing in the retention and recruitment of nurses here in the territory, offering nursing staff a more competitive compensation package and providing our government with the tools to effectively attract and retain nursing staff to serve Yukoners. Further funding will support the development of a health human resource strategy for the territory and encourage students pursuing studies in medical fields to return to work in the Yukon after graduation. Through cooperative partnerships, we will increase the number of healthcare providers in the territory to meet the needs of our rapidly growing population.

Beyond primary care, our government continues to invest in the public health needs of Yukoners. More than \$10 million is budgeted for a Mental Wellness Unit at the Whitehorse General Hospital. We are funding projects to help address the Substance Use Health Emergency in the Yukon, including the expansion of the safe supply of opioids in the territory. \$12 million will allow for the completion of the new health and wellness centre and housing project in Old Crow. We are putting money forward to ensure that justice-involved individuals have access to supervised residential services to help them reintegrate into our communities in a safe and healthy way and supporting access to justice through investments in the Yukon Legal Services Society. We are funding the enhanced delivery of restorative justice services, the Gladue Report Writing project in partnership with the Council of Yukon First Nations, and strengthening safety access and justice for victims of crime in the territory.

Modern education to empower Yukon students

The Yukon's education system is undergoing a generational transformation to empower Yukon students throughout their learning journey. From early learning and childcare and the reimagining of inclusive and special education, to the establishment of the Yukon First Nation School Board and the growing success of Yukon University, our government is leveraging partnerships to expand educational opportunities for learners of all ages.

We are building schools. This year's budget includes \$27.3 million for new schools, including Whistle Bend Elementary and the K̓ets'ádań K̓ų School, and upgrades to existing schools and Yukon University.

As I mentioned earlier, Honourable Speaker, in 2021 our government launched the Yukon's first universal, affordable childcare program. The Yukon is now recognized as Canada's "leader in early

learning and childcare” according to the Atkinson Centre for Society and Child Development at the University of Toronto. Since we launched the Yukon’s universal, affordable childcare program, more than 200 childcare spaces have been created in Pelly Crossing, Whitehorse, Ross River and Dawson City. The program continues to expand and grow, and we are continuing to support it in this budget.

The Government of Yukon, the Chiefs Committee on Education and the First Nation School Board share the common goal of providing all Yukon students with high-quality and culturally appropriate education that incorporates an Indigenous worldview. Budget 2023-24 continues to invest in the First Nation School Board, which successfully launched last year. This is an historic step for Yukon First Nations and their citizens. It honours the vision of *Together Today for Our Children Tomorrow* and our government will continue to work in partnership to ensure all Yukon students have opportunities to learn about First Nations’ ways of knowing, being and doing.

We are investing in our teachers and school staff, thanks to an agreement with the Yukon Association of Education Professionals, and are providing funds to support efforts to recruit and retain new rural education professionals to meet the needs of our growing education system. Together with our education partners, we are taking a holistic approach to enhancing the learning environment for our students by providing funding for food in schools and improving mental health supports for students.

We will continue to work collaboratively to empower our students to become the next generation of leaders here in our territory.

Building our clean, green future

Yukoners are experiencing the impacts of climate change at an accelerated pace. To ensure a sustainable and resilient territory for subsequent generations, our government continues to implement *Our Clean Future: a Yukon strategy for climate change, energy and a green economy*.

The Government of Yukon collaborated with Yukon First Nations, transboundary Indigenous groups and Yukon municipalities to establish *Our Clean Future*’s priorities. The strategy incorporates significant input from Yukoners, non-governmental and community organizations, industry, and private businesses. *Our Clean Future* is the Yukon’s strategy for tackling climate change and we have taken aggressive steps to implement it over the past three years. That important work continues through investments in this budget, including nearly \$60 million for climate change initiatives.

We are building more resilient communities with \$61.4 million worth of investments in infrastructure across the territory. This includes funds for local projects like community centres, recreational facilities, boat launches, fire halls, EMS stations, and public works buildings, as well as community infrastructure like the water, sewer and other municipal services used by Yukoners every day.

Yukoners are blessed with the abundant wilderness of our territory. We rely on it for food, recreation, emotional and spiritual wellbeing, and economic benefit. We will continue to enhance recreational experiences throughout the territory's parks and campgrounds with \$2.3 million in capital investments to support the ongoing implementation of the Yukon Parks Strategy. We are supporting ongoing work on wildlife surveys to ensure that we protect and maintain hunting opportunities for Yukoners.

We also continue to invest in the transportation infrastructure that keeps our communities connected. \$44.5 million is budgeted this year for the Nisutlin Bay Bridge replacement project. This is the single largest capital project in the Yukon's history, and for good reason. The Nisutlin Bay Bridge is a vital gateway for both the Yukon and Alaska. The new bridge will be safer for drivers and pedestrians and will be able to handle larger loads of commercial goods and all manner of items to supply both jurisdictions. The project will create local jobs, community benefits and significant economic opportunities over the coming years thanks to our partnership with the Teslin Tlingit Council and the Village of Teslin. Additional funds are also available to replace the Big Creek Bridge and the Lapie River #2 Bridge.

Approximately \$23.8 million will support upgrades to the Alaska Highway and the North Klondike Highway this year. These upgrades will increase safety, improve driving conditions and better connect the Yukon's resources to markets. The Carmacks Bypass project will benefit from a \$13.6 million investment this year while the Robert Campbell Highway project is allocated \$3.4 million. Both projects are part of the Yukon Resource Gateway Program, which will see nearly half a billion dollars invested to support the Yukon's mineral resource development sector while creating economic opportunities in partnership with Yukon First Nations. An additional \$6.5 million is allocated for roadway safety improvements and bridge maintenance across the territory.

Over the past six years, our government has made unprecedented investments to enhance the territory's air transportation network. We continue to invest in modernizing our airports and aerodromes to support the Yukon's growing economy. \$25 million is budgeted to make critical infrastructure upgrades to the Erik Nielsen Whitehorse International Airport. These improvements include replacing the main runway, upgrading the parallel runway, and developing airport land for commercial uses. We are also advancing upgrades to airfield lighting and resurfacing the runway at the Watson Lake Airport to help maintain the critical aviation infrastructure that serves that community.

Technological infrastructure is also critical to supporting economic growth and diversification in the territory. Our government's investments to establish NorthLight Innovation has put the Yukon on the map in the global discussion of innovation and entrepreneurship. More than \$24 million will advance the Dempster Fibre project, which will benefit communities in the Yukon and Northwest Territories by providing a backup fibre optic line in the event of a service disruption. Nearly \$2 million will also be available through the Economic Development Fund to support projects that drive business innovation, diversification and competitiveness. We continue to support the growth and development of our sustainable tourism sector, as well as the Yukon's creative and cultural industries, with dedicated funding to support territory's film and sound industry and the creative

professionals, cultural practitioners, Indigenous artists and cultural carriers who make these industries thrive.

Improving energy efficiency and reducing greenhouse gas emissions across the territory requires coordinated action from all levels of government, organizations, businesses and individuals. The budget includes nearly \$20 million to expand energy retrofits and support renewable energy projects. Additional funds are budgeted to support Yukoners' efforts to reduce their energy consumption through the Better Buildings program and to help our agricultural sector adapt to climate change and reduce greenhouse gas emissions while increasing food production and the availability of local agricultural products.

Our government continues to modernize the Yukon's laws to ensure they are meeting the needs of our territory now and into the future. More than \$1.7 million will support our work to update resource legislation. Last year, the Government of Yukon conducted a public engagement and consultation for the new public lands legislation. This year, in partnership with the Council of Yukon first Nations, we launched a public engagement on new minerals legislation. We are working with Yukoners as we review the *Forest Resources Act*. We are in the early stages of developing legislation to establish a regulatory regime to manage geothermal resources, which have the potential to reduce our greenhouse gas emissions and reliance on fossil fuels as a renewable energy source. Made-in-Yukon legislation will improve our regulatory system, respect First Nations' relationships with the land, protect the environment and strengthen our economy.

Conclusion

Honourable Speaker, under our government's leadership the Yukon has established itself as a leader in Canada. Building on the rich and diverse history of the past 125 years, and the deep traditional knowledge Yukon First Nations have developed over millennia, the Yukon has time and again demonstrated that it is ready and able to lead the way forward. Our government is delivering programs and services that meet the needs of Yukoners today while investing in the infrastructure necessary to meet the needs of future generations. Drawing on the strength and vision of the past, we look boldly toward the future as we move the territory forward into the next 125 years of the Yukon's story.

The Yukon's story is one of hope, resilience, inclusivity, and prosperity.

It is a story we must continue to tell the rest of Canada and the rest of the world.

Thank you, Honourable Speaker.

Merci.

Mahsi' cho.

Gunat̨ch̨ish.

Shàw níthän.