

Finance Session Note Binder – Table of Contents

Hot Topics – Reference Notes – Corporate Notes BN's After Start Date

	SESSION NOTES- Spring 2025	
	HOT TOPICS	UPDATED
1	2024-25 Supplementary Estimates No. 2	
2	Public Accounts – 2023-24 (Standing Committee hearing)	February 24, 2025
3	Fiscal and Economic Outlook	April 15, 2025
4	2025-26 Main Estimates	
5	FTE Growth	
6	Borrowing Strategy	March 17, 2025
7	Borrowing Limit	March 4, 2025
8	Income Tax Act Amendments	
9	Mandate Commitments	
10	Accomplishments	
BRIEFING NOTES – REFERENCE		
	Comptroller's Office	
	Management Board Secretariat	
11	Capital Planning Office Transfer	

Finance Session Note Binder – Table of Contents

Hot Topics – Reference Notes – Corporate Notes BN's After Start Date

12	Five-Year Capital Plan	
13	C.D. Howe Institute Report Card	
14	Budget Process	March 5, 2025
	Economics, Fiscal Policy and Statistics	
15	Grants from Canada (TFF, CHT, CST, Cannabis, Vaping)	
16	Carbon Rebate	March 26, 2025
17	Commodity Taxes	
18	Income Tax	
	Financial Operations & Revenue Services	
19	Rural Community Banking	
20	Corporate Financial System	
21	S&P Global Rating	
22	Labour Markets in the Yukon	
	Corporate Notes	
23	2025-26 Budget Highlights (FIN)	
24	Carbon Pricing (ENV/FIN)	March 10, 2025
25	Eagle Gold Mine (EMR/FIN/ECO)	April 25, 2025

Finance Session Note Binder – Table of Contents

Hot Topics – Reference Notes – Corporate Notes BN's After Start Date

26	Inflation and Affordability (FIN)	April 15, 2025
27	2024-25 Supplementary Estimates No. 2 – Overview (FIN)	
28	Truth and Reconciliation Commission - Update on Calls to Action (ECO)	
29	Our Clean Future Implementation (ENV/EMR)	
30	Housing Landscape (YHC)	April 25, 2025
31	Canada/US Relations (ECO)	April 7, 2025
	New BN's after Session start date	Updated
A	Manitoba – Business Tax Deferral	
B	Eagle Gold Mine (FIN/EMR)	April 30, 2025
C	Carbon pricing and rebate removal in BC, the NWT and the Yukon	April 1, 2025
D	Conference Board of Canada Territorial Outlook for Yukon – 2025	
E		

Session Briefing Note

2024-25 Supplementary Estimates No. 2 – Overview

Embargoed until tabled

Recommended response:

- The 2024-25 Supplementary Estimates No. 2 forecasts an overall gross increase of \$114.3 million in O&M spending, with an offsetting increase of \$7.9 million in recoveries. The net increase in O&M spending is forecast at \$106.4 million when accounting for recoveries.
- Capital adjustments in the Supplementary Estimates No. 2 reflect an overall gross increase of \$15.8 million in spending and a \$3.8 million increase in capital recoveries. The resulting net increase in capital spending is forecast at \$12 million. These adjustments are primarily driven by cost pressures in land development projects and the Nisutlin Bay bridge replacement.
- Budgetary revenues are projected to increase by \$7.8 million, primarily due to a \$4.3 million increase in the personal income tax revenue forecast, a \$2.2 million increase to fuel tax revenue forecasts, and a \$3 million increase in loan interest from the Victoria Gold corporation receivership.
- The Government of Yukon continues to maintain a budgetary surplus of \$57.6 million. Increased spending of \$130.1 million is partially offset by additional revenue and recoveries of \$19.5 million. Moreover, the additional \$55 million of funding for the Victoria Gold receivership is provided as a loan, which offsets the impact of these expenditures on the budgetary surplus.

FTEs:

- There is an increase of 23.4 in FTEs (Full-time Equivalents) for the Supplementary Estimates No. 2. This includes 18.5 FTEs for

Session Briefing Note

2024-25 Supplementary Estimates No. 2 – Overview

Embargoed until tabled

Emergency Medical Services in response to increasing call volumes, and a fully recoverable term FTE for a First Nations Cancer Navigator through the Canadian Partnership Against Cancer. There is also one new FTE for a First Nations Language teacher at the Whistle Bend School and 3.9 FTEs to reflect new teacher positions within the Commission Scolaire Francophone du Yukon.

Additional response:

- The Supplementary Estimates O&M increase of \$114 million is mainly driven by the following pressures:
 - **Eagle:** \$55 million in advances to the Receiver for environmental protection work at the Eagle Gold Mine;
 - Funding advanced to the receiver has a net zero impact on the surplus and net financial debt, as the Yukon government has priority to recover these advances from the assets of the company.
 - **Health:** \$13 million for Insured Health pressures, \$1.5 million for additional Yukon Hospital Corporation operating funds, \$3.2 million to support emergency medical services operations, \$3.0 million for legislated grant programs at Health and Social Services.
 - **Education:** \$9.1 million for increases in the Collective Agreement with the Yukon Association of Education Professionals and \$4.7 million for the TPA with the First Nation School Board.
- The Supplementary Estimates for capital reflects various adjustments based on updated timelines and estimated costs:

Session Briefing Note

2024-25 Supplementary Estimates No. 2 – Overview

Embargoed until tabled

Increases include:

- \$11.7 million for accelerated work on the Nisutlin Bay bridge replacement project;
- \$10 million to address capital pressures related to ongoing land development projects;
- \$2.9 million to support the completion of the Mental Wellness Unit at Whitehorse General Hospital;
- \$2.8 million for accelerated work for reconstruction on the North Klondike highway.

While decreases include:

- Combined decreases of \$5.5 million due to updated cash flow forecasts and revised timelines for major school replacement projects;
 - \$2.3 million decrease for the Watson Lake solar project, due to updated forecasts reflecting revised timelines;
 - \$1.9 million decrease for the Dempster Fibre line project due to lower-than-expected capital costs.
- Despite these increases in O&M and capital expenditure, forecasted interest costs for short-term borrowing on the Yukon government's line of credit are unchanged from the first supplementary estimates. This is due to continued interest rate reductions since the first supplementary estimates were tabled, as well as improvements in the timing of cash flows, with increased recoveries being received sooner in the year.

Session Briefing Note

2024-25 Supplementary Estimates No. 2 – Overview

Embargoed until tabled

Special warrant:

- In January 2025, the Government of Yukon issued a special warrant to ensure that essential government programs and operations could continue without disruption until the Supplementary Estimates No. 2 could be introduced and debated in the Yukon Legislative Assembly.
- The special warrant was necessary to ensure that essential work could continue at the departments of Energy, Mines and Resources, Highways and Public Works, and Community Services.
- As required under the *Financial Administration Act*, the amounts authorized under this special warrant are included in the *Third Appropriation Act 2024–25* so that the Legislative Assembly can review and debate this funding.

Special warrant (additional responses):

Specific funding included in this special warrant was as follows:

- \$51.8 million in operations and maintenance funding in the Department of Energy, Mines and Resources to ensure that the department could continue to deliver on major commitments during this fiscal year, including loan advances to the Receiver for Victoria Gold.
- \$10 million in capital funding in the Department of Community Services to ensure that the department could continue to advance land-development work, which has seen higher-than-expected productivity across the construction sector this fiscal year.
- \$8.4 million in operations and maintenance for the Department of Highways and Public Works to maintain service levels and ensure the

Session Briefing Note
2024-25 Supplementary
Estimates No. 2 – Overview
Embargoed until tabled

TAB #01
Spring 2025
Finance

safe, reliable operation of the Yukon’s transportation infrastructure and government-owned buildings.

Context—this may be an issue because:

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

Background:

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

Approved by:	
Jessica Schultz	February 20, 2025
_____	_____
Deputy Minister, Finance	Date approved

Session Briefing Note**Spring 2025****Public Accounts 2023-24 Standing
Committee Hearing**

Finance

Recommended response:

- The Standing Committee on Public Accounts holds annual hearings to review and discuss the Public Accounts with witnesses from the Department of Finance and the Office of the Auditor General of Canada.
- The most recent public hearing, held on January 14, 2025, provided an opportunity for the Committee to engage directly with officials and obtain responses to questions about the 2023-24 Public Accounts.
- These hearings play an essential role in supporting accountability and transparency by allowing the Committee to explore key areas of interest and ensure clarity on the government's financial position.

Additional response:

- At the public hearing, the Office of the Auditor General of Canada confirmed that the 2023-24 consolidated financial statements fairly represented the government's financial position for that fiscal year.
- The Department of Finance values the opportunity to engage with the Committee and remains committed to supporting the process by providing clear and thorough information as part of the hearing and through any necessary follow-up submissions.

Session Briefing Note**Public Accounts 2023-24 Standing
Committee Hearing**

Finance

Context—this may be an issue because:

- Traditionally, there is interest from the Opposition in the Public Accounts. At the same time, public and media interest in the Public Accounts has traditionally been low to moderate.

Background:

- The Public Accounts, which is an important accountability report, disclose the actual results of government's financial position at each fiscal year-end. It is a key element of the Government of Yukon's commitment to transparency and accountability in financial reporting.
- The 2023-24 Consolidated Financial Statements, supporting notes and schedules have been audited by the Auditor General of Canada.
- Each year, the government is required to produce the Public Accounts and to make them publicly available by October 31, under section 8 of the *Financial Administration Act (Yukon)*. Pursuant to sec. 33 of *Yukon Act (Canada)*, Yukon Public Accounts shall be prepared in accordance with public sector accounting standards established by the Chartered Professional Accountants of Canada or its successor.
- The Consolidated Financial Statements include the results of all entities fully owned and/or controlled by the government. Therefore, the financial activity of Yukon University, Yukon Hospital Corporation and Yukon Housing Corporation are consolidated into the government's financial activity and inter-entity activity is eliminated. The Yukon Liquor Corporation and Yukon Development Corporation are consolidated on a modified basis as investments as they are "government business entities" and their financial statements follow different standards.
- The Non-Consolidated Financial Statements include only the results of the core departments as budgeted in the Main Estimates, which are also known as the Yukon government's Operation & Maintenance and Capital Estimates.

Session Briefing Note

Spring 2025

Public Accounts 2023-24 Standing Committee Hearing

Finance

- On September 19, 2024, the Standing Committee on Public Accounts released its Seventh Report on Yukon Public Accounts 2022-23. The report included a recommendation:
 - That the Department of Finance continue to address issues necessary to facilitate earlier tabling of the Yukon Public Accounts, and ensure, at a bare minimum, the deadlines included in the *Financial Administration Act* are adhered to.
- The Standing Committee on Public Accounts will produce and table its eighth report based on the 2023-24 Yukon Public Accounts in the Legislative Assembly during the upcoming legislative session.

Approved by:

Jessica Schultz

February 24, 2025

Deputy Minister of Finance

Date approved

Session Briefing Note**Fiscal and Economic Outlook**Finance

Recommended response:

- The 2025-26 Fiscal and Economic Outlook is a key deliverable of government that provides Yukoners updates on the latest developments impacting the territory's economy and the government's financial picture.
- The Outlook reviews the economic indicators that will influence government decision-making this year and examines the impact that expenditure and revenue forecasts will have on the government's fiscal position.
- With this document, we fulfill important commitments to transparency in government spending and forecasting, while providing Yukoners with a comprehensive outlook on the latest challenges, strengths and key indicators of the Yukon's economy.
- Some of the highlights in this year's Update include:
 - employment growth remaining strong and unemployment low, despite the suspension of the Eagle Gold Mine contributing to an estimated real GDP decline in 2024, indicating that the broader economy is stable and resilient,
 - strong demand for workers contributing to earnings gains and to an unemployment rate in 2024 that was the lowest in Canada,
 - the Yukon having the largest improvement in inflation in 2024, providing some relief for Yukoners,
 - a strong tourism sector, which has rebounded from the height of the pandemic, as evidenced by visitation figures that are near record levels,

Session Briefing Note**Fiscal and Economic Outlook**Finance

- ongoing population growth with the population exceeding 51,000 by the end of the forecast; and,
- a surge in building construction, with investment in 2024 47.8 per cent higher than in 2023.

Additional response:

- While we remain optimistic about the Yukon's long-term and medium-term forecast, we are also facing new challenges, which we continue to action as a government. These challenges include:
 - wildland firefighting needs in response to the significant fire season experienced in the territory and which helped ensure the safety of Yukoners,
 - addressing pressures in Insured Health to support the well-being of Yukoners,
 - funding for Yukon Hospital Corporation requirements, including additional O&M funding for converting ten beds at the Thompson Centre for acute care use; and
 - necessary advances to the receiver for environmental protection work at the Eagle Gold Mine. In this instance, funding advanced to the receiver has a net zero impact on the surplus and net financial debt, as the Yukon government has priority to recover these advances.
- To ensure responsible and proactive financial management, Budget 2025–26 includes a \$75 million contingency fund, providing the government with the flexibility to be responsive to challenges while

Session Briefing Note**Fiscal and Economic Outlook**Finance

limiting the impact of these yet-to-be-defined costs on the Yukon's forecast fiscal position.

- The contingency will return to \$50 million in future years of the fiscal forecast. the government anticipates capacity in the health and social services systems will begin to catch up to the considerable growth in demand experienced in the last two years, and as additional clarity on U.S. trade policy becomes known.

Eagle Gold Mine impact on economy:

- The June suspension of mine operations due to the heap leach failure resulted in a material change in the outlook for mineral production.
- The Yukon's real GDP is estimated to have contracted 0.6 per cent in 2024. This would be the first annual decline since 2019.
- 2024's contraction is much improved from the 2.3 per cent decline predicted in the October Interim Update, largely due to higher placer gold production.
- Compared with the October forecast, the contraction in real GDP is shallower, but spread over two years, with growth returning in 2026 at a rate of 1 per cent.
- In the Yukon, mineral production can cause significant swings in GDP that don't necessarily reflect the overall health of the economy.

The impact of the mine closure has largely been limited to mine workers, suppliers and the government. The rest of the economy has continued to expand, unemployment is low and the labour market continues to add jobs.

Session Briefing Note

Fiscal and Economic Outlook

Finance

Context—this may be an issue because:

- As a key deliverable document of government, the economic forecast and fiscal projections are of interest to media and members of the opposition parties.

Background:

Fiscal Update

- The 2025-26 Main Estimates reflect a \$275.4 million increase in net O&M and capital expenditures over the 2024-25 Mains, and a \$23.6 million increase over the 2024-25 Supplementary Estimates No. 2.
- Total government revenue, excluding recoveries, is expected to be \$1.8 billion in 2025-26, an increase of \$122.4 million, or 7.2 per cent, from the 2024-25 Main Estimates.
- Gross operations and maintenance (O&M) spending is forecast to increase by \$282.6 million, or 17.7 per cent, from the 2024-25 Main Estimates. New spending includes:
 - \$118 million for advances to the Receiver for Victoria Gold Corp. for environmental protection work at the Eagle Gold Mine. Funding advanced to the receiver has a net zero impact on the surplus and net financial debt, as the Yukon government has a court ordered priority-charge to recover these advances in the event of a future sale of the mine or its assets;
 - \$88.5 million for the Department of Health and Social Services to meet pressures for Insured Health Services and increase capacity at the Whitehorse General Hospital to support the well-being of Yukoners;
 - \$37 million for the Department of Education including funding for the First Nations School Board, new supports for early learning and child care, and fulfilling commitments in the new contract with the Yukon Association of Education Professionals;
- Gross capital spending is forecast to decrease by \$6.7 million, or 1.4 per cent, from the 2024-25 Main Estimates.

Session Briefing Note

Fiscal and Economic Outlook

Finance

- The 2025-26 main capital estimates align closely with the capital expenditures as forecasted in the 2024-25 five-year capital plan. The plan is updated annually to refine forecasts, adjust project cashflows and provide a more accurate picture of timelines for capital projects.
- The government is forecasting annual revenue growth of 5 per cent beginning in 2026-27, exceeding the forecasted O&M growth of 4 percent, which will improve its net debt and cash positions.
- As part of Budget 2025-26, the government has included provisions to enable long-term borrowing up to \$400 million.
- The ability to undertake long-term borrowing is a tool that will allow the government to meet emerging fiscal pressures while continuing to invest in essential infrastructure and services that benefit all Yukoners.
- The government intends to secure this long-term financing later in the fiscal year, ensuring the process aligns with the territory's strategic financial planning and cash flow needs.

Economic Update

Robust placer gold production offsets some of the losses from the Eagle Gold Mine Suspension

- The Yukon's real GDP is estimated to have contracted 0.6 per cent in 2024. This would be the first annual decline since 2019.
- The 2024 contraction is much improved from the 2.3 per cent decline noted in the October Interim Update, largely due to significantly higher placer gold production.
- Placer gold production in 2025 is expected to fall and be closer to annual levels prior to 2024 resulting in a marginal decline in real GDP of 0.3 per cent in 2025.
- Compared with the fall forecast, the contraction in real GDP is shallower, but spread over two years, with growth returning in 2026 at a rate of 1 per cent.
- Beyond 2026, the outlook improves with growth projected to average 2 per cent over the final three years of the forecast. Growth is supported by tourism and increased production at the Keno Hill mine.

Session Briefing Note

Fiscal and Economic Outlook

Finance

- Though production may resume at the Eagle Gold Mine, it is not included in the five-year forecast. The forecast also does not include construction or production from either of the two mine projects currently in the licensing process: Kudz Ze Kayah and Coffee Gold.

Positive outlook for the labour market even with notable mine closure

- Despite the estimated real GDP decline in 2024, employment growth remains strong at 6 per cent and unemployment is low, indicating that the broader economy is stable and resilient.
- Though layoffs from the Eagle Gold Mine did not show up in employment data, lower job vacancy rates in 2024 could be indicative of displaced workers filling open jobs.
- While the Yukon's unemployment rate of 4.3 per cent in 2024 was the lowest in the country, it increased from 3.5 per cent in 2023. Unemployment rates were higher over the final four months of the year, but this reflected more Yukoners entering the labour force, rather than layoffs related to the closure of the mine.
- A high participation rate, the proportion of the working-age population that is either working or looking for work, is generally reflective of a labour market where there are ample opportunities for workers. High participation rates persisted throughout 2024, even with June's mine closure, and at over 76 per cent for the year, the Yukon's participation rate was the highest in the country.
- Prior to its suspension, the Eagle Gold Mine employed 200 individuals locally. Estimates had about 150 people, most of them local, working on site stabilization and remediation efforts at the mine and as this work evolves, it could leave some people looking for other employment.
- Further gains in employment and labour force are noted over the forecast, as labour demand remains elevated across several industries. This is also expected to support further earnings growth, as local employers compete for labour in a tight labour market.

Session Briefing Note

Fiscal and Economic Outlook

Finance

Population expected to increase, although reductions to Canadian immigration targets have tempered growth

- The Yukon's population growth has accelerated in recent years due to a marked increase in immigration. Record net international migration was reported in each of the last three years.
- The territory's population reached 46,640 in 2024, as strong migration drove population growth of 3 per cent, the strongest growth since 2008 (3.4 per cent).
- Lower immigration targets are expected to contribute to minor contractions in Canada's population in 2025 and 2026, before a return to growth in 2027. Impacts on the Yukon's population should be less pronounced, but international migration is projected to fall below recent levels, taking some steam out of the outlook for population.
- Population gains are noted in every year of the five-year forecast, with the Yukon's population expected to rise to over 51,000 by 2029.

Retail sales continued to increase in 2024, but growth moderated

- Earnings growth remained strong in 2024 with average weekly earnings over the first 11 months of the year increasing 5.3 per cent to nearly \$1,446. This was the third highest level in the country, and the Yukon's year-to-date growth was third strongest in the country.
- Despite robust earnings growth the pace of growth in retail sales moderated in 2024. The value of territorial retail sales has reported notable gains in recent years, with growth averaging 7.4 per cent in the three years prior to 2024.
- While increasing to almost \$1.2 billion in 2024, growth of 1.2 per cent was well below recent annual increases.
- The latest forecast shows retail sales gains in every year. Growth is projected to average 4.6 per cent out to 2029.

Inflation continues to moderate

- Price pressures decreased throughout 2024, as growth in the Whitehorse Consumer Price Index (CPI) continued to trend towards pre-pandemic levels.

Session Briefing Note

Fiscal and Economic Outlook

Finance

- At 2 per cent in 2024, local inflation was well below 2023 growth of 4.9 per cent, matching the level reported for 2019. Inflation fell in all provinces and territories, with the Yukon showing the largest improvement.
- While much improved, price pressures related to shelter and food remain the largest drivers of overall inflation. Shelter costs have been driven by higher mortgage interest costs, rent and homeowner's replacement costs with these areas among the major inflation drivers in every month of 2024 both in Whitehorse and nationally.
- Inflation stabilized in March after moving higher in the first two months of the year. [March's inflation of 3.5 per cent for Whitehorse was unchanged from February, but it remained the highest in the country for a second-straight month.](#)
- [Nationally, inflation fell from 2.6 per cent in February to 2.3 per cent in March, with inflation down in most jurisdictions.](#)
- [Shelter costs continue to be a major driver of inflation in Whitehorse along with food purchased from restaurants and traveller accommodation.](#)
- [With the consumer carbon price ending at the end of March, lower gasoline and fuel oil prices in April should weigh on overall inflation for Whitehorse. April data will be released on May 20, 2025.](#)
- Over the medium-term, annual growth in the Whitehorse CPI is expected to track closer to historic norms of 2 per cent.
- If the U.S. follows through on enacting tariffs, inflation could increase significantly due to a lower Canadian dollar and retaliatory tariffs on imports from the U.S.

Housing prices started to grow again in 2024

- Rising home prices have coincided with falling interest rates. Prices for all housing types in the fourth quarter of 2024 were up from the same quarter of 2023.
- With further interest rate reductions by the Bank of Canada expected in 2025, mortgage rates are anticipated to fall, which could stimulate demand for housing and add further pressure to home prices.

Session Briefing Note

Fiscal and Economic Outlook

Finance

- On the rental side, the story continues to be one of increasing rents and low vacancy rates for the Whitehorse market. Rent was one of the main drivers of inflation in every month of 2024.

Building construction investment reached a new high in 2024

- After a slow start to the year, investment in building construction saw much stronger spending in the second half of 2024.
- Of the new record level of \$610.1 million reported for 2024, almost 76 per cent of this spending occurred in the last six months of the year. Robust spending in the second half of 2024 contributed to annual growth of nearly 48 per cent.
- Investment in residential building construction was particularly strong, growing 84.6 per cent to \$413.2 million. Unlike recent years, when new construction was the largest component of residential building investment, renovations investment accounted for approximately 62 per cent of last year's investment. The conversion of the former High Country Inn into affordable housing units was a notable contributor to residential renovations investment.
- While falling well below the gains noted on the residential side, non-residential building investment was also up in 2024, growing 4.2 per cent to \$196.8 million.

Outlook for mineral production remains clouded by the Eagle Gold Mine suspension

- The outlook for the mining sector remains uncertain due to the suspension of the Eagle Gold Mine, following a heap leach pad failure in June 2024.
- Remediation efforts, led by PricewaterhouseCoopers Inc., have focused on stabilizing the heap leach facility, storage pond construction and environmental monitoring.
- Before the suspension, the Eagle Gold Mine was expected to produce over 200,000 ounces annually until 2029 and produce well into the next decade. The Government of Yukon has stated a desire to see the mine return to production, but its future remains unclear.
- A positive for local mining in 2024 was the strong performance noted in the placer gold industry. Placer gold production of nearly 79,000 fine ounces was

Session Briefing Note

Fiscal and Economic Outlook

Finance

more than a third higher than 2023 production and was the highest since 1997. This, combined with high gold prices, pushed the value of placer gold production to a record \$271 million.

- Higher production from the Keno Hill Silver project in 2024 also mitigated some of the economic impact of the Eagle Gold Mine suspension. Production in 2025 is expected to be similar to 2024, with further gains projected in the forecast period.
- Current estimates from Natural Resources Canada have exploration spending at Yukon at \$169.1 million in 2024, down from \$184.8 million in 2023.

Tourism sector surpasses pre-pandemic levels

- The recovery in tourism continued in 2024, with key performance metrics for the tourism sector approaching, or in some cases exceeding, pre-pandemic levels.
- Although roughly 4 per cent lower than 2019 levels, border crossings in the first 11 months of 2024 were up over 5 per cent compared to the same period in the previous year.
- Air arrivals at the Erik Nielsen Whitehorse International Airport were also strong, with nearly 27,000 arrivals in August, representing a new record high.
- Hotel occupancy rates over the first 10 months of 2024 were the highest since 2018, reflecting a resurgence in travel.
- Food services and drinking places saw nearly a 10 per cent increase in receipts over the first 10 months of 2024, driven by higher visitation and prices.
- Visitor spending showed strong growth in 2024, with gains in spending from both international and domestic visitation.
- Though demand has improved, the sector continues to face challenges, including a tight labour market and high job vacancy rates, particularly in accommodation and food services.
- The tourism sector is well-positioned for growth, with the Conference Board of Canada projecting steady growth in the number of overnight visits and associated expenditures in every year out to 2028.

Session Briefing Note
Fiscal and Economic Outlook

TAB #03
Spring 2025
Finance

Approved by:

Jessica Schultz

April 15, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note
2025-26 Main Estimates**Spring 2025**
Finance

Recommended response:

- The Government of Yukon is committed to supporting Yukoners and communities while considering how to most effectively allocate financial resources.
- This budget will benefit all Yukoners by providing significant investments in health care, education and housing. It will ensure that Yukoners have opportunities to thrive in a vibrant and sustainable economy.
- Overall, Budget 2025-26 forecasts a surplus of \$82 million, thanks in part to our continued investments in strategic infrastructure that will provide lasting benefits for Yukoners.
- Budget 2025-26 presents an increase of \$283 million, or 17.7 per cent, in Operation and Maintenance expenditures over the 2024-25 Main Estimates, and \$18.2 million or 1 per cent, over the 2024-25 Supplementary Estimates No 2.
- If the costs of the anticipated funding to the Receiver for Eagle Gold Mine are removed, the increase over the 2024-25 Main Estimates is \$165 million, or 10.3 per cent. Of note, the anticipated funding to the Receiver is being budgeted as a loan and therefore has no impact on the surplus.
- The government has included a \$75 million contingency for 2025-26. Including a contingency has been a proven method to offset the cost of expected but undefined expenditures that arise throughout the fiscal year while limiting their impact on the territory's fiscal position. The contingency is higher this year in recognition of continued cost pressures and uncertainties related to environmental emergencies,

Session Briefing Note

Spring 2025

2025-26 Main Estimates

Finance

health care demands and potential economic headwinds if the U.S. imposes tariffs.

- As part of Budget 2025–26, the government has included provisions to enable long-term borrowing of up to \$400 million. This strategic borrowing provides the government flexibility to manage cash flow fluctuations in response to increasing health care demands and environmental emergencies, without limiting the government’s ability to make critical investments in essential infrastructure and services.

Additional response - general

- Budgeted Operation and Maintenance expenditures total \$1.88 billion, with recoveries offsetting this amount by \$194.4 million. This reflects the government’s commitment to providing essential services for Yukoners while ensuring that we continue to leverage recoveries, wherever possible.
- Capital expenditures are projected to total \$477.3 million, with approximately \$161.3 million in recoveries, which will support vital infrastructure projects that benefit Yukoners now and for generations.
- Revenue growth remains strong, with total revenue forecast to increase by \$122.4 million, or 7.2 per cent, from the 2024-25 Main Estimates. This growth is driven primarily by federal transfers and an increase in tax and general revenues.
- Transfers from Canada are projected to increase by \$109.5 million, or 7.7 per cent, largely due to a higher Territorial Formula Financing Grant from Canada.

Session Briefing Note**Spring 2025****2025-26 Main Estimates**Finance

- Tax and general revenues are expected to rise by \$12.9 million, or 4.9 per cent, reflecting continued economic activity and growth within the territory.

Third responses – Budget 2025-26 themes:**Affordability for all**

- The government is committed to making life affordable for Yukoners. This budget will expand the supply of housing stock and improve the affordability of housing for Yukoners. This is reflected through continued investment in land development and a record-setting \$57.6 million capital investment in the Yukon Housing Corporation. This includes:
 - \$38.4 million to build major multi-unit residential buildings, replacing the Korbo apartments in Dawson City and the Ryder apartments in Whitehorse.
 - In addition, \$24.4 million is committed to advancing land development projects in Whitehorse and rural Yukon ensuring continued access to housing for Yukoners. The investment will support the completion of Whistle Bend Phases 9, 12 & 13, Haines Junction's Mountain Ridge subdivision and the Frances Avenue extension in Watson Lake
- In addition to investments in affordable housing, the budget includes funds to assist Yukoners with daily life.
- There is \$8.8 million in funding to tackle affordability challenges and inflationary pressures. This includes increases for social assistance, the Child Caregiver Program, support for parents of children with

Session Briefing Note
2025-26 Main Estimates**Spring 2025**
Finance

disabilities and Safe at Home Society's supportive housing operations at 408 Alexander.

- We are investing \$3.85 million in the Winter Electrical Affordability Program to help lower electricity bills for Yukoners.
- An extra \$4.5 million is being invested in early learning and child care spaces to ensure that high-quality child care is affordable and accessible to Yukoners.

Territory-wide growth

- This budget reinforces the government's commitment to building social and economic infrastructure to help Yukoners and businesses thrive.
- A \$75.5 million investment will support the final stages of runway and infrastructure upgrades at the Erik Nielsen Whitehorse International Airport.
- Budget 2025-26 allocates \$64.7 million for capital investments in community infrastructure, supporting a variety of projects including the construction of a new recreation centre in Dawson City.
- More than \$50 million will be dedicated to bridge infrastructure, including significant investment in the Nisutlin Bay Bridge replacement, which will help secure the uninterrupted flow of essential goods and services into and out of the territory.
- \$31 million is allocated for repairs and upgrades to the North Klondike Highway.
- Across the Yukon, we are making significant investments in education to help our students thrive.

Session Briefing Note
2025-26 Main Estimates

Spring 2025
 Finance

- An additional \$14.6 million is included for the collective agreement with the Yukon Association of Education Professionals.
- The new agreement with Canada on Food in Schools will see \$4.8 million in recoverable funding in 2025-26. An additional \$1.7 million and 20 FTEs will help increase the number of educational support staff and wellness professionals in our schools
- \$1 million to advance planning and design for the École Whitehorse Elementary School replacement project.

Building prosperity through reconciliation

- Budget 2025-26 reflects our commitment to working in partnership with Yukon First Nations.
- Working closely with Kluane First Nation, we are investing \$15.7 million to advance construction on the new Kêts'ádañ Kù School in Burwash Landing. An additional \$1.3 million will fund the construction of a duplex in Burwash Landing to support the staffing model of the new school.
- \$5.4 million has been included for our continued support of the Yukon First Nation School Board, and \$811,000 has been allocated for agreements with Yukon First Nations for Wellness counsellors for school-aged children.
- \$750,000 will support the operations of the Family Preservation Wellness Centre led by the Council of Yukon First Nations.
- As part of our \$24.4 million commitment towards advancing land development projects in Whitehorse and rural Yukon, \$5 million is included to initiate construction on the Range Point subdivision, an innovative partnership with the Kwanlin Dün First Nation.

Session Briefing Note

Spring 2025

2025-26 Main Estimates

Finance

Safe and healthy families and communities

- Budget 2025-26 reflects our commitment to investing in the wellbeing and safety of Yukon families and communities.
- Through this budget, we are providing an additional \$24.5 million in funding to support the operations of the Yukon Hospital Corporation. This includes additional funding for core operations, agency nurses, orthopedic surgeries, new acute care beds, breast cancer screening and beds in the new mental wellness unit.
- As part of this budget, we are continuing to fund the ongoing pressure on Insured Health Services by providing an additional \$47 million. Insured Health funding covers costs such as medical travel, physician fees, pharmacare as well as medical treatments and hospital stays in and out of territory.
- The government will also continue to lay the foundation for the territory's new health authority. The budget includes \$5.1 million in continued funding to advance the implementation of a new health authority. This funding is 100 per cent recoverable from Canada through the Territorial Health Investment Fund.
- In capital, the government is investing \$1.2 million in Budget 2025-26 to advance detailed plans for an expansion of the Whitehorse General Hospital. There is also \$250,000 to advance planning and site selection for a new continuing care facility. To support the Yukon's current hospital infrastructure, we are providing \$4.2 million in new capital maintenance funding for the Yukon Hospital Corporation to advance priority repairs and upgrades.

Session Briefing Note**Spring 2025****2025-26 Main Estimates**Finance

- This budget provides \$6.3 million in additional funding for Home Care and Long-term Care staff. \$1 million of this is recoverable through the Aging with Dignity Agreement with Canada.
- \$2.1 million is included to help attract additional healthcare personnel as we implement our Health Human Resources strategy. This funding is 100 per cent recoverable from Canada through the Territorial Health Investment Fund.
- To support internationally educated health professionals in having their credentials recognized in our jurisdiction, we have increased the Foreign Credential Recognition project by \$225,000 for total funding in 2025-26 of \$1 million.
- The continuation of the Downtown Whitehorse Safety Response Action Plan includes \$579,000 towards initiatives to advance safety and wellbeing in downtown Whitehorse.

Protecting our environment

- Budget 2025-26 reflects our dedication to growing a green economy while preserving Yukon's environment and way of life. This budget reinforces the Yukon's commitment to reducing greenhouse gas emissions and meeting climate goals through \$59 million in *Our Clean Future* initiatives, including:
 - \$12.7 million for the Watson Lake solar project as part of the Arctic Energy Fund;
 - \$8.6 million for Yukon government building retrofits;
 - \$8.3 million for the Low Carbon Economy Leadership Fund;
 - \$6.4 million for the Green Infrastructure Program;

Session Briefing Note
2025-26 Main Estimates

Spring 2025
 Finance

- \$5.3 million for Good Energy Rebates.
- The budget also reflects our dedication to preserving Yukon's environment and way of life.
- \$118 million is allocated to the court-appointed Receiver for Victoria Gold Corp. for environmental protection at the Eagle Gold Mine, as a loan with no impact on the surplus or net financial debt.
- \$21.5 million is earmarked for ongoing remediation at Minto Mine, recoverable from the surety bond in 2025-26.
- \$5.5 million supports water treatment at Wolverine Mine.
- \$497,000 is allocated for water and fish monitoring at Eagle Gold Mine.
- \$50,000 has been included for additional wildlife monitoring across the Yukon.
- \$3.6 million is provided for wildfire prevention, mitigation, and First Nations FireSmart initiatives.
- An additional \$887,000 is committed to the 2 Billion Trees initiative, planting deciduous seedlings in high-priority forest fuel management areas.
- \$1.9 million funds planning at McIntyre Creek Park, Pine Lake campground, and the development of a trail network in Rabbit's Foot Canyon.

Supporting Yukon businesses and industry

- This budget includes new and existing programs and initiatives that support Yukon Businesses and Industry. This includes:

Session Briefing Note
2025-26 Main Estimates

Spring 2025
Finance

-
- \$1.6 million for the Community Tourism Destination Development Fund providing support for projects that focus on sustainable tourism development in the Yukon.
 - \$1.96 million for the Economic Development Fund supporting projects and initiatives that provide long-term, sustainable economic benefits to Yukon communities.
 - \$825,000 to extend the Paid Sick Leave Program providing up to 40 hours of paid sick leave to employees and self-employed Yukoners.
 - \$1 million dollars for a Yukon Trade Resilience Program to support Yukon businesses impacted if tariffs are imposed by the U.S.
 - \$225,000 in funding programs under the Creative and Cultural Industries Strategy. These programs build capacity in the industry and assist creative businesses in reaching new markets.
 - \$1.7 million for film and music funding programs that will provide resources for local creative professionals and productions to succeed.
-

Context — this may be an issue because:

- The 2025-26 Main Estimates will be debated during the March 2025 legislative session.

Background:

- Gross O&M expenditures are forecast to increase by \$282.6 million, or 17.7 per cent, from the 2024-25 Main Estimates.
- The O&M recovery forecast has also significantly increased over the 2024-25 Main Estimates, by about \$10.5 million. Net O&M expenditures are forecast to

Session Briefing Note

Spring 2025

2025-26 Main Estimates

Finance

increase by \$272.1 million, or 19.3 per cent, compared to the 2024-25 Main Estimates.

- Gross capital expenditures are forecast to be about \$477.3 million for 2025-26, which is a \$6.7 million decrease from the 2024-25 Main Estimates. Capital recoveries are forecast to decrease by \$10 million.
- The \$75 million contingency is not included in departmental budgets and would still need to be presented to the legislative assembly for approval, but is included in our fiscal plan so that, if required, it will not affect Yukon's forecast fiscal position.
- On a consolidated basis, when all government reporting agencies, such as Yukon University and public corporations are included, the 2025-26 Main Estimates forecast an annual surplus of \$132.7 million and net debt of \$402.2 million.

Approved by:

Jessica Schultz

February 25, 2025

Deputy Minister, Finance

Date Approved

Session Briefing Note

2025-26 Full Time Equivalents

TAB #05
Spring 2025
Finance

Recommended response:

- This Government of Yukon is committed to providing the services Yukoners depend on and will continue to ensure human resources are in place to assist and protect Yukoners.
- As part of the 2025-26 Main Estimates, the Government of Yukon is reporting 5,561.5 Full-Time Equivalents (FTEs) to support programs and services for Yukoners. This change reflects an increase of 76.6 FTEs or 1.4 per cent from the 2024-25 Main Estimates.
- The 76.6 FTE increase consists of 133.8 new or renewed FTEs offset by a reduction of 57.2 time-limited FTEs.
- Among these new FTEs 44.3 of them, or approximately 34 per cent, are fully or partially recoverable, while 66.8 FTEs are for time limited term positions.
- 119.4 of these positions directly support services in healthcare and education.

Additional response:

- The government is committed to strengthening health care and education by investing in the resources and personnel needed to support Yukoners. This includes key additions to health and social services, as well as increased staffing in schools to meet growing enrollment.
- The additional FTEs directly support increased health and social services for Yukoners, including:
 - 21.8 FTEs to support new long-term care spaces at Whistle Bend Place opened in 2024;

Session Briefing Note**2025-26 Full Time Equivalents**Finance

- 19.5 new and extended FTEs to advance the Health and Human Resources Strategy and the implementation of the Yukon Health and Wellness Authority;
 - 14.0 FTEs to staff a new group home;
 - 13.5 FTEs for Emergency Medical Services to support increased call volumes and workloads; and
 - 7.0 term positions to support Aging with Dignity initiatives and 5.0 permanent positions in Home Care.
- Increased school enrollment across the territory also requires additional resources for education, including:
 - 20.0 FTEs for educational assistants, learning assistance teachers and wellness counsellors;
 - 5.8 FTEs for new teachers and 1.5 FTEs for clerical staff; and
 - 3.5 FTEs for custodial staff and 1.0 FTE for a First Nation Language Teacher at the Whistle Bend Elementary School.
- The Capital Planning Office, previously housed in the Department of Highways and Public Works, has moved to the Department of Finance. This transition has resulted in an increase of 4.0 FTEs in O&M, as these positions were previously accounted for in the capital budget.
- The government is committed to providing a transparent and up-to-date account of budgeted FTEs with its Main and Supplementary Estimates. The government shares updates in the house and with all members during regular briefings.

Session Briefing Note

2025-26 Full Time Equivalents

TAB #05
Spring 2025
Finance

- Planned FTEs should not be confused with the statistics provided by the Public Service Commission, which reports on the number of employees and the number of actual hours worked by Yukon government employees.
- The Public Service Commission and the Department of Finance work together on accounting for planned and budgeted FTEs and how these compare with actuals or hours worked.

Context — this may be an issue because:

- Government staffing and growth in personnel is an issue that is frequently raised by Opposition.

Background:

- The Supplementary Estimates include an allocation of planned spending on government personnel. In addition, a calculation of the number of FTE positions is shared with the opposition through technical briefings on the budget and the supplementary estimates.

Approved by:

Jessica Schultz

February 5, 2025

Deputy Minister
Department of Finance

Date Approved

Session Briefing Note

Spring 2025

Borrowing Strategy

Finance

Recommended response:

- The Yukon continues to grow and evolve as a dynamic territory, with its expanding population, thriving communities, and increasing demands for essential services and infrastructure.
- To support this development, the Government of Yukon is committed to maintaining the financial flexibility required to respond to both immediate and long-term needs effectively.
- While the territory has historically operated under a robust financial plan that minimized borrowing, recent challenges, such as urgent environmental responses and growing pressures in the health care system, underscore the importance of adaptability in financial planning.
- Strategic borrowing plays a key role in addressing these challenges. It not only provides the flexibility to manage fluctuations in cash flow but also unlocks opportunities for future growth and resilience. In the fall, the Yukon government provided Yukoners with an update on the need to reassess the territory's borrowing limit and to engage with federal partners.
- Through close collaboration with the federal government, the borrowing limit was increased to \$1.2 billion. This increase provides the necessary capacity to manage cash flow fluctuations more effectively.

Budget 2025-26 Borrowing Strategy

- As part of Budget 2025–26, the government has included provisions to enable long-term borrowing of up to \$400 million. This authorization, included under the *First Appropriation Act 2025–26*, represents a prudent and forward-looking measure designed to

Session Briefing Note**Spring 2025****Borrowing Strategy**Finance

ensure that the Yukon is equipped to address emerging pressures while continuing to invest in essential infrastructure and services that benefit the entire territory.

- The government intends to secure this long-term funding later in the fiscal year through a borrowing instrument, ensuring the process aligns with the territory's strategic financial planning and cash flow needs while achieving the most favorable lending terms for the territory.
- The funds borrowed through this process will be critical in addressing the evolving needs of the Yukon's rapidly growing population. They will allow the government to continue responding to increasing health care demands and tackle intense, time-limited environmental emergencies. Additionally, these funds will support investments that enhance economic and environmental stability across the territory.
- Investments in infrastructure, such as replacing the Nisutlin Bay Bridge and the main runway at the Erik Nielsen International Airport, will lay the foundation for sustained economic growth and improved quality of life for Yukoners. These investments also enhance the territory's connectivity to the rest of the country, support economic diversification, and foster community growth and well-being.
- The Yukon's strong financial position, supported by its consistently high credit rating from S&P Global Ratings, reflects the territory's commitment to responsible fiscal management and sustainable economic growth. This strong rating enables the government to borrow at favourable terms, ensuring cost-effective financing for key initiatives while maintaining long-term fiscal sustainability.

Session Briefing Note**Spring 2025****Borrowing Strategy**Finance

Plans for repayment

- As part of the Government of Yukon's strategy for borrowing, it is equally committed to repaying these funds.
- With net debt forecast to stabilize and decrease in future years as major capital projects are finalized, the government is currently well-positioned to manage borrowing responsibly while also being in a healthy position to repay these funds in the medium term.
- The Fiscal and Economic Outlook, released with Budget 2025-26 highlights a clear path to reducing net debt over the coming years. It also shows strong revenue growth and disciplined operations and maintenance spending, which is aligned with population growth and inflation.
- These fiscal conditions will help reduce borrowing needs, over time, and also support the government's commitment to repaying the borrowed funds in coming years.

Increased reporting and fiscal transparency:

- The Government of Yukon remains steadfast in its commitment to transparency and accountability in financial management. Yukoners can continue to expect regular updates as the government navigates the evolving fiscal landscape, ensuring that borrowing decisions align with the territory's long-term goals and priorities.
- To further enhance this commitment, the government has included new information in Budget 2025–26, providing Yukoners with a clearer understanding of financial decisions related to borrowing.
- This continuous improvement in the government's financial presentation is consistent with the high grade it received from the C.D.

Session Briefing Note

Spring 2025

Borrowing Strategy

Finance

Howe Institute for fiscal accountability and the clarity of its financial reporting.

- This proactive and strategic approach to financial management ensures the Yukon is prepared to meet today's challenges while building a prosperous and resilient future.

Context — this may be an issue because:

- There will be interest from the media and Opposition about the government's plan to borrow funds in 2025-26.
- The Yukon Public Accounts for 2023–24 show an increase in net financial debt, which is often misunderstood as debt stemming from borrowing.

Background:

- Borrowing and debt should not be confused with net debt.
- Net debt is a measure of the government's ability to pay all its financial liabilities if they were due immediately. Most of the net debt for the Yukon government is the result of long-term liabilities that will not materialize all at once. This includes severance entitlements liabilities, for example.
- Currently, under the Financial Administration Act, the Yukon government is authorized to undertake temporary borrowings that are less than 365 days. The Yukon government has access to a line of credit in place with its banking service provider, CIBC.
- The Government of Yukon also reports annually on all borrowing as part of the Yukon Public Accounts. In 2023-24, the Government of Yukon had borrowing totaling \$375 million.
- The 2023–24 Public Accounts show that interest rates on [short-term](#) borrowing ranged between 5.85 to 6.35 per cent throughout that year.

Session Briefing Note

Spring 2025

Borrowing Strategy

Finance

- On a non-consolidated basis, 2023–24 corporate interest expenses were \$2.2 million. This represents interest on the government’s line of credit.
- On a consolidated basis, excluding Yukon Development Corporation, 2023–24 interest expenses incurred totaled \$3.6 million. Interest expenses incurred by Yukon Development Corporation for its loans and other borrowings in 2023–24 totaled \$10.5 million.

Approved by:

Jessica Schultz

March 17, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note

Borrowing Limit

TAB #07
Spring 2025
Finance

Recommended response:

- The Government of Yukon is committed to sustainable financial management, ensuring that resources are allocated effectively to meet the territory's needs while maintaining fiscal responsibility and transparency.
- Historically, the Government of Yukon has demonstrated prudent financial management. We have consistently delivered the programs and services that Yukoners rely upon and have supported significant capital investments without requiring extensive borrowing. This fiscal responsibility was reflected in our 'AA' stable credit rating as recently as 2024.
- In recent years, the territory has faced unforeseen challenges that have placed additional pressure on financial resources. These include environmental and remediation costs stemming from an unexpected environmental disaster, as well as escalating health care expenditures driven by the unique challenges of delivering services in the Yukon's growing and dispersed communities.
- The COVID-19 pandemic also presented unprecedented challenges for governments worldwide, and Yukon was no exception. The Government of Yukon prioritized the health and well-being of its citizens by implementing robust public health measures, supports for businesses, and by ensuring the delivery of critical services.
- These efforts required significant financial investments, including support for vaccination programs, public health infrastructure, and economic recovery initiatives. Despite these pressures, the government worked diligently to balance immediate needs with long-term fiscal sustainability.

Session Briefing Note**Spring 2025****Borrowing Limit**Finance

- These exceptional circumstances underscore the necessity of increased financial flexibility to address both planned initiatives and unforeseen emergencies effectively. Flexibility in managing cash flow is critical to maintaining our ability to respond promptly to emerging issues while continuing to invest in the territory's growth and sustainability.
- Under the Yukon Act, the Government of Yukon is permitted to borrow up to a limit established by the federal government. This borrowing encompasses debts incurred by both the Government of Yukon and its corporations.
- To support the Yukon's evolving needs, the Government of Canada has approved an increase in the borrowing limit from \$800 million to \$1.2 billion. This enhanced borrowing capacity will provide greater flexibility for managing cash flow and ensuring long-term fiscal sustainability.
- This decision represents a proactive measure to equip the territory with the tools necessary to address future challenges and capitalize on opportunities that benefit Yukoners. It supports efficient cash flow management and strategic investments that align with the Yukon's long-term priorities.

Additional response:

- Borrowing is just one of several tools the Government of Yukon uses to achieve its strategic objectives and to promote the territory's long-term prosperity. Borrowing activities are disclosed annually in the Public Accounts and, as part of Budget 2025-26, are transparently

Session Briefing Note**Spring 2025****Borrowing Limit**Finance

included in the government's Main Estimates. This additional level of detail will also be included in any future Supplementary Estimates.

- As of the 2023-24 fiscal year, the total borrowing by the Government of Yukon's corporations was approximately \$215 million. This includes loans and accrued obligations associated with entities such as the Yukon Development Corporation, Yukon Hospital Corporation, Yukon Housing Corporation, and Yukon University.
- In addition to long-term borrowing, the Government of Yukon utilizes short-term credit facilities, such as lines of credit with its banking provider, to manage temporary cash flow needs. These facilities enable the government to address immediate financial requirements efficiently throughout the year.
- As of March 31, 2024, the Government of Yukon on a consolidated basis had utilized only 46.9 per cent of its previous borrowing capacity of \$800 million, with \$375 million in use. This demonstrates our commitment to responsible financial management while maintaining sufficient capacity to address future needs.
- Moving forward, the expanded borrowing capacity will allow the Government of Yukon to balance financial flexibility with fiscal responsibility, ensuring that we are well-positioned to meet the challenges and opportunities of a dynamic and growing territory.

Context—this may be an issue because:

- In 2024, during the spring and fall sessions, government borrowing was discussed in the Legislative Assembly.
- On December 20, 2024, the Yukon's territorial borrowing limit was increased from \$800 million to \$1.2 billion.

Session Briefing Note

Borrowing Limit

TAB #07
Spring 2025
Finance

Background:

- The borrowing limits for all three territories are set by regulations under the respective territorial acts. Requests for increases to these borrowing limits are submitted to the federal government and changes require federal regulation amendments.
- In 2009, the Yukon's borrowing limit was increased to \$300 million from \$138 million. In 2012, it was raised to \$400 million, and then in 2020 to \$800 million.
- On March 3, 2025, the Northwest Territories' government received approval from the federal government for a fifth increase to their borrowing limit, from \$1.8 billion to \$3.1 billion.

Financial Instruments

- The corporations borrow using a variety of financial instruments including line of credit, bank loans, bonds, loans from First Nations, and loans and mortgages from Canada Mortgage and Housing Corporation.

At March 31, 2024	Term	Rate	Payment	Balance ('000s)
Yukon Development Corporation				
Bond	June 30, 2010 to June 29, 2040 30 Years	5.0%	Interest payable semi-annually. Principal due June 29, 2040	\$100,000
Toronto Dominion Bank	December 28, 2012 to September 28, 2035	2.06%	Monthly installments of \$47,918	\$6,879
Toronto Dominion Bank	August 23, 2018 to August 23, 2043	3.4%	Monthly installments of \$117,095	\$19,955
Toronto Dominion Bank	July 15, 2019 to July 14, 2044	2.64%	Monthly installments of \$30,868	\$5,823

Session Briefing Note

Borrowing Limit

TAB #07
Spring 2025
 Finance

At March 31, 2024	Term	Rate	Payment	Balance ('000s)
Toronto Dominion Bank	November 4, 2020 to November 4, 2045	2.06%	Monthly installments of \$20,478	\$4,294
Toronto Dominion Bank	April 26, 2021 to April 30, 2046	2.88%	Monthly installments of \$35,853	\$7,022
Toronto Dominion Bank	August 29, 2022 to September 1, 2052	4.07%	Monthly instalments of \$86,661	\$17,517
Toronto Dominion Bank	December 21, 2023 to December 21, 2048	4.10%	Quarterly installments of \$103,009	\$6,388
Tr'ondëk Hwëch'in First Nation	January 1, 2010 to 2049	Blended rate based on cost of debt and actual rate of return earned by the Utility 7.79%	Equal annual principal repayments of \$125,000	\$3,250
Na-Cho Nyak Dun Investment Trust	March 5, 2014 to 2094	Actual rate of return earned by the Utility 9.66%	Equal annual principal repayments of \$43,264	\$3,072
Chu Nfikwän Limited Partnership	January 1, 2016 to 2040	Blended rate based on the cost of debt and the actual rate of return earned by the Utility.	Equal annual principal repayments of \$1,019,320	\$17,328

Session Briefing Note

Borrowing Limit

TAB #07
Spring 2025
Finance

At March 31, 2024	Term	Rate	Payment	Balance ('000s)
		5.60%		
Carmacks Stewart First Nation Liability	October 19, 2007. Due in 2028.	Non-interest bearing	Repayable in varying installments	\$141
Champagne and Aishihik First Nations	July 21, 2023 to July 31, 2048	Utility's rate of return on equity 7.02%	Interest payable annually, principal repayment of \$1 million due July 2048	\$1,000
Bank Overdraft				\$54,652
Yukon Hospital Corporation				
CIBC	March 2018 to December 31, 2026	Interest rate swap fixed at 5.15%	Blended monthly payments of \$160,000	\$4,905
CIBC	April 2018 to April 1, 2028	Interest rate swap fixed at 4.525%	Blended monthly payments of \$100,000	\$4,900
CIBC	December 2011 to March 15, 2028	Interest rate swap fixed at 5.23%	Blended monthly payments of \$117,000	\$5,080
CIBC	February 2023 to February 28, 2028	Interest rate swap fixed at 5.30%	Blended monthly payments of \$93,000	\$3,919
Yukon Housing Corporation				
CMHC	Loan assumed by YHC in 1998 up to 2028 as part of the Social Housing	1.99% - 2.81%	Blended monthly payments	\$251

Session Briefing Note

Borrowing Limit

TAB #07
Spring 2025
 Finance

At March 31, 2024	Term	Rate	Payment	Balance ('000s)
	Agreement (NHA Post 1985 Section 95)			
CMHC	Loan assumed by YHC in 1998 up to 2028 as part of the Social Housing Agreement (NHA Section 79)	7.5% - 9.5%	Blended periodic installments	\$293
Yukon University				
Donor loan	Repayable within 90 days on demand, may be converted to a gift at any time by donor.	Nil	Nil	\$966
Accrued interest payable				\$2,098
Capital lease obligations				\$362

Approved by:

Jessica Schultz

Deputy Minister, Finance

March 4, 2025

Date Approved

Session Briefing Note

Income Tax Act Amendments

TAB #08
Spring 2025
Finance

Recommended response:

- The Government of Yukon recognizes the financial and emotional challenges that can accompany the journey to parenthood. We are committed to making fertility services more affordable and accessible, ensuring the ability to start or grow a family is based on personal choice rather than financial limitations.
- To support this commitment, we are proposing changes to the *Income Tax Act* to introduce a refundable fertility and surrogacy tax credit, helping individuals and families access the support they need to become parents.
- This tax credit will cover 40 per cent of the cost of eligible fertility treatments or surrogacy services, up to a maximum of \$10,000 per year per individual, with no lifetime cap.
- In the case of households with two taxpayers, each individual can claim the credit for expenses they incur, effectively doubling the value of the credit.
- The proposed tax credit is one of the most inclusive in Canada, providing generous support for a broad range of procedures and services, including surrogacy. This approach sets us apart from programs in other Canadian jurisdictions.
- With the passage of Bill 47, Yukoners will be able to claim eligible expenses on their 2025 tax returns, filed in early 2026. Expenses incurred as early as January 2, 2024, will qualify for the credit.

Session Briefing Note

Income Tax Act Amendments

TAB #08
Spring 2025
Finance

Additional response:

- Bill 47 also includes additional technical amendments to align the Yukon's tax system with federal practices, ensuring consistency and clarity for taxpayers.
- We are extending the Yukon Child Benefit for up to six months following the death of a child, offering additional support to families during a difficult time.
- We support Canada's decision to extend the notification deadline for reporting the loss of a child to the Canada Revenue Agency.
- Previously, parents were required to notify the CRA within just one month of their child's passing, which could add undue stress during a time of immense grief.
- Under the new policy, families now have six months to complete this step. By aligning our approach with these federal changes, we are providing grieving families with additional time to navigate the administrative process without the added worry of financial penalties or benefit repayments.
- This adjustment reflects our government's commitment to compassion and understanding during life's most difficult moments.
- The Yukon is also amending the Alternative Minimum Tax rules to accurately align with recent changes introduced by the federal government.
- The Alternative Minimum Tax ensures that high-income earners, who may be able to reduce their owed income taxes through credits and deductions, continue to pay a base level of tax regardless of these adjustments.

Session Briefing Note

Spring 2025

Income Tax Act Amendments

Finance

- The included changes align the territory's Alternative Minimum Tax rate with its corresponding federal equivalent.
- These amendments will ensure that everyone pays their proper share of taxes, maintaining fairness and integrity in our tax system while aligning with national standards.

Context—this may be an issue because:

- The 2023 Confidence and Supply agreement included the following commitment:
*"To improve delivery of and access to health care in the territory, the Government of Yukon will:
 create a refundable tax rebate covering up to \$8,000 per year for fertility treatment and surrogacy expenses for eligible Yukoners for up to a maximum of five years (based on the Manitoba Fertility Treatment Tax Credit)."*
- Improving access to fertility treatment is also a mandate commitment for the Minister of Finance.
- Federal budgets 2023 and 2024 made numerous changes to the federal Income Tax Act precipitating the need to make corresponding changes to the Yukon income Tax Act.

Background:

- The Act to Amend the Income Tax Act (2025) includes four changes to the income tax act. They are as follows:

Fertility and Surrogacy Tax Credit

- This tax credit provides a rebate that will complement existing supports like the Medical Expense Tax Credit, which offers a 21.4 per cent rebate on eligible medical expenses above the minimum deduction, and the Northern Residents Deduction, which reduces taxes for northerners and covers unlimited medical travel.
- It provides a credit of up to 40 per cent of expenses up to a maximum of \$10,000, each year, per taxpayer with no lifetime cap.

Session Briefing Note

Spring 2025

Income Tax Act Amendments

Finance

Yukon Child Benefit

- The Yukon Child Benefit will align with the Canada Child Benefit by extending payments for six months after a child's death. This change acknowledges the challenges families face and helps prevent the need to repay benefits due to notification delays.
- The Yukon Child Benefit currently provides up to \$76.50 per month per child to low- and modest-income families.

Alternative Minimum Tax (AMT)

- The Alternative Minimum Tax (AMT) is a tax calculation with fewer deductions and credits, designed for high-income individuals who may take advantage of credits and deductions to disproportionately lower their owed taxes. It ensures that taxpayers pay either the AMT or regular tax, whichever is higher.
- Recent federal changes shifted the Alternative Minimum Tax rate to the second income tax bracket rate. The Alternative Minimum Tax rate may apply to individuals earning more than \$175,000 of income.
- The Income Tax Act (Yukon) mirrors the corresponding federal tax. Historical language resulted in a rate of 8.75 being applied for the Yukon's AMT instead of the proper rate of 9 percent.

Cross-border transportation equipment

- The definition of cross-border transportation equipment has been modified in the Income Tax Act (Yukon) to include eligible Yukon mining assets. No current cross-border transportation equipment is currently being used for mining purposes. This change is an anticipatory amendment to ensure that the territory covers all scenarios.

Approved by:

Jessica Schultz

January 24, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note

Mandate Commitments

TAB #09
Spring 2025
Finance

Recommended response:

- The Department of Finance continues to work collaboratively with all government departments as we make progress on the commitments in my mandate letter, as well as those of other Ministers.
- Each of these important priorities contributes to ensuring that we are making strategic fiscal decisions for the benefit of all Yukoners.
- This includes:
 - maintaining a strong relationship with the federal government;
 - imbedding many of the recommendations from the Yukon Financial Advisory Panel (YFAP) into our daily procedures;
 - continuing to work on options for subsidizing fertility treatments;
 - supporting the exploration of a Yukon carbon credit program;
 - collaborating with Yukon Housing Corporation and Economic Development on investments into the rental housing market; and
 - working with government departments to support the evaluation of programs and policies and facilitating the transfer of the evaluation to the Executive Council Office.

Additional response:

Commitment 1: Maintain strong working relationships with the federal government on shared priorities and work collaboratively with departments to ensure the Yukon is strategic in its federal financial engagements.

Session Briefing Note**Spring 2025****Mandate Commitments**Finance

- As a central agency, the Department of Finance is dedicated to working collaboratively with other departments, including the Executive Council Office's Intergovernmental Relations branch to ensure fiscal objectives are met.
- The Government of Yukon maintains a positive working relationship with the Government of Canada on financial matters. In the 2024 credit rating report from S&P Global Ratings, it highlighted this as one of the Yukon's strengths.
- The department also maintains strong working relationships with federal government agencies like the Canada Revenue Agency and Finance Canada as we regularly work together to ensure the integrity of the tax system, including harmonization of tax bases.

Commitment 2: Revisit the 2017 Yukon Financial Advisory Panel Final Report to review their recommendations to continue government's work to maintain a healthy financial position.

- The Government of Yukon is continuously reviewing the 32 recommendations from the 2017 Yukon Financial Advisory Panel Final Report and respects the panel's expert advice on how to deliver on government priorities while meeting the needs of Yukoners.
- While many of these recommendations have been actioned, either fully or partially, many others have been incorporated as part of government's regular operations.
- Notable areas where recommendations are now part of regular operations include:

Session Briefing Note

Mandate Commitments

Spring 2025

Finance

- ongoing continuous improvement in the presentation of the government's financial statements, which has been recognized by C.D. Howe Institute for positive transparency and clarity;
 - including a contingency into government budgeting in order to reduce the volatility of expenses throughout the year.
- To date, the Government of Yukon has also implemented several major recommendations stemming from this report, including:
 - the implementation of the Putting People First strategy, as part of a recommended comprehensive review of the healthcare sector;
 - the design and delivery of a revenue-neutral carbon rebate in the territory;
 - the development of an internal Performance Measurement & Evaluation Framework in an effort to increase government's capacity for evaluation; and
 - the exit from business which can be completed by the private sector; such as Central Stores and Queen's Printer.
- These are just a few of the steps the government has taken and are not an exhaustive list.
- The Department of Finance is further considering the recommendations, and their status is based on what is complete, actioned or in progress, as well as those which are no longer relevant or may need further attention.

Commitment 3: Make access to fertility treatments more affordable for Yukoners.

Session Briefing Note

Mandate Commitments

Spring 2025

Finance

- The Government of Yukon is committed to expanding the available support for Yukoners undergoing fertility treatments and to make access more affordable to Yukoners.
- The Department of Health and Social Services amended the Travel for Medical Treatment Regulations so that Yukoners can have easier access to treatment outside the territory.
- We have also tabled a bill in this session to introduce a tax credit which will support fertility and surrogacy treatment.
- This refundable tax credit will greatly contribute towards making fertility treatment more affordable for all Yukoners.

Commitment 4: Support the Executive Council Office's research into potential models to establish a made in Yukon carbon credit program.

- The Department of Finance provided support for research efforts by other government departments as they explored the potential for a Yukon-specific carbon credit program.
- This phase of research has concluded, and the government has determined that further exploration of a Yukon carbon credit program will not proceed at this time. However, the insights gained from this work will continue to inform ongoing efforts to address climate action priorities.

Commitment 5: Identify financial tools that will support and enhance investment into the Yukon's rental housing market.

- The Government of Yukon is aware that rental options in the Yukon are currently limited and are often costly.

Session Briefing Note**Spring 2025****Mandate Commitments**Finance

- We have engaged with the Yukon Residential Landlords Association on researching potential incentives to increase supply in the rental market.
- In 2023-24, the Temporary Landlord Assistance Program provided a one-time payment of \$338 to private sector landlords for eligible rental units to stabilize the rental market and keep rental units available.
- Senior officials from the departments of Finance, Economic Development, Community Services and Yukon Housing Corporation met in the spring of 2023 to discuss options. This working group will continue to meet and discuss options which support this sector.

Commitment 6: Continue working on a framework to support the effective evaluation of government programs and policies, with a particular focus on ensuring there are baseline evaluation strategies incorporated into new programs.

- The Government of Yukon is committed to continuously improving its operations, programs, and services. Through monitoring, measurement, and evaluation, we can make evidence-based incremental improvements.
- A new Performance Measurement and Evaluation Framework began phased implementation across government in fall 2022.
- Using this framework, government programs, policies, and strategies reported on their anticipated outcomes, the resources dedicated to accomplishing those outcomes, and their results. This approach has provided enhanced insight into how government expenditures, operations, and results align with the Yukon's priorities.

Session Briefing Note

Mandate Commitments

TAB #09
Spring 2025
Finance

- With the recent transfer of the Evaluation Unit from the Department of Finance to the Executive Council Office, ECO will continue to shape evaluation efforts over the coming years.

Context—this may be an issue because:

- This is the final year of the mandate.
- Some of the Liberal and New Democratic Party Confidence and Supply agreement tasks are also mandate letter items.

Background:

- Mandate Letters are released by multiple governments to outline priorities and highlight specific commitments.
- The 2023 Mandate Letters are the fourth set of letters presented by the Liberal Party since the 2016 election.

Approved by:

Jessica Schultz

January 24, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note**Accomplishments**Finance

Recommended response:

- The Department of Finance has undergone a significant transformation over the years, evolving from its historical role as an administrative cash desk and operational support department to becoming a cornerstone of strategic financial decision-making and public policy development for the Government of Yukon.
- Today, the department plays a critical role in shaping the territory's financial future by providing rigorous financial analysis, strategic advice, and sound management of public funds.
- As part of its expanded mandate, the department now includes the Yukon Bureau of Statistics, which offers valuable statistical data across a wide range of social, economic, and environmental indicators.
- This integration has enhanced the government's ability to base decisions on robust evidence and comprehensive data, ensuring that policies are both effective and responsive to the territory's unique needs.
- The Department of Finance takes pride in its accomplishments over the past several years. Through strategic tax policy, business support initiatives, prudent financial management, and improved public sector efficiency, the Government of Yukon continues to foster a prosperous and sustainable financial future for the territory and its residents.

Additional response:**Taxation and revenue management**

- The Government of Yukon has made significant strides in taxation and revenue management to ensure a fair and efficient financial system.

Session Briefing Note**Accomplishments**Finance

- The completion of the cannabis taxation sharing agreement with the Government of Canada marked a milestone in securing revenue for the territory.
- The *Coordinated Vaping Product Taxation Agreement Act* was also passed, providing the Yukon with half of the taxation revenue from vaping products sold in the territory and aiming to reduce youth vaping rates.
- The passage of the *Yukon Government Carbon Price Rebate Implementation Act* enabled the return of carbon levy revenues to residents and businesses, promoting environmental sustainability while supporting growth of the green economy.
- Building on these efforts, the Government of Yukon expanded the carbon price regulation to include allocations for municipal and First Nations governments. New mining rebates were also introduced in response to federal changes.
- Further amendments to the *Carbon Price Rebate Act* regulations were made to reflect changing emission patterns and the rapid uptake of investments in green assets.
- Amendments to the *Income Tax Act (Yukon)* have ensured continuous alignment with its federal counterpart further strengthening the Yukon's tax framework.
- Finally, in support of respectful government-to-government relations with Yukon First Nations, we allocate 95 per cent of the personal income tax collected on settlement lands to all self-governing Yukon First Nations.

Session Briefing Note

Spring 2025

Accomplishments

Finance

- Together, these efforts underscore our commitment to building a tax system that is both fair and responsive to the changing needs of Yukoners and the economy.

Economic development and business support

- Supporting local businesses has been a key focus for the Department of Finance, particularly during challenging times such as the COVID-19 pandemic.
- To alleviate financial burdens, we reduced the small business tax rate to zero and the general rate to 13 percent, providing much-needed relief to business owners.
- Participation in the Business Investment Tax Credit program was expanded, and the *Insurance Premium Tax Act* was modernized to foster a more competitive business environment.
- As well, we made legislative amendments so the Yukon can join the International Fuel Taxation Agreement, reducing red tape.
- These initiatives have helped build a thriving and resilient business environment that supports economic growth and innovation.

Fiscal sustainability and responsibility

- Ensuring the territory's long-term financial health has remained a cornerstone of this government's priorities. By participating in the five-year review of Territorial Formula Financing, the Yukon demonstrated a proactive approach to securing vital federal support, reinforcing the foundation for sustainable growth.
- A notable achievement has been securing an increase in the borrowing limit from \$800 million to \$1.2 billion, which enhances the territory's financial flexibility and positions it to better meet evolving

Session Briefing Note

Accomplishments

needs. The Yukon's commitment to prudent fiscal management is further evidenced by maintaining a Double-A ('AA') credit rating from S&P Global Ratings for 15 consecutive years. This acknowledgment highlights the territory's stable fiscal performance and responsible stewardship of resources.

- Additionally, the Yukon received an "A-" grade in the C.D. Howe Institute's annual report on fiscal transparency, achieving the highest ranking in the country alongside Alberta. This recognition underscores the government's dedication to transparent and accountable financial management.
- Building on this foundation, the Government of Yukon remains committed to revisiting the 2017 Yukon Financial Advisory Panel Final Report to ensure continued financial health. The government has reviewed the panel's 32 recommendations and integrated many into regular operations. Significant actions stemming from the report include:
 - Implementing the Putting People First strategy as part of a comprehensive review of the healthcare sector.
 - Designing and delivering a revenue-neutral carbon rebate to benefit Yukoners.
 - Developing an internal Performance Measurement & Evaluation Framework to enhance the government's capacity for evaluation.
 - Exiting businesses that could be better served by the private sector, such as Central Stores and Queen's Printer.
- While many recommendations have been actioned or incorporated into standard operations, the government continues to assess their

Session Briefing Note**Accomplishments**Finance

status to determine what remains relevant or requires further attention. This ongoing work reflects the Government of Yukon's commitment to maintaining a healthy financial position while meeting the needs of all Yukoners.

- The Department of Finance also applies best practices to ensure fiscal responsibility throughout the budgeting process. For instance, funding requests for personnel expenses include a “vacancy adjustment” to account for anticipated staff turnover and temporary vacancies. This approach ensures a realistic reflection of expected costs.
- Similarly, funding is allocated at appropriate times based on available information. Unpredictable costs, such as those arising from fires and floods, are addressed in supplementary budget exercises once the expenses are known. Personnel funding increases tied to collective agreements are typically provided only after negotiations are finalized.
- To promote consistency and fairness, the government follows robust policies and procedures for allocating resources such as workspace, equipment, software, and training.
- The Department of Finance carefully considers all of these policies to ensure necessary resources are distributed equitably and departments have sufficient funding to meet their legislative obligations and ongoing fiscal sustainability.

Efficiency and transparency

- One of the ways we have enhanced efficiency and transparency in the Department of Finance is through the Performance Measurement and Evaluation Framework, which has been transferred to the Executive Council Office now that it is underway.

Session Briefing Note**Accomplishments**Finance

- As Minister of Finance, I tabled the 2023-24 Public Accounts in the Legislative Assembly on October 24, 2024 – my eighth as Finance Minister. I am pleased to report that the Office of the Auditor General confirmed that our financial statements are unqualified and free from material errors. The department continues to make continuous improvements to these annual financial statements, each year, including additional details and graphs in the FSD&A.
- On January 14, 2025, officials from the Department of Finance and the Office of the Auditor General of Canada also appeared before the Standing Committee on Public Accounts for its annual public hearing. I am proud to note that the Department of Finance's participation in this process is a newly resurrected initiative under this government, which resumed in 2019.
- To support the Public Accounts, the government has adopted three new Public Sector Accounting Standards within the fiscal year. This ensures our financial reporting aligns with generally accepted accounting principles and leading practices in the field.
- I also recently tabled the eighth iteration of the Five-Year Capital Plan, which outlines the government's long-term capital investment plans. This plan provides the public with greater certainty on government priorities and procurement opportunities.
- Finally, the Fiscal and Economic Outlook and Interim Fiscal and Economic Update have both been tabled annually since 2017 and provide the public with regular and transparent fiscal reporting.
- Overall, these initiatives reflect our focus on strengthening transparency, enhancing accountability and ensuring the efficient use of public resources for the benefit of all Yukoners.

Session Briefing Note**Accomplishments**Finance

Partnerships

- Collaboration with other Government of Yukon departments, as well as other governments, has been crucial in advancing our strategic priorities.
- A prime example is the ongoing support and advice provided to the Department of Health and Social Services in the creation of the Health Authority, Shāw Kwä'ą.
- Additionally, the Department of Finance has provided essential data and survey services were also provided to the Special Committee on Electoral Reform, helping to support informed decision-making.
- We have also partnered with Statistics Canada to develop Market Basket Measures for Northern Canada. These measures play a crucial role in determining Canada's official poverty level and inform public policies related to income support and income testing.
- Furthermore, alongside the Executive Council Office, the Department of Finance co-chairs the fiscal working group for the Yukon Forum, reconvened by this government in 2017, which helped facilitate an agreement to clarify how resource royalties are shared under Chapter 23 of the Final Agreements.
- These strategic partnerships demonstrate our commitment to working collaboratively across departments and with external stakeholders to drive meaningful progress on key initiatives.

Support for Yukoners

- The Government of Yukon is committed to making life more affordable for Yukoners.

Session Briefing Note

Accomplishments

Finance

- To help families navigate the rising cost of living and inflation, we have increased the Yukon Child Benefit maximum to \$876 per child.
- Most recently, the government introduced a fertility tax credit to make treatments like IVF and services like surrogacy more accessible and affordable for Yukoners.
- These measures are just a few examples of our ongoing efforts to support families and ensure that essential services are within reach for all.
- We are also deeply committed to integrating environmental considerations into every aspect of government decision-making. To this end, we have adopted a climate change lens in evaluation of financial requests. When assessing requests from other departments, we now analyze their potential climate-related impacts and incorporate these insights into our recommendations.

Context—this may be an issue because:

- Members of the Legislative Assembly may have an interest in the accomplishments from the Department of Finance since 2016.

Approved by:

Jessica Schultz

January 23, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note

Capital Planning Office Transfer

TAB #11
Spring 2025
Finance

Recommended response:

- The Government of Yukon is committed to making infrastructure investments that support the health and wellbeing of Yukon residents, providing opportunities for growth, and leveraging private sector investment.
- For the past seven years, the Capital Planning Office was within the Department of Highways and Public Works where it provided valuable project-based expertise on the government's capital priorities. During that time, the Capital Planning Office oversaw the development of the Five-Year Capital Plan, which aimed to ensure that Yukoners received detailed information about capital investments.
- The Capital Planning Office also established valuable relationships between government and the private sector, as well as with First Nations partners.
- With this foundational work in place, the responsibility for ongoing capital budget development, planning, and forecasting has returned to the Department of Finance where it can more directly incorporate this important knowledge and expertise into government budgeting.
- Aligning operations and maintenance, and capital budgets under a single department enables the Department of Finance to build on past success, streamline workflows, and enhance the efficiency and effectiveness of the budget development process.
- The Department of Finance remains committed to ensuring that the Five-Year Capital Plan continues to support the implementation of the Yukon First Nations Procurement Policy.

Session Briefing Note

Capital Planning Office Transfer

TAB #11
Spring 2025
Finance

- We also look forward to building on strong relationships with our partners by engaging with all Yukon First Nations to discuss the capital plan and explore opportunities for coordination on capital projects.

Additional response:

- This transfer has no impact on the financial framework or the size of government since it is a transfer from the Department of Highways and Public Works to the Department of Finance.

Context—this may be an issue because:

- There is some public awareness of the Capital Planning Office amongst First Nations governments and municipalities because of annual engagement sessions conducted by this program.

Approved by:

Jessica Schultz

January 24, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note

Five-Year Capital Plan

TAB #12
Spring 2025
Finance

General Response:

- The Five-Year Capital Plan is a guiding document intended to provide the public, the private sector, and other levels of government with a clear understanding of the Government of Yukon's long-term capital plans and priorities.
- It outlines the strategic investments planned to support our growing economy while securing the continued delivery of essential government services for Yukoners.

Additional Response:

- The Five-Year Capital Plan is designed to be flexible. The Department of Finance continues to navigate evolving priorities and needs within the territory to deliver a plan that is beneficial and informative for partners and the private sector. The Five-Year Capital Plan is updated annually to ensure the government remains responsive to the territory's dynamic needs.
- The Yukon government will continue to produce the Five-Year Capital plan, ensuring Yukoners receive up-to-date information on the government's planned capital investments and priorities.

Third Response: Sharing the Capital Plan with Yukon First Nations

- The Five-Year Capital Plan also supports the implementation of the Yukon First Nations Procurement Policy through information sharing on capital spending directly with Yukon First Nations.
- Each year, the Government of Yukon offers to meet with Yukon First Nations governments to discuss upcoming procurement opportunities within each First Nation's traditional territory based on the government's capital plan.

Session Briefing Note

Five-Year Capital Plan

TAB #12
Spring 2025
Finance

2025-26 Capital Plan Specific Details:

- The 2025–26 Five-Year Capital Plan includes \$478 million in planned gross capital investment for the 2025–26 fiscal year and approximately \$1.9 billion over the five-year term of the plan.
- Major project highlights within the 2025-26 Five-Year Capital plan include:
 - The replacement of the Nisutlin Bay bridge;
 - Major upgrades to Erik Nielsen Whitehorse International Airport including runway reconstruction and lighting improvements;
 - Repairs and upgrades to the North Klondike Highway, funded partially through the National Trade Corridors Fund;
 - Construction of the new Mental Wellness Unit at Whitehorse General Hospital;
 - The construction of a gymnastics and climbing facility in Whistle Bend;
 - The new Kêts'ádań Kù School in Burwash Landing;
 - A 34-unit residential building at the site of the former Korbo Apartments in Dawson City;
 - A 45-unit residential building replacing the Ryder Apartments in Whitehorse;
 - The Sādeᑭ Initiative, a solar power project in Watson Lake;
 - Land development work for Whistle Bend Phase 9, Mountain Ridge in Haines Junction, and Francis Avenue in Watson lake;
 - Replacement of École Whitehorse Elementary School;

Session Briefing Note
Five-Year Capital Plan

TAB #12
Spring 2025
Finance

- New capital funding for the Yukon Hospital Corporation for critical maintenance and equipment replacement;
- Planning work for a major expansion to Whitehorse General Hospital to improve surgical wait times and bed capacity; and
- Construction of the new Dawson City Recreation Centre

Context—this may be an issue because:

- The Five-Year Capital Plan lays out the Yukon government’s long-term capital investment strategy.

Background:

- 2025-26 marks the eighth year that a detailed Five-Year Capital Plan has been prepared alongside the Government of Yukon’s budget.
- Previously developed within Highways and Public Works, the Five-Year Capital Plan became a Finance-led document in 2024 following the transfer of the Capital Planning Office to better integrate capital planning with government budgeting.

Approved by:

Jessica Schultz

February 12, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note

Spring 2025

The C.D. Howe Institute Report Card

Finance

Recommended response:

- The Government of Yukon is committed to transparency and accountability, ensuring that our financial reporting meets the highest standards and supports informed decision-making.
- The C.D. Howe Institute produces an annual report titled *Fiscal Accountability by the Letters: The Report Card for Canada's Senior Governments* which assesses the accessibility, transparency and timeliness of senior government financial documentation.
- The report considers how readily users can find government documents, understand their content and use them to make informed decisions.
- The latest report, released in November 2024, assessed the 2023-24 Main Estimates and the Public Accounts for 2022-23.
- The C.D. Howe Institute assigned the Yukon an A– ranking in the 2024 Report, which is the highest grade awarded this year. Alberta also received an A– ranking.
- The Yukon was recognized for tabling budgets and releasing estimates in a timely manner and presenting key figures early in budget documents. The territory was also recognized for its consistent application of accounting standards.

Additional response:

- While the Yukon has a proven track record of sound financial management, we value reports like this for highlighting areas where we can continue to improve.
- Being one of only two senior governments in Canada to receive an A– ranking this year underscores the strength of the Yukon's fiscal

Session Briefing Note

Spring 2025

The C.D. Howe Institute Report Card

Finance

management, further reflected in our 'AA' Stable credit rating from S&P Global Ratings.

- The recognition from the C.D. Howe Institute reflects the collaborative efforts in the Department of Finance, as well as across government, to provide clear, accurate, and timely financial information that benefits Yukoners and supports effective governance.
- Achieving the highest grade this year reinforces our commitment to fiscal responsibility and highlights the importance of maintaining high standards in public financial reporting.

Context — this may be an issue because:

- On November 19, 2024, the C.D. Howe Institute published its annual report card on fiscal accountability focuses on the relevance, accessibility, timeliness and reliability of senior government's budgets, estimates and financial statements.
- Each jurisdiction is then assigned letter grades that reflect how readily a non-expert may find, understand and act on the information therein.

Background:

- The C.D. Howe Institute is a public policy think tank based in Toronto.
- The C.D. Howe Institute aims to be distinguished by "*research that is nonpartisan, evidence-based, and subject to definitive expert review.*"
- The table below summarizes the results from *Fiscal Accountability by the Letters: The Report Card for Canada's Senior Governments, 2024*

YK	NT	NU	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL	FED
A-	C-	B+	C+	A-	B+	C+	C+	B-	C+	C	D+	C-	C

Session Briefing Note

Spring 2025

The C.D. Howe Institute Report Card

Finance

Approved by:

Jessica Schultz

January 24, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note

Budget Process

TAB #14
Spring 2025
Finance

Recommended response:

- The Government of Yukon releases its annual budget, each year, during the spring sitting of the Legislative Assembly, covering the fiscal year from April 1 to March 31.
- The budget serves as a detailed financial plan, outlining how the government will spend funds and generate revenue while aligning with its priorities and goals for the year.
- While the budget is released in March, the process begins much earlier in the fall when each government department submits their plans for the upcoming fiscal year, highlighting their proposed programs, projects, and funding requirements.
- These departmental plans are consolidated and thoroughly reviewed by officials at several levels, both within each respective department, as well as by the Department of Finance, to ensure they align with broader government priorities and fiscal requirements.
- The Department of Finance undertakes several rounds of discussion with departments to ensure that limited financial resources are allocated consistently, efficiently, and in alignment with government priorities.
- This includes assessing new initiatives to find the most cost-effective approaches to reach our goals. The government also looks for opportunities to recover costs from Canada and other external funding sources to maximize available resources.
- These discussions and review form the basis of the Department of Finance's recommendations.

Session Briefing Note**Spring 2025****Budget Process**Finance

- As part of this process, the government continuously reviews programs to ensure they meet their objectives and remain effective in delivering results for Yukoners.
- The government then examines the consolidated plans and makes final decisions on the budget's content.
- Departments are also encouraged to find efficiencies by reducing overlaps, including in areas where service delivery can be shared between departments.
- Once finalized, the budget is presented to the Legislative Assembly to be voted upon during the spring sitting.
- As members know, the Legislative Assembly then debates the proposed budget, examining its allocations for programs, services, and infrastructure while questioning the government's spending priorities and revenue assumptions.
- Following the debate, Members vote on whether to approve the budget, making it an official financial roadmap for the year, including forecasts for future years.
- The budget is a critical document that reflects how the government plans to implement its priorities, manage resources, and address the needs of the territory.
- To ensure spending remains aligned with government priorities, the Department of Finance continuously monitors spending levels throughout the year and planned spending is adjusted, where necessary as part of the supplementary estimates process, to remain on budget and avoid significant lapses. This includes closely tracking capital expenditures to prevent large fluctuations or lapses from year to year.

Session Briefing Note**Budget Process**Finance

- This first opportunity to revise areas of spending requirements takes place in the fall with the tabling of the Supplementary Estimates No. 1.
- This allows government to address unforeseen or unexpected needs for additional funding. This is often used in response to environmental emergencies, flooding or wildfires.
- The Supplementary Estimates follows a similar process with adjusted timelines.

Second response (confidentially of the budget development process):

- Budget deliberations are a critical part of the fiscal planning process, which involves balancing departmental funding requests and ensuring alignment with government priorities.
- As these discussions shape the financial direction of government, they are governed by cabinet confidence, meaning the details of the deliberations are confidential.
- This ensures that decision-making can occur in a secure and collaborative environment, allowing for open and honest discussions among senior government officials and ministers.
- As the process involves multiple rounds of revisions and discussion, adjustments may continue to be made until the budget is finalized.
- Budget deliberations also involve discussions on ways to include the private sector, including non-governmental organizations, to leverage additional resources and expertise in delivering services.
- Once recommendations are finalized, the budget proceeds to its next stages, including drafting, approval, and preparation for introduction to the Legislative Assembly.

Session Briefing Note**Budget Process**Finance

- It is only at that point that the proposed budget becomes public and is subject to further scrutiny and debate by Members of the Legislative Assembly.

Third response (examples of best practices):

- The Department of Finance considers best practices when it reviews funding requests for the annual budget. Funding requests for personnel expenses, as an example, should account for anticipated staff turnover and temporary vacancies during the year.
- Another best practice is to ensure that funding is provided at the appropriate time once sufficient information is available to reasonably forecast costs. Costs related to fires and floods, as another example, which are highly unpredictable, are addressed during supplementary budget exercises in the fall after the events have occurred and the costs are known. Likewise, personnel funding increases for collective agreements are generally provided after negotiations are finalized.
- The government ensures that departments are using resources efficiently and effectively, making decisions that are fiscally responsible while maintaining essential services.
- As well, the Government of Yukon has robust policies and procedures in place for allocating workspace, equipment, software, training, personnel and other resources. The Department of Finance carefully considers these policies and procedures when reviewing funding requests to promote consistency and equity in the budget process.
- As the government considers all of these factors, most importantly, the government ensures that departments have sufficient resources to

Session Briefing Note

Budget Process

TAB #14
Spring 2025
Finance

meet legislative obligations prior to presenting the budget to the Legislative Assembly.

- With respect to the budgets for the Yukon's independent offices, including the Office of the Ombudsman and the Child and Youth Advocate Office, Justice Edith Campbell of the Yukon Supreme Court ruled on March 3, 2025 that the Financial Administration Act remains paramount over any other Act in the development of the government's budgetary estimates.

Fourth response (recent extraordinary spending pressures):

- Governments are sometimes faced with extraordinary events that require significant responses and elevated spending.
- During the pandemic, for example, it was critical that we continue to support Yukoners and the economy. This was partially achieved through significant investments in infrastructure and capital projects. While this injection of stimulus spending kept Yukoners working through the pandemic and made great strides towards addressing gaps in our infrastructure needs, it also contributed to increasing net debt.
- The government now faces a significant new challenge to ensure the environment is protected following the heap leach failure at the Eagle Gold mine in June of 2024.
- In fiscal year 2024-25, the Yukon government committed up to \$105 million in loans to the Receiver for Victora Gold, which are backed by a court-approved priority charge. Through the court-ordered receivership, the company's funds were also leveraged to help finance urgent remediation work at the site.

Session Briefing Note**Budget Process**Finance

- Responding to this disaster and protecting the environment will require significant additional funding, which is reflected in the Main Estimates for the current fiscal year.
- In addition, the costs of essential health care services have seen exponential growth across Canada since the pandemic. Responding to these pressures and ensuring that our hospitals, health centres, and other medical service providers have the funding they need has required us to prioritize and find innovative solutions to contain spending growth in other areas.
- We are also seeing rising costs to respond to wildfires, floods, and other natural disasters. We are making investments today to mitigate these impacts for the long term, including by investing in fire breaks and flood mapping, but this investment also requires us to prioritize spending in all other areas across government.
- As I mentioned, in recent years, the territory has experienced multiple overlapping challenges that have required decisive and extraordinary financial responses. Despite this, the government has been able to continue to make long-term investments to secure the territory's future prosperity while maintaining a strong financial position, as evidenced by our AA credit rating.
- This is possible because of strong financial management practices, including prioritizing spending in key areas and continuously finding more efficient ways to deliver services that Yukoners rely on.
- At the same time, this oversight process ensures that the government can continue to provide all the necessary programs and services that Yukoners expect, even as financial pressures evolve.

Session Briefing Note
Budget Process

TAB #14
Spring 2025
Finance

Context—this may be an issue because:

- Members of the Legislative Assembly may be interested in how the annual budget and supplementary estimates are compiled.

Approved by:

Jessica Schultz

March 5, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note

Spring 2025

Grants from Canada

Finance

Recommended response:

- The Government of Yukon receives four major transfers from Canada, each year. They are the Grant from Canada, also known as the Territorial Formula Financing payment (TFF), the Canada Health Transfer, the Canada Social Transfer, and the Cannabis Transfer. Starting in January 2025, Vaping became the fifth major transfer to the Yukon.
- Collectively, these transfers help provide for the delivery of programs and services that Yukoners expect from the Government of Yukon.
- The TFF is a legislated federal transfer that is renewed every five years. Recent legislation extended the TFF for the period from 2024-25 to 2028-29 under what are largely the same terms as the previous five years.
- In December 2024, the federal government advised the Government of Yukon that the 2025-26 fiscal year Grant from Canada would be \$1.45 billion, an increase of roughly 7.7 per cent over the previous fiscal year.
- The federal government provided provisional estimates for the 2025-26 fiscal year for the Canada Health Transfer (CHT) at \$62 million, and the Canada Social Transfer (CST) at \$20 million.

Additional response:

- Like most jurisdictions across the country, the Government of Yukon joined the coordinated vaping product taxation agreement in May 2024. As a result, the first vaping transfer to the Yukon is expected in early 2025 when the implementation of the coordinated taxation regime is anticipated to come into force.

Session Briefing Note

Spring 2025

Grants from Canada

Finance

-
- In 2024-25, the Government of Yukon is expected to receive \$95,000 as part of this transfer. The territory will receive approximately \$750,000 in 2025-26 once the federal framework is fully implemented.
 - These funds continue to build on other transfer agreements signed with the Government of Canada, such as the cannabis transfer. Since the first cannabis transfer to the Yukon in 2019-20, the transfer has grown by almost 200 per cent. As of May 2024, the legal market share of cannabis had reached 77 per cent in Canada.

Context — this may be an issue because:

- The media and opposition may have questions about the new coordinated vaping taxation arrangement with the Government of Canada.

Background:

Territorial Formula Financing (TFF)

- The TFF is calculated as the difference between the gross expenditure base (GEB) and the territory's fiscal capacity.
- The GEB is an approximation of the Yukon's annual revenue requirement. The GEB is adjusted annually to account for growth in population and provincial, territorial, and municipal government expenditures.
- Fiscal capacity is an estimate of the Yukon's ability to generate own-source revenue. It is calculated as the total revenue that the Yukon could raise from its largest non-transfer revenue sources if each source were taxed at the national average tax rate for that source.
- The TFF is reduced dollar-for-dollar for the Yukon's eligible resource revenues over \$6 million (the net amount is called the *Grant from Canada*).

Session Briefing Note

Spring 2025

Grants from Canada

Finance

- The global resource revenue offset has not applied in recent years because resource revenues have been below \$6 million.
- The Grant from Canada is calculated each December for the next fiscal year. The table below outlines the Yukon's recent grant history:

GRANT	Amount (\$'000)	Growth Rate (%)
2018-2019	950,220	3.3
2019-2020	997,400	5.0
2020-2021	1,054,979	5.8
2021-2022	1,117,700	5.9
2022-2023	1,174,144	5.1
2023-2024	1,252,161	6.6
2024-2025	1,350,134	7.8
2025-2026	1,454,186	7.7

Canada Health Transfer and Canada Social Transfer

- CHT and CST account for roughly 3 per cent and 1 per cent of the Yukon's revenue, respectively.
- CHT and CST are unconditional grants distributed to all provinces and territories based on their share of the national population. The total national funding of CHT and CST increases every year based on program escalators. The annual CHT escalator is 3 per cent or the average of nominal Canadian GDP growth over the prior three years, whichever is greater. In February 2023, the federal government announced numerous reforms to CHT, including a guaranteed 5 per cent annual increase to the CHT funding base over the next five years beginning in 2023-24 (i.e., until 2027-28). The last payment in 2027-28 will be rolled into the CHT base, creating a permanent funding increase. This is expected to increase the Yukon's CHT payments by a cumulative \$5.8 million from 2025-26 to 2027-28 and could increase CHT funding by approximately \$3-4 million, annually, as of 2028-29.

Session Briefing Note

Grants from Canada

TAB #15
Spring 2025
 Finance

- The tables below outline the Yukon's recent CHT and CST history:

CHT	Amount (\$'000)	Growth Rate (%)
2019-2020 Actual entitlement	44,492	5.41
2020-2021 Actual entitlement	46,415	4.32
2021-2022 Actual entitlement	48,613	4.74
2022-2023 Actual entitlement	50,893	4.69
2023-2024 Actual entitlement	57,624	13.23
2024-2025 2 nd estimate	58,911	2.23
2025-2026 estimate	61,689	4.71
CST	Amount (\$'000)	Growth Rate (%)
2019-2020 Actual entitlement	16,074	3.76
2020-2021 Actual entitlement	16,654	3.61
2021-2022 Actual entitlement	17,443	4.74
2022-2023 Actual entitlement	17,942	2.86
2023-2024 Actual entitlement	18,393	2.51
2024-2025 2 nd estimate	19,127	4.00
2025-2026 estimate	19,647	2.71

NOTE: Actual CHT/CST entitlements can differ from Public Accounts because the latter can include prior-year adjustments. The 2023-24 CHT payment includes a one-time CHT top-up of \$2.3 million.

Cannabis Transfer

- The Canada-Yukon Coordinated Cannabis Taxation Agreement stipulates that the Yukon receives 75 per cent of the federal excise tax on Cannabis products sold.
- The table below outlines the Yukon's recent Cannabis transfer history:

CANNABIS	Amount (\$'000)
2019-2020	320
2020-2021	413
2021-2022	748
2022-2023	953
2023-2024	856
2024-2025 estimate	1,636
2025-2026 estimate	1,849

Session Briefing Note

Grants from Canada

TAB #15
Spring 2025
Finance

Vaping Transfer

- The Coordinated Vaping Product Taxation Agreement Act received assent on March 19, 2024 in the Yukon Legislative Assembly. The Act enabled the Yukon to enter into the coordinated vaping product taxation agreement with Canada in May 2024.
- The Yukon is expected to receive 50 per cent of the revenue collected in the territory starting January 1, 2025.
- For coordinated jurisdictions, this would imply vaping tax rates of \$2.24 per 2 ml (for the first 10ml of vaping substance in a product) and \$2.24 per 10ml for volumes beyond that.

Approved by:

Jessica Schultz

January 23, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note

Spring 2025

Carbon Rebate

Finance

Recommended response:

- The Government of Yukon is committed to reducing greenhouse gas emissions in the territory and to supporting Yukoners in their transition to green alternatives.
- As one part of that commitment, the government created the Yukon Government Carbon Price Rebate program.
- The Yukon Government Carbon Price Rebate has been tremendously successful at supporting Yukon individuals as they reduce their emissions. In 2019 we estimated that Yukon households accounted for 29.1 per cent of emissions. They now represent only 23.6 per cent.
- Since its inception, the Super Green Credit, a portion of the business rebate designed to fund green alternatives such as solar panels, has also had remarkable exponential growth. In the first year of the program, this credit provided approximately \$15,000 for green investments. Three years later, in 2022-2023 the Super Green Credit provided approximately \$3.5 million in funding towards green investments.
- [On March 14, Prime Minister Mark Carney signed an O.I.C. that ended the federal consumer carbon levy beginning April 1, 2025.](#)
- [The Government of Yukon is reviewing the implications of this federal decision, as the territory will no longer receive revenues to sustain that program.](#)

Session Briefing Note

Spring 2025

Carbon Rebate

Finance

Additional response:

- Since its inception, the Yukon's carbon rebate has been revenue-neutral, over time, and ensured that all federal revenues were returned to Yukoners while also ensuring that rebate groups received, on average, more than they pay in carbon pricing.
- As I mentioned, the end of the federal carbon price means that the Yukon will no longer receive revenues to sustain the carbon rebate program. As Minister of Finance, I have written to the federal government, requesting collaboration on a systematic wind-down of the Yukon carbon rebate program.
- While the federal carbon price will end following the actions taken by the federal government, the Government of Yukon continues to assess its options.

Third response (see relevant subsection below):

Carbon rebate regulation changes

- The Carbon Price Rebate General Regulation was amended on December 19, 2024, to reallocate 8.5 per cent of the proceeds from federal pollution pricing from individuals to businesses.
- Additionally, adjustments were made to the formula used to calculate the annual rebate amount for the Super Green Credit, ensuring it better reflects current trends in emissions and claims.
- To maintain revenue neutrality and guarantee that all groups receive more in rebates than they pay in pollution pricing, the Department of Finance conducts regular reviews of the Yukon Government Carbon

Session Briefing Note**Carbon Rebate**Finance

Price Rebate. These reviews assess how rebates are distributed and identify areas for improvement.

- Recommendations for changes to the regulation are made when warranted by these reviews.
- The latest update represents the seventh amendment to the regulation and the third instance where the allocation of rebate proceeds among different groups has been adjusted.
- A significant increase in claims for the Super Green Credit by businesses, coupled with a decline in the proportion of emissions attributed to individuals, were the primary factors driving these regulatory changes.
- These adjustments aim to ensure the rebate system remains equitable and responsive to changing patterns of emissions and claims.

Rebate for individuals

- The rebate amount for individuals for the 2024–25 rebate year is \$310, or \$77.50 per quarter. The rebate amount for the 2025–26 rebate year is \$380, or \$95 per quarter.
- Yukoners living outside of Whitehorse receive an additional supplement of 20 per cent.
- One person, per household, will receive a rebate for all individuals in that household. Payment is made to the first individual who files their tax return.

Session Briefing Note

Spring 2025

Carbon Rebate

Finance

Rebate for general businesses (other than mining)

- Yukon businesses receive their carbon rebate as a refundable tax credit. The rebate is calculated based on the value of business assets and includes incentives to invest in clean technology.
- The business rebate for 2024–25 is \$22.00 per \$1,000 of eligible Yukon assets. The business rebate for 2025–26 is \$2.06 per \$1,000 of eligible Yukon assets.
- The Department of Finance has taken numerous steps to ensure awareness of the business rebate program.
- As a result, there has been a significant increase in participation in the program, especially with respect to the Super Green Credit. This has led to a temporary depletion of funds. The rebate amount has been reduced due to recent oversubscription to prior year's programs.
- For 2024–25, the Super Green Credit provides a rebate of \$111 per \$1,000 of clean technology assets, which includes eligible solar energy systems, electric vehicles, and charging systems. For 2025–26, the Super Green Credit provides a rebate of \$6.15 per \$1,000.
- With the recent prorogation of parliament, there has been uncertainty about the tax-free status of the federal Canada Carbon Rebate for Small Businesses. Despite former Finance Minister Chrystia Freeland's November 2024 assurances that the Canada Carbon Rebate for Small Business would be tax-free, the lack of legislative changes due to the prorogation of the House of Commons, has led the CRA to clarify that the rebate is treated as taxable income.

Session Briefing Note**Spring 2025****Carbon Rebate**

Finance

Canada Carbon Rebate for Small Businesses

- The Canada Carbon Rebate for Small Businesses applies in all provinces except British Columbia and Quebec. The rebate does not apply in any territory. Payments amounting to \$2.5 billion were issued to small businesses in December, 2024.
- After Minister Freeland's announcement that the rebate would be tax free, the Department of Finance wrote to the federal government to understand their intention with respect to the tax status of the Yukon Government Carbon Price Rebate for businesses. Federal officials indicated that federal legislative changes will be required to change the tax treatment of the business rebate. No indications have been provided as to when those changes will be tabled in parliament.

Rebate for mining businesses

- In 2023 a new mining business rebate was established, structured in the same way as the general business rebate. The rebate includes a Super Green Credit to encourage mining companies to adopt cleaner technology.
- The mining business rebate for 2024–25 is \$36.57 per \$1,000 of eligible Yukon mining assets. Mining assets eligible for the Super Green Credit are eligible for a rebate of \$111 per \$1,000 of asset costs. Recognizing the difference in capital intensity between different mining operations, additional weight is applied to placer mining assets to increase their rebate amounts.
- The mining business rebate for 2025–26 is \$16.88 per \$1,000 of eligible Yukon mining assets. Mining assets eligible for the Super Green Credit will receive a rebate of \$16.88 per \$1,000 of assets.

Session Briefing Note**Spring 2025****Carbon Rebate**Finance

Agriculture

- The federal government determines who is exempt from paying the carbon levy. The federal government made the decision to exempt agriculture to avoid increasing the cost of food for all Canadians.
- Farmers who buy non-exempt fuel for ancillary purposes can claim the Yukon business carbon rebate on their tax return.

First Nations governments (see annex for further details)

- Each First Nations governments receive an allocation based on the formula in Chapter 19 of the Umbrella Final Agreement.

Municipal governments (see annex for further details)

- Municipal governments receive carbon rebates on April 1 each year.
- The percentage that each municipal government receives is outlined in the Carbon Price Rebate General Regulation.

Output-Based Pricing System (OBPS)

- The OBPS is a method of carbon pricing designed to support emission intensive trade exposed industry. It is intended to avoid carbon leakage. Carbon leakage refers to the situation where businesses transfer production to other countries with more lenient emission constraints to avoid carbon pricing.
- Industrial facilities that are registered under the OBPS are able to purchase charge-free fuel. OBPS facilities are instead subject to the carbon price on the portion of their emissions that exceed an annual output-based emissions limit.
- The Government of Yukon is developing an OBPS rebate program.

Session Briefing Note

Spring 2025

Carbon Rebate

Finance

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- In the Yukon, the only facilities that may meet the OBPS thresholds for voluntary participation (10 kilotonnes) or mandatory participation (50 kilotonnes) are quartz mines. There is currently only one facility registered in the OBPS in the Yukon.
-

Context — this may be an issue because:

- On March 14, 2025, Prime Minister Mark Carney signed an O.I.C. to end the federal fuel charge. The Prime Minister committed to delivering one final rebate payment to individuals in April 2025 in provinces where the Canada Carbon Rebate for individuals is paid.
- No date is available yet regarding the end of the Canada Carbon Rebate for small business.
- On February 25, 2025, Yukon Minister of Finance Sandy Silver issued a statement confirming that he had written to the federal government, requesting collaboration on a systematic wind-down of the Yukon carbon rebate program and urging the cancellation of the planned carbon levy increase set for April 1, 2025.
- On December 19, 2024, The Carbon Price Rebate General Regulation was amended to change the rebate share allocated to general businesses and individuals. This change reflects the changing shares of emissions since the program's inception. Of the total carbon revenue collected in the Yukon, we are distributing 44.5 per cent to general businesses, 36.5 per cent to individuals, 12 per cent to mining businesses, and 3.5 per cent to both First Nations and municipal governments.
- Subsequent to the regulation amendment, the 2025–26 business and mining rebate rates were posted on yukon.ca/en/doing-business/taxation/learn-about-yukons-carbon-rebate.
- On November 12, 2024, then-federal Department of Finance Minister Chrystia Freeland announced on X (Twitter) that the Canada Carbon Rebate for business would be tax-free. Minister Freeland did not mention whether Canada intended to

Session Briefing Note

Spring 2025

Carbon Rebate

Finance

change the taxation treatment for the Yukon Government Carbon Rebate for businesses. The federal government has taxed these rebates since 2019.

Background:

- The federal Greenhouse Gas Pollution Pricing Act received royal assent on June 21, 2018. The federal carbon pollution pricing system has two parts:
 - a regulatory charge on fossil fuels (i.e., the carbon levy or fuel charge), and
 - a regulatory trading system for large facilities (i.e., the federal OBPS).
- Pricing carbon pollution is a central pillar of Canada's efforts to address climate change through the Pan-Canadian Framework on Clean Growth and Climate Change. The federal government's climate plan set the Canada-wide carbon price at \$20 per tonne of carbon dioxide equivalent emissions beginning in 2019. The price is currently \$80 per tonne as of April 1, 2024, and will rise \$15 a year to \$170 per tonne in 2030.
- In designing rebate programs, the Government of Yukon considered how to address the principles established in the *Pan-Canadian Framework*, namely:
 - "Carbon pricing policies should include revenue recycling to avoid a disproportionate burden on vulnerable groups and Indigenous peoples", and
 - "Carbon pricing policies should minimize competitiveness impacts and carbon leakage, particularly for emissions-intensive, trade-exposed sectors."
- In November 2023, Canada began reducing the charge-free emissions limit for OBPS facilities. These changes were not included in the original Pan-Canadian Framework carbon pricing discussions. This change increases the potential money raised by the OBPS in Yukon and the cost imposed on industry.
- The new Liberal leader and other federal party leaders have expressed their commitment to end or change the consumer carbon levy.
- The new federal liberal leader had indicated the consumer carbon levy would be eliminated "immediately". No specific dates or timelines have been provided yet.

Session Briefing Note**Spring 2025****Carbon Rebate**Finance

- Given that the end of the federal carbon price means that the Yukon will no longer receive revenues to sustain the carbon rebate program, on February 24, 2024, Yukon Minister of Finance Sandy Silver wrote to federal Ministers Guilbeault and LeBlanc asking for collaboration in winding down the Yukon's carbon rebate program, including a request to cancel the scheduled April 1, 2025, increase to the carbon levy.
- On February 25, 2024, Minister Silver issued a statement outlining the Yukon's request to federal Ministers.
- On March 14, 2025, Prime Minister Mark Carney delivered on his commitment to end the consumer carbon levy. An O.I.C. was passed to end the federal fuel charge after March 31, 2025. The Prime Minister committed to delivering one final rebate payment to individuals in April 2025.

Session Briefing Note

Carbon Rebate

Appendix

Federal fuel charge rates applicable in the Yukon (cents per litre unless specified)

Date of increase*	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
\$ per tonne	20	30	40	50	65	80	95	110	125	140	155	170
Gasoline	4.4	6.6	8.8	11.1	14.4	17.7	21.0	24.3	27.6	30.9	34.3	37.6
Light fuel oil	5.4	8.1	10.7	13.4	17.4	21.5	25.5	29.5	33.5	37.5	41.6	45.6
Propane	3.1	4.6	6.2	7.7	10.1	12.4	14.7	17.0	19.4	21.7	24.0	26.3
Natural gas**	3.9	5.9	7.8	9.8	12.7	15.7	18.6	21.5	24.5	27.4	30.3	33.3
Aviation turbo fuel and gasoline are exempt												

*July 1 for 2019, April 1 for future years ** Per cubic meter

Estimated fuel use in Yukon versus rebate

	Rebate (% of total)	Estimated shares of carbon levies paid by rebate group				
		2021-22	2022-23	2023-24	2024-25	2025-26
General businesses	44.5%	48.26%	49.29%	34.50%	35.00%	34.70%
Mining businesses	12.0%	-	-	11.50%	10.70%	11.50%
Yukon individuals	36.5%	27.67%	26.56%	26.80%	25.20%	23.60%
Municipal governments	3.50%	2.47%	2.27%	2.60%	3.40%	3.50%
First Nations governments	3.50%	0.36%	2.09%	2.80%	2.10%	2.10%
Visitors (tourists)	0.00%	8.90%	7.66%	8.50%	9.80%	10.80%
Government of Yukon	0.00%	11.21%	11.03%	12.10%	12.60%	12.60%
Government of Canada	0.00%	0.56%	0.57%	0.70%	0.80%	0.90%
Other	0.00%	0.57%	0.54%	0.50%	0.50%	0.50%

These estimates rely on data from Statistics Canada that is subject to a significant lag. Changes should generally be interpreted as adjustments based on more recent data, rather than changes in actual consumption.

Estimated levies and rebates to individuals

	2021-22	2022-23	2023-24	2024-25	2025-26
Levy paid by individual	\$131.43	\$157.59	\$179.11	\$160.11	\$155.50
Rebate to individuals	\$176.00	\$320.00	\$372.00	\$310.00	\$380.00
Remote supplement	\$17.60	\$32.00	\$37.20	\$62.00	\$76.00

Session Briefing Note

Spring 2025

Carbon Rebate

Finance

Yukon general business rebate amounts by on asset class

(per \$1,000 in assets)	2021-22	2022-23	2023-24	2024-25	2025-26
Building rebate	\$4.41	\$19.81	\$10.95	\$11.10	\$1.03
Equipment rebate	\$22.03	\$99.05	\$54.73	\$55.50	\$5.13
Green rebate	\$44.05	\$198.10	\$109.45	\$111.00	\$6.15

Yukon mining business rebate amounts by on asset class

	(per \$1,000 in assets)	2023-24	2024-25	2025-26
<i>Placer mining businesses</i>	Buildings and equipment rebate	\$84.32	\$72.94	33.76
	Green rebate	\$437.80	\$222.00	33.76
<i>Quartz mining businesses</i>	Buildings and equipment rebate	\$21.08	\$36.47	16.88
	Green rebate	\$109.45	\$111.00	16.88

Allocation amongst First Nation's share

First Nation	Percentage of First Nation's Total
Carcross/Tagish First Nation	7.2886%
Champagne and Aishihik First Nations	11.3420%
Tr'ondek Hwech'in First Nation	8.9878%
Kluane First Nation	4.1276%
Kwanlin Dun First Nation	8.8169%
Liard First Nation	10.1364%
Little Salmon/Carmacks First Nation	6.4153%
First Nation of Na-Cho Ny'ak Dun	5.9976%
Ross River Dena Council	5.9122%
Selkirk First Nation	6.8425%
Ta'an Kwach'an Council	5.0579%
Teslin Tlingit Council	7.6873%
Vuntut Gwich'in First Nation	7.8962%
White River First Nation	3.4916%

Session Briefing Note

Spring 2025

Carbon Rebate

Finance

Allocation amongst Municipalities' share

Municipality	Percentage of Municipalities' Total
Carmacks	2.4975%
Dawson City	9.6566%
Faro	2.1070%
Haines Junction	4.2767%
Mayo	2.4492%
Teslin	2.4321%
Watson Lake	6.3431%
Whitehorse	70.2378%

Approved by:

Jessica Schultz
 Deputy Minister, Finance

March 26, 2025
 Date approved

Session Briefing Note

Spring 2025

Commodity Taxes

Finance

Recommended response:

- The Government of Yukon is committed to striking a balance between appropriate levels of taxation and affordability for Yukoners.
- Currently, taxation on fuel in the Yukon is the lowest of any jurisdiction in Canada at just 6.2 cents per litre for gasoline and 7.2 cents per litre for diesel. These rates have not increased since 1993.
- The Yukon's tax on cigarettes is the highest in Canada, before sales tax, following increases in 2018, 2019, 2021, 2023, 2024 and 2025. Anti-smoking advocacy groups have praised the Yukon for indexing its tobacco tax rates.
- Insurance premium taxes are set at 4 per cent and are competitive with rates in other provinces and territories.

Additional response:

- When looking at the Yukon's commodity tax rates, there is very little change from year to year. The exception to this is for the tobacco tax rate, where increases in this tax help discourage smoking in the territory.
- From January 2023 to January 2024, inflation in Whitehorse was 2.6 per cent. This triggered an increase in tobacco tax rates in 2025. The tax rate since January 1, 2024, was 35 cents per cigarette. The rate increased to 36 cents per cigarette, effective January 1, 2025.

Context — this may be an issue because:

- Tobacco tax revenue registered a steep decline across all Canadian jurisdictions beginning in 2022-23 due to growing share of vaping and possible contraband market activity.

Session Briefing Note**Spring 2025****Commodity Taxes**Finance

Background:

- The Government of Yukon's Department of Finance administers tobacco and fuel taxes in the territory. Appendix A provides a summary of the tax revenues, as well as comparison of tax rates in other provinces and territories.
- The Yukon tobacco tax rate applies to cigarettes, loose tobacco, and cigars. The Yukon is the only jurisdiction, other than the federal government, that indexes its tobacco tax rates to inflation.
- The Yukon fuel tax applies to gasoline, diesel, and aviation fuel. Heating fuel and propane have been exempted since 1986. There are several other exemptions for commercial purposes related to farming, fishing, trapping, hunting, outfitting, wilderness tourism, logging, mining, sawmills and golf courses.
- Effective January 1, 2021, taxes on all insurance premiums increased to a flat rate of 4 per cent. Before this, the tax rate was 2 per cent on all insurance premiums, plus an additional 1 per cent on insurance premiums for fire protection.
- Examples of a few insurance products include:
 - Life
 - Property
 - Automobile
 - Liability
 - Accident and sickness

Session Briefing Note

Spring 2025

Commodity Taxes

Finance

Appendix A

Table 1. Yukon Commodity Tax Revenues (\$'000)

	2025-26 ESTIMATE	2024-25 FORECAST	2024-25 MAINS	2023-24 ACTUAL
Fuel	11,790	11,588	9,384	9,647
Insurance	9,430	9,064	10,219	8,712
Tobacco	10,220	10,535	9,945	11,077

Table 2. Current Yukon Tobacco Tax Rates

Cigarettes	\$0.36 per cigarette or \$70 per carton
Tobacco	\$0.36 per gram of tobacco product
Cigars	130 per cent of the taxable price per cigar (taxable price per cigar is 130 per cent of the manufacturer's or importer's selling price).

Table 3. Provincial and Territorial Tobacco, Fuel and Insurance Tax Rates, 2025

	Tobacco ¢/cigarette	Gasoline ¢/litre	Diesel ¢/litre	Insurance (high rate ⁶) %
Yukon	36.00	6.20	7.20	4.00
Northwest Territories	34.40	10.70	9.10	3.00
Nunavut	30.00	6.40	9.10	3.00
British Columbia ¹	32.50	14.50	15.00	4.40
Alberta ²	30.00	13.00	13.0	4.00
Saskatchewan	29.00	15.00	15.00	4.00
Manitoba ³	30.00	12.50	12.50	4.00
Ontario ⁴	18.475	9.00	9.00	3.50
Quebec	20.90	19.20	20.20	9.00
New Brunswick	25.52	10.87	15.45	3.00
Prince Edward Island	29.52	8.47	14.15	4.00
Nova Scotia	29.52	15.50	15.40	4.00
Newfoundland & Labrador ⁵	32.50	7.50	9.50	5.00

Session Briefing Note

Spring 2025

Commodity Taxes

Finance

1. Higher rates for fuel tax apply in Vancouver and Victoria area.
2. Alberta suspended its fuel taxes in 2023 and reinstated them on January 1, 2024, at a lower rate of 9¢/litre until March 31, 2024, after which they will be determined quarterly based on average West Texas Intermediate (WTI) oil prices.
3. The fuel tax holiday implemented by Manitoba from January 1, 2024, to December 31, 2024, was replaced with a permanent 10 per cent reduction to fuel tax rates on January 1, 2025.
4. Ontario reduced its fuel taxes to 9.0¢/litre, effective July 1, 2022, until June 30, 2025.
5. Newfoundland & Labrador temporarily reduced its fuel taxes to 7.5 ¢/litre for gas and 9.5¢/litre for diesel, effective from June 2, 2022, to March 31, 2025.
6. The insurance premium tax rate structure varies by jurisdiction. The highest rate of insurance is shown in this table.

Approved by:

Jessica Schultz

January 22, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note**Spring 2025****Income Tax**Finance

Recommended response:

- The Yukon continues to be one of the best jurisdictions to live and earn income in Canada.
- To maintain this advantage, personal and corporate income tax rates remain competitive with those of the other provinces and territories.
- At the same time, we are committed to strong and positive government-to-government relations with Yukon First Nations governments.
- We currently share 95 per cent of the personal income tax collected on settlement lands with 11 of 14 Yukon First Nations governments.

Additional response:

- Since 2017, we have taken numerous measures to make sure our tax systems meet the needs of Yukoners.
- The small business tax rate has been lowered in stages from 3 per cent to 0 per cent to support Yukon small businesses. The general corporate tax rate has decreased from 15 per cent to 12 per cent to ensure Yukon stays competitive with other provincial and territorial tax rates.
- In 2020 the Business Investment Tax Credit program was revised to encourage local investments in local businesses.
- The Yukon Child Benefit, a non-taxable amount paid monthly to help low- and modest-income families, was significantly increased in 2023 and indexed to inflation for future years.
- We are also pleased to have recently introduced a bill supporting the creation of a fertility tax credit.

Session Briefing Note

Spring 2025

Income Tax

Finance

- This initiative represents a significant step forward in supporting Yukoners who face challenges with fertility. The new tax credit will help families offset the substantial costs associated with fertility treatments, including in-vitro fertilization (IVF) and other assisted reproductive technologies.
- By easing the financial burden of these treatments, the credit ensures that more Yukoners have the opportunity to start or grow their families, regardless of their income level.
- This measure aligns with our broader commitment to enhancing family supports across the territory, recognizing the importance of building strong, thriving communities for future generations.

Third response:

- Strong labour force growth, higher employment levels, and significant wage increases have led to an upward revision in the forecast for personal income tax revenue.
- We are projecting a \$4.2 million increase in personal income tax revenue compared to the 2024-25 Main Estimates, driven by stronger-than-anticipated employment growth and significant wage increases across Yukon.
- This shows that, despite the challenges at the Eagle Gold Mine, the Yukon's labour force has continued to grow, demonstrating the resilience and adaptability of the territory's workforce and businesses.

Context — this may be an issue because:

- The economic impacts of the Eagle gold mine failure may garner interest in the Yukon's personal and corporate income tax situation.

Session Briefing Note

Spring 2025

Income Tax

Finance

Tax Measures in the 2023 CASA

- The 2023 Confidence and Supply Agreement proposed to adjust the Yukon Child Benefit rate to the Consumer Price Index (CPI) for Whitehorse in the 2023-24 budget year and tie annual rate adjustments to Whitehorse CPI going forward. This commitment has been completed by the Government of Yukon.
- The 2023 CASA also proposed the creation of a refundable tax rebate covering up to \$8,000 per year for fertility treatment and surrogacy expenses for eligible Yukoners for up to a maximum of five years. The Government of Yukon has introduced a bill to provide a tax credit of up to \$10,000 per year for fertility treatment and surrogacy expenses, with no limit on the number of years an individual can claim the credit.

Background:

- The Canada Revenue Agency administers personal income tax systems in all provinces and territories, except Quebec. The agency also administers corporate income tax systems in all provinces and territories except Quebec and Alberta. Appendix A provides a summary of the Yukon's personal and corporate income tax revenues, tax credits and benefit amounts, and comparisons of tax rates in other jurisdictions.
- On January 31, 2025, the Government of Canada announced that it was deferring the increase in the capital gains inclusion rate from one-half to two-thirds. This change applied to annual capital gains exceeding \$250,000 for individuals and all capital gains for corporations and most types of trusts. Originally set to take effect on June 25, 2024, as announced in Budget 2024, the change was postponed to January 1, 2026.
- The Department of Finance is assessing these changes and the potential impact on forecasted revenue. Updated forecasts are provided through the supplementary estimates process.

Personal income tax

- The Yukon's lowest personal income bracket is taxed at 6.4%. Excluding Quebec, Tax rates across Canada for the lowest income bracket range from 4% to 10.8%. Quebec administers its own tax system.

Session Briefing Note

Spring 2025

Income Tax

Finance

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- The Yukon's highest income bracket, for income over \$500,000, is taxed at a rate of 15.0%. Excluding Quebec, tax rates for the highest personal income tax brackets in Canada range from 11.5% to 21.8%.
 - The Yukon is the only jurisdiction that harmonizes its tax brackets with the federal tax brackets. This simplifies tax returns and tax planning for Yukoners. The only exception is the highest bracket, which is set at the business limit for the small business deduction. The Yukon's unindexed top bracket is \$500,000 and Canada's indexed top bracket is \$253,414 for 2025.

Corporate income tax

- The Yukon's general corporate tax rate is 12%, down from 15%, effective July 1, 2017. General corporate tax rates in Canada range from 8% to 16%.
- The Yukon's small business tax rate is now 0%, down from 2%, effective January 1, 2021, with Manitoba being the only other jurisdiction with a 0% tax rate. Small business tax rates in Canada range from 0% to 3.2%.
- Generally, the small business tax rate applies for the first \$500,000 of taxable income. This is referred to as the business limit and is reduced under various circumstances outlined in the federal *Income Tax Act*.

Yukon tax benefits and credits*Yukon Child Benefit*

- The Yukon Child Benefit is an income-tested payment for families with children. Monthly payments are non-taxable.
- The program is administered by the Canada Revenue Agency. Payments are combined with the federal Canada Child Benefit. Eligibility is determined based on income tax returns and payments are processed from July to June.
- The maximum annual benefit beginning in July 2025 is \$937 for each dependent child, less 2.5% of family net income over \$35,000 for families with one child, and 5% of family net income over \$35,000 for families with more than one child.

First Nations Tax Credit

- A Yukon taxpayer who resides on settlement land can claim a First Nations Tax Credit equal to 95% of Yukon tax payable. The credit ensures that First Nation taxpayers are not double taxed by paying Yukon tax and Yukon First Nations tax.

Session Briefing Note

Spring 2025

Income Tax

Finance

- First Nations Tax Credit has continued to experience strong growth since 2020. The most recent estimate for the 2023 tax year indicates that growth is slowing and is estimated to be around \$4.2 million, consistent with 2022.

Political Contribution Tax Credit

- A taxpayer who contributes to a registered Yukon political party or to a candidate seeking a seat in the Yukon Legislative Assembly can claim a non-refundable tax credit of up to \$650. The credit is calculated as the sum of 75% of the first \$400 in contributions, 50% of the next \$350 in contributions, and 33.33% of the next \$525 in contributions.

Business Investment Tax Credit

- A taxpayer who invests in an approved private corporation or co-operative can claim this credit. The non-refundable credit is equal to 25% of the amount invested up to a maximum of \$25,000 per year. The credit can be carried back for three taxation years or carried forward for seven taxation years.
- Corporations are approved for the program if they have a permanent establishment in the Yukon, pay at least 25% of their salaries and wages to Yukon residents, and own less than \$100 million in assets.
- Eligible corporations can receive up to \$4 million in eligible investments per year.
- After 2027, the asset limit for an eligible corporation will decrease to \$50 million and the maximum eligible investment will be replaced with a rolling four-year limit of \$4 million.

Research and Development Tax Credit

- A resident of the Yukon or a corporation that has a permanent establishment in the Yukon and makes eligible expenditures for scientific research and experimental development in the territory can claim this refundable credit.
- Eligible expenses are the same as those eligible for the federal research and development tax credit. The Yukon tax credit is equal to 15% of eligible expenditures, plus an additional 5% if the expenditures are paid to the Yukon University.

Session Briefing Note

Spring 2025

Income Tax

Finance

Manufacturing and Processing Tax Credit

- This credit effectively reduces the territorial corporate income tax rate from 12% to 2.5% for Canadian manufacturing and processing profits earned in the Yukon.
- Effective January 1, 2021, the small business tax rate was reduced to 0%. As a result, the manufacturing and processing profits tax credit is no longer applied to small corporations.

Appendix A

Table A: Income Tax Revenue (\$'000)

	2025-26 ESTIMATE	2024-25 FORECAST	2024-25 MAINS	2023-24 ACTUAL
Personal Income Tax	119,080	110,960	106,685	109,607
Corporate Income Tax	33,780	34,461	34,461	15,375

Table B: 2024 Average Personal Income Tax Rates on \$50,000 of Taxable Income

	Average Tax Rate (%)	Rank (1=highest tax rate)
Federal	10.3	N/A
Yukon	4.3	9
Northwest Territories	3.7	11
Nunavut	2.2	13
British Columbia	3.8	10
Alberta	5.5	8
Saskatchewan	6.4	7
Manitoba	7.4	4
Ontario	3.5	12
Quebec	8.5	2
New Brunswick	6.8	6
Nova Scotia	9.4	1
Prince Edward Island	8.1	3
Newfoundland & Labrador	7.4	4

Session Briefing Note

Spring 2025

Income Tax

Finance

Table C: Individual and Corporate Tax Credits/Benefits in the Yukon (\$)

<i>For individuals</i>	2020	2021	2022	2023 (est)
First Nations	3,499,335	3,611,248	4,227,864	4,200,000
Business Investment	8,002	5,073	2,412	1,000,000
Political Contribution	0	0	3,090	66,000
Research & Development	1,811	1,813	300	23,000
Yukon Child Benefit	1,514,751	1,527,262	1,290,057	1,250,000
<i>For corporations</i>				
Political Contribution	(374)	2,250	658	-300
Research & Development	592,818	596,944	655,044	650,000
Manufacturing & Processing	164,961	494,171	1,072,506	925,000

Table D: Federal, Provincial and Territorial Corporate Income Tax Rates for 2025

	General tax rate %	Small Business %	Manufacturing & Processing %
Federal*	28.0	9.0	28.0
Yukon	12.0	0.0	2.5
Northwest Territories	11.5	2.0	11.5
Nunavut	12.0	3.0	12.0
British Columbia	12.0	2.0	12.0
Alberta	8.0	2.0	8.0
Saskatchewan	12.0	1.0	10.0
Manitoba	12.0	0.0	12.0
Ontario	11.5	3.2	10.0
Quebec	11.5	3.2	11.5
New Brunswick	14.0	2.5	14.0
Nova Scotia	14.0	2.5	14.0
Prince Edward Island	16.0	1.0	16.0
Newfoundland & Labrador	15.0	2.5	15.0

*After the general tax reduction (available to most corporations), the federal net tax rate is 15%.

Approved by:

Jessica Schultz

February 10, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note

Rural Community Banking

Spring 2025
Finance

Recommended response:

- The Government of Yukon is committed to supporting Yukoners with access to services they rely on, whether they are in Whitehorse, Dawson City, Watson Lake or in rural communities.
- In order to provide financial services to Yukoners, the government has a contract in place for the provision of rural banking services with CIBC, which provides the general public with basic banking services in ten rural communities without the need to travel to a larger community such as Whitehorse.
- As banking services continue to shift online, we are exploring ways to continue supporting Yukoners as they access these services, while doing so in a way which is financially sustainable.
- As this shift occurs, the community banking centres continue to help our rural residents access basic banking services close to home.

Additional response:

Community Banking

- Rural banking centres are located in 10 Yukon communities and all but two currently have regular scheduled hours. Information on community banking services and current opening hours is regularly updated on <https://yukon.ca/en/legal-and-social-supports/community-supports/community-banking-services-update>.
- Occasionally, the banking service in any given rural community could be unavailable due to unforeseen issues such as building maintenance

Session Briefing Note
Rural Community Banking

or staffing shortages. During these interruptions, there may be a temporary limitation or reduction of service.

- The government continues to work with CIBC to maintain basic banking services in the communities.

Pelly Crossing Closure

- We know that community members in Pelly Crossing have been without a banking centre since 2020. The Government of Yukon and CIBC continue to explore sustainable, long-term solutions, which will support those living in the community.
- During this process, community members can continue to access services in Carmacks, Mayo or Whitehorse.

Beaver Creek

- We know that community members in Beaver Creek are disrupted because of the community centre closure.
- The Government of Yukon and CIBC continue to work with the White River Development Corporation, who is in the process of securing a space which would become the new location for the library and the banking agency.
- During this time, community members can continue to access services in Burwash Landing.

Session Briefing Note

Rural Community Banking

Spring 2025
Finance

Context — this may be an issue because:

- Citizens in rural communities are interested in receiving the most up-to-date information about banking services.
- There are ongoing challenges in finding available staff and facilities to provide services in some communities.

Background:

- The Government of Yukon contracted commercial banking services in rural communities in 2019.
- CIBC was the successful proponent replacing TD Bank.
- Basic services for CIBC customers include:
 - Cash withdrawals.
 - Cheque and cash deposits to bank accounts.
 - Cheque cashing services.
 - Balance inquiries.
 - Purchase of Canadian and US dollar bank drafts (These are delivered from CIBC's Whitehorse branch).
 - Purchase of US dollar currency up to \$250 in Canadian dollars.
 - Opening/closing of personal chequing and savings accounts.
- Basic services for the general public include:
 - Over-the-counter point-of-sale device cash withdrawal by way of processing a debit card transaction.
 - Cheque cashing services for any Government of Yukon cheque up to \$5,000.

Session Briefing Note
Rural Community Banking

TAB #19
Spring 2025
Finance

- CIBC can negotiate additional services with other levels of government. This includes cheque cashing services on behalf of First Nation governments or the federal government. The Government of Yukon is not involved in these negotiations or contracts.
- CIBC may choose to provide additional services, such as commercial banking services that include commercial bank deposits and the sale of coins.

Approved by:

Jessica Schultz

January 21, 2025

Deputy Minister, Finance

Date Approved

Session Briefing Note**Spring 2025****Corporate Financial System**Finance

Recommended response:

- The Government of Yukon's Corporate Financial System, or CFS, is made up of a wide range of systems and applications which support the organization's financial operations. While this system is crucial, the government has been using the current system since 2000.
- This system and associated applications allow for the ordering of goods and services, payment of vendors, as well as the receipt and processing of payments made to government.
- The CFS is also a tool by which the Department of Finance meets its obligation under the *Financial Administration Act* to act as stewards of public funds.
- Updating or replacing the CFS requires careful planning, analysis, and implementation.
- Any potential update or replacement of this system will focus on providing a more citizen-centered approach for the public when it comes to financial processes; reducing and/or eliminating paper-based processes and automating workflows while enhancing internal controls and compliance; as well as enhancing the Department of Finance's capacity to aide in timely decision-making.

Additional response:

- The government is currently working on a project which will identify the design requirements for a future Corporate Financial System, as well as the requirements to meet policy, legal, Public Sector Accounting Board, and collective agreement compliance.
- Nine companies responded to a Request for Information (RFI), which was publicly posted in June 2024. The goal of the RFI was to assess

Session Briefing Note
Corporate Financial System

TAB #20
Spring 2025
Finance

responses and to provide information about current vendors, their products, alignment with our requirements, and a high-level cost estimate.

- This information is currently being used to determine recommendations for the next steps, which could include an upgrade or replacement.
- The government will continue to provide incremental updates on any potential upgrade or replacement as information becomes available.

Context—this may be an issue because:

- In June 2024, the Financial Systems Branch posted a public Request for Information to obtain information on existing systems that meet government requirements and to obtain high-level cost estimates.

Background:

- The Corporate Financial System is operated and maintained by the Department of Finance.
- The CFS is an interconnected collection of customized and custom-developed software used by all government departments and corporations. This includes corporate accounting, contracting, budgeting, signing authority, tax revenue, and financial reporting systems, as well as approximately 30 integrations with internal and external systems.

Approved by:

Jessica Schultz

Deputy Minister, Finance

January 22, 2025

Date approved

Session Briefing Note**Spring 2025****S&P Global Ratings**Finance

Recommended response:

- The Government of Yukon remains committed to strong financial management and to ensuring long-term fiscal sustainability.
- In July 2024, S&P Global Ratings issued the Yukon a Double-A ('AA') credit rating for the 15th consecutive year.
- S&P Global Ratings' report highlighted the government's track record of prudent financial management and stable financial results, supported by stable federal funding.
- Maintaining a strong credit rating is a testament to the Yukon's financial health, signaling to contractors, suppliers and investors that the territory honours its financial commitments and is a reliable investment partner.
- A strong credit rating also ensures that the territory has access to the most favourable lending for any future borrowing needs.

Additional response:

- The Government of Yukon remains focused on maintaining strong and consistent fiscal management practices to enhance long-term financial sustainability while meeting the needs of a growing population.
- The independent assessment affirms that the Yukon's strong relationship with the federal government enables the territory to continue advancing the priorities of Yukoners; including improvements to our health and education systems; increased access to housing; and responsiveness to the impacts of climate change.
- Despite challenges, such as the heap leach failure at the Eagle Gold Mine in late June, the S&P report emphasized that the Yukon's

Session Briefing Note**Spring 2025****S&P Global Ratings**Finance

population growth and government spending will help offset the territory's economic reliance on the mining sector, supporting continued economic expansion.

- The agency also highlighted that, despite pressures which required additional spending including challenges in the healthcare sector and responses to floods and fires, the territory maintains a robust fiscal performance.
 - Finally, S&P emphasized that the territory maintains stable liquidity to meet debt obligations, which remains low relative to its peers. Furthermore, Yukon benefits from strong access to Canada's well-developed capital markets, further strengthening its financial stability.
 - All of these financial accomplishments contribute to a score which reflects the territory's fiscal strength and stability.
-

Context — this may be an issue because:

- Budget performance and financial health are of concern to the public and the Legislative Assembly.

Background:

- The Yukon Development Corporation's senior debt also received an 'AA' rating, consistent with the rating it received from S&P Global Ratings in 2022 and 2023.
- S&P Global Ratings provides a forward-looking opinion on Yukon's creditworthiness.
- Table 1 shows the 2024 S&P credit ratings for jurisdictions and Canada.
- Most jurisdictions use several credit rating agencies, while the other territories do not make use of S&P Global Ratings. Ratings from other agencies might differ from S&P or may not be directly comparable.

Session Briefing Note

S&P Global Ratings

TAB #21
Spring 2025
Finance

Table 1. S&P Credit Ratings 2024 (as of Jan 15, 2025)		
Jurisdiction	Rating Agency	Rating
Yukon	S&P Global	AA
British Columbia	S&P Global	AA-(negative)
Alberta	S&P Global	AA-
Saskatchewan	S&P Global	AA
Manitoba	S&P Global	A+
Ontario	S&P Global	A+(positive)
Quebec	S&P Global	AA-
New Brunswick	S&P Global	A+(positive)
Nova Scotia	S&P Global	AA-
Prince Edward Island	S&P Global	A (positive)
Newfoundland & Labrador	S&P Global	A
Canada	S&P Global	AAA
Jurisdictions not using S&P Credit Rating Agency		
Northwest Territories (Aug 2024)	Fitch	AA-
Nunavut (Nov 2024)	DBRS Morningstar	AA(low)

Approved by:

Jessica Schultz

January 22, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note**Spring 2025****Labour Markets in the Yukon**Finance

Recommended response

- On March 11, the Conference Board of Canada's Centre for the North published a report on labour markets in the north: "Learning From One Another: A Comparative Analysis of Labour Market Needs and Corresponding Skills in Northern Ontario, Yukon, and Nunavut"
- The Conference Board of Canada (CBoC) expects the Yukon economy to grow by over 40 per cent in the next 20 years.
- They also expect that employment in the territory will increase by 10 per cent over that time and that over 13,500 job openings will need to be filled.
- According to the report, Yukon University's transition to a university is expected to build capacity in the North leading to increased supply of resident labour and reducing economic disparities.

Additional response:

- The Yukon had the fastest-growing population in Canada, growing by 18.7 per cent from 2011 to 2021.
- Immigration and interprovincial migration have been driving population growth in the territory. In most years in the last decade, the Yukon attracted more residents from other places than was lost to out-migration.
- The Yukon First Nations population in the Yukon has grown, increasing by 7.5 per cent over the last 5 years.
- The CBoC notes that Yukon University is working to close disparities between Indigenous and non-Indigenous populations by increasing labour force participation.

Session Briefing Note**Labour Markets in the Yukon**Finance

- The tourism sector can help to reduce disparities as it is a large employer in the territory and provides economic opportunities for people living in Yukon rural areas.
 - The CBoC also notes that, in 2020, there were around 400 businesses in the Yukon that were directly related to tourism and tourism accounted for about 14 per cent of all jobs in the Yukon.
-

Context—this may be an issue because:

- The Conference Board of Canada is a nationally renowned think tank whose reports often garner broad attention.
-

Background:

- "Learning From One Another: A Comparative Analysis of Labour Market Needs and Corresponding Skills in Northern Ontario, Yukon, and Nunavut" is an extensive collaborative research project undertaken by The Conference Board of Canada over multiple years.
- The Yukon participated in the research with representation from Economic Research (Department of Finance), Labour Market Development Branch (Economic Development), Yukon University, Yukon First Nation Education Directorate, Council of Yukon First Nations and the Yukon First Nations Chamber of Commerce.
- Although the report highlights the Yukon's recent strong performance, it also notes continued challenges facing the territory including a tight labour market, a dominant public sector, an aging population and skills disparities between Yukon Indigenous and non-Indigenous populations.
- Women are identified in the report as an overlooked source of labour in the trades and face similar income disparities, earning 13 per cent less than men according to the 2021 Census.

Session Briefing Note

Labour Markets in the Yukon

Finance

- The report notes that the Yukon is reliant on non-resident workers with the mining industry having to rely on fly-in fly-out labour supplies for one-half of its total labour needs. Construction, manufacturing, and accommodations and food services also rely to some degree on non-local labour.
- Housing costs are noted as a barrier to attracting skilled workers to the territory due to constrained housing supply.
- The report notes that the Yukon and Northwest Territories having some of the lowest rates of immigrant retention in the country.
- CBoC recommends continued support for entrepreneurship especially in rural communities. This is needed to support economic growth and diversification and to provide employment opportunities outside of the territorial capital.

Approved by:

Jessica Schultz

March 12, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note**Spring 2025****Corporate Note – Budget Highlights**

Finance

Embargoed until day of budget tabling

Recommended response:

- The Government of Yukon is committed to supporting Yukoners and communities while considering how to most effectively allocate financial resources.
- Budget 2025–26 plans for gross O&M spending of \$1.88 billion, addressing significant O&M pressures in health and education, as well as the response to the heap leach failure at the Eagle Gold mine.
- Overall, Budget 2025-26 forecasts a surplus of \$82 million, thanks in part to our continued capital investments in strategic infrastructure that will provide lasting benefits for Yukoners.
- Despite increases in expenditure, we continue to work to ensure that government spending is allocated in a way that meets key priorities and long-term goals.
- The Yukon remains on a strong financial footing. Budget 2025-26 prioritizes strategic investments that support economic growth, protect the environment, and enhance the quality of life for all Yukoners. It fulfills our commitment to making life affordable for Yukoners while investing in the programs and infrastructure the territory needs to thrive.

Additional response

- **Affordability for all:** Budget 2025-26 reflects our commitment to keeping life affordable for Yukoners with over \$47.3 million in funding for early learning and child care programs, including the universal child care program; \$3.8 million for the new Winter Electrical Affordability

Session Briefing Note

Spring 2025

Corporate Note – Budget Highlights

Finance

Embargoed until day of budget tabling

Rebate; \$4.8 million for the National School Food Program; and increases in Legislated Grants such as Social Assistance, post-secondary grants and the homeowners grant.

- Budget 2025-26 also includes a record-setting \$57.6 million capital investment in the Yukon Housing Corporation for the construction of new affordable housing units, continued tenancy support and programs responding to the housing needs of Yukoners.
- **Territory-wide growth:** The budget reflects investments in infrastructure across the territory, including major projects such as \$75.5 million for runway and infrastructure upgrades at Erik Nielsen Whitehorse International Airport, over \$50 million for bridge infrastructure, and \$31 million for repairs and upgrades to the North Klondike Highway.
- **Building prosperity through reconciliation:** The Government of Yukon maintains its commitment to reconciliation with First Nations, as demonstrated through a number of partnerships in 2025-26, intended to build economic prosperity. This includes working with Kluane First Nation on the \$15.7 million investment in the Kêts'ádań Kù School construction in Burwash Landing and partnering with Kwanlin Dun First Nation on the Range Point subdivision with an investment of \$5 million.
- **Safe and healthy families and communities:** Health care continues to be a significant source of financial pressure across Canada. Budget 2025-26 provides an additional \$47 million to address ongoing pressures on Insured Health Services and an additional \$24.5 million in Operations and Maintenance and \$4.2 million in capital to support

Session Briefing Note**Spring 2025****Corporate Note – Budget Highlights**

Finance

Embargoed until day of budget tabling

the Yukon Hospital Corporation. These funds will support orthopedic surgeries, new acute care beds, breast cancer screening, medical travel, physician fees, pharmacare, and medical treatments both in and out of the territory.

- **Protecting our environment:** Budget 2025-26 will grow our green economy with \$59 million in investments for *Our Clean Future* initiatives such renewable energy infrastructure and building retrofits. We are making further efforts to protect the environment with an additional \$118 million in additional funding to support environmental protection efforts at the Eagle Gold Mine site, and \$21.5 million for reclamation at the Minto Mine.
- **Supporting Yukon businesses and industry:** The Government of Yukon will continue to provide support for Yukon businesses and industry with over \$11 million for diverse and responsive initiatives that provide sustainable economic benefits to Yukon communities. A few examples include the Innovation Strategy, the Economic Development Fund, the Community Destination Development Fund, the Creative and Cultural Industries Strategy, and the development of a Yukon Trade Resilience Program to support Yukon businesses impacted by possible U.S. tariff decisions.

Context — this may be an issue because:

- The 2025-26 Main Estimates will be debated during the March 2025 legislative session.

Session Briefing Note

Spring 2025

Corporate Note – Budget Highlights

Finance

Embargoed until day of budget tabling

Background:

- Gross O&M expenditures are forecast to increase by \$282.6 million, or 17.7 per cent, from the 2024-25 Main Estimates.
- The O&M recovery forecast has also significantly increased over the 2024-25 Main Estimates, by about \$10.5 million. Net O&M expenditures are forecast to increase by \$272.1 million, or 19.3 per cent, compared to the 2024-25 Main Estimates.
- Gross capital expenditures are forecast to be about \$477.3 million for 2025-26, which is a \$6.7 million decrease from the 2024-25 Main Estimates. Capital recoveries are forecast to decrease by \$10 million.
- The \$75 million contingency is not included in departmental budgets and would still need to be presented to the legislative assembly for approval, but is included in our fiscal plan so that, if required, it will not affect Yukon's forecast fiscal position.
- On a consolidated basis, when all government reporting agencies, such as Yukon University and public corporations are included, the 2025-26 Main Estimates forecast an annual surplus of \$132.7 million and net debt of \$402.2 million.
- There are 5,561.5 FTEs in the 2025-26 budget, which is an increase of 76.6 FTEs from 2024-25. Growth is primarily for long-term care and home care, Emergency Medical Services, and education personnel, including operational positions for Whistle Bend School and teachers and clerical based on enrollment.

Approved by:

Jessica Schultz

February 25, 2025

Deputy Minister, Finance

Date Approved

Session Briefing Note**Spring 2025****Carbon Pricing
(Corporate Note)**Environment & Finance

Recommended response:

- The Government of Yukon has supported carbon pricing to help reduce emissions and reach our climate targets. We remain committed to taking action on reducing emissions across the territory and to meeting our commitments outlined in *Our Clean Future*.
- However, we anticipate that the consumer carbon price in Canada will likely end in the near future.
- As Minister of Finance, I have asked Canada to provide certainty with respect to how and when carbon pricing will end and also what actions will be taken to contribute to emission reductions in lieu of carbon pricing.
- [We will continue to monitor federal actions on carbon pricing diligently and are committed to keeping Yukoners informed about any changes that may affect them. This includes recent comments by Prime Minister-designate Carney to end the consumer carbon tax “immediately”.](#)

Additional response (federal government changes in policy):

- The Government of Yukon will continue to work with our federal counterparts to ensure we remain compliant to any evolving regulations or changes to carbon pricing programs at the federal level.
- All federal Liberal party candidates, along with the federal leaders of the other parties, have signaled that they will end or significantly change the consumer carbon pricing program. The end of the federal carbon price means that the Yukon would no longer receive revenues to sustain the carbon rebate program.

Session Briefing Note**Spring 2025****Carbon Pricing
(Corporate Note)**Environment & Finance

- The Yukon's carbon rebate is revenue neutral, and on average, Yukoners receive more than they pay in carbon pricing levies.
- We have written to the federal government, requesting collaboration on a systematic wind down of the Yukon carbon rebate program. We have also urged the cancellation of the carbon levy increase planned for April 1, 2025.
- Carbon pricing is just one tool to address climate change. Our plans outlined in Our Clean Future extend beyond any federal programming. Our government will continue to aspire to meet our greenhouse gas emissions target by 2030.

Third response:

- The departments of Environment and Finance continue to work with federal counterparts to assess the implications of carbon pricing on large industrial emitters that are subject to the Output Based Pricing System in the territory and ensure the needs of the Yukon are recognized in national policy.
- The Output Based Pricing System is separate from the consumer carbon price. Canada is currently conducting a review of that system.

Context—this may be an issue because:

- On February 25, Yukon's Minister of Finance issued a statement confirming that he had written to the federal government, requesting collaboration on a systematic wind-down of the Yukon carbon rebate program and urging the cancellation of the planned carbon levy increase set for April 1, 2025.
- Carbon pricing remains a sensitive topic across the country with many provinces and territories voicing their own perspective on how they would like to see this pricing mechanism handled moving forward.

Session Briefing Note**Spring 2025****Carbon Pricing
(Corporate Note)**Environment & Finance

- The federal carbon pricing system is expected to be a central talking point as part of any forthcoming federal election.

Background:

- Most provinces and territories, including British Columbia and the Northwest Territories, have publicly opposed the federal carbon pricing system.
- Recently, federal liberal leaders have committed to ending the federal carbon tax in Canada.
- On April 1, 2025, the carbon levy will increase from \$80 to \$95 per tonne.
- [The new Liberal leader and other federal party leaders have expressed their commitment to end or change the consumer carbon levy.](#)
- [The new federal Liberal leader has indicated the consumer carbon levy would be eliminated “immediately”. No specific dates or timelines have been provided yet.](#)
- Given that the end of the federal carbon price means that the Yukon will no longer receive revenues to sustain the carbon rebate program, on February 24, 2024, Minister of Finance Sandy Silver wrote to federal Ministers Guilbeault and LeBlanc asking for collaboration in winding down the Yukon’s carbon rebate program, including a request to cancel the scheduled April 1, 2025, increase to the carbon levy.
- On February 25, 2024, Minister Silver issued a statement outlining the Yukon’s request to federal Ministers.

Approved by:**Dennis Berry**

Deputy Minister of Environment

March 10, 2025

Date approved

Jessica Schultz

Deputy Minister of Finance

March 10, 2025

Date approved

Session Briefing Note

Spring 2025

Eagle Gold Mine – Impacts

EMR-ECO-FIN

Recommended response:

- We recognize the seriousness of the heap leach failure and continue to treat our response to the situation with the appropriate urgency.
- Our priorities are to ensure the health and wellbeing of Yukoners and to protect the environment.
- We are committed to working with the First Nation of Nacho Nyak Dun to develop remediation strategies for the failure. A joint team of technical experts hired by the Government of Yukon and the First Nation meet on a regular basis to inform our actions.
- We have full confidence in the court process governing all aspects of the Receivership proceedings, including the appointment of PricewaterhouseCoopers as the Receiver.
- As the Eagle Gold situation continues to unfold, we will continue to assess and improve our understanding of the impacts on Yukoners and the local economy.
- For the most up-to-date information on the situation at Eagle Gold Mine and actions that we are taking, you can visit Yukon.ca.

Additional responses:

- An Independent Review Board has been established to investigate the heap leach failure that occurred at the Eagle Gold mine.
- The Board has developed its own work plan and timeline to

Session Briefing Note

Spring 2025

Eagle Gold Mine – Impacts

EMR-ECO-FIN

conduct its review, and we respect the Board's autonomy in this regard. (See EMR BN #1)

- Impacts on human health and on the environment are being monitored by technical experts from the Government of Yukon, the First Nation of Nacho Nyak Dun and the Government of Canada.
- Our government continues to monitor labour market data, such as the number of unemployed and the number of Employment Insurance claimants, for potential impacts of the mine closure.

Context — this may be an issue because:

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

Background:

- The Yukon.ca website is updated with information bulletins to inform the public on the Victoria Gold heap leach failures current situation.
- See 'historic overview' section for an overview of key dates.

Economic and labour market

- The Eagle Gold Mine heap leach failure has changed the outlook for mineral production in the Yukon and resulted in a notable downward revision in the medium-term outlook for the Yukon's real Gross Domestic Product (GDP).
- The effect of closure on the labour market has been minimal, as displaced workers were reabsorbed into the Yukon's tight labour market. At 4.3 per cent in 2024, Yukon's unemployment rate was the lowest in the country. The economy continued to add jobs with employment up by 5 per cent annually.

Session Briefing Note

Spring 2025

Eagle Gold Mine – Impacts

EMR-ECO-FIN

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- At the close of 2023, Victoria Gold had 471 direct hires and another 134 on contract.
 - Of the more than 600 employed, the company reported that about 34 per cent were local, amounting to approximately 200 local workers. This represents about 0.8 per cent of territorial employment in 2024.
 - As of January 16, 2025, there are 30 liens against Victoria Gold worth over \$60.2 million.

Finances

- PwC manages project finances and procurement for the site in its capacity as the court-appointed Receiver and as an officer of the court must ensure funds are being spent responsibly.
- As approved by the Court, the Government of Yukon has advanced \$105 million to the Receiver for urgent works on site in 2024-25.
- Financial security for the Eagle Gold Mine totaled \$104 million. In 2024–25 the Government of Yukon accessed \$55 million of these bonds. The remaining \$48.7 million balance of the Surety Bonds has been accessed and will offset the costs for the loans to the Receiver in 2025–26.
- Additionally, the Receiver had access to \$29.2 million in cash assets of Victoria Gold Corporation to fund receivership activities in 2024-25. The Receiver utilized all of these assets in the 2024-25 fiscal year.
- \$118 million is included, as part of Energy, Mines and Resources' budget 2025-26, to continue to respond to the heap leach failure.
- Funding advanced to the receiver has a net zero impact on the government's surplus and net financial debt, as the Government of Yukon has priority to recover these advances from the assets of the company.
- Interest applies to all loans advanced to the Receiver at a rate of nine per cent. An estimated \$3 million of interest will be accrued in 2024-25 and \$9.5 million is forecast to be accrued in 2025-26.

Session Briefing Note

Spring 2025

Eagle Gold Mine – Impacts

EMR-ECO-FIN

Local procurement

- As part of the agreements established under the receivership order, the Government of Yukon requires that the receiver take steps to maximize local benefits and report to the Government of Yukon on those metrics.
- To date, \$20.8 million has been provided to local contractors under the receivership.
- The Receiver has contracted nine local contractors and in the past month, 72 per cent of the contracted work force were local Yukon contractors.

Independent Review Board

- An Independent Review Board was launched under the Government of Yukon's Guidelines for Mine Waste Management Facilities.
- The Independent Review Board will provide a thorough and expert review of the heap leach failure. It will operate with full autonomy, with contracts managed by the court-appointed receiver, ensuring impartiality in the process.
- The Terms of Reference can be found in the Second Report of the Receiver on the Receiver's website at pwc.com.
- In accordance with the terms of reference, the IRB will provide its report to the Receiver, the First Nation of Nacho Nyak Dun and the Minister of Energy, Mines and Resources by June 15, 2025. The Receiver will make public the report on its website by July 15, 2025.
- Highly qualified experts are on the Independent Review Board. The Independent Review Board Members are:
 - Dr. Jean-Marie Konrad, M.Sc., Ph.D., FCAE, FEIC
 - Mark E. Smith, P.E., P.Eng.
- More information about the Board Members can be found on Yukon.ca.
- There has been no decision as to whether an inquiry will also be established under the *Public Inquiries Act*.

Session Briefing Note

Spring 2025

Eagle Gold Mine – Impacts

EMR-ECO-FIN

- If the Office of the Auditor General decides to conduct an audit, we will support its requests for participation and information.

Historic overview

- On June 24, 2024, a failure occurred at the heap leach facility of the Eagle Gold Mine operated by Victoria Gold Corporation.
- On July 30, 2024, the Premier provided remarks to the Council of Yukon First Nations' General Assembly on a variety of topics including mining and the incident at Eagle Gold Mine
- On August 5, 2024, the Premier provided a statement on mining activity in the Traditional Territory of First Nation of Nacho Nyak Dun.
- On August 12, 2024, the Government of Yukon submitted an application for receivership of Eagle Gold Mine, which was supported by the First Nation of Nacho Nyak Dun.
- On August 14, 2024, PricewaterhouseCoopers Inc. was appointed by the court as Receiver of the assets and property of Victoria Gold Corp. The Receiver is responsible for overseeing remediation of the heap leach failure and its environmental impacts, including compliance with territorial and federal orders.
- On October 1, 2024, PricewaterhouseCoopers released a report that shared receiver's communications with former Victoria Gold Corp's employees, advising they may be eligible to make a claim for outstanding wages up to \$8,500.00, vacation and/or severance pay under the *Wage Earner Protection Program Act*.
- On December 20, 2024, the Yukon Water Board approved the Receiver's application for an emergency amendment to the site's water licence to allow for the discharge of partially treated water. The amended discharge criteria expired on March 31, 2025 and is no longer in effect.

Session Briefing Note**Spring 2025****Eagle Gold Mine –
Impacts**

EMR-ECO-FIN

- On December 28, 2024, PricewaterhouseCoopers issued a notification to the Government of Yukon and the First Nation of Nacho Nyak Dun regarding a potential leak in a newly constructed containment pond.
- As of February 18, 2025, the Government of Yukon has done 11 technical briefings to continue to keep Yukoners informed with up-to-date information.

Approved By:

Sierra van der Meer	April 29, 2025
Deputy Minister Energy, Mines and Resources	Date Approved
Justin Ferbey	2025 04 22
Deputy Minister Executive Council Office	Date Approved
Jessica Schultz	April 25, 2025
Deputy Minister Department of Finance	Date Approved

Session Briefing Note
Inflation and Affordability
(Corporate Note)

Recommended response:

- The Government of Yukon remains committed to supporting Yukoners with day-to-day affordability.
- While inflation has improved, high shelter and food costs remain the largest drivers of overall inflation. These elevated prices continue to stretch the budgets of Yukon households, with lower-income households often feeling the greatest impact.
- We are pleased to report that price pressures eased throughout 2024, with local inflation averaging 2 per cent for the year – well below 2023’s rate of 4.9 per cent.
- [Inflation stabilized in March after rising to 3.5 per cent in February. Further moderation is expected for April following the elimination of the consumer carbon price.](#)
- The Government of Yukon continues to monitor inflation and its impact on Yukoners to ensure we can take effective steps to ease financial burdens.

Additional response:

- Budget 2025-26 builds on existing supports for Yukoners by ensuring access to essential services at affordable prices.
- This year’s budget includes investments to advance housing projects across the territory. This includes affordable housing initiatives such as the replacement of the Ryder Apartments in Whitehorse and the recently completed supportive housing project in Watson Lake. It also supports ongoing residential land development projects, including Whistle Bend Phases 12 and 13 in Whitehorse, the Mountain Ridge

Session Briefing Note
Inflation and Affordability
(Corporate Note)

Development in Haines Junction, and the Frances Avenue
Development in Watson Lake.

- The budget provides more than \$47.3 million for early learning and child care programs, including the Yukon Early Learning and Child Care Infrastructure Fund to expand and improve child care spaces. The universal child care program continues to lower costs, reducing fees to an average of less than \$10 per day.
- Budget 2025-26 allocates \$4.8 million to the National School Food Program, helping support families and ensuring every child has access to nutritious meals at school.
- We are also making life more affordable through the Yukon-wide dental program, which remains a national leader with \$5.4 million in continued funding for 2025-26.
- To support workers, the Temporary Paid Sick Leave Rebate has been extended again, ensuring more Yukoners can stay home when they are ill.
- The Interim Electrical Rebate is being replaced by the new Winter Electrical Affordability Program to help Yukoners manage higher electricity costs during peak winter months.
- The government continues to support the free transit program, launched last year by the Department of Community Services, which provides free bus passes to Yukoners.
- Also, the Government of Yukon is working with partners such as Connective and the Safe at Home Society to expand supportive housing options in Whitehorse.

Session Briefing Note
Inflation and Affordability
(Corporate Note)

Third response

- The Government of Yukon has also remained responsive to higher inflation in recent years through its various grants and subsidies, which are indexed to inflation. These include:
 - o Subsidies for medical travel
 - o The Yukon Child Benefit
 - o Social Assistance Payments
 - o Student Financial Assistance
 - o Seniors' benefits
 - o The Pioneer Utility grant
 - o The Comprehensive Municipal Grant Regulation
 - o Residential rent caps
- The Yukon's minimum wage is also responsive to price changes, as its annual change is tied to inflation in the previous year.
- After growing 6.8 per cent in 2023, the minimum wage increased a further 4.9 per cent in 2024 and will again increase on April 1, 2025, to \$17.94 per hour.
- The Yukon's minimum wage is the second highest in Canada, behind only Nunavut's minimum wage of \$19.00 per hour.
- These increases also contribute towards the strong earnings growth we continue to see in the territory. Average weekly earnings grew 5.3 per cent over the first eleven months of 2024, the third strongest growth in the country.

Session Briefing Note

Inflation and Affordability (Corporate Note)

Context—this may be an issue because:

- Inflation has fallen from historic highs, but Yukoners are still dealing with higher prices for goods and services following a lengthy period of elevated inflation.
- The moderation of inflationary pressures that began to take hold late in 2023 continued throughout 2024. Growth in the Whitehorse Consumer Price Index (CPI) was much lower in every month in 2024, and annual inflation of 2 per cent was much improved from 2023.
- Both nationally and in Whitehorse, Inflation has picked up in the first three months of 2025. While inflation declined nationally in March compared to February, Inflation of 3.5 per cent for Whitehorse was unchanged from February, and remains the highest in the country for a second-straight month.

Background:

Inflation – Recent performance and outlook

- Following ten increases in the overnight rate since March 2022, the Bank of Canada made five rate cuts in 2024, with the overnight rate dropping from 5.0 per cent to 3.25 per cent. As of March 12, 2025, there have been two additional cuts of 0.25 percentage points and further rate cuts are expected this year, given economic uncertainty around tariffs. These cuts will further reduce pressure on shelter prices as mortgage rates decline.
- Both locally and nationally, price pressures lessened in 2024, with inflation near historic norms.
- After much improved inflation figures throughout 2024, inflation has moved higher over the first three months of 2025. March's inflation of 3.5 per cent for Whitehorse was unchanged from February and remains the highest in the country for a second-straight month.

Session Briefing Note
Inflation and Affordability
(Corporate Note)

- Nationally, inflation fell from 2.6 per cent in February to 2.3 per cent in March, with inflation down in most jurisdictions.
- Shelter costs continue to be a major driver along with restaurant prices and traveller accommodation.
- With the consumer carbon price ending at the end of March, lower gasoline and fuel oil prices in April should weigh on overall Whitehorse inflation. April data will be released on May 20, 2025.
- The current outlook for the Whitehorse CPI reflects expectations of a return to 'normal' levels of inflation, with the inflation forecast of 2 per cent in 2024, much improved from 4.9 per cent in 2023 and 6.8 per cent in 2022. Annual inflation is expected to average 2 per cent over the period 2025 to 2029.

*** Programs that support affordability listed below ***

HOUSING

Capital projects supporting housing affordability

- Programs such as the Housing Initiatives Fund and investments through the Permanent Affordable Housing program support Yukon Housing Corporation's five-year strategic plan, *Creating Home*, which prioritizes innovative projects and partnerships to expand affordable housing, close gaps in the housing continuum, and increase homeownership opportunities for Yukoners. These partnerships address housing needs and support economic development.
- Eighteen new units in Whistle Bend have been purchased to support a range of housing needs along the continuum.
- Work has begun on the old Korbo lot in Dawson City, which will provide an additional 34 Rent Geared to Income units, scheduled for completion in 2026.
- Groundwork began at the old Ryder Apartments in Whitehorse in September 2024 and we are aiming for completion in spring 2026. When completed, the new complex will deliver 45 new affordable housing units.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

Supportive Housing (Health and Social Services & Yukon Housing Corporation)

- \$1.5 million for Safe at Home will go towards establishing temporary supportive housing at 408 Alexander Street.
- As well, we are contributing \$900,000 in 2025-26 of a total \$12.9 million dollar commitment towards Safe at Home Society's 67-unit project (*The Hearth*), which will provide safe, supportive and permanent housing in Whitehorse.
- Construction of a 10-unit housing complex in Watson Lake was completed in January 2025 which will open its doors in spring 2025.

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

- The Canada-Yukon Housing Benefit offers a rental subsidy for low-to-moderate income renters.
- Funded through the National Housing Strategy, the Canada-Yukon Housing Benefit rent subsidy has helped over 300 low- to moderate-income Yukoners with affordability challenges since 2020.
- In addition, the Canada-Yukon Housing Benefit gender-based violence rent subsidy helps survivors access safe housing, so they are not forced to return to unsafe situations due to housing costs.

Winter Electrical Affordability Rebate (Yukon Development Corporation)

- As a replacement for the Interim Electrical Rebate, Yukon Development Corporation will launch the Winter Electrical Affordability Rebate to assist Yukoners with electricity costs in the winter months.

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

- Funding that supports reducing energy costs is available for the transportation sector, renewable heating sector, home and building owners, and the construction industry.

Session Briefing Note

Inflation and Affordability (Corporate Note)

- Innovative programs like the Better Buildings Program that offer up-front funding, combined with our Good Energy rebates, make energy retrofits more accessible and affordable for Yukoners.
- 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 by reducing their energy costs.

Affordable Heat Pump Program (Energy, Mines and Resources)

- The Affordable Heat Pump Program aims to help low-to-middle-income households cover the cost of purchasing and installing a heat pump, a device that has the potential to significantly reduce a homeowner's energy costs.
- Since the launch of the Affordable Heat Pump Program late last year, the response has been overwhelming, with over 90 applications.
- The program quickly reached its funding capacity and we are working with our federal partners to seek consideration for additional funds.
- People can still apply to a waitlist and applications will be approved in the order they are received. The program website remains the best way to stay informed about the program.

HEALTH AND WELLBEING

Dental Care program (Health and Social Services)

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

Yukon Seniors' Income Supplement (Health and Social Services)

- The Yukon Seniors' Income Supplement provides a monthly income supplement for eligible Yukoner senior's receiving Old Age Security (OAS) and the Guaranteed

Session Briefing Note

Inflation and Affordability (Corporate Note)

Income Supplement (GIS) from the federal government. This amount is adjusted for inflation in October, each year.

Social Assistance Review (Health and Social Services)

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

FAMILIES AND EDUCATION

Universal Child Care Program (Education)

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

Yukon Early Learning and Child Care Infrastructure Fund (Education)

- The Department of Education has a three-year agreement covering the years 2023-24 to 2025-26 with the Government of Canada that will see \$7.7 million in new funding flowing to the Yukon that can be used to create spaces and increase accessibility for not-for-profits and First Nations governments.
- This partnership with the Government of Canada will support a mutual vision of high-quality early learning and child care that is affordable, accessible, and inclusive.

Food in Schools program (Education)

- Good nutrition is vital for students' mental and physical health and increases all students' learning potential.
- On April 1, 2024, Canada announced a \$1 billion investment over five years to create a National School Food Program.

Session Briefing Note
Inflation and Affordability
(Corporate Note)

- The new National School Food Policy outlines principles and objectives to support the vision of every child having access to nutritious food in school
- Budget 2025-26 includes \$4.8 million for the National School Food Program.

Fertility Tax Credit (Finance)

- We are committed to improving access to fertility and surrogacy treatments for Yukoners.
- The value of the refundable credit will be 40% of eligible expenses to a maximum of \$10,000 per year per taxpayer with unlimited lifetime availability.
- This generous support is in addition to the new medical travel coverage for fertility treatment and enhances existing support in the tax system, such as the Medical Expense Tax Credit and Northern Residents Deduction.
- Alongside the recently announced medical travel coverage for fertility treatments, the tax credit in this bill will help relieve financial pressures for Yukon families who are accessing these treatments.

Yukon Child Benefit (Health and Social Services and Finance)

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

Out of Home Childcare Increases (Health and Social Services)

- To offset inflationary cost of living increases and provide sufficient financial resources to meet the needs of children placed in their care, Health and Social Services provided an ongoing 10 per cent increase to monthly payments to caregivers of children in out of home care in 2023-24, on top of the annual indexed increase. Combined, this amounted to a 16.46 per cent rate increase for community and extended family caregivers.
- Rates are indexed annually to the Whitehorse Consumer Price Index, most recently increased by 2.4 % in October 2024.

Session Briefing Note
Inflation and Affordability
(Corporate Note)

BUSINESSES and COMMUNITIES

Paid sick leave program (Economic Development)

- The Paid Sick Leave Rebate program is now extended until March 31, 2026.
- On April 1, 2023, the Department of Economic Development launched the Paid Sick Leave Rebate as a temporary program offering up to 40 hours of paid sick leave to employees and self-employed Yukoners that earn less than the average private-sector wage of \$33.94/hour.
- The program includes all illnesses (and injuries not covered by any other Act, benefit, or program). The program is available to employees regardless of whether their employer offers paid sick leave, though employees must use all paid sick leave available to them through their employer before they are eligible for the Paid Sick Leave Rebate.

Yukon Trade Resilience Program (Economic Development)

- In preparation for the potential of tariffs on Canadian goods being considered by the United States or other negative impacts on trade, the Department of Economic Development is creating a program to support Yukon businesses.
- The US remains the territory's most important international partner. We are working closely with our federal, provincial, and territorial partners to ensure that we have programming available to mitigate the impact on the Yukon by ensuring support is available if needed.
- The program is still in early stages and will evolve in response to outside factors.

Curbside Recycling (Community Services)

- The Yukon government is supporting the City of Whitehorse with up to \$2.4 million over two years, through 2024 and 2025, for a curbside collection program. The City's program is now in place and the Yukon government's support reduces the cost for Whitehorse households by roughly 50 per cent.

Session Briefing Note
Inflation and Affordability
(Corporate Note)

Approved by:

Jessica Schultz

April 15, 2025

Deputy Minister, Finance

Date Approved

Session Briefing Note**2024-25 Supplementary Overview
(Corporate Note)****Embargoed until tabled**

Recommended response:

- The changes outlined in the Supplementary Estimates No. 2 highlight the government's commitment to supporting the health and wellbeing of Yukoners and communities. The government is making important investments in health and social services, education, environmental protection, and in needed infrastructure across the territory.
- The Government of Yukon continues to maintain a budgetary surplus of \$57.6 million. Increased spending of \$130.1 million is partially offset by additional revenue and recoveries of \$19.5 million.
- Despite increases in O&M and capital expenditure, we continue to work to ensure that government spending is allocated in a way that meets key priorities and long-term goals.
- Many of the O&M pressures in Supplementary Estimates No. 2 related to health and education are ongoing pressures for services and will continue to be reflected in the Main Estimates.
- The ability to remain in a surplus position despite an increase in spending is largely owed to:
 - Infrastructure investments, which are mostly tangible capital assets. As they are anticipated to provide benefits over many years, their impact on the surplus/deficit position is recognized over their expected life.
 - Also, the additional \$55 million funding to the Receiver for the Victoria Gold Corp. is provided as a loan, which offsets the impact of these expenditures on the budgetary surplus.

Session Briefing Note**2024-25 Supplementary Overview
(Corporate Note)****Embargoed until tabled**

- Even with significant financial pressures in recent years, and in particular the response to the heap leach failure at the Eagle Gold mine, the Yukon remains on a strong financial footing. The government continues to make strategic investments that support economic growth, protect the environment, and enhance the quality of life for all Yukoners.

Additional response:

- The 2024-25 Supplementary Estimates No. 2 forecasts an overall gross increase of \$114.3 million in O&M spending, with an offsetting increase of \$7.9 million in recoveries-mainly for the following pressures:
 - \$55 million in advances to the Receiver for environmental protection work at the Eagle Gold Mine.
 - \$20.7 million in additional health-related funding to support Insured Health pressures, Yukon Hospital Corporation operations, emergency medical services, and legislated grant programs.
 - \$13.8 million for education related pressures, including Collective Agreement increase for the Yukon Association of Education Professionals and funding the First Nation School Board.

Session Briefing Note

2024-25 Supplementary Overview (Corporate Note)

Embargoed until tabled

- Capital adjustments in the Supplementary Estimates No. 2 reflect an overall gross increase of \$15.8 million in spending and a \$3.8 million increase in capital recoveries. These adjustments are primarily driven by:
 - Increases of \$21.7 million for accelerated work on the Nisutlin Bay bridge replacement and to address capital pressures related to ongoing land development projects;
 - \$7.8 million in decreases due to updated cash flow forecasts and revised timelines for major school replacement projects and the Watson Lake solar project.
- Revenues are projected to increase by \$7.8 million, driven by higher personal income tax and fuel tax revenue forecasts, as well as accrued loan interest from the Victoria Gold Corp. receivership

Context—this may be an issue because:

- The 2024-25 Supplementary Estimates No. 2 is tabled in the spring session and will be the subject of debate.

Approved by:

Jessica Schultz

February 24, 2025

Deputy Minister, Finance

Date approved

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

Executive Council
Office

Recommended response:

- Reconciliation is an ongoing process and a shared responsibility of all governments and individuals in the Yukon.
- Our government is deeply committed to advancing reconciliation through collaboration and partnership with Indigenous governments and groups.
- We continue to share our progress toward addressing the Truth and Reconciliation Commission's Calls to Action, most recently through a progress report and Pathways magazine both released in fall 2023.
- The magazine and report provided an update on the actions being taken across the Yukon government and in collaboration with Yukon First Nations governments 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.
- While there is still work to do, targeted investments are resulting in meaningful change and creating better programs and services for all Yukoners.
- We will continue our collaborative work to implement and report on the Calls to Action, including through work on the Yukon Forum joint priorities and by implementing the *Putting People First* recommendations.

Context—this may be an issue because:

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

Background:

Spring 2025**Truth and Reconciliation Commission
– Update on Calls to Action****Executive Council
Office**

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

Approved by:Justin Ferbey**Deputy Minister, Executive Council Office**2025 01 30**Date**

Session Briefing Note
Our Clean Future
Implementation

Environment and Energy,
Mines and Resources

Recommended response:

- Yukoners recognize that our territory, alongside jurisdictions around the world, is facing a climate emergency that is increasingly impacting our communities and way of life.
- In 2020, the Government of Yukon released Our Clean Future, the territory's first climate strategy that is guiding our response to climate change and climate adaptation.
- We continue to make significant progress on implementing Our Clean Future. In November 2024, we shared the 2023 Our Clean Future progress report that highlights our progress in adapting to climate change impacts and reducing greenhouse gas emissions.
- As of the end of 2024 we:
 - Registered 597 zero emission vehicles in the territory and all road-connected communities are equipped with fast chargers;
 - Provided over 1500 rebates for electric bikes;
 - Completed over 300 high performance residential retrofits including over 50 high performance commercial and industrial building energy retrofits;
 - Installed 219 smart heating devices in homes and buildings;
 - Installed 10 megawatts of renewable electricity through the Micro-Generation Program.
- In addition, we recently launched a new income tested heat pump rebate, which was fully subscribed within a month, providing 84 households with funding for heat pumps this year and next.

Session Briefing Note
Our Clean Future
Implementation

Environment and Energy,
Mines and Resources

- By the end of 2023, the Government of Yukon has completed 68 Our Clean Future actions, 105 are in progress or ongoing and 5 have not yet been started.

Additional response:

- As we continue to address climate change, it is important for us to look back on our progress and continue to assess how we can better respond to climate change and reduce our emissions.
- In 2023, we announced the addition of 42 new actions to help us reach our climate goals, which brings the total number of climate actions to 178.
- These new actions are a product of the important work of the Yukon Climate Leadership Council, the Yukon Youth Panel on Climate Change, Navius Research and the findings in the Climate Risk Assessment report.
- The new actions focus on reducing the Yukon's emissions, supporting accessible, reliable and affordable renewable energy, climate adaptation and transitioning to a green economy.
- By the end of 2024, we have made significant progress, including:
 - Completed flood maps for the Southern Lakes region, Teslin and Carmacks. Flood hazard maps are underway for Old Crow, the City of Dawson and the Klondike Valley, and Mayo.
 - Worked with municipalities and First Nations governments to finalize the Community Wildfire Protection Plans in Faro, Haines Junction, Teslin, the City of Dawson and Whitehorse. Plans for Beaver Creek, Mayo, Old Crow, Watson Lake, Destruction Bay and Burwash Landing are underway.

Session Briefing Note
Our Clean Future
Implementation

Environment and Energy,
Mines and Resources

- Advanced climate change preparedness by initiating development of a permafrost monitoring system for key public buildings, and guidelines to address climate hazards in major infrastructure projects.
 - Established a geohazard mapping program to understand risks from climate change to the Yukon's transportation corridors.
 - Completed flood risk mapping for all transportation corridors in the Yukon.
- We are committed to efforts to reduce greenhouse gas emissions and we support Yukoners in the transition to cleaner transportation options and energy efficient homes and buildings.
- In 2024, we:
 - We passed legislation to set a target of a 45 per cent reduction in mining sector emissions per unit of production by 2035.
 - Began providing rebates for medium-duty electric vehicles.
 - Installed electric vehicle chargers in every road-accessible community in the Yukon, enabling zero-emissions travel throughout the territory. 20 fast charging stations are now operational throughout the territory, and one new Level 2 charger in Swift River. (See EMR BN #30)
- Since 2020, we have provided rebates for 543 energy efficient new homes, exceeding our 2030 target of 500.

Session Briefing Note

Our Clean Future Implementation

Spring 2025
Environment and Energy,
Mines and Resources

Third response:

- Existing actions put us on track to reduce the Yukon's emissions by 30 per cent by 2030. However, there is still significant work required to meet our target reduction of 45 per cent by 2030.
- One of the major drivers of emissions is population – more people means more cars on the road and more homes to heat.
- However, as the population of the Yukon continues to grow, we aren't seeing the rate of emissions increase that we would expect.
- We are seeing lower emissions per Yukoner than we saw in 2010; this is a promising sign that the emissions intensity of everyday life for Yukoners may be starting to decrease.
- We will continue to build on Our Clean Future as we learn more and implement new actions. This will be reflected in the annual reports.
- We will continue to find opportunities to reach our targets as we work with experts, stakeholders and partner governments across the territory and beyond.

Context — this may be an issue because:

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

Background:

- Our Clean Future was released on September 14, 2020, and now has 178 actions, of which 136 are original actions and 42 are new actions. These actions seek to reduce greenhouse gas emissions and support the Yukon to be highly resilient to the impacts of climate change by 2030.

ENV #20 / EMR #54
Spring 2025

Session Briefing Note
Our Clean Future
Implementation

Environment and Energy,
Mines and Resources

- The Government of Yukon reports annually on progress for the implementation of Our Clean Future. Four Annual Reports have been published to date, with the latest report released on November 12, 2024 (capturing 2023 data).
- The Our Clean Future website was launched in December 2023, which shows the government’s commitments and successes towards fighting climate change.

Approved by:

Dennis Berry

February 5, 2025

Deputy Minister, Environment

Date approved

Paul Moore

February 5, 2025

Deputy Minister, Energy, Mines and Resources

Date approved

Housing Landscape

Yukon Housing Corporation

Recommended response:

- Access to housing remains a priority, and work continues to address key challenges, including:
 - Expanding housing with support services for those in need.
 - Increasing the supply of affordable rental units.
 - Helping Yukoners navigate housing costs.
- Yukon Housing Corporation and its partners are adapting to high construction and borrowing costs by finding innovative ways to develop and maintain housing.
- The corporation's five-year strategic plan, *Creating Home*, is driving a more client-focused and collaborative approach to affordable housing and integrating support services to improve outcomes for Yukoners.

Additional response:

- Governments and stakeholders are working together to develop new land, expand housing options, and respond to the findings of the 2022 Office of the Auditor General Report on housing.
- Housing projects continue to move forward to meet the needs of Yukoners.

Context:

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

Background:

Section 1: Yukon population

- In June 2024, the estimated Yukon population was 46,640; an increase of 1,354, or 3.0%, compared to the revised figure for June 30, 2023 (45,286).
- The Yukon's population is forecast to increase to 51,520 by 2030.
- While the population of most age groups is expected to increase over this period, the number of seniors and people between the ages of 55 and 64 is expected to grow the fastest.

Housing Landscape

Yukon Housing Corporation

Section 2: Housing statistics

Average Whitehorse house prices (YBS)

	2023 Q4	2024 Q4	% Change
Single-detached house	\$627,400	\$657,900	3.0%
Condominium	\$416,000	\$611,900	7.2%

Yukon rents and vacancies (YBS)

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

New residential permits issued, Yukon (YBS)

Year	# of new residential permits
2020	657
2021	635
2022	416
2023	429

Residential building construction, Yukon (YBS)

	January-December 2023	January-December 2024
# residential permits issued*	988	839
\$ value of new permits*	\$81.1 million	\$156.2 million (92% increase)

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

City of Whitehorse, new housing completions ([CMHC](#))

Year	Homeowner	Rental	Condo	All
2018	66	100	61	227
2019	55	78	110	243
2020	80	116	152	348
2021	86	57	53	196
2022	111	194	181	486
2023	129	189	126	444
2024	73	19	151	243

Section 3: Capital projects recently completed by YHC or partners

Since 2022:

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

Housing Landscape

Yukon Housing Corporation

YHC projects completed 2022-2024

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

Major partnership projects completed 2022-2024

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

Section 4: Underway or upcoming housing capital projects for YHC and partners

YHC projects underway

Project	Start Date	Anticipated Completion Date	Number of Units
Watson Lake - 10-unit supportive living residence (TAB #20)	Summer 2023	Winter 2025	10
Dawson - 34-unit housing project - Korbo lot (TAB #19)	Fall 2024	2026-27	34
Whitehorse - 45-unit Ryder replacement	Fall 2024	Spring 2026	45
Burwash Landing - 1 staff duplex (TAB #25)	Fall 2024	Summer 2026	2
Whitehorse - Purchase of 190 Olive May Way (TAB #5)	July 2024	February 2025	18
Total units underway:			109

Major partnership projects underway or completed

Project	Start Date	Anticipated Completion Date	Number of Units
Safe at Home Society's supportive housing "The Hearth"	March 2024	Spring 2026	67

Session Briefing Note

TAB #1
Spring 2025

Housing Landscape

Yukon Housing Corporation

Safe at Home Society's supportive housing at 408 Alexander	May 2024	Completed	17
DDDC's affordable rental project "Winter Crossing"	Spring 2024	Spring 2026	105
Northern Community Land Trust Society's affordable homeownership "Project 1096"	June 2024	December 2025	32
HIF-7 funding recipients	Spring 2024	Fall 2026	78
Total units:			299

YHC projects planned

Project	Anticipated Start Date	Anticipated Completion Date	Number of Units
Teslin – 6-plex with Village and Teslin Tlingit Council	Design – 2025/26	2027/28	6
Carcross – 6-plex	Lot selected, YESAB approval in progress	2027/28	6
Mayo – 10-Unit Community Housing Project	Lot selected, Design – 2027/28	2029/30	10
Ross River – duplex	2026/27	2028/29	2
Haines Junction – 6-plex	2027/28	2029/30	6
Whitehorse – Accessible Triplex at 44-13 th Ave.	Deferred due to lack of city sewer/water infrastructure, plan to upgrade in 3-5 years.		3
Total units planned:			33

Section 5: Support for new residential land development

September 2024	As part of the Government of Yukon's ongoing commitment to increase land and housing availability and support business growth, new residential and industrial lots are being released in communities across the Yukon in partnership with municipalities and Yukon First Nations. <ul style="list-style-type: none"> seven residential lots in Haines Junction, Mayo and Watson Lake; and three industrial lots in Teslin and Haines Junction This is the sixth lot release this year and is a direct result of the Government of Yukon's historic investment in land development. Since 2021, 685 lots have been released through lotteries and tenders, with over 1,000 expected by 2026. (TABS # 37 & 38).
August 2024	As part of its efforts to work in collaboration with municipalities and Yukon First Nations governments to address housing and business space needs across the territory, the Government of Yukon has released 33 new residential lots across the Yukon. <ul style="list-style-type: none"> Twelve lots are available in Carmacks and Faro 21 country residential lots are available in the Lone Tree subdivision north of Teslin.
June 2023	Government of Yukon partnered with the Government of Canada and the City of Dawson to develop four new residential lots in Dawson.
February 2023	120 lots, including single family, multi-family and townhouse lots in Whistle Bend made available through public lottery.

Section 6: Tenants in Yukon Housing RGI units

YHC Unit Status as of April 24, 2025

Breakdown	Employee	RGI	Total
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Session Briefing Note

TAB #1
Spring 2025

Housing Landscape

Yukon Housing Corporation

Occupied	166	664	830
Under Allocation	2	13	15
Under Capital	2	9	11
Under Repair	3	25	28
Total	173	711	884

Length of RGI tenancy as of April 24, 2025

Length of RGI tenancy in years	Non-Senior	Senior	Total
<1 Year	79	41	120
01-02 Years	96	39	135
02-03 Years	38	33	71
03-04 Years	29	15	44
04-05 Years	18	17	35
05-10 Years	78	97	175
10-15 Years	21	25	46
15-20 Years	8	13	21
20+ Years	7	9	16
Total	374	289	663
Average Years	3.7	5.6	4.5

*The longest running tenancy is 29 years.

Section 7: Waitlist

YHC waitlists for seniors and non-seniors as of April 24, 2025 (TAB #13)

Community	Non-Senior	Senior	Total
Carcross	1	0	1
Carmacks	4	0	4
Dawson City	13	9	22
Haines Junction	2	2	4
Ross River	1	0	1
Watson Lake	16	3	19
Whitehorse	180	93	273
Total	217	107	324

As of April 24, 2025, 13 employees are on the waitlist (TAB #10)

Community	Employee
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Session Briefing Note

TAB #1
Spring 2025

Housing Landscape

Yukon Housing Corporation

Dawson City	6
Faro	1
Haines Junction	3
Pelly Crossing	1
Ross River	1
Teslin	1
Total	13

*Note Beaver Creek, Destruction Bay, Old Crow and Pelly Crossing do not have Rent-Geared-to-Income units and Whitehorse does not have employee housing units.

RGI Waitlist based on Priority Status as of April 24, 2025

Priorities	Non-Senior	Senior	Total
Affordability	136	59	195
By-Name List/Homeless (Community)*	5	2	7
Priority – Medical	11	17	28
Priority – Mobility	10	31	41
Priority – Gender-based violence	56	1	57
TOTAL	218	110	328

*Note this category is used to identify homeless priority in the rural communities outside of Whitehorse. This does not represent the total number of individuals and/or households on the Community By-Name List. Individuals who are homeless may be included in the affordable category until information is shared from the Coordinated Housing Access Team.

Time on Waitlist based on Secondary Status

Breakdown	Affordable	By-Name List	Medical	Mobility	Gender-based violence	Total
<1 Year	129	6	16	21	25	197
1-3 Years	51	0	9	13	28	101
3-5 Years	8	0	3	2	1	14
5-7 Years	7	1	1	2	0	11
7+ Years	1	0	0	0	0	1
Total	196	7	29	38	54	324
Average Years	1.2	1.2	1.4	1.4	1.0	1.2

* The By-Name List category identifies homeless priority in the rural communities outside of Whitehorse.

Section 8: Canada-Yukon Housing Benefit (TAB #9)

- The program helps low-to-moderate-income Yukoners in private market rental housing who cannot afford rent. Applicants can receive \$200, \$400, \$600 or \$800 per month, which will be paid directly to the individual.

Housing Landscape

Yukon Housing Corporation

- Applicants must provide proof of income to be eligible.
- Since the program's launch in November 2020, over 300 households have been supported.
- As of April 24, 2025:
 - 206 households were approved for the original benefit.
 - 18 households were approved for the gender-based violence stream.

Canada-Yukon Housing Benefit - Rental stream breakdown by benefit level as of April 24, 2025.

Benefit Level	# of Clients	Monthly Budget
200	77	\$15,400.00
400	38	\$15,200.00
600	47	\$28,200.00
800	44	\$35,200.00
Total	206	\$94,000.00

Canada-Yukon Housing Benefit - Rental stream recipients as of April 24, 2025.

Community	Non-Senior	Senior	Total
Dawson City	5	4	9
Haines Junction	3	0	3
Watson Lake	1	1	2
Whitehorse	149	43	192
Total	158	48	206

Section 9: Loans and Grants programs

1. **Yukoner First Home Program (TAB #6)** – Launched on April 23, 2024, the Yukoner First Home Program is a new program that provides a deferrable, low-interest loan to first-time buyers who have a pre-approved mortgage and need down payment support.
2. **Developer Build Loan (DBL) Program** – Provides loans for short-term construction financing to Yukon developers who may be unable to secure funding from traditional lenders. The program is for land and infrastructure development for residential purposes or building homes and multi-unit residential buildings. The loan is fully repayable to Yukon Housing Corporation.

Developer Build Loan Program

Applications	2020-21	2021-22	2022-23	2023-24	2024-Jan25	Total	%
Approved	1	1	1	0	2	5	46
Declined	0	0	2	1	0	3	27
Cancelled	0	2	0	1	0	3	27
TOTAL	1	3	3	2	2	11	100

Housing Landscape

Yukon Housing Corporation

3. **Home Ownership Loan Program** – A spring 2024 review found it was not adequately supporting the needs of Yukoners, prompting the transition to the new program. The program has been replaced by the Yukoner First Home Program.

4. **Municipal Matching Rental Construction Program (MMRCP)** – This is a one-time capital grant for projects that receive a municipal development incentive. It is meant to help increase the supply of rental housing in communities.

MMRCP

Applications	2020-21	2021-22	2022-23	2023-24	2024-Jan 25	Total	%
Approved	13	12	17	12	10	64	64.6
Declined	2	1	3	4	0	10	10.1
Cancelled	1	0	12	10	2	25	25.3
TOTAL	16	13	32	26	12	99	100

5. **Home Repair Program** – Funding to repair or upgrade primary residence. This program includes emergencies, accessibility and wildfire grants and a home repair loan. *Note: Three intakes have been completed for the fiscal year 2023-2024.*

Grants stream:

Applications	2020-21	2021-22	2022-23	2023-24	2024-Jan 25	Total
Approved/Pre-Approved	40	46	34	17	3	140
Declined	0	2	3	3	2	10
Cancelled	6	14	9	8	8	45
Total	46	62	46	28	13	195

Loans stream:

Applications	2020-21	2021-22	2022-23	2023-24	2024-Jan 25	Total
Approved/Pre-Approved	0	6	8	10	2	26
Declined	0	5	10	12	5	32
Cancelled	0	25	32	24	20	101
Total	0	36	50	46	27	159

Accessibility stream:

Applications	2020-21	2021-22	2022-23	2023-24	2024-Jan 25	Total
Approved/Pre-Approved	10	8	14	7	5	44
Declined	0	1	2	1	2	6
Cancelled	1	3	8	14	1	27
Total	11	12	24	22	8	77

Session Briefing Note

TAB #1
Spring 2025

Housing Landscape

Yukon Housing Corporation

Emergency stream:

Applications	2020-21	2021-22	2022-23	2023-24	2024-Jan 25	Total
Approved/Pre-Approved	10	6	6	5	3	30
Declined	0	2	6	11	6	25
Cancelled	1	1	4	36	11	53
Total	11	9	16	52	20	108

Session Briefing Note

TAB #1
Spring 2025

Housing Landscape

Yukon Housing Corporation

Wildfire Grants stream:

Applications	2020-21	2021-22	2022-23	2023-24	2024-Jan 25	Total
Approved/Pre-Approved	n/a	n/a	n/a	11	10	21
Declined	n/a	n/a	n/a	0	1	1
Cancelled	n/a	n/a	n/a	16	4	20
Total	n/a	n/a	n/a	27	15	42

6. **Housing Initiatives Fund (HIF)** – Provides capital construction grants for planning and development of new affordable home ownership or rental housing. Affordable is defined as at or below the median market rent or house price. All projects funded under HIF must remain affordable for 20 years. (TAB #26)

Approved by:

Samantha Paterson
President, Yukon Housing Corporation

April 25, 2025
Date Approved

Canada and United States Relations – Corporate Response

Executive Council Office

Recommended response:

- Canada and the United States (U.S.) have one of the strongest and mutually beneficial relationships of any two countries in the world.
- The U.S. is Canada's largest trading partner, and I hope to see more Yukon companies benefiting from that relationship.
- The Premier has been meeting regularly with Premiers and the Prime Minister to inform a united Team Canada approach to U.S. relations.
- Our government is doing its part to ensure the relationship between our countries remains secure and prosperous.
- The Yukon has had a lot of success over the last four years with the U.S. government, including a trade mission, solving border issues, and funding the Alaska Highway.
- Our interests in Arctic security, a healthy environment, critical minerals, robust transportation infrastructure and access to tidewater serve both our jurisdictions as investment and geopolitical focus remain on the North.
- We are working together to advance shared priorities that will improve the prosperity, stability and wellbeing of both jurisdictions.
- We continue to engage regularly with Governor Dunleavy, Alaskan congressional officials, and the U.S. Consul General in Vancouver.

Response to Tariffs

- On April 2, 2025, the U.S. Administration decided to push forward with unjustified and short-sighted global tariffs.

Canada and United States Relations – Corporate Response

Executive Council Office

- While we are relieved that the “Reciprocal Tariffs” Executive Order does not result in new tariffs for Canada, we remain concerned about the considerable tariffs which remain.
- The tariffs imposed by the U.S. administration challenge the U.S.’s reliability as a trading partner.
- As the U.S. Administration continues to be impulsive in their decisions relating to tariffs on Canadian goods, we will hold steady on our response until all threat of tariffs have been removed.
- U.S. tariffs on Canadian imports are deeply concerning and will harm workers and businesses on both sides of the border.
- These tariffs are unjustified, harmful to economic stability, and run counter to the spirit of free and fair trade that has defined our relationship for decades.
- While we value our relationship with the United States, we will not accept unfair trade practices that threaten Canadian jobs and prosperity.
- The Government of Yukon has developed a path forward to support a strong Team Canada response to see these tariffs lifted and to limit the impact on Yukoners.
- As part of our initial response, our government will:
 - Reduce purchasing products of American origin, such as liquor;
 - Limit U.S. business access to government procurement;
 - Mitigate impacts on Yukon businesses through the development of an assistance program;

Canada and United States Relations – Corporate Response

Executive Council Office

- Support the development of buy local campaigns; and
- Work to break down interprovincial and trade barriers.
- Additionally, in response to U.S. tariffs on automobiles and auto parts, we are reducing our reliance on U.S. companies by:
 - Suspending our EV rebate program for Tesla vehicles.
 - Suspending all Yukon government X accounts; and
 - Cancelling YG Starlink contracts except for those essential for emergency services and business continuity
- We are also working closely with the federal, provincial, and territorial governments to push back against U.S. tariffs.
- The only acceptable solution is the removal of all tariffs for Canada and Canadian products and businesses.

Economic and Trade Impact of Tariffs

- The imposition of U.S. tariffs on key Canadian exports creates uncertainty for Canadian businesses, discouraging investment, slowing growth, and straining cross-border economic relationships.
- We saw the damaging impact of past tariffs in 2018, and we will not hesitate to take strong action to protect Yukon jobs and industries.
- Retaliatory measures are never our first choice, but we will defend our economic interests, as necessary.
- CUSMA was signed to ensure fair and open trade between our countries. The United States should uphold its commitments under this agreement.

First Ministers' Meetings

Canada and United States Relations – Corporate Response

Executive Council Office

- The Premiers, the Prime Minister and key federal ministers have held regular discussions, both virtually and in person, since U.S. tariffs were first threatened in November 2024.

Context—this may be an issue because:

- Canada-US relations and threats from the Trump administration have seized all leaders in Canada.
- First Ministers have met regularly to discuss Canada-U.S. relations, which has been well covered by local and national media.

Background:

Canada-US relations

- Summary of U.S. tariffs imposed on Canada to date:

Type	Rate	Date of entry into effect
Fentanyl/Migration tariffs – non-CUSMA compliant goods	10% for potash & energy 25% for all other goods	March 4
Fentanyl/Migration tariffs – CUSMA compliant goods	0%	March 7
Steel and aluminum	25%	March 12
Autos	25% on all autos that do not meet the CUSMA rules of origin 25% on the value of non-U.S. content, for autos that qualify for CUSMA preferential treatment, but only once the Commerce Secretary certifies the determination of U.S. content on a model-by-model basis	April 3

Canada and United States Relations – Corporate Response

Executive Council Office

Auto Parts	0% for auto parts that qualify for CUSMA preferential treatment	To be announced in Federal Register, but May 3 at the latest
Reciprocal Tariffs	10% baseline does not apply to Canada (and Mexico) due to the current Fentanyl/Migration Tariffs	April 5

- On April 3, the U.S. Administration announced they will impose expansive country-specific tariffs ranging from 10 to 49 per cent on global trading partners, but did not levy any additional tariffs against Canada and Mexico. The U.S. stipulated that exemptions will continue for goods from Canada and Mexico that are compliant under the Canada-United States-Mexico (CUSMA) free trade agreement.
- The Prime Minister of Canada announced new countermeasures on April 3 to protect Canadian workers and businesses and defend Canada's economy. These countermeasures include:
 - Twenty-five per cent tariffs on non-[CUSMA](#) compliant fully assembled vehicles imported into Canada from the United States.
 - Twenty-five per cent tariffs on non-Canadian and non-Mexican content of CUSMA compliant fully assembled vehicles imported into Canada from the United States.
 - Canada's intention to develop a framework for auto producers that incentivizes production and investment in Canada.
 - Every dollar raised from these tariffs will go directly to support our auto workers.
- The evolving tariff situation has prompted diplomatic efforts and political discourse. Canadian officials are engaging in negotiations to seek clarity and potential exemptions, while U.S. policymakers deliberate on the broader implications of the proposed tariffs.

Canada and United States Relations – Corporate Response

Executive Council Office

- The Yukon-U.S. two-way merchandise trade in 2023 stood at \$150.1 million, down from \$240.5 million in 2022. Roughly 85 to 95 per cent of this annual trade is with Alaska.

Yukon government's April 3, 2025 response

- In response to U.S. auto tariffs, YG will: Immediately suspend our EV rebate program for Tesla vehicles, suspend all Yukon government X accounts (formerly known as Twitter) and cancel YG Starlink contracts except for those essential for emergency services and business continuity.

Yukon government's March 4, 2025 response

- Reduce purchasing of products of American origin: Direct the Yukon Liquor Corporation to stop placing orders of U.S.-made alcohol and to remove U.S.-made products from all Government of Yukon liquor stores. Because we do not want to hurt local businesses, licensees may continue to sell American-made products they already have in stock, but no new orders for U.S.-made alcohol will be placed.
- Limit U.S. business' access to government procurement: Direct the Department of Highways and Public Works to update territorial government procurement policies to encourage the purchase of more goods and services from local businesses and non-U.S. companies and minimize the purchase of U.S. goods and services.
- Mitigate impacts on Yukon businesses: Our government is allocating \$1 million to develop an assistance program, complementary to federal support programs, to help Yukon businesses adapt to the uncertain economic environment created by these tariffs. The goal of this funding is to keep support as flexible as possible, to be tailored to the specific needs of affected businesses. This program is funded through Budget 2025-26 and subject to legislative approval. Contingency funds in Budget 2025-26, also subject to legislative approval, will also be available to support Yukon businesses.

Session Briefing Note

ECO TAB 3a

Spring 2025

Canada and United States Relations – Corporate Response

Executive Council Office

- Support "Buy Yukon" campaigns: Support the development of buy local campaigns organized by local chambers of commerce.
- Break down interprovincial and international trade barriers: Through the Department of Economic Development, work with Yukon chambers of commerce and provincial and territorial partners to reduce barriers to internal trade and promote access to non-U.S. markets.

Approved by:

Justin Ferbey

2024 04 07

Deputy Minister, Executive Council Office

Date Approved

Session Briefing Note

Manitoba – Business Tax Deferral

Tab #A

Spring 2025

Finance

Recommended response:

- The Yukon is aware of Manitoba's proposed three-month deferral of remitting sales tax and payroll collected by some businesses.
- The Yukon does not have any taxes, that it administers, which imposes filing obligations on all business. Therefore, the territory cannot defer any sales or payroll tax in the Yukon as these do not exist.
- With that said, responding to the ongoing trade dispute is a key priority for the government and we are committed to supporting Yukoners in ways that will translate to direct support for Yukon businesses.
- As part of Budget 2025-26, the government is including \$1 million to develop an assistance program for Yukon businesses affected by U.S. tariffs, complementary to any federal support programs.
- The Government of Yukon has also included a \$75 million contingency in 2025-26, which may, in part, be directed towards any necessary support or responses stemming from the impact of those tariffs.
- Additionally, the government is working hand in glove with federal, provincial and territorial counterparts to break down interprovincial and international trade barriers, which will ease access to other Canadian markets for both Yukon businesses and individuals. This will reduce our reliance on trade with U.S. markets.
- As the trade dispute continues to evolve, the Government of Yukon will continue to keep Yukoners informed about how tariffs may affect the territory and how we will continue to support individuals, businesses and the territory's economy.

Session Briefing Note

Manitoba – Business Tax Deferral

Tab #A
Spring 2025
Finance

Background:

- “Premier Wab Kinew announced Tuesday businesses affected by the tariffs can choose to defer paying both the provincial sales tax and the provincial health and post-secondary levy — commonly called the payroll tax — for at least the next three months, starting with the February tax period.”
- Full article: [Manitoba's tariff relief measures welcomed by business community, brewery as good first step | CBC News](#)

Approved by:

Jessica Schultz

March 11, 2025

Deputy Minister, Finance

Approved

**Session Briefing Note
Eagle Gold Mine**

Finance & Energy,
Mines and Resources

Recommended response:

Funding for the Eagle Gold Mine Response

- In 2024-25, the Ontario Superior Court of Justice approved the Government of Yukon to loan up to \$105 million to the court-appointed Receiver for the Victoria Gold Corp.
- Additionally, the Receiver had access to \$29.2 million in cash assets of Victoria Gold Corporation to fund receivership activities in 2024-25. The Receiver utilized all of these assets in the 2024-25 fiscal year.
- On April 1, 2025, the court approved an increase to the maximum amount that the Receiver is authorized to borrow from the Government of Yukon from \$105 million to \$220 million.
- For 2025-26, loan advances from the Government of Yukon to the Receiver for Victoria Gold Corporation will total \$115 million for the period of April 1 to September 30 to support the response at the Eagle Gold Mine.
- The \$115 million falls within the \$118 million projected in additional loan advances as part of the 2025-26 budget.
- This will increase the loan receivable balance from \$105 million in 2024-25 to \$220 million in 2025-26.
- In addition to the funding advances from the Government of Yukon, \$17 million of funding will be provided to the Receiver from cash on hand and through the realization and monetization of non-core assets.

**Session Briefing Note
Eagle Gold Mine**

Finance & Energy,
Mines and Resources

- The total budget for the period of April 1, 2025 to September 30, 2025, referred to as the Phase 3 period in the Receiver's court filings, is \$132 million. This will be funded by \$115 million provided by Yukon government and \$17 million from the Receivers cash on hand.
- Financial security for the Eagle Gold Mine totaled \$104 million. In 2024-25 the Government of Yukon has accessed \$55 million of these bonds. These funds were recorded as deferred revenue. The remaining \$48.7 million balance of the Surety Bonds has been accessed and will offset the costs for the loans to the Receiver in 2025-26.

** See "Financial Summary" on page 7 for further details on the financial impacts of funding for the Receiver.*

Impact of expenditures on the surplus

- The Government of Yukon has included the loans to the Receiver in the Department of Energy, Mines and Resources' O&M appropriation, which is necessary to disburse the funds.
- The loan to the Receiver is secured by a court-ordered super-priority charge and is recorded as a loan receivable, offsetting the impact of the O&M appropriation and resulting in no immediate impact on the surplus.
- Interest earned on the loan is recorded as revenue to Government of Yukon, which has a positive impact on the budgetary surplus.
- If the mine or its assets are sold, the Government of Yukon is expected to be repaid on a priority basis. Full repayment would clear the loan.

Interest on loans to the Receiver

**Session Briefing Note
Eagle Gold Mine**

Finance & Energy,
Mines and Resources

- Interest applies to all loan advances to the Receiver at a rate of 9 per cent.
- An estimated \$3 million of interest will be accrued in 2024-25 on the \$105 million advanced to the Receiver in 2024-25.
- \$9.5 million in interest is forecast to be accrued for 2025-26, which is based on the additional \$118 million in funding advances provisioned in the 2025-26 Main Estimates.
- Accrued interest for a year is not simply equal to the total advances multiplied by the interest rate. Advances are provided periodically throughout the fiscal year, rather than as a lump sum. Interest is calculated daily and compounded monthly as per the terms of the loan.
- The interest is recorded as revenue in the budget and added to the loan receivable balance. This approach is per the accounting principles and financial management policies under the Financial Administration Act.
- The interest accrued for the advances to the Receiver is subject to the same court-ordered super-priority charge as the advances themselves, meaning the interest would be repaid on a priority basis if the mine or its assets are sold.
- Under the terms of the loan agreement, repayment to the Government of Yukon occurs first, toward any outstanding interest, fees, and costs; and second toward any outstanding principal amounts.
- The interest rate of 9 percent is consistent with the rates of borrowing undertaken by Victoria Gold Corporation prior to the heap leach failure

**Session Briefing Note
Eagle Gold Mine**Finance & Energy,
Mines and Resources

and also reflects the appropriate level of risk associated with this type of loan advance.

Impact on other companies who are owed funds (creditors)

- In August 2024, the Ontario Superior Court authorized the Receiver for Victoria Gold Corporation to borrow \$50 million from the Yukon government. This limit was raised to \$105 million in December 2024 and further increased to \$220 million in April 2025.
- The Yukon government, as the lender, was granted a super-priority charge, meaning it will be repaid on a priority-basis if the mine or its assets are sold. Other creditors must work with the Receiver for repayment of their outstanding debts.

Use of Eagle Gold Mine financial security / surety bonds

- Financial security for the Eagle Gold Mine totaled \$104 million. In 2024-25 the Government of Yukon has accessed \$55 million of these bonds.
- The remaining balance of the security held for the Eagle Gold mine is \$49 million. The Government of Yukon was granted approval from the courts to access these funds when payments are advanced to the Receiver in 2025-26. These funds have been received from the sureties and are being held by the Government of Yukon.
- The cash from the security is not reflected as a recovery at this time. If a transaction is approved by the Court and supported by the Government of Yukon that involves a restart of operations at the mine site or

Session Briefing Note
Eagle Gold Mine

Finance & Energy,
Mines and Resources

liquidation of major assets, all payments made to any parties would be subject to an Order of the Court.

How long will the \$118 million included in 2025-26 Budget last?

- Budget 2025-26 includes \$118 million in O&M funding for the Department of Energy, Mines and Resources to support critical environmental protection work at the Eagle Gold Mine.
- The court report identifies that there are non-core assets that can be monetized and used to offset the cost of emergency work.
- As non-core assets are monetized, the amount of funding provided as a loan by the Government of Yukon is anticipated to be reduced.
- This is a dynamic situation with multiple factors that could impact costs in the future. The Government of Yukon will continue to monitor the situation closely to ensure we protect the environment effectively while managing financial impacts responsibly.

Context—this may be an issue because:

- The June 24, 2024, heap leach failure at the Eagle Gold Mine affects the environmental and socio-economic wellbeing of Yukoners – from an environmental and business perspective.
- The Second Supplementary Estimates for 2024-25 and the Main Estimates for 2025-26 include additional funding to support the response to the heap leach failure at the Eagle Gold Mine.

Background:

- Yukon.ca is regularly updated with information bulletins to inform the public about the Eagle Gold Mine heap leach failure's current situation.

Session Briefing Note
Eagle Gold Mine

Finance & Energy,
Mines and Resources

- For additional background, see Corporate Note “Eagle Gold Mine – Impacts”, #25 in the Department of Finance’s session binder).

Interest on loans to the Receiver

- The estimated interest on loan is recorded as revenue in the fiscal year in which it is earned and is added to the balance of the loan receivable.
- Interest on the loan is payable to the Government of Yukon General Revenue Fund at such a time that there may be a sale of the mine or its assets.
- The interest earned is estimated to be \$3 million for 2024-25 and \$9.5 million for 2025-26.

Surety bond

- The cash from the security is not reflected as a recovery at this time.
- Funds received from the surety bond (\$55 million) have been advanced to the Receiver.
- The surety bonds have been drawn down and are being held by the Government of Yukon.
- Future draws from the remaining bond balance of \$48.7 million will be advanced to the Receiver as required.

Session Briefing Note

Eagle Gold Mine

Spring 2025

Finance & Energy,
Mines and Resources

Financial Summary

	2024-25 Supp #1	2024-25 Supp #2	2025-26 Mains	Total	Notes
Amounts appropriated (EMR)					
O&M Expense (Vote 1)	50,000	55,000	118,000	223,000	1
Interest on loan revenue (Vote 5)	-	3,044	9,500	12,544	
Cash impact on Yukon government					
Cash from YG to the Receiver	50,000	55,000	115,000	220,000	
Cash to YG from the surety bonds	-	55,000	48,742	103,742	2
Net cash disbursements YG	50,000	-	69,258	119,258	
Impact on balance sheet accounts					
Loan receivable (YG asset)	50,000	55,000	115,000	220,000	
Interest on loan receivable (YG asset)	-	3,044	9,500	12,544	
Deferred revenue (YG liability)	-	55,000	48,742	103,742	3

Notes

1. The 2024-25 Supp #2 shows an O&M increase in the Department of Energy, Mines and Resources of \$51.8 million as the department also had \$3.2 million in other reductions.
2. It is anticipated that Yukon government will have received \$103.7 million from surety bonds in 2024-25 and 2025-26 for Eagle Gold Mine response work.
3. Yukon government anticipates to carry a deferred revenue balance of \$103.7 million from the surety bonds until a decision is made by the courts. If the courts determine Yukon government can retain the funds, these funds will be recognized as a recovery. If the courts make another determination, Yukon government may have to repay the balance (or a portion of the balance).

Approved by:

Sierra van der Meer

April 30, 2025

Deputy Minister, Energy Mines and Resources

Date Approved

Jessica Schultz

April 30, 2025

Deputy Minister, Finance

Date Approved

Prepared for Minister Silver and Minister Streicker
Department of Finance
Department of Energy, Mines and Resources

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Session Briefing Note

Carbon pricing and rebate removal in BC, the NWT and the Yukon

Recommended response:

- On March 14, Prime Minister Mark Carney signed an O.I.C. which ended the federal consumer carbon levy beginning April 1, 2025.
- This will end the fuel charge that applies in jurisdictions using the federal backstop.
- From the outset, the Yukon has opted into the federal backstop, meaning the carbon price which applies in the territory is administered federally.
- With the elimination of the federal fuel charge, this will end the collection of carbon levies in the Yukon. No legislative changes are required in the territory for this to occur.

Additional response:

- The Northwest Territories implemented its own carbon pricing system through legislation, rather than adopting the federal backstop. This territorial program remains in effect despite the federal consumer carbon levy being eliminated.
- Effective April 1, 2025, the Northwest Territories will remove the consumer carbon tax for all but large emitters by providing a 100% at-source (at the pump) rebate through regulatory amendments. Legislative changes will follow later to formally repeal the carbon tax.
- British Columbia implemented Canada's first carbon pricing system in 2008, through its Carbon Tax Act, establishing a broad-based,

Session Briefing Note**Carbon pricing and rebate removal in BC, the NWT and the Yukon**

provincially administered carbon tax that predates and operates independently of the federal carbon pricing backstop.

- British Columbia is eliminating its consumer carbon tax effective April 1, 2025, in response to the federal decision. Legislation was tabled on March 31 to repeal the tax, and the Climate Action Tax Credit will also end, subject to legislative approval. The province will maintain its output-based pricing program for large emitters.

If asked about wind down of Yukon carbon rebate:

- With the end of the consumer carbon price at the federal level, the Yukon government is now looking at how this will impact the territory's carbon rebate.
- As Minister of Finance, I have written to my federal counterparts to seek further clarity on the impact to the territory's rebate, as well as to determine next steps.

Context—this may be an issue because:

- On March 14, 2025, Prime Minister Mark Carney signed an O.I.C. to end the federal fuel charge.
- This change means that jurisdictions relying on the federal backstop no longer have a consumer carbon pricing system in place.
- However, jurisdictions with their own carbon pricing systems remain unaffected, as their pricing mechanisms were implemented through territorial or provincial legislation rather than the federal system.

Session Briefing Note

Carbon pricing and rebate removal in BC, the NWT and the Yukon

- The Northwest Territories has confirmed it will eliminate its carbon tax for all but large emitters through a 100 per cent at-source rebate effective April 1, 2025, with legislative changes expected to follow.
 - British Columbia has also announced it will repeal its consumer carbon tax through legislation effective April 1, 2025, and end the Climate Action Tax Credit, subject to legislative approval.
-

Background:

- On March 14, 2025, Prime Minister Mark Carney delivered on his leadership campaign commitment to end the consumer carbon levy. An O.I.C. was issued to end the federal fuel charge after March 31, 2025. The Prime Minister committed to delivering one final rebate payment to individuals in April 2025.
- The Greenhouse Gas Pollution Pricing Act was introduced to establish a national framework for carbon pricing, ensuring that all provinces and territories had a system in place that met federal stringency requirements. Jurisdictions could either:
 - Implement their own carbon pricing system, provided it met the federal benchmark, or
 - Adopt the federal backstop, which included a fuel charge on fossil fuels such as gasoline and natural gas and the Output-Based Pricing System (OBPS) for large industrial emitters.
- The recent federal policy change eliminated the consumer carbon levy, meaning the fuel charge is no longer in effect across Canada. However, because the Greenhouse Gas Pollution Pricing Act allowed provinces and territories to establish their own systems, the impact of this change varies by jurisdiction.
- From the outset, the Yukon opted into the federal backstop, meaning its carbon pricing was fully federally administered. Revenues have been returned to the

Session Briefing Note

Carbon pricing and rebate removal in BC, the NWT and the Yukon

Yukon government, which distributes them through the Yukon Government Carbon Price Rebate (YG CPR).

- Carbon pricing in the Yukon will automatically cease with the elimination of the federal fuel charge, and the Yukon's rebate program is now being wound down. In contrast, BC and the NWT must take active steps to repeal their own consumer carbon levies, as these were established through provincial and territorial legislation.
- British Columbia implemented its own carbon pricing system through provincial legislation, rather than using the federal backstop. The system has operated independently since 2008, aligned with federal benchmarks but administered separately.
- The Northwest Territories' carbon pricing system remains in place and must be amended or repealed through territorial legislation. In the interim, the government will remove the consumer carbon tax for all but large emitters through a 100 per cent at-source rebate effective April 1, 2025. Legislative changes may follow when the Legislative Assembly reconvenes in May.
- British Columbia will eliminate its consumer carbon tax effective April 1, 2025, and end the Climate Action Tax Credit, subject to legislative approval. The climate action tax credit, developed to help offset the impacts of the consumer carbon tax on people and families, will also be cancelled. The final payment will be distributed in April 2025.
- Cancelling the tax and the credit will have an estimated impact of \$1.99 billion in the coming fiscal year, British Columbia will restructure other programs funded by the carbon tax to minimize the fiscal impact. No details were provided.
- The province will continue to apply output-based pricing to large industrial emitters.

Session Briefing Note

Carbon pricing and rebate removal in BC, the NWT and the Yukon

- Canada only ended the consumer portion of the carbon levy. Carbon pricing for industrial emitters through the Output-Based Pricing System remains in effect federally and continues to apply in jurisdictions using the federal program.

Approved by:

Jessica Schultz

April 1, 2025

Deputy Minister, Finance

Date approved

Session Briefing Note**Spring 2025****Conference Board of Canada Territorial
Outlook for Yukon – Spring 2025**

Finance

Recommended response:

- The Conference Board of Canada has released their spring 2025 *Territorial Outlook*. We are pleased to see that it is generally in line with the 2025-26 Fiscal and Economic Outlook released by the Government of Yukon which forecasts a return to positive GDP growth by 2026.
- The Conference Board notes that despite near-term setbacks in the mining sector, the Yukon's economy is expected show continued resilience, supported by a strong labour market and robust spending from both residents and visitors.
- The Conference Board outlines how wage growth has played a key role in restoring household purchasing power, particularly with Whitehorse's inflation rate averaging 2 per cent in 2024, which is in line with the Bank of Canada's target.

Additional response:

- The Conference Board recognizes that a strong tourism year for the Yukon in 2024 supported the local economy, as higher visitor numbers provided a boost to the retail and hospitality sectors.
- While retail sales were still relatively subdued in 2024, even as interest rates loosened their grip, stable inflation and favourable wage trends should now support steady retail sales growth, averaging 3.2 per cent, annually, through 2030.
- In addition, the Board notes that despite the near-term challenges, including the suspension of operations at the Eagle Gold Mine, the Yukon's job market is expected to remain resilient.

Session Briefing Note

Spring 2025

Conference Board of Canada Territorial Outlook for Yukon – Spring 2025

Finance

- The Conference Board projects that job creation and labour force growth should average 1.3 per cent, annually, supported by continued demand for workers, which will keep the unemployment rate relatively low over the forecast period.
- The report forecasts that the Yukon's population should continue to grow over the forecast period with positive net-interprovincial migration, adding around 165 people per year.
- It also notes that real business investment in residential structures rose by an estimated 5.5 per cent in 2024, with an even stronger 8.6 per cent increase projected for 2025.
- We are pleased to see the Conference Board shares our assessment that the Yukon's economy remains resilient, with strong job growth and a thriving tourism sector.

Context — this may be an issue because:

- The Conference Board of Canada is a global think-tank whose reports often gain public attention. Previous releases of the territorial outlook have received some media attention.

Background:

- The Conference Board of Canada produces forecasts for each territory, normally on a biannual schedule with spring and fall releases.
- The Government of Yukon has been a member of the Conference Board of Canada's northern policy focused arm, the Centre for the North, since 2009, with membership annual funding of \$25,000 provided through the Department of Economic Development.
- The Department of Finance's Economic Research Branch participates in the development of the Yukon forecast by providing feedback to the Conference

Session Briefing Note

Spring 2025

Conference Board of Canada Territorial Outlook for Yukon – Spring 2025

Finance

Board on assumptions for their economic model and reviewing initial forecasts produced however, the Conference Board forecasts are independent from the Government of Yukon's forecast and involvement of the Branch is of an advisory nature only.

- The latest territorial forecast was released on March 25, 2025.
- Long-term economic projects from the Conference Board are used as a weighted input in development of Yukon's long-term population projects by the Yukon Bureau of Statistics.
- In addition to the Conference Board's long-term forecast, the Department of Finance produces a medium-term forecast published with the Government of Yukon's budget release in the spring, as well as an update which coincides with the Legislative Assembly's fall sitting.
- The forecasts between the two groups use different economic models, some differences in assumptions and are produced at different times, leading to differences. A medium-term comparison is provided below:

		2024	2025f	2026f	2027f	2028f	2029f
Real GDP (% Change)	Department	-0.6	-0.3	1.0	2.4	2.0	1.6
Real GDP (% Change)	CBoC	-1.6	-2.3	2.1	2.4	2.7	4.0
Population	Department	46,640	47,600	48,600	49,500	50,400	51,300
Population	CBoC	46,704	46,974	47,094	47,329	47,792	48,280
Employment	Department	26,500	27,200	27,300	27,600	27,700	28,000
Employment *	CBoC	25,243	25,421	25,404	25,505	25,870	26,245
Unemployment Rate (%)	Department	4.3	4.5	4.7	4.2	5.0	5.1
Unemployment Rate (%)	CBoC	4.4	4.4	4.3	4.2	4.1	4.0

* The Conference Board of Canada employment figures are based on Statistics Canada estimates prior to their annual rebase which was released after their forecast was completed.

- Neither the Yukon government's Fiscal and Economic Outlook or the Conference Board of Canada's spring forecast include estimates of the impact of shifting tariff threats with the U.S., although both groups continue to monitor and evaluate potential impacts as they evolve.

Session Briefing Note

Spring 2025

**Conference Board of Canada Territorial
Outlook for Yukon – Spring 2025**

Finance

Approved by:

Jessica Schultz

March 24, 2025

Deputy Minister, Finance

Date approved