The DEPARTMENT of ECONOMIC DEVELOPMENT 2022 Fall Session DEPARTMENTAL BRIEFING NOTES

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Department of Economic Development Accomplishments

Economic Development

Recommended response:

- The Department of Economic Development continues to support Yukoners and their businesses as the recovery from the pandemic progresses.
- The Economic resilience plan: Building Yukon's COVID-19 economic resiliency was released to the public on March 10, 2021, to guide the Yukon's economy back to pre-pandemic levels of productivity, and to chart a path beyond in a way that is consistent with our environmental and socio-economic commitments.

Current COVID-19 Programs:

• As of October 27, 2022, the Paid Sick Leave Rebate program has processed rebates of \$3,447,157 to 448 employers, providing sick leave pay to 2,488 workers since March 2020.

Expired COVID-19 Programs:

- In the 2020-21 fiscal year, the Department of Economic Development provided almost \$20 million through its COVID-19 support programs.
- In the 2021-22 fiscal year the department has provided \$3.5 million in additional funding.
- The Yukon Emergency Relief Program has supported Yukon businesses and non-government organizations directly affected by restrictions under the *Civil Emergency Measures Act* (CEMA) and expired on March 31, 2022, two weeks after the CEMA orders were lifted. As of September 20, 2022, 25 organizations have received \$307,679 through the Yukon Emergency Relief Program.
- The Vaccine Verification Rebate was created to support eligible businesses and organizations to purchase equipment required to verify vaccination status. At the program's conclusion, 48 inquiries

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Department of Economic Development Accomplishments

Economic Development

had been received with 34 rebate applications. The approximate rebate total has been \$12,997.

- Starting on October 1, 2021, Economic Development began administering the Tourism Accommodation and Tourism Non-Accommodation Support Supplements to support tourism-reliant businesses. Both programs have now ended (TASS ended on March 31, 2022; TNASS ended on July 31, 2022).
- Between April 1, 2022 and July 31, 2022, the department received 30 TNASS applications. Of those, 23 were approved for a total of \$737,162 in support.
- In total, we have approved \$3.44 million in interest-deferred loans for 62 applicants through the Regional Relief Loan Program.

Mining:

- Economic Development is in negotiations with Skagway and industry here in the Yukon on potential solutions to keep Skagway as an ore export option as Skagway advances its port redevelopment project.
- We provide the Yukon Mining Alliance (YMA) with annual funding to support its global investment attraction activities.

Immigration:

- In 2021, the Yukon Nominee Program approved nominations for 317 foreign nationals to move to the Yukon to fill crucial positions for businesses across the territory. This is the first time the Yukon has used its full allocation since the inception of the program.
 - o Between January 1, 2022 and November 3, 2022, 358 new candidates have been approved.
- The governments of the Yukon and the Philippines signed a memorandum of understanding March 18, 2022 to make it easier for

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Department of Economic Development Accomplishments

Economic Development

Filipinos to immigrate to the Yukon under the territory's Yukon Nominee Program (YNP).

Technology and Innovation:

- An Innovation Commission was established between August and November 2021 to advise on the development of a five-year innovation strategy that will attract technology start-ups and grow the Yukon's digital ecosystem.
- We are committed to building a thriving innovation economy and have supported YuKonstruct's Startup Bootcamp, TechYukon's North of Al program, and Yukon University Innovation and Entrepreneurship's Yukon Innovation Prize.

Funding Supports:

- We have streamlined our funding support programs by amalgamating the Enterprise Trade Fund (ETF), Regional Economic Development Fund (REDF) and Strategic Industries Development Fund (SIDF) into a single Economic Development Fund (EDF), launched on April 1, 2021.
- During the 2021-22 fiscal year, EDF supported 54 projects with a total contribution commitment of over \$1.4 million.
- Since April 1, 2022, 50 projects have been supported through EDF with a total contribution commitment of \$2,241,122,, including several multi-year initiatives.
- The Community Development Fund (CDF) has enabled us to support 59 projects for the 2021-22 fiscal year with a total contribution commitment of \$2,931,497.
- In the period between April 1 to November 18, 2022, 53 projects have been supported through the CDF, with a total contribution commitment of \$3,047,107.

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Department of Economic Development Accomplishments

Economic Development

Media Development:

- Four new media funding programs and their administrative business guidelines were announced on January 10, 2022, to support the production of professional film, television and digital media projects.
- As of November 3, 2022, we have approved 19 film applications for \$1,131,000 with total anticipated spending in the Yukon of \$3.7M, creating local jobs and building capacity while supporting Yukon businesses and entrepreneurs and contributing to economic diversification.
- The new Performing Musicians Fund held its first intake in July 2022, approving funding for 11 musicians for a total of \$86,000. The second intake in September 2022 provided \$150,000 for 13 musicians. Eight established musicians and 16 emerging musicians have received funding in 2022.

Trade:

- We are creating opportunities for businesses to expand beyond our territory while applying the Yukon's special provisions and negotiated exceptions to develop our economy at home through the Canadian Free Trade Agreement (CFTA).
- Yukon is the Chair of the Committee on Internal Trade for 2022 and will host an annual meeting of the CFTA Parties on December 8, 2022 in Toronto.
- Key decisions related to trade in cannabis and financial services are anticipated at the meeting.
- Since last session, Yukon has signed onto a reconciliation agreement to implement entry-level training for commercial drivers. Reconciliation

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Department of Economic Development Accomplishments

Economic Development

agreements remove non-tariff barriers to trade within Canada and are simplifying inter-jurisdictional operations for Yukoners and Yukon companies.

 We continue to participate in regional and global innovation initiatives to encourage investments in our economy, support growth of Yukon businesses across all sectors and create opportunities for employment, diversification and market expansion.

Labour Market Development:

- To support strategic alignment and economic recovery, Economic Development became the lead department for Labour Market Development on April 1, 2022.
- Labour Market Development will distribute \$5,371,000 in 2022-23 for programs and services that will help individuals meet their labour market goals and help employers recruit, train and retain staff they need for their businesses to thrive.
- Within that budget, Labour Market Development has committed:
 - o Support for 11 organizations providing labour market programs for First Nations, benefitting nearly 1,000 individuals.
 - o Support for 15 service providers to provide services to approximately 3,000 Yukoners to help them develop the foundational skills they need to attach to the labour market.
 - o Support for 9 organizations to provide employment assistance services to help approximately 7,000 individuals to obtain employment. This category includes needs determination and employment counselling and job search training, and providing labour market information.

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Department of Economic Development Accomplishments

Economic Development

- Support for 4 organizations to support and promote trades and apprenticeship and subsidies to provide work experience and on-the-job training to 30 Yukoners.
- o Support for 9 organizations to provide supports for employers.

Context—this may be an issue because:

 The Department of Economic Development has been focused on supporting the Yukon's businesses to weather the COVID-19 pandemic. In addition, it has continued to advance many important files and priorities.

Background:

• Economic Development's current Strategic Plan (2022-23 to 2024-25) identifies a vision of:

The Department of Economic Development aims to be a dynamic partner to First Nations, municipalities and the private sector with responsive resources for targeted opportunities that have measurable impacts on economic growth and diversification.

Approved by:

Deputy Minister, Economic Development

November 24, 2022

Date approved

Session Briefing Note Regional Accomplishments

Fall 2022

Economic Development

Date prepared: August 22, 2022 Last Updated: November 18, 2022

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Recommended response:

- The Government of Yukon has made significant investment across all communities in the Yukon.
- Communities have benefitted from a variety of funds administered by the Department of Economic Development, most significantly the Community Development Fund and the Economic Development Fund.
- Community funding is broken down by region. From April 1, to November 18, 2022, the department has provided communities outside of Whitehorse with \$1,790,863 in financial assistance through our various funding programs as follows:
 - o North region: \$828,233;
 - o West region: \$121,590;
 - o Central region: \$330,500; and
 - o Southeast region: \$510,540.

Additional response:

- From April 2021 to March 31, 2022, \$1,271,738 in financial assistance was provided to communities outside of Whitehorse through our various funding programs as follows:
 - o North region: \$435,589;
 - o West region: \$122,954;
 - o Central region: \$178,841; and
 - o Southeast region: \$534,353.

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Regional Accomplishments

Economic Development

Context—this may be an issue because:

• There may be a perception that funding activities are Whitehorse-centric. The data shows that funding activities are occurring in all regions and communities throughout the Yukon.

Background:

- The regional funding overview provides a breakdown of Economic Development funding to clients and projects within communities outside of Whitehorse from April 2022 to November 18, 2022.
- North Region: Dawson City, Eagle Plains, Keno, Mayo, Old Crow.
 - o Thirteen organizations received combined total funding of \$828,233;
 - Economic Development Fund: three organizations, \$206,502;
 - Community Development Fund: ten organizations, \$621,731.
- West Region: Beaver Creek, Burwash Landing, Destruction Bay, Haines Junction.
 - o Four organizations received combined total funding of \$121,590;
 - Economic Development Fund: three organizations, \$99,277;
 - Community Development Fund: one organization, \$22,313.
- Central Region: Carmacks, Faro, Pelly Crossing, Ross River.
 - Community Development Fund: five organizations, \$330,500.
- Southeast Region: Carcross, Southern Lakes, Teslin, Watson Lake.
 - Community Development Fund: six organizations, \$510,540.

Approved by:	
fustin ferberg	
	November 21, 2022
Deputy Minister, Economic Development	Date approved

Fall 2022

Economic Development

Date prepared: August 31, 2022

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Last Updated: November 21, 2022

Recommended response:

- The Government of Yukon recognizes the Skagway ore terminal as a valuable export option for the Yukon mining industry - facilitating access to international markets.
- We have had very productive conversations with the Municipality of Skagway in recent weeks to identify shared interests and advance both the Yukon's and Skagway's priorities relating to the ore terminal.
- We are currently in talks with Skagway to determine how to advance a solution that serves the Yukon's interests. We are coordinating with industry and affected parties.
- We believe that our interests are broadly aligned with Skagway's, and will continue to work towards a solution that addresses the needs of the Yukon's current and future ore terminal users.

Additional response:

- We are engaging the Municipality of Skagway, industry, and federal partners to identify both short term and long term solutions for tidewater access, with Skagway as the port of preference.
- We respect the priorities and responsibilities of the Municipality of Skagway as they plan for the future of the ore peninsula post-2023.

If asked about the status of current negotiations:

• We are currently in negotiations with Skagway about the potential for new infrastructure capable of supporting ore-loading equipment to be included in its port redevelopment project.

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Economic Development

Date prepared: August 31, 2022

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Last Updated: November 21, 2022

If asked about timelines and the Skagway Ore Dock Emergency Project:

- Skagway's Assembly has voted on November 17 not to proceed with the Emergency Project to allow very large cruise ships to moor at the Ore Dock, primarily due to cost and timeline considerations.
- The Municipality's rockslide mitigation project will continue regardless,
 with a view to later re-open the north berth of the Rail Road Dock.
- The ore loader is again scheduled for demolition in October 2023. We will continue to monitor developments in Skagway that may impact Yukon.

If asked about the current ore loader and interim solutions:

- The Department facilitated a conversation between Skagway and Minto Metals on October 20, 2022 on potential interim solutions.
 Minto has indicated they may propose potential solutions for Skagway's consideration.
- The Department's negotiations with Skagway include a wide variety of issues. While negotiations are focused on replacement infrastructure, both short-term and long-term industry needs are being considered.

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Economic Development

Context—this may be an issue because:

- In October 2021, the Alaska Industrial Development and Export Authority (AIDEA) announced it would allow the lease for the ore terminal to lapse in March 2023. Control of the ore terminal will revert to Skagway.
- Skagway plans to redevelop the ore peninsula to increase its cruise ship capacity after it takes control of the port in March 2023. It plans to demolish the current ore loader and does not plan to replace it without financial support from Yukon.

If asked why the MOU with Alaska's Industrial Development and Export Authority (AIDEA) was not signed:

 We were not able to commit to co-financing at the time of MOU discussions as there was not enough information on the scope of AIDEA's project or potential cost to consider a commitment.

Background:

- The Port of Skagway is the closest ice-free, deep water port access to most of the Yukon. The current location of the ore terminal shortens the sailing time to Asian markets as compared to other western North American ports.
- The Skagway Ore Terminal's only current user is Minto Metals.
- Following the publication of an evaluation on requirements to modernize and right-size the ore terminal in October 2021, AIDEA announced it would allow the sublease to lapse in March 2023. Control of the ore terminal will revert to Skagway.
- Skagway previously indicated that it may not continue to operate the ore terminal after March 2023. If approved, in October 2022, an Emergency project will partially demolish the ore loader in early 2023.

67(3)(a), 76(1)

Session Briefing Note Skagway Ore Terminal

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Economic Development

 On October 20, 2022, the Department of Economic Development facilitated a meeting between Municipality of Skagway officials and representatives from Minto Metals. The meeting included extended discussions on potential interim solutions following the planned demolition of the current ore loader. 67(3)(a), 76(1)

Skagway Port Redevelopment:

- Skagway is undertaking a port redevelopment project that will eliminate its ore export capability by as early as March 2023. Yukon has proposed a marine service platform capable of supporting ore loading equipment be constructed as part of the redevelopment project.
- Skagway's timelines are aggressive, and are organized around expanding the port's cruise ship capacity for the 2024 cruise season.

67(3)(a), 74(1)(a), 75(1)(a)(iv), 76(1)

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Economic Development

Skagway Emergency Project:

- Multiple rockslides over summer 2022 have occurred above Skagway's Rail Road Dock, which hosts its busiest cruise ship berths. Skagway has consequently closed the north Rail Road Dock berth until sufficient rockslide mitigation measures can be implemented.
- Skagway considered an emergency Alternative Mooring project to allow very large cruise ships (VLCS) to moor at the Ore Dock. It received four bids, ranging from USD 10.78 million to USD 15.72 million, although pre-procurement would increase costs.
- On November 17, the the Skagway Borough Assembly voted, with Mayor Cremata breaking a tie, 4-3 against awarding a contract. The decision was driven mainly by cost and timeline considerations.
- Rockslide mitigation work will proceed, with an eye to later reopening the north berth of the Rail Road Dock.
- The ore loader is again scheduled for demolition in October 2023, rather than March. However, MoS has still not indicated it will use the ore loader once the lease for the Skagway Ore Terminal reverts to Skagway.

Aр	prov	ved	by:

Deputy Minister, Economic Development

November 22, 2022

Date approved

Session Briefing Note Worker/Labour Shortage

Fall 2022

Economic Development

Recommended response:

- The Yukon is experiencing the effects of a nationwide labour market crisis in which many employers are experiencing difficulty finding suitable workers to maintain or grow their businesses.
- The Department of Economic Development is working to help Yukon businesses by aligning supports provided by the Labour Market Development Branch and the Immigration Branch.
- We have re-deployed labour market development supports from the Department of Education to the Department of Economic Development to centralize support, leverage the department's existing relationships with employers, and coordinate labour market development initiatives.
- We are developing a new Immigration Strategy to reflect current labour market needs, supporting businesses to fill labour shortages and newcomers to become an integral part of the Yukon community.
- Labour market development programming is targeted at Yukoners as the first priority, and immigration programming seeks to address the workforce gaps remaining.

Additional response:

- We are moving on a number of initiatives:
 - o Projects under Building UP to strengthen labour market participation of those not in the labour market, including foundational skills, Skills for Success and vocational skills, disability supports and employment assistance services;

Session Briefing Note Worker/Labour Shortage

Fall 2022

Economic Development

- Wage and training subsidies through the Staffing Up program help employers find, hire and keep suitable workers that they need for their businesses to thrive;
- Labour Market Development will distribute \$5,371,000 in 2022-23 for programs and services that will help individuals meet their labour market goals and help employers recruit, train and retain staff they need for their businesses to thrive.
- Within that budget, Labour Market Development has committed:
 - o Support for 11 organizations providing labour market programs for First Nations, benefitting nearly 1,000 individuals.
 - Support for 15 service providers to provide services to approximately 3,000 Yukoners to help them develop the foundational skills they need to attach to the labour market.
 - o Support for 9 organizations to provide employment assistance services to help approximately 7,000 individuals to obtain employment. This category includes needs determination and employment counselling and job search training, and providing labour market information.
 - o Support for 4 organizations to support and promote trades and apprenticeship including subsidies to provide work experience and on-the-job training to 30 Yukoners.
 - o Support for 9 organizations to provide supports for employers.
- Our data consistently demonstrates that the number of unfilled jobs is exceeded by the number of working-age Yukoners who are not in the labour force for a variety of reasons.
- Work is underway to determine:

Session Briefing Note Worker/Labour Shortage

Fall 2022

Economic Development

- o Who are those working age Yukoners who are not participating in the labour market?
- o What are the available skill sets of those Yukoners? and
- o What supports and incentives (employer and program) should be employed to engage or re-engage these individuals?
- On September 28, 2022, Economic Development staff participated in Jobs Canada Fair in Edmonton, Alberta, the country's most attended career fair. Immigration Unit staff interacted with hundreds of attendees looking to learn about the employment opportunities in Yukon.
 - o 33 local employers provided our department with 219 job opportunities.

Context—this may be an issue because:

- Employers in Whitehorse and the communities continue to have trouble finding and retaining staff.
- Inability to secure staff is impacting businesses' ability to operate.
- Job vacancies continue to rise across Canada, leading to a high demand for labour and a tight job market.

Background:

• The table below summarizes key data from the 2021 Yukon Employment and Skills Survey carried out by the Yukon Bureau of Statistics in the fall of 2021. For the purposes of labour market development it is far better to rely on this annual survey rather than the more volatile data sets such as the monthly Labour Force Survey or the monthly number of El recipients.

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Session Briefing Note Worker/Labour Shortage

Fall 2022

Economic Development

Working- age (18-65) population	29,649
Labour force	23,484
Employed (including self-employment)	22,758
Unemployed	726
Not in the labour force	5,846
Not currently working or looking for work but able to work	3,600
Number citing retirement as reason for not working while able to work	2,323
Unable to work for a variety of reasons	1,819

- Statistics Canada's Survey of Employment, Payroll and Hours provides a more granular look at how many payroll jobs are filled (and vacant) in the Yukon each month (note that it does not cover the self-employed).
- Preliminary data for July 2022 show that there were 23,843 filled jobs and 1,510 vacant jobs in the Yukon, indicating a job vacancy rate of 7.2%.
- Five sectors health care, construction, accommodation and food, retail trade and manufacturing continue to drive the growth in job vacancies, with vacancies increasing more in low-wage occupations than in high-wage occupations.
- On April 22, 2022, IRCC announced several measures to ease labour shortages being experienced across Canada, including:
 - Resuming Express Entry draws with invitations for candidates to apply for permanent residence;
 - o Resuming invitations to apply for federal high-skilled streams, including the Canadian experience class, federal skilled worker class and federal skilled trades class:

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Session Briefing Note Worker/Labour Shortage

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Economic Development

- o Implementing a temporary policy to provide additional work permits of up to 18 months to post-graduation international students currently on a work permit expiring between January and December 2022; and
- o Several measures to facilitate applications made before the November 2021 deadline to transition from temporary to permanent residency.
- Economic Development's Labour Market Development supports the Government of Canada Job Bank, which created in March 2022 a dedicated resource called "Jobs for Ukraine" to help connect Ukrainian job seekers with employment opportunities in Canada.

Approved by:

Deputy Minister, Economic Development

November 24, 2022

Date approved

Session Briefing Note Business and Industry Support

Fall 2022

Economic Development

Date prepared: August 16, 2022

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Last Updated: November 22, 2022

Recommended response:

- Economic Development continues to provide a wide range of programs and investments aimed at driving growth, diversification and market expansion across the Yukon.
- Since April 1, 2022, the Economic Development Fund has continued to support business innovation, capital and capacity development with 50 projects approved for a funding commitment of \$2,241,122.
- The department administers two economic immigration programs, the Yukon Nominee Program and the Yukon Business Nominee Program, to support the labour needs of Yukon's business community.

Additional response:

- The Yukon is leading the country in real GDP growth, hitting 10.0% in 2021, double the national rate.
- Yukon government introduced one of the most comprehensive suites of COVID-19 economic relief programming in Canada. It continues to administer the following programs in support of Yukon businesses and their employees:
 - o Paid Sick Leave; and
 - o The Regional Relief Loan Program.

Context—this may be an issue because:

The COVID-19 pandemic has taken, and continues to take a toll on Yukon business owners and their employees.
 67(3)(a)
 67(3)(a)

Session Briefing Note Business and Industry Support

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Economic Development

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Background:

Concluded COVID-19 Support Programs:

- In addition to the Paid Sick Leave Rebate program and the Regional Relief Loan program which are still being administered by the Department, Economic Development's programs to address the COVID-19 pandemic included:
 - o Yukon Emergency Relief Program;
 - o Vaccine Verification Rebate:
 - o Tourism Accommodation Sector Supplement and the Tourism Non-Accommodation Sector Supplement;
 - o Yukon Business Relief Program;
 - o Yukon Essential Workers Income Support Program; and
 - o Temporary Support for Cancelled Events.

Other Support Programs:

- Additional economic support includes:
 - o The Economic Development Fund;
 - o Mining Industry Funding;
 - o The Business Incentive Program;
 - o The Yukon Venture Loan Guarantee Program; and
 - o The Yukon Small Investment Tax Credit.

Partner Programming:

- The department works with industry partners and stakeholders to deliver programs, including:
 - o Pathfinding Services, a partnership with CanNor and Yukonstruct to provide advice and resources to small and medium enterprises (SME);
 - o däna Näye Ventures Micro Loan Program, which provides loans for the creation of small and home-based businesses;

Session Briefing Note Business and Industry Support

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Economic Development

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- Whitehorse Chamber of Commerce delivers SME supports: Partnering for Success, SME Training and the Business Connect Conference; and
- o Yukon University Innovation & Entrepreneurship (I&E) for: The launch of the PIVOT SME adaptation program; innovation grants; and the first incubation program north of 60°.

Other initiatives:

- The Department has coordinated efforts and resources from other departments and the federal government for Yukon businesses to invest in promising sectors and hire and train new employees.
- The Labour Market Development Unit joined Economic Development April 1, 2022. The unit's "Staffing UP" and "Building UP" programs are now directly managed by the department.
 - The department funded Pixelbox Studios to acquire specialized equipment to create employment for three employees in animation technology.
 Resources to hire and train the new employees were provided through the Staffing Up program;
 - o The department continues to support Apprendo in developing an in-house professional training program to train Customer Success Managers; and
 - o The department has also provided support to Apprendo for export-related and investor attraction activities.

Approved by:	
Justin Jerbey	
1 10	
	November 22, 2022
Deputy Minister, Economic Development	Date approved

Fall 2022

Economic Development Fund (EDF)

Economic Development

Recommended response:

- The Economic Development Fund is intended to support economic growth and diversification by providing funding for the broadest possible range of initiatives.
- From April 1 to November 22, 2022, 50 projects have been supported through the EDF, with a total contribution commitment of \$2,241,123. Several projects are multi-year initiatives.
- These projects are located throughout the Yukon and include, among others:
 - o Kaska Dena Designs supported to attend the International Indigenous Fashion Show in Paris to gain exposure in the international market.
 - Yukon Motorcycle Park supported to complete the development of an accommodation business focused on the motorcycle rider market segment.
 - o Sarah's Harvest supported to purchase equipment and material to develop a solar passive greenhouse to extend the growing season and diversify operations to accommodate commercial seedlings and greenhouse crop production.

Additional response:

- During the 2021-22 fiscal year, 54 projects were approved for a total commitment of \$1,479,476.
- Eligible projects include those that:
 - o support business innovation, sustainability and planning;

Fall 2022

Economic Development Fund (EDF)

Economic Development

- o encourage economic diversification through market support; and
- o increase business competitiveness through capacity and capital development.
- All EDF applications are reviewed and assessed to ensure they meet fund eligibility and evaluation criteria.
- The program enables businesses to make improvements through capital purchases in order to enhance competitiveness.
- Capital investments will be considered where the applicant can show that the project has real potential for a positive long-term impact on the broader Yukon economy, not solely on an individual business.

Context—this may be an issue because:

67(3)(a)

Background:

- The fund provides support to Yukon businesses, First Nation governments, First Nation development entities, municipalities, community societies or industry associations and non-profits. It invests in projects focused on local or regional economic and business development, job creation, or economic planning.
- The 2022-23 funding intakes for the following tiers:
 - o Tier 1 A rolling intake for applications up to \$30,000;
 - o Tier 2 Applications between \$30,001 and \$100,000 with intakes on April 15 and September 15; and
 - o Tier 3 Applications over \$100,000 with a \$500,000 per project cap, with an intake on January 15.

Date prepared: August 26, 2022

Fall 2022

Economic Development Fund (EDF)

Economic Development

- Contributions from all Government of Yukon sources for the same project may be up to 75% of the total project costs.
- Contributions from the EDF may not exceed 50% of eligible capital expenditures.
- The total allocation for the new fund is \$1.96 million.

Other Examples of Supported Projects from 2022-23:

- Business innovation, sustainability and planning:
 - o RAB Energy Group Inc. was provided funding to develop a strategy for improving efficiency and maximizing productivity to meet growing market demand.
 - o Icefield Discovery Tours was supported to investigate the financial feasibility of bringing a twin-engine aircraft into its operations.
- Market support and diversification:
 - o Yukon Brewing was supported to attend Whiskey Live Paris 2022 to grow exports of Yukon Brewing's single malt whiskey to France.
 - o MakelT Inc. was provided funding to assess the feasibility of marketing MakelT's software development services in the London, England market.
- Capacity and capital development:
 - Icefield Tools Corporation was provided funding to purchase a multi-axis calibration system at its Whitehorse facility to expand its production capacity.

TAB 65 and CORP-02 Fall 2022

Session Briefing Note Red Tape Reduction

Economic Development & Community Services

Recommended response:

- We continue to focus on improvements that make services easier to access. We know this is key to ensuring that the Yukon remains a competitive place to work and do business.
- Departments are working to reduce red tape and manage regulatory processes for Yukon businesses and individuals.
- We know that efficient and fair procurement processes are important to Yukon businesses, so we are also putting resources, policies and processes in place to improve government procurement.
- We are in direct contact with the Canadian Federation of Independent Business to discuss the current regulatory climate in the Yukon, ongoing efforts to improve the ease of doing business, and how the Federation can reflect the unique realities of the North in its assessment criteria when assigning grades for red tape.
- Some specific examples of improvements include:
 - Amalgamated the Enterprise Trade Fund, Regional Economic Development Fund and Strategic Industries Development Fund to launch the new Economic Development Fund on March 9, 2021. This reduced red tape for clients by implementing a standardized application process;
 - Modernized the funding supports for the film industry;
 - Modernized the funding supports for Yukon's performing musicians;
 - o Yukoners can now pay their property taxes online; and,

TAB 65 and CORP-02 Fall 2022

Session Briefing Note Red Tape Reduction

Economic Development & Community Services

 Yukon Corporate Online Registry was further expanded to support the new Societies Act and regulations as from April 2021, allowing for online incorporation of new societies and online filing of disclosure reports for fully transitioned societies.

Context—this may be an issue because:

- This may become an issue because the Yukon Liberal Platform commits to continue to work to reduce red tape to make services easier to access and to create an accessible online portal where Yukoners can submit feedback and ideas about reducing red tape.
- The Ministers of Community Services and Economic Development are mandated to "identify and work to remove regulatory and service impediments to competitiveness".
 Questions may arise about the progress made on this initiative.
- The Canadian Federation of Independent Business's (CFIB) historical practice has been to grade jurisdictions on what they say they are going to do to reduce red tape. It does not assess the actual current level of red tape or measure actual achievements in reducing red tape.

Background:

- In January 2021, Economic Development met with CFIB to discuss how the Yukon's unique situation as a Northern jurisdiction can be reflected better under the CFIB grading criteria. The government will continue working with CFIB to highlight the ongoing government efforts to improve the ease of doing business in the territory.
- In January 2019, CFIB released a report card giving Yukon an "F" grade, down from a "D" in 2018, for its progress on red tape reduction.
- CFIB recognized the need to better understand the uniqueness and realities in the Yukon, and did not assign a grade for northern territories in 2020.
- CFIB planned to work with the Government of Yukon (and other territorial governments) later in the year to discuss revised grading criteria comparable and reflective of northern

TAB 65 and CORP-02 Fall 2022

Session Briefing Note Red Tape Reduction

Economic Development & Community Services

realities. Due to the COVID-19 pandemic, CFIB was unable to hold these conversations, and as a result, no grades were assigned to the territories in 2021.

- CFIB will work with the territorial governments, including the Government of Yukon, towards applying the revised criteria and assigning a grade for the Yukon in 2022.
- Examples of initiatives undertaken since 2016 include:
 - Amalgamated the Enterprise Trade Fund, Regional Economic Development Fund and Strategic Industries Development Fund to launch the new Economic Development Fund on March 9, 2021. This reduced red tape for clients by implementing a standardized application process;
 - o Modernized the funding supports for the film industry;
 - o Modernized the funding supports for Yukon's performing musicians;
 - o Coordinated with Canadian Northern Economic Development Agency (CanNor) for applications to the Government of Yukon's Yukon Business Relief Program and CanNor's Northern Business Relief Fund:
 - Departmental feedback for business support and immigration each have a single point of contact – limiting redundancy;
 - o Yukoners can now pay their property taxes online;
 - While COVID-19 programs were active, applications were available for download and submission online;
 - o While the programs were active, we merged the application forms for the Yukon Business Relief Program, Tourism Accommodation and Non-Accommodation Sector Supplements into one form to apply for financial assistance;
 - o The Yukon Corporate Registry desktop application system was converted into the Yukon Corporate Online Registry (YCOR) in March of 2017 with certain basic online capabilities. In August 2019, additional online features were added to allow corporations to submit annual reports and change notices online;
 - o A new Societies Act (modernized legislation governing societies in the territory) came into force April 1, 2021;
 - YCOR was further expanded to support the new Societies Act and regulations as from April 2021, allowing for online incorporation of new societies and online filing of disclosure reports for fully transitioned societies;

Session Briefing Note Red Tape Reduction

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Economic Development & Community Services

- o In spring of 2022, Yukon signed a trade reconciliation agreement, enabling the development of an Application Programming Interface to connect YCOR with the federally developed Multi-jurisdictional Registry Access Service (MRAS) system that facilitates cross-border searches and exchange of information regarding business corporations for greater efficiencies. Yukon will onboard MRAS as soon as the YCOR technical capacity solution has been resolved on a new platform.
- Ongoing initiatives include:
 - o Reviewing Department of Economic Development funding programs to ensure they continue to meet the needs of Yukon's businesses and communities.
- Examples of inter-governmental initiatives include:
 - o The Canadian Free Trade Agreement, which establishes a regulatory reconciliation process to help address inter-provincial and territorial trade barriers, including diverging or duplicate regulation, which impede the flow of goods. The Yukon and its provincial and territorial counterparts coordinate the reduction of red tape by working to reduce regulatory burdens.
 - o Biz Pal, a free online service that helps businesses identify the permits and licenses required to operate in a chosen jurisdiction, is operational in the Yukon.

Approved by:	
fustin ferberg	
	November 24, 2022
Deputy Minister, Economic Development	Date approved
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	November 24, 2022
Deputy Minister, Community Services	Date approved

Session Briefing Note Attracting Investment

Fall 2022

Economic Development

Date prepared: August 22, 2022 Last Updated: November 23, 2022

Page 1 of 2

Recommended response:

- The Department of Economic Development's investment attraction efforts support the growth of Yukon businesses and creates opportunities for employment, diversification and market expansion.
- Through our programming, the department supports initiatives aimed at broadening the Yukon's economic base and increasing competitiveness.
 - o Programming includes the Yukon Venture Loan Guarantee Program and the Yukon Business Investment Tax Credit.
- In addition to programming, the department is aware and responsive to attracting **foreign direct investment** through:
 - o Delivery of the Yukon Business Nominee Program, attracting investment into Yukon companies from around the world;
 - o Engagement with the federal Invest in Canada agency; and
 - o Advancing mining investment and promotion opportunities, by partnering with the Yukon Mining Alliance and departmental participation in investment conferences.

Context—this may be an issue because:

• Investment into the Yukon will be an important component of the Yukon's post-COVID-19 recovery across multiple sectors.

Session Briefing Note Attracting Investment

Fall 2022

Economic Development

Background:

Approved by:

- The Department operates two principal investment attraction programs, in addition to its regular work on investment attraction.
 - o Yukon Venture Loan Guarantee Program: A partnership between the Government of Yukon and participating financial institutions that supports private sector to attract investment by allowing lending institutions to partially guarantee a business loan in the event of loss; and
 - o Yukon Small Business Investment Tax Credit: A 25% individual tax credit for Yukon investors that allows Yukon entities to issue shares in exchange for an agreed upon return and the tax credit. The program supports businesses to attract investment.
- Between January 1, 2021, and November 3, 2022, the Yukon Business Nominee Program accepted six applications into the selection pool with a total potential investment of \$5.12 million.
- On June 1 and August 25, 2022, the Yukon government supported two business loans at däna Näye Ventures, totaling \$200,000 in investment by guaranteeing \$130,000 under the Yukon Venture Loan Guarantee Program.

fustin ferberg	
,	November 24, 2022

Deputy Minister, Economic Development Date approved

Last Updated: November 23, 2022

Prepared for Minister Pillai

Session Briefing Note

Fall 2022

Community Development Fund (CDF)

Economic Development

Recommended response:

- Through projects funded through the Community Development Fund, we are supporting events and initiatives that provide long-term, sustainable economic and social benefits to communities across the Yukon.
- From April 1, to November 18, 2022, 53 projects have been supported through the Community Development Fund, with a total contribution commitment of \$3,047,107.
- These projects are located throughout the Yukon and include, among others:
 - o \$202,599 to the Village of Teslin to build a new playground in the new Sawmill Subdivision;
 - o \$75,000 to the Village of Carmacks to repair, improve and extend the existing riverfront boardwalk;
 - \$17,599 to Na-Cho Nyäk Dun Development Corporation to provide hands-on reforestation and restoration training to youth in Pelly Crossing; and
 - o \$152,616 to the City of Dawson for the expansion and upgrading of the city's skate park.

Additional response:

• In the 2021-22 fiscal year, we dispersed \$2,931,497 to 59 projects, with over 50% of that money going to communities outside of Whitehorse.

Session Briefing Note

Fall 2022

Community Development Fund (CDF)

Economic Development

Context—this may be an issue because:

• The CDF is well-known and well-regarded, and demand for program funding is high.

67(3)(a)

 COVID-19 affected clients' ability to complete projects on time due to supply chain challenges, lockdowns and staffing shortages.

Background:

- The Community Development Fund is for projects that:
 - Create economic benefits such as generating local spending, creating employment opportunities, building needed infrastructure and bringing new money into the Yukon from outside sources;
 - o Develop skills, knowledge and experience;
 - o Create social benefits such as strengthening social and community networks, building partnerships and facilitating community involvement;
 - o Support the community's long-term well-being; and
 - o Have measurable social, cultural and economic benefits for Yukon residents and communities.
- Funding is dispersed across three tiers:
 - o Tier 1 for projects less than \$20,000 (four intakes per year);
 - o Tier 2 for projects between \$20,001 and \$75,000 (two intakes per year); and
 - o Tier 3 for projects over \$75,000 (one intake per year).

Other Major Projects from 2022-23:

Yukon Circus Society – \$17,095 - To hire a professional fly director to train members to install and operate aerial suspension equipment at the Yukon Arts Centre. For over eleven years, the Yukon Circus Society (YCS) has been doing popular circus arts

Session Briefing Note

Fall 2022

Community Development Fund (CDF)

Economic Development

education in many communities throughout the Yukon. To continue to grow the circus community and complete aerial suspension work at the very popular Yukon Arts Centre, YCS will hire a contractor to train artists to do aerial suspension tricks.

Yukon Transportation Museum - \$75,000 – To create three digital experiences to expand Yukon's ability to establish as an innovator and leader in XR applications for heritage, culture and creative industries. Heritage organizations currently lack the digital and technological capacity to meet the growing requirements to reach peer and public expectations. The experiences created by this project will allow Yukoners and visitors alike interpretive and learning opportunities about sites and artifacts that could not be experienced otherwise, expanding the sharing of Yukon heritage.

Approved by:

Deputy Minister, Economic Development

November 21, 2022

Date approved

Session Briefing Note Innovation Strategy

Fall 2022

Economic Development

Recommended response:

- The Government of Yukon is committed to building a thriving innovation economy by supporting technological growth and entrepreneurship.
- We have completed the public engagement on a new five-year strategy and worked with the Innovation Commission and innovation experts to seek their professional and technical input.
- The strategy under development will outline the Yukon's unique strengths and identify actions that will foster the conditions for Yukoners to be able to create, grow and mature their business ideas in the Yukon.
- By supporting innovation across sectors, we are creating jobs and building a strong, diverse Yukon economy.

- Over the past five years, the Yukon's tech sector has continued to grow and represented approximately 3.7% of the Yukon's GDP in 2020.
- The strategy will seek to grow and attract technology start-ups and expand the Yukon's digital ecosystem.
- Our strong innovation and entrepreneurial culture in the Yukon will continue providing momentum to expand and diversify our economy.
- The innovation strategy will encourage and support entrepreneurship and innovation in the Yukon.

Session Briefing Note Innovation Strategy

Fall 2022

Economic Development

Context—this may be an issue because:

- Minister Pillai's 2021 mandate letter identified the direction to develop an innovation strategy to create opportunities for local entrepreneurs and to establish an Innovation Commission.
- The May 2021 Speech from the Throne highlighted the importance of innovation to the Yukon in the coming years.

Background:

- Technology and innovation is the fastest growing sector across the globe. The global technology sector accounts for 4.5% of global GDP and is expected to double within the next 15 to 20 years.
- A public engagement period that included interviews, focus groups and surveys, ran from September 28, 2020 to October 28, 2020. The What We Heard was released in August 2021 in conjunction with the establishment of the innovation commission.

Innovation Commission

- An Innovation Commission was formed in 2021 to provide technical and professional input on the development of the five-year innovation strategy. Made up of members and advisors from within the Yukon, across Canada and in Europe, the commission was convened to advise on topics such as attracting start-ups, building a digital ecosystem and fostering innovation and sharing networks across communities.
- The Innovation Commission members were chosen for their experience, diversity and interest in innovation, technology and entrepreneurship. Between August and November 2021, the commission met six times, considering key actions and priorities that would provide the foundation for the development of a thriving and diverse economy.
- Commission members included:
 - o Astrid Grawehr, Kryotek Arctic Innovation Inc.;
 - o Cherish Clarke, Digital Engine Technology;

Session Briefing Note Innovation Strategy

Fall 2022

Economic Development

- o Chris Lane, Make IT Solutions; Northmark Ventures; TechYukon;
- o Curtis Shaw, Northwestel;
- Inga Petri, Strategic Moves;
- o John Jensen, MGrid Energy; and
- o Melaina Sheldon, Melaina Sheldon Consulting.
- Commission advisors included:
 - Bernd Petak, Northmark Ventures;
 - o David Larkin, Northmark Ventures;
 - o Dr. Alexandra Greenhill, Careteam Technologies Inc.;
 - o Micheal Mooney, Creative Lab North;
 - o Norm Fraser, Softlron;
 - Patrick Lor, Panache Ventures;
 - o Thomas Park, BDC Deep Tech Fund; and
 - o Véronique Herry, Startup Palace.

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Deputy Minister, Economic Development

November 21, 2022

Date approved

Session Briefing Note

Fall 2022

Performing Musicians Fund

Economic Development

Recommended response:

- The Department of Economic Development released a comprehensive new funding program for Yukon musicians to foster continued growth in this vibrant creative industry.
- We increased the annual budget of the program by \$250,000 from \$50,000 for a total of \$300,000 in available support for artists.
- The Performing Musicians Fund was launched in June 2022 and held its first intake on July 4 and its second intake on September 15, 2022.
- A jury of industry professionals from across Canada recommended approval of 24 applications for \$236,000.
- Eight established musicians and 16 emerging musicians have received funding thus far.

- The new program expands the range of activities eligible under the fund to include:
 - o Music video content and sound recordings;
 - o Marketing activities such as touring and showcasing; and
 - o Training and development of Yukon musicians.
- The new program increases the funding available to Yukon musicians:
 - o Up to \$10,000 for emerging musicians, and
 - o Up to \$30,000 for established musicians.

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Session Briefing Note Performing Musicians Fund

Fall 2022

Economic Development

- The music industry creates local jobs and builds capacity, supports Yukon businesses and entrepreneurs and contributes to economic diversification.
- Creators can find information on programs online at Yukon.ca or by contacting our Media Development team at Economic Development.

Context—this may be an issue because:

The Minister's 2016-20 mandate included a commitment to review economic funding programs to make programming more responsive with less red tape.

Background:

- The Department undertook engagement with Yukon stakeholders and consulted with program managers of provincial and territorial funding programs for music when developing the new program.
- The changes to the program are intended to broaden the spectrum of supports offered through the program to better meet the needs of Yukon musicians.
- The application process mirrors that of federal funding programs for the music industry. Applications are not accepted verbally.

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Deputy Minister, Economic Development

November 24, 2022

Date approved

Session Briefing Note Francophone Immigration

Fall 2022

Economic Development

Recommended response:

- Francophone immigration is a priority for the Yukon and we recognize the economic, social, cultural and demographic opportunity that French-speaking immigrants represent for the territory.
- The department is completing work on a new immigration strategy and continues to recognize and prioritize francophone immigration as a valued and important contributor to supporting the needs of Yukon employers and communities.
- The Yukon is the third most bilingual jurisdiction in Canada, making us an attractive settlement destination for francophone immigrants.
- The Government of Yukon continues to work in partnership with the Government of Canada and L'Association franco-yukonnaise (AFY) to recruit bilingual immigrants and help them integrate into Yukon communities.
- AFY was an active participant in our stakeholder engagement for the new Immigration Strategy, providing meaningful feedback that has been thoroughly considered.

- To date in 2022, <mark>20</mark> francophones (and their households), have been approved under the Yukon Nominee Program (YNP).
 - o Between 2016 and 2021, the Yukon was the only Canadian jurisdiction to increase the number and proportion of those who speak predominantly French at home (up from 2.4% to 2.6%).
 - o The number of Yukon residents who identified French as their exclusive first official language grew by more than 200.

Session Briefing Note Francophone Immigration

Fall 2022

Economic Development

- o In 2021, French was the first official language spoken by 4.5% of the Yukon's population.
- o In 2021, the rate of English-French bilingualism in the Yukon was 14.2%.
- Since 2007 when the YNP was established, 126 nominees (including their households) from French-speaking countries have been approved through the program.
- This accounts for approximately 5.8% of the total number of Yukon nominees and exceeds the Government of Canada's goal of having francophone newcomers make up at least 4.4% of all economic immigrants settling outside Quebec.

Context—this may be an issue because:

• There may be a spike in interest as the Government of Canada is preparing the next Action Plan for Official Languages 2023-28.

Background:

- Provinces and Territories met with IRCC on August 22, 2022, for consultations on the Action Plan for Official Languages 2023-28. Themes included:
 - o A new policy on francophone immigration and the demographic weight of francophone minority communities;
 - o Promotion and recruitment support in Canada and overseas;
 - o Francophone and French-language teacher shortages;
 - o The francophone integration pathway; and
 - o The Welcoming Francophone Communities initiative.

Session Briefing Note Francophone Immigration

Fall 2022

Economic Development

- Increasing francophone immigration is a high priority of the Federal-Provincial-Territorial (FPT) Vision Action Plan (VAP). The VAP outlines shared goals for immigration based on FPT collaboration, consultation, and cooperation.
- Whitehorse was selected as 1 of 14 communities across Canada under the 3year Welcoming Francophone Communities initiative. Under the initiative, AFY receives \$102,079/year (2020-2024) to create programs and activities to help French-speaking newcomers feel welcomed and integrate into the community.
- The Immigration Unit has attended Destination Canada, an annual francophone recruitment fair in Paris and Brussels, since 2017, to fill labour market needs in the Yukon. Program staff participated in a virtual booth in partnership with AFY in 2020 and 2021, and will participate virtually in November 2022.
- The Immigration Unit offers bilingual services for clients and is represented on the "Réseau d'immigration francophone au Yukon".
- AFY receives federal funding to provide settlement services including language instruction, orientation to healthcare, education and information on the employment sector.
- The Yukon's top source francophone countries are France, Belgium, Switzerland and Morocco.
- In addition to the YNP, some skilled francophone workers arrive through the federally administered Mobilité Francophone stream, while young francophones may arrive with federal, temporary working holiday permits.

Approved by:	
fustin ferberg	
	November 21, 2022
Deputy Minister, Economic Development	Date approved

CONFIDENTIAL Briefing Note Labour Mobility in Yukon

Economic Development

Recommended response:

- The Yukon is experiencing the effects of a nationwide labour market crisis in which many employers are experiencing difficulty finding suitable workers to maintain or grow their businesses.
- Labour mobility is an important tool for addressing the shortage of professional and skilled workers in the territory, however, the process of credential recognition between jurisdictions can complicate matters.
- Most certified workers in Yukon are credentialed in other jurisdictions and only require licensing in Yukon.
- The sectors that continue to drive the growth in professional and certified job vacancies are health care, construction and manufacturing.
- Government of Yukon continues to participate in the Forum of Labour Mobility Ministers (FLMM) and its Working Groups to support measures to streamline application requirements, align occupational standards and improve the communication and transparency of labour mobility opportunities across Canada.

- The following initiatives are being developed by the Government of Yukon to support the health care sector in the territory:
 - Additional funding for practical nurse training at Yukon University (via Alberta-based Bow Valley College);

CONFIDENTIAL Briefing Note

Labour Mobility in Yukon

Economic Development

- Joint initiatives with other jurisdictions to mobilize health care workers for virtual services;
- Funding incentives to provide Yukon First Nation citizens with introductory experiences in careers in the health care sector.
- The Department of Economic Development (Labour Market Development Branch) will invest a minimum of \$5,371,000 in 2022-23, largely from the Canada-Yukon Labour Market Transfer Agreements, for the development of programs and services that support employers to find, recruit, hire and train suitable workers.
- That funding can be leveraged to strengthen labour mobility; for instance, employers can apply to support workers looking to upgrade or attain recognition for credentials earned outside of the territory.
- On September 28, 2022, Economic Development staff participated in Jobs Canada Fair in Edmonton, Alberta. Attendees were attracted to Yukon for its positive economic status.

Context—this may be an issue because:

- At CIT, Minister LeBlanc (CA) and Minister Wawzonek (NT) will deliver an update on labour mobility as Co-Chairs of the FLMM.
- As part of their presentation, the two ministers will provide information on recent developments in their respective jurisdictions to strengthen labour mobility.
- Other Parties, including Yukon, will then have an opportunity to share their updates on labour mobility in an open discussion.

CONFIDENTIAL Briefing Note Labour Mobility in Yukon

Economic Development

Date prepared: November 23, 2022

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Background:

- Housing is a major impediment to attracting workers from outside the territory.
 The Yukon Housing Corporation's Housing Initiatives Fund aims to increase the supply of affordable housing across Yukon, which could have a positive spillover effect on labour flows to the territory.
- The Yukon does not have a designated Labour Mobility Coordinator. Economic Development, Community Services, and Health and Social Services oversee issues related to mobility in a collaborative manner.
- The Yukon has flexibility in obtaining regulated workers from other jurisdictions, however, with the absence of regulators in the territory, it has no authority when it comes to foreign credentials. Many new permanent residents with a professional designation leave the territory to have credentials recognized in other jurisdictions.
- A national review is underway of several occupations that have exceptions to mobility, mostly in health care. The only identified exception for the Yukon is lawyers.
- Yukon regulates only three trades: oil burner mechanics, gas fitters and electricians, which eases the pathway for other trades specialists to enter the Yukon.

Macdonald-Laurier Institute's Report on Mutual Recognition

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INFORMATION NOTE

Issue Statement:

CIT Ministers will have an opportunity to discuss the Macdonald-Laurier Institute's (MLI) report titled "Liberalizing Internal Trade Through Mutual Recognition" following Minister Sawhney's presentation of its key findings.

Current Situation:

- The report advances mutual recognition as a solution for reducing the cost of transacting across borders within Canada, which is estimated as being equivalent to a 60 percent tax or tariff.
- The big caveat is that most of this cost is unavoidable, or not policy relevant, as it includes expenses related to fuel, distance, time, etc.
- The report goes on to argue that the removal of trade barriers through mutual recognition could result in the expansion of the Canadian economy by 4.4 to 7.9 percent in the long-term.
- The report highlights a few trade-offs to mutual recognition, including adjustment costs that arise when certain businesses/sectors cannot survive competition with lower cost imports.
- The authors, however, give little to no consideration to the potential risks faced by Canada's smaller jurisdictions.
- For instance, the aforementioned adjustment costs would likely be the highest for Canada's territories under mutual recognition, but this detail is missing from the report.

Department Briefing Note	Economic Development	Approved by	
Prepared By:	PPC	Deputy Minister:	
Date Prepared:	November 23, 2022		



Macdonald-Laurier Institute's Report on Mutual Recognition

Page 2 of 2

67(3)(a)

Background:

- The Government of Alberta independently commissioned the MLI's report. No Party has officially endorsed the work to date.
- The authors of the report are Ryan Manucha, a corporate lawyer with a background in economics, and Trevor Tombe, a Professor of Economics at the University of Calgary.
- Trevor Tombe has written extensively on internal trade. $^{67(3)(a)}$

Next Steps:

• There are no anticipated next steps with the MLI's report as it was drafted for information purposes only.

Department Briefing Note	Economic Development	Approved by
Prepared By:	PPC	Deputy Minister:
Date Prepared:	November 23, 2022	



CONFIDENTIAL Briefing Note

Mutual Recognition of Goods & Services Regulations

Economic Development

Recommended response:

- As a Party to the Canadian Free Trade Agreement, one of our primary objectives is to ensure Yukon businesses have access to markets, procurement and investment opportunities across Canada.
- To that end, an agreement to mutually recognize regulations on goods and services across provincial and territorial borders may prove to be a powerful tool in reducing barriers to internal trade.
- However, as a small northern economy, we also understand that mutual recognition can have a significant negative impact on our homegrown industries if they are led to face inequitable competition with businesses from southern Canada.
- Yukon supports the work of the Regulatory Reconciliation and Cooperation Table (RCT) in overseeing the preliminary baseline research required to understand the regulatory landscape for goods and services across Canada, provided that future steps may be taken to mitigate the potential risks of mutual recognition on Yukon's economy.

- We look forward to future discussions on mutual recognition as efforts to investigate the possibility of a Reconciliation Agreement ramp up between officials in the coming months and years.
- We support investing the necessary time and resources to ensure any decision-making on mutual recognition is informed on the fundamental differences between our provincial and territorial economies.

CONFIDENTIAL Briefing Note

Mutual Recognition of Goods & Services Regulations

Economic Development

Context—this may be an issue because:

- At the Committee on Internal Trade (CIT) meeting, one or more Parties may raise mutual recognition as a discussion topic following the Chair's update on the current work of the RCT.
- At the meeting of the Council of the Federation (COF) on July 12, 2022, Premiers directed the RCT to accelerate the work underway on developing a potential model for mutual recognition of regulations.

Background:

- The RCT's 2021-22 Work Plan includes the "identification and mutual recognition of regulatory measures related to the sale or provision of goods and services" as Item #30. This Work Plan Item has the following anticipated timeline:
 - By December 2023: identification of existing regulatory measures (i.e. resulting in an inventory); developing draft text; and identifying measures for exceptions and transitional provisions for goods.
 - By December 2024: full reconciliation agreement on goods and services.
- In the context of Item #30, mutual recognition means that, for any good or service, compliance with the regulatory requirements of one jurisdiction would automatically satisfy the requirements of all others, unless otherwise specified through a common or party-specific exception. This is considered the "negative-list" approach.
- Mutual recognition of regulations, in the more conventional sense, is already used as a method for concluding Reconciliation Agreements in specific sectors and practices, along with harmonization.
- The Goods and Services Working Group, with British Columbia as Chair, is tasked with leading Item #30. The development of an inventory of relevant regulatory measures on goods and services is in early stages.