



Budget address 2020–21

presented by

**PREMIER
SANDY SILVER**

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Introduction

Thank you, Mr. Speaker.

I am pleased to present our government's fourth budget – the Main Estimates for the 2020–21 fiscal year.

This budget represents a vision of a territory in which all communities have access to infrastructure and services that support healthy living now and into the future. It represents a vision of a territory with a vast and rich landscape that is managed responsibly for future generations. It signifies our government's enduring commitment to improving the lives of Yukoners. While they are technical by nature, budgets are ultimately successful when they improve the lives of those they are intended to serve.

Creating a comprehensive and measured budget is a challenging but critical task. One must balance a range of interests and priorities, provide support where it is needed, and ensure that sound investments are made that build on our progress while laying the foundation for a stronger, more sustainable future. It also requires a dedicated team of people. I am deeply grateful to all who have contributed to creating this vision of a bright future for Yukoners.

This year we are proud to be tabling a budget with a surplus of \$4.1 million. Our total estimated spending is \$1.62 billion, with a capital budget of \$369.7 million and \$1.25 billion for operations and maintenance. True to our commitment to Yukoners, we have balanced the budget – and have done so a full year ahead of schedule. Returning to a surplus reflects our commitment to sound fiscal management and making responsible financial decisions for the benefit of all Yukoners.

For the third consecutive year, the Main Estimates are being tabled along with a Five-Year Capital Plan. This reflects our government's commitment to openness and transparency and to supporting First Nations, municipalities, and the private sector to coordinate and plan to meet the needs of Yukoners in all communities. We remain focused on procurement strategies that ensure we take advantage of our limited construction season. This year our government is issuing tenders worth over \$130 million at the right time to maximize our northern building season. This is an increase from last year, and is the result of improvements in our whole-of-government approach to capital and procurement forecasting. We are also releasing a Fiscal and Economic Outlook for the Yukon that shows a territory experiencing the benefits of a strong, growing and diversified economy.

This budget builds on our recent progress and once again puts Yukoners first. For the past three years, our government has been working hard to put Yukon's finances on a sustainable path and create an environment for Yukon's people and economy to thrive. Though we have accomplished much, there is always more work to do. This year's budget is not about flash, it is about substance. It continues our work to serve all Yukoners and build the foundation for an even stronger future for the people of this territory.

Healthy living

Our government is committed to providing programs and services tailored for Yukoners so they can live healthier, happier lives. We are proud to be supporting recreational activities across the territory so that Yukoners of all ages can live active lives in their communities.

Our government is excited to be partnering with the City of Whitehorse to host the 2020 Arctic Winter Games and mark 50 years of this international celebration of northern athletes and excellence in sport. We have contributed nearly \$2 million so far towards hosting the games and look forward to seeing Yukon athletes test their mettle against the best competition from across the North. Earlier this year Dylan Cozens

made our territory proud when he helped Team Canada win the World Junior Hockey Championships. That same month Brandon Cormier won the snowmobile freestyle gold medal at the X Games Aspen 2020. Both of these Yukoners have set a shining example of how far you can get when you put in hard work and follow your dreams – and both continue to be an inspiration to the next generation of Yukon athletes.

Our government recognizes that these dreams are born in community recreation facilities. This year we are investing nearly \$3.75 million to complete the new arena in Carmacks. This energy-efficient facility will provide a tremendous opportunity for residents to come together year-round to participate in recreational activities, whether it is hockey, skating, curling, concerts or community events. We are also putting more than \$2 million towards upgrading the arena in Mayo.

We have included money in this year's budget for new pools in Pelly Crossing and Ross River. In Dawson City, we are planning for a new recreation centre and supporting a new Tr'ondëk Hwëch'in Youth Centre that will promote traditional activities and provide programs for youth. We have also allocated money to reconstruct the Whitehorse Skateboard Park. This overhaul has been a long time coming and will support the park's increasing diversity of users, including those who ride skateboards, roller blades, bikes and scooters. The park will remain at its current location in Riverdale next to three schools, providing additional recreational opportunities for our students.

This year's budget includes money to finish the state-of-the-art track and field facilities at F.H. Collins Secondary School, as well as for a basketball court at the school. We are also proud to be investing in upgrades to the Polarettes Gymnastics Club and the Biathlon Yukon facility on Grey Mountain. Investing in our territory's recreation infrastructure demonstrates our people-centered approach to wellness that is helping Yukoners thrive.

One of Yukon's most defining features is its vast wilderness. There is much to explore and our government continues to make Yukon parks more accessible to all. We have allocated money for playground equipment and improvements to boat docks and launches across the territory. Our work on the Yukon Parks Strategy will set the long-term direction for a sustainable territorial parks system and ensure all Yukoners and visitors can continue to enjoy quality outdoor recreational opportunities.

As Yukoners know, the territory is growing. More learning spaces are needed to support the families choosing to raise their children in the Yukon, and we need to modernize our education facilities to support the success of all Yukon students. We have included money this year to advance planning of the new elementary school in Whistle Bend through engagement with neighbourhood residents, the Kwanlin Dün First Nation, the Ta'an Kwäch'än Council and the City of Whitehorse. We have also allotted funding for continued engagement and planning with the Kluane First Nation for a school that meets the needs of their community. We will continue to invest as necessary to ensure the Ross River School remains safe while we work with the Ross River Dena Council to build a new school for their community. And we have included funding for the new French First Language Secondary School, which is ahead of schedule and poised to be complete this fall. Such diverse planning is long overdue and we believe these strategic investments in our children will contribute to healthy, vibrant, sustainable communities.

With a strong economy and a low unemployment rate, now is the right time to invest in Yukon's future, including the health and social services that Yukoners need to live happy, healthy lives. This year we will begin implementing actions from the independent comprehensive review of Yukon's health and social services systems. This review continues to be a timely exercise that has engaged Yukoners in an open, honest conversation about how to ensure an effective, integrated health care system that responds to their needs into the future.

Mr. Speaker, this budget contains funding to implement 1Health, a modern, integrated health information system for Yukon's hospitals and health facilities that will update the nearly 30-year-old Meditech system. 1Health will enable Yukon's health practitioners to be instantly and securely connected throughout the territory, improving the quality of care and health outcomes for Yukoners. As we have every year since coming into office, we are also increasing funding for the Yukon Hospital Corporation so it can continue to provide acute care for Yukon citizens, in addition to programs such as medical imaging, lab work, surgeries and chemotherapy.

More than \$3 million is included to support Yukon's new expanded orthopedic surgery program. With two resident surgeons, this program has already improved accessibility and continuity of care for patients, while reducing travel time and costs. Of the 450 surgeries last year, 150 were cases that previously would have been sent to hospitals outside of Yukon. We look forward to continuing this trend and better serving Yukoners.

As part of our commitment to ensure a more collaborative and integrated health care system, we will continue to support a nurse practitioner in Mayo. This new model of collaborative care has received much support from the community and improves access to care for Mayo and area residents. This successful initiative will now be built into the community nursing program, with a view to expanding to other communities such as Carmacks in coming years.

We continue to work with partners to develop regulations and a model of care for midwifery in Yukon. This budget includes money to support the development of an implementation plan so that birthing options are increased for Yukon families. Introducing midwifery in Yukon remains a priority of our government and we appreciate the commitment of our partners who are collaborating to make it a reality within Yukon's unique healthcare system.

In our conversations about aging in place in the Yukon our seniors have been clear – they want to stay at home for as long as possible rather than leaving their homes or communities. Our government will continue supporting seniors to age in place. That is why we have budgeted an additional \$500,000 this year to expand the Home Care program to continue to provide services and supports to Yukon seniors where they want them.

Since our government took over operations last year, the Whitehorse Emergency Shelter has provided critical support for our most vulnerable and marginalized citizens. We have worked with our community partners to introduce changes to give more individuals access to a broader variety of services they need. While this initiative continues to evolve to better serve clients, we have already seen a reduction in visits to the emergency room and a reduction in use of the Acute Processing Unit of the Whitehorse Correctional Centre. We will continue to provide these essential services to Yukoners in need. We have also included money for renovations to the shelter to better integrate it into the neighbourhood, promote the safety and privacy of clients and staff, and support surrounding local businesses and residents.

Supporting our most vulnerable and marginalized citizens includes ensuring they have a safe and secure place to live and call home. Last year we completed construction of Yukon's first ever Housing First Residence to provide permanent housing for those who are experiencing homelessness. This is an incredibly important initiative that marks a major shift in the way Yukon provides housing and supports to those in acute need. Funding in this year's budget will ensure this facility operates effectively to support Yukoners. We remain committed to a Housing First approach to address homelessness and have also included money in this budget to plan the introduction of a Housing First model of service in Watson Lake.

Supporting Yukoners when and where they need it means helping those who have experienced violence and sexualized assault. We are providing funding this year to complete implementation of the Sexualized Assault Response Team, reaffirming our commitment to deliver integrated, wrap-around services focused on victim needs. This includes a 24/7 Sexualized Assault Support Line that will help to ensure that anyone who experiences sexualized assault and chooses to speak with someone or access services receives the support they need in a consistent and coordinated manner.

The budget includes funding to support the development of the Yukon Strategy on Missing and Murdered Indigenous Women and Girls along with the Yukon Advisory Council. In addition, we are supporting violence prevention initiatives in Yukon communities through Prevention of Violence Against Aboriginal Women funding. We will also be proposing legislative changes this sitting to give victims of family or domestic violence additional leave to get the help they need.

It is vital that we ensure our territory is inclusive and free of discrimination. That is why our government will introduce legislation this sitting to ban conversion therapy in Yukon. We are also developing an LGBTQ2S+ Action Plan based on engagement with Yukon's LGBTQ2S+ community and providing operational funding to Queer Yukon Society. This will support capacity development in this sector and ensure local feedback and review of the LGBTQ2S+ Action Plan.

Mr. Speaker, our government is making significant investments across Yukon's housing spectrum. We have budgeted \$9 million this year for the 47-unit mixed-use housing project in downtown Whitehorse. This innovative project will increase the availability of affordable housing while promoting social inclusion. We also continue to support the Challenge Disability Resource Group by including funding for their Cornerstone project, which will provide affordable and supportive housing to Yukoners in need. The budget also includes money to plan for new multi-unit mixed-use housing projects in Old Crow and Carcross that will help meet community needs and support aging in place.

We have included \$3.6 million for the Housing Initiatives Fund, which has supported over 350 new housing units across the territory since we introduced it in 2018. It will continue to support First Nations governments and development corporations, developers, contractors, community organizations and individuals to build new affordable housing. The budget for the Municipal Matching Rental Construction Grant is also increasing to \$2 million this year to expand rental housing in Yukon.

Yukon's strong economic growth is generating increased demand for land in our territory. We have budgeted \$27 million this year to develop residential lots in Yukon communities. In Whistle Bend, we anticipate releasing more than 200 lots this year, including the first commercial lots in the neighbourhood. This year's budget includes money for the Champagne and Aishihik First Nation's Marshall Creek subdivision development in Haines Junction. We are also working with the Teslin Tlingit Council and the Village of Teslin to support lot development in the Lone Tree area and planning for a mixed-use subdivision near the airport in Teslin. In the past 3 years our government has released nearly 300 lots across the territory, with many more to come this year. We will continue to work in partnership with municipalities to support rural land development throughout Yukon.

We will also be proposing legislative changes to allow for more registration of Category A and B Settlement Land in the Yukon Land Titles Office in a manner that does not impact Aboriginal rights and title. In 2018 the Kwanlin Dün First Nation received the first Certificate of Title for Category A Settlement Land from the Yukon Land Titles Office. Our government is committed to supporting more First Nations to register Settlement Land in order to increase opportunities for land and economic development across the territory while supporting the economic self-determination of Yukon First Nations.

Letting businesses flourish

Yukon's economy is strong. We had the lowest unemployment rate in Canada for the past three years. Whether it be through the new pilot in the Yukon Nominee Program that allows workers to have multiple part-time jobs in Yukon communities, working with the Yukon College – now Yukon University – to raise awareness of Yukon job opportunities for international students, or engaging directly with foreign governments like the Republic of the Philippines to support immigration programming, we recognize the importance of supporting the private sector.

We continue to experience record tourism numbers, including increased border crossings, overnight visitations and air arrivals. Retail sales and tourism sector revenues also continue to climb. Tourism contributes 4.4% to Yukon's Gross Domestic Product, the second highest of any jurisdiction in the country. Our government recognizes the value of tourism as part of a strong, growing and diversified economy. We are proud to be working with our partners to implement the new Yukon Tourism Development Strategy to support the sustainable growth of the industry for the benefit of all Yukoners.

Our mining sector's prospects look bright. Victoria Gold's Eagle Gold Mine is forging ahead at a record pace after pouring its first gold bar in September 2019 and has now increased both its reserve and annual production projections. Pembridge Resource's Minto Mine has re-opened, milling its first copper in October 2019. We have several more projects with significant potential in our vast territory, including Alexco's Keno Hill Silver District, BMC Minerals' Kudz Ze Kayah and Golden Predator's Brewery Creek projects. To continue to encourage development activities, we have budgeted \$1.4 million for the Yukon Mineral Exploration Program to minimize investment risk and support the exploration industry.

Our government is proud to be working to create a Mineral Development Strategy for the Yukon in full partnership with First Nations and alongside industry. An independent panel is currently conducting an engagement process to enhance Yukon's mineral investment climate while respecting the rights and traditions of Yukon First Nations and upholding environmental standards. Additional important initiatives like 'Invest Canada North' at the Prospectors and Developers Association of Canada convention in Toronto are also leveraging partnerships to raise our mineral industry's profile on the global stage.

In January 2020, our government signed an agreement with the Liard First Nation for upgrades to the existing Nahanni Range Road as part of the Yukon Resource Gateway Project. This agreement will provide the Liard First Nation with important capacity, training, employment and business opportunities for years to come, as well as support mineral activity in that area. This follows an agreement already in place with the Little Salmon/Carmacks First Nation for the Carmacks bypass project. The Yukon Resource Gateway Project will see hundreds of millions of dollars invested in infrastructure that will support mineral development in the Yukon.

Over the past few years, the Yukon has increasingly been recognized for supporting innovation and entrepreneurship. This year's budget will see \$500,000 invested with Panache Ventures, a national technology venture capital fund. Working in partnership with the Yukon First Nation Investment Corporation, this investment will go towards developing an entrepreneurial and investor capacity-building program for the territory. Investments in our knowledge sector are helping diversify our economy and build the foundation for a stronger economic future. \$23 million is included in this year's budget to begin construction of the Dempster Fibre project. This significant and long-awaited project will help create a more modern and accessible Yukon while improving internet redundancy and supporting resilient communities throughout the territory and across the North.

Our government is working hard to ensure that Yukon's private sector can flourish. This year we will fulfill two significant commitments we made to Yukon businesses – cutting the small business tax from 2% to zero and modernizing the Business Investment Tax Credit. Cutting the small business tax rate will save Yukon businesses \$2 million per year and expanding the Business Investment Tax Credit will enable more investment to support Yukon businesses like Air North. Encouraging a stronger private sector with new opportunities remains a priority of our government and we are very proud to deliver on these commitments.

Our government is also working hard to make life more affordable for Yukoners. We will be proposing amendments to the Yukon Basic Personal Amount under the *Income Tax Act* to align with recent changes made by the Government of Canada. Phased in over four years, these changes will result in Yukoners saving around \$2.4 million in taxes per year – up to \$9.6 million total – by 2023. These changes geared towards low and middle-income earners will mean more money in the pockets of those who need it most.

Yukon's minimum wage will be increasing on April 1, 2020 from \$12.71 per hour to \$13.71 per hour. This increase will support Yukoners who need it most, while ensuring that Yukon businesses remain competitive in a tight labour market. Overall, Yukon workers' average weekly earnings have increased over the last few years, reaching a record-high for Yukon in the fall of 2019, and are now fourth-highest in Canada.

From decreasing taxes on small businesses, to putting more money in the pockets of Yukoners who need it most, our government is working hard to make life more affordable in Yukon and help Yukon businesses flourish. We remain committed to supporting a diverse, growing economy that provides good jobs for Yukoners in an environmentally responsible way.

Our government continues to reduce red tape and streamline operations to make it easier for Yukoners and businesses to access government services. We are modernizing our systems including the Yukon Corporate Online Registry, the new YuDriv licensing system and the digitization of our land titles system. We have allocated money this year for the new e-procurement system that will enable businesses to submit bids online, reducing red tape and costs for business. This modern system will improve our ability to analyze spending across government and focus our efforts where it maximizes economic benefits to Yukoners. We will continue to find innovative ways to make life better for Yukoners and Yukon businesses.

Our government has built strong government-to-government relationships that foster reconciliation for the benefit of all Yukoners. We recently completed the Nares Bridge in Carcross, a project that set a template for how governments can collaborate with First Nations governments on infrastructure development. \$2.5 million is allocated in this year's budget for the Nisutlin Bay Bridge project in Teslin, which will follow that same template of collaboration.

We are prioritizing community driven projects, because we can see the positive impact they have on Yukoners. This budget contains funding for a community centre in Old Crow and the Kwanlin Dün First Nation's Community Hub in McIntyre. We have budgeted money for energy retrofits to the Watson Lake Administrative Building and also for a new Public Works and Firehall Building in the town. This building will consolidate city services and help meet the needs of Watson Lake for years to come. We will also be retrofitting the Old Territorial Administration Building in Dawson to support the Dawson City Museum and help preserve this important heritage asset. Each Yukon community is unique, and each community knows best what they need. Our government will continue to work collaboratively with communities all across the territory to identify local solutions and advance community-driven priorities that benefit Yukoners.

Our government is committed to infrastructure projects that contribute to healthy, vibrant, sustainable communities across the territory. While some of them are not glamorous, they have lasting positive impacts on our communities. This year we have budgeted money for upgrades to the lagoon in Old Crow and to finalize the new lagoon in Ross River. There is also funding for upgrading water and wastewater

infrastructure in Dawson City, improvements to Faro's water, sewer and road networks, and the Pelly Crossing Water Distribution Project. We have as well included money for the public works facility in Mayo and for Teslin's public works facility. We are also making significant improvements to the North Klondike Highway to improve safety and increase capacity on one of our territory's busiest highways. This initiative will see \$157 million spent over the next ten years, including more than \$13 million in this year's budget.

A Changing Climate

Living in the North, we know climate change is much more than a theory. It is the cracks in our highways and the shifts in the foundations of our buildings. It has real impacts in the communities we call home. Our government recognizes the urgency of the climate change crisis. This is why we are supporting the creation of climate resilient communities through funding for energy retrofits and infrastructure that can withstand changing permafrost and extreme weather events.

Following extensive public engagement, we are finalizing a Climate Change, Energy and Green Economy Strategy for Yukon. This strategy is ambitious, and it is necessary. We have budgeted \$1 million to begin implementation of this 10-year strategy in addition to \$29.6 million for climate change, energy and green economy projects. Our government will spend more than \$120 million over four years, starting in 2019, for energy efficient retrofits for residential, commercial and institutional buildings throughout Yukon. This works out to an average of \$30 million annually and means our government has achieved a vital goal that we set for ourselves in 2016.

Our retrofit programs are delivering measureable benefits by relieving pressure on our energy-generation needs, reducing our collective greenhouse gas emissions and creating green jobs that stimulate Yukon's economy. Still, we need to do more. This budget includes funding for several specific projects that will help communities move towards this goal, including green energy retrofits for the Teslin Municipal Center, and energy upgrades for the City Hall in Whitehorse. We are also helping communities support active transportation, including more than \$2 million to improve the public transit service in Whitehorse as well as expand the city's compost facility.

Our government is changing the way we fund wildland fire management to make sure we can access the funds and resources we need to fight longer and more intense fire seasons, as we saw in 2019. We are investing more towards prevention. This year \$5 million in new funding is allocated for wildfire suppression in addition to funding for fuel management, fire mitigation projects and to extend the season for First Nation crew members.

We have also started developing wildland fire protection plans with Yukon communities. By being proactive, we can mitigate forest fire risk while creating jobs in communities in areas such as timber harvesting and supporting Yukon's growing biomass industry. The community of Teslin presents a great example of this. They are now heating 13 major buildings in the community through a district heating system with 10 biomass boilers fueled by locally harvested waste wood. This has also created employment opportunities for 18 people in the community. What a great example of a community-driven solution with positive impacts that reach beyond their community.

Our government is also prioritizing biomass as a heating option in government buildings. This year's budget includes \$3.7 million to expand the Whitehorse Correctional Centre's existing biomass heating system. This will be the largest biomass project yet in Whitehorse and another major step towards supporting Yukon's biomass industry.

As we work to address climate change in a way that ensures our energy needs are met and we have a thriving green economy that benefits all Yukoners, one thing is clear: we need to work together. An historic moment for Yukon took place this summer on the banks of the Stewart River – the Peel Watershed Regional Land Use Plan was finalized after 15 years. Leaders from four First Nations came together with the Yukon Government to celebrate this incredible accomplishment – a huge step forward for reconciliation in Canada. We are proud to include money in this year’s budget to implement this historic plan together with our partners.

Conclusion

Our government is focusing on what matters: supporting Yukoners of all walks of life, and in all communities.

This budget reflects our government’s priorities – Yukoners’ priorities.

We are taking a people-centred approach to wellness to help Yukoners thrive.

We are making strategic investments that contribute to healthy, vibrant and sustainable communities.

We are strengthening government-to-government relationships with First Nations to foster reconciliation.

We are supporting a diverse, growing economy that provides good jobs for Yukoners in an environmentally responsible way.

We are delivering on these commitments by listening to Yukoners, identifying local solutions, supporting community-driven projects, and working in collaboration with our partners.

We continue to lay the foundation for a stronger future for Yukon and remain committed to doing so in a fiscally responsible way.

We committed to supporting Yukon businesses, and we are delivering on that commitment by cutting the small business tax rate and increasing the business investment tax credit.

We committed to providing \$30 million toward retrofits to help Yukoners and Yukon businesses make their homes and facilities more energy efficient, and we are delivering on that commitment.

We committed to taking action to address Yukon’s climate change emergency, and we are doing that by investing in an ambitious climate change, energy and green economy strategy developed in partnership with municipalities, First Nations, and - most importantly - Yukoners.

We committed to returning to a balanced budget in 2021, and we are surpassing that target by tabling a surplus budget today.

We committed to improving the lives of all Yukoners, and we continue to deliver on that commitment with this budget.

Thank you, Mr. Speaker.

Merci.

Mahsi` cho.

Gunatchish.