

Yukon's future.
Our priorities.



Our plan.

What We Heard Report:

Fall Engagement



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An Introduction

The Yukon government (YG) has established an independent financial advisory panel that will advise on options to return Yukon to a healthy financial position and ensure that it can fund the priorities and goals of the Territory. On September 12, 2017, the Yukon Financial Advisory Panel (YFAP) released its draft options for review, input and feedback. Among its options, the Panel developed scenarios that aim for short, medium and long term financial health and sustainability in the territory. These options were informed based on the input received from an earlier engagement process.

The engagement process was launched on September 12, 2017 and closed October 6, 2017. It was an intensive period that hosted an online discussion forum, over 65 face-to-face meetings in communities and with stakeholders, online survey and opportunities for video and written submissions. More than 800 Yukoners provided their input and feedback.

YG recognizes that it is not just about what government does, but how it does it that is important. To support and inform the work of the independent YFAP, a two phased public engagement process provided input and feedback for the Panel's consideration. YG recognizes its responsibility to involve people affected by decisions in conversations that help shape those decisions.

This report provides highlights and summaries of the input and feedback collected during the fall consultation phase of this process.

A NOTE TO READERS: We want to say thank you to all those who have participated in this engagement process. We are grateful to those who shared stories, provided input and feedback and contributed to the conversation.

Engagement Methodology & Tools

Building on the Early Consultation Process (June-July 2017), this fall, Yukon government set out to engage interested participants in a conversation about opportunities and challenges associated with proposed options to return Yukon to a healthy financial position. A number of different engagement tools were used to create a variety of opportunities for Yukoners to provide their input and feedback. They are as follows:

Face-to-Face Meetings

A significant number of community and stakeholder meetings were held across the Yukon. This included meetings with citizens, municipalities, First Nation governments, non-governmental organizations among many others. Meeting participants were invited to review the options and suggested considerations to successfully implement Yukon Government's 4 Priorities and provide their input and feedback. Panel members were also available to provide additional information or respond to participant questions.

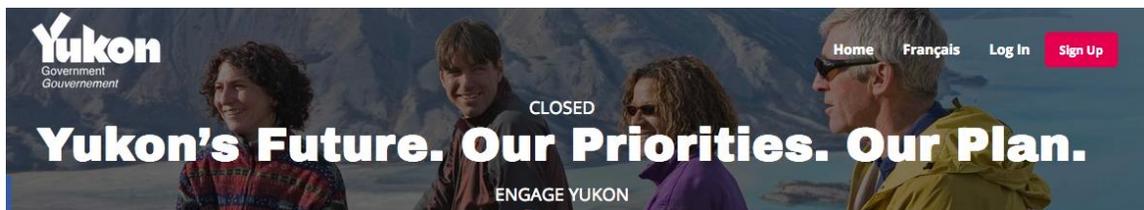


Online Survey

An online survey, conducted by Yukon Bureau of Statistics was made available to all interested participants. The survey included 3 sections consisting of 6 questions around draft options as put forward by Yukon's Financial Advisory Panel.

Online Discussion Forum

An online discussion forum was hosted at www.yukonplans.ca. Forum attendees were invited to review the options and suggested considerations to successfully implement Yukon Government's 4 Priorities and provide their input and feedback.



Yukon Talks: Share Your Story

Participants were invited to share their input and feedback on the proposed options by responding to key discussion questions in a video format to be submitted and loaded to Yukon government's YouTube channel.

For specific details on how Yukoners participated, view the infographics found on page 7 & 8 of this report.

Methodology Limitations

The data and process implemented included some limitations that should be taken into consideration when reviewing the 'What We Heard' report. They are as follows:

- The engagement questions focused specifically on gathering individual view and perspectives associated with each proposed option. The goal was to get a general sense of direction for future decisions, rather than to work directly with participants to determine final options.
- This engagement process focused on gathering general input and comments on proposed options rather than asking participants to work together to come to agreement. Therefore, the data often results in tensions where some participants prefer an option where others do not.
- The project is not market research where a statistically valid opinion is provided as a snapshot in time. The consultation process focused more on increasing awareness and understanding, and gathering input, ideas and preferences of interested participants. The gathering of opinions is not statistically valid.

How Yukoners Participated

PARTICIPATION RATES:

How Yukoners participated

800+

PARTICIPANTS



Online Discussion Forum

112

REGISTERED USERS

57

COMMENTS

2500+

USER SESSIONS

Face to Face Meetings



8

MUNICIPAL GOVERNMENTS

11

FIRST NATION GOVERNMENTS

21

MEETINGS WITH DIFFERENT STAKEHOLDER GROUPS

Online Survey



426

SURVEY SUBMISSIONS

Youth Engagement



200

PARTICIPANTS

Written & Email Submissions



7

65+

Discussion on news articles



ENGAGING IN ONLINE CONVERSATION RELATED TO MEDIA ARTICLES

3

Call-in Radio Shows



FACE TO FACE MEETINGS

Communities



20
PUBLIC EVENTS
with
139
CITIZEN PARTICIPANTS

Yukon First Nations
Champagne and Aishihik
Carcross/Tagish
Kluane
Little Salmon Carmacks
Na-cho Nyak Dun
Selkirk
Ta'an Kwach'an Council
Teslin Tlingit Council
Tr'ondek Hwech'in
Vuntut Gwitchin
White River

Key stakeholder organizations: *200+ participants at 21 events*

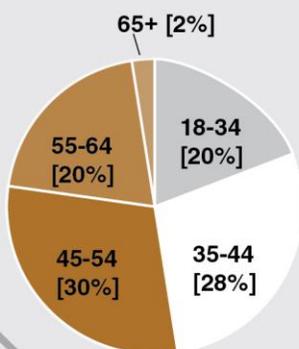
Association of Yukon Communities
Association franco-yukonnaise
Council of Yukon First Nations
Dawson KPMA members
Dawson Chamber of Commerce (CoC)
ENGO Executive Directors' focus group
Health-sector NGO
Executive Directors' focus group

Klondike Development Org
Klondike Placer Miners Association
People with lived experience focus group
Watson Lake CoC
Whitehorse CoC
Yukon CoC
Yukon College

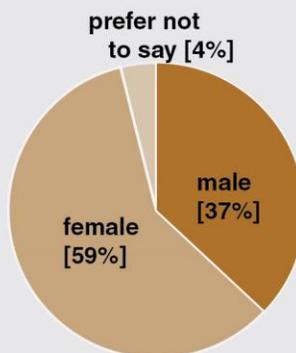
Yukon Economists focus group
Yukon Employees Union
Yukon First Nation CoC
Yukon First Nation Dev Corps
Yukon Hospital Corporation
Yukon Housing Action
Plan Implementation Committee

WHO PARTICIPATED*

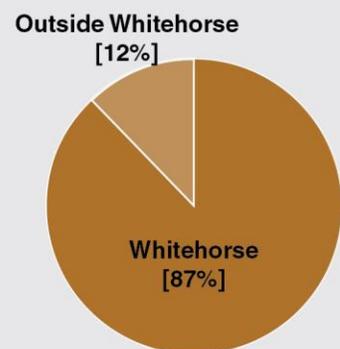
Age



Gender



Location



*Data collected from the Online Survey

**Input & Feedback
on Short, Medium
& Long Term
Options**

Options for Short Term Financial Health...#1 Restrain Spending Growth

OPTION DESCRIPTION

In order to achieve a balanced budget by 2020, the Government of Yukon could restrain spending growth by limiting spending increases to 1% per year. Alternatively, a more relaxed approach with spending growth capped at 2% per year would balance the territorial budget by 2022/23.

Using an online survey, hosted by Yukon Bureau of Statistics, Yukoners were asked to rank each option based on their preference in order of most preferred option to least preferred option. Based on the results received:

49.77% of respondents indicated Option 1 as their most preferred option.

Preference Rank	Percentage	
1	49.77%	Most preferred option
2	23.24%	
3	20.19%	
4	6.81%	Least Preferred option

Participants were also asked to discuss the benefits and opportunities of the option, and alternatively the associated drawbacks and challenges. They were also asked to provide any additional considerations or feedback for the Panel. This data was collected via a number of engagement tools that are outlined in the “How Yukoners Participated” infographic.

The key themes from the collected input and feedback are as follows:

Benefits and Opportunities

Participants noted the value of reigning in government growth and slowing down spending as a short term financial solution.

- *Are we maybe growing too quickly? There are things that we could probably wait to spend on.*
- *It seems like the nature of government is to grow, right? It seems to me like slowing down the growth is important.*
- *Spending is climbing way too fast.*
- *Fundamentally we have to restrain growth in spending and increase revenue sources. Restrain, not necessarily cut.*

Other participants indicated they would like to see funds allocated more efficiently as well as seeking out opportunities to reduce costs to control government expenditure.

- *You should task government departments with finding ways to find efficiencies.*
- *One of my jobs is to find unnecessary expenses. I am much more in favour of finding inefficiencies within government.*
- *If spending had been done with more thought and efficiency, we could save a lot of money.*

Other participants suggested exploring opportunities to reduce expenditures by downloading services to municipalities and NGO's.

- *Options to work together with YG on delivery of similar services - land fill in nonincorporated communities, for example - municipalities can do it better or cheaper.*
- *Taking money back from the funds invested in the YG public service and putting it into NGOs would go a long way towards providing better services.*

Drawbacks and Challenges

Participants noted concerns about reducing government growth and noted the negative impact on important programs provided to Yukoners.

- *The trouble I have is that what if the Department of Environment gets cut for example, which is already struggling to support programs up here. I'm concerned with the impact this might have on environmental monitoring.*
- *If there's a desire to cut back on programs, these communities are going to be hit even harder.*
- *I'm curious as to where the restraint will come in. Where will programs be cut or diminish as a result of restrained growth?*
- *Looking at everything, would the 1% cover the necessary increases?*

Other participants felt reduction in growth would not be possible with increasing costs and were concerned municipal governments would be responsible to fill the gaps.

- *From a municipal government perspective there are lots of financial pressures. Our costs are increasing.*
- *Other governments may have to pick up the slack if YG spends less in certain program areas.*

There was also some concern that short term reduction in growth may have a negative impact on long term outcomes.

- *Capital spending is easy to cut back in the short term, but there will be a big impact on future generations. Report states that "economic" infrastructure spending should be maintained.*

Participants also indicated YG should be realistic in its projections for controlling growth.

- *Difficult to restrain government spending. Very little spending is considered non-core.*
- *What does limiting growth to 1% look like? It's a fairly major cut in the growth of government spending.*

Additional Considerations

Public v/s Private Growth and Development

Respondents suggested a need for the private sector to drive economic growth. There was concern YG was preventing private economic development.

- *When we first came to Yukon in the 60s, government spending and revenues were far less than the private sector. That flipped in the '80s.*
- *How can a territory grow when government is the main driver of the economy?*
- *We need to get private sector development going.*

Furthermore, participants expressed that YG wages and benefits were not in line with market conditions in the private sector.

- *I've seen how big the government has been getting. Not just wages, but benefits. It's not reasonable, and private enterprise can't compete with it. Government takes good staff.*
- *My view is public sector employees are overpaid with respect to the private sector.*
- *You need to be talking about cutting wage levels in the public sector.*

Transparency and Information

Participants expressed a desire for the government to be more transparent in spending and providing financial information to Yukoners.

- *I find it challenging because I don't know what departments are spending and I don't know what is currently being directed towards First Nations.*
- *The government should release monthly financial summaries publicly.*
- *We need to know where the spending is going, is it medication, surgeries, etc. These will help determine how we work towards fixing it.*

Options for Short Term Financial Health...#2 Increase Government Revenue

OPTION DESCRIPTION

The Government of Yukon could establish a territorial sales tax. A sales tax would address near-term fiscal challenges and would grow with the territory's GDP. Each 1% increase in the sales tax would raise an additional \$7 million per year in government revenues.

The revenue collected from a territorial sales tax could be redistributed through lowering personal and business tax. Additionally, visitors to the Yukon would contribute a substantial share of the sales tax revenue, perhaps in excess of 25 cents of each dollar collected, and therefore Yukoners overall would pay less tax.

Using an online survey, hosted by Yukon Bureau of Statistics, Yukoners were asked to rank each option based on their preference in order of most preferred option to least preferred option. Based on the results received:

9.62% of respondents indicated Option 2 as their most preferred option.

Preference Rank	Percentage	
1	9.62%	Most preferred option
2	16.43%	
3	39.44%	
4	34.51%	Least Preferred option

Participants were also asked to discuss the benefits and opportunities of the option, and alternatively the associated drawbacks and challenges. They were also asked to provide any additional considerations or feedback for the Panel. This data was collected via a number of engagement tools that are outlined in the "How Yukoners Participated" infographic.

The key themes from the collected input and feedback are as follows:

Benefits and Opportunities

Respondents who were in support of the sales tax viewed it as a good way to generate revenue, but had some concerns about where this additional revenue would be spent.

- *I'm not quite so hesitant about introducing a sales tax, but if this does happen, the municipality needs to get all of this money back.*
- *If government increases taxes it needs to improve our services and infrastructure, not just build up the bureaucratic system.*

- *I don't think we should consider ourselves immune from a sales tax. I think it does make some sense as long as it's directed towards capital investments in municipalities. It's our capital infrastructure that drives revenue. It's our pools, our rec centres, etc.*

Some participants would also like to see Yukoners benefit more from mining through additional taxation of natural resources and elimination of resource sharing.

- *Raising income taxes for mining is important. Compared to the rest of the provinces, what is their taxation rate while ours is still 36 per ounce of gold.*
- *Some of the miners are making a really good buck on their mining at the expense of the environment and royalty resource sharing under chapter 22 of the UFA.*
- *We're really losing out on resource sharing and so is the Yukon government.*
- *We talk about mining, but honestly, how much of that money stays in the Yukon?*
- *If government is concerned about balancing its revenues and expenditures, then we should look at ways we can benefit more from mining industries.*
- *I would also suggest putting an export tax of 5% for any resource that leaves the territory without any value added.*

Instead of sales tax, some respondents would prefer alternate tax revenue. Consideration of "sin" tax, luxury tax, and/or tourism tax was put forward.

- *Why would you not implement a hotel tax?*
- *If we say health is the single largest expense in the territory, why don't we tax things that contribute to the cost of healthcare like sugar?*
- *If you look at it from a different perspective like how smoking and alcohol affects people's health, I see no issue with creating taxes on harmful products. You could focus on sin taxes.*
- *With respect to a sales tax, food is already very expensive in the North, so I would not like to see it on any sort of food. Maybe junk food.*
- *Why don't we consider a luxury tax? Do you really need a 50 foot yacht? Why tax things like toilet paper just as highly which are an essential service?*
- *A lot of tourists go to places around the world and there's a 5 or 10 dollar charge and they don't bat an eye. I think we need the same thing here and we should call it an infrastructure levy.*
- *I'm sure you've been following some of the discussion coming out of Alaska at the moment and perhaps you've heard about a seasonal sales tax.*

It was also suggested that YG find a way to gain revenue from out of territory workers who spend most of their time in the Yukon, but do not pay into the Yukon income tax pool.

- *We support the idea of a payroll tax on out of territory workers. Many workers fly in and leave absolutely no benefit to Yukon. In NT payroll tax. If you work more than 50% of the time GNWT taxes their full income.*
- *We're not going to get the payroll taxes off those Yukoners that are flying in and flying out.*

Drawbacks and Challenges

Some participants were opposed to a sales tax and concerned it would negatively affect those with low incomes, reduce retail spending and add to the high cost of living in Yukon.

- *An HST would be horribly detrimental to the vulnerable residents here. It's not going to help those people at all. A quarterly rebate isn't going to help people living paycheque to paycheque.*
- *If there's a sales tax, I can see a lot of my colleagues lose a lot of sales to Alberta overnight.*
- *Sales tax is, without a doubt, going to affect retail sales in the territory drastically.*
- *Just to live here is more expensive. We're going to pay 12% more on our fuel, now more with a sales tax.*

Additional Considerations

Yukoners also suggested changes at the government level before looking to constituents to generate more income. Ideas brought forth include negotiating more support from the federal government and YG finding ways to eliminate spending and operating within a tighter budget.

- *Has the Panel talked about the considerations and the implications needed to negotiate a larger federal transfer?*
- *Strategy with respect to Government of Canada - how do we grow the pie?*
- *I look at these options and there really is no viable option. I think we're missing the main point of just living within our means.*
- *The Yukon government should be attempting to eliminate debt by a certain point and maintain a balanced budget.*
- *Live within your means, taxation is not the way to go. Taxes are too easy to solve the issue.*
- *I'd be much more interested in discussing the idea of a government sales tax AFTER the government has made an attempt to reduce spending.*

Options for Short Term Financial Health...#3 Combine New Revenues with Spending Restraint

OPTION DESCRIPTION

There is an opportunity to combine both Option 1 and 2 where the outcome of a balanced budget would be achieved sooner, and the costs of the change are distributed more equitably. The Government of Yukon could combine new revenues and spending growth by:

- *Capping spending growth at 2% and introducing a 4% territorial sales tax in order to balance the territorial budget by 2020/21.*
- *Capping spending growth at 1.5% and introducing a 4% territorial sales tax in order to balance the territorial budget by 2019/20.*
- *Capping spending growth at 0.5% and introducing a 2% territorial sales tax in order to balance the territorial budget by 2019/20.*

Using an online survey, hosted by Yukon Bureau of Statistics, Yukoners were asked to rank each option based on their preference in order of most preferred option to least preferred option. Based on the results received:

26.02% of respondents indicated Option 3 as their most preferred option.

Preference Rank	Percentage	
1	26.06%	Most preferred option
2	36.15%	
3	30.52%	
4	7.28%	Least Preferred option

Participants were also asked to discuss the benefits and opportunities of the option, and alternatively the associated drawbacks and challenges. They were also asked to provide any additional considerations or feedback for the Panel. This data was collected via a number of engagement tools that are outlined in the “How Yukoners Participated” infographic.

The key themes from the collected input and feedback are as follows:

Benefits and Opportunities

Some respondents were in favor of the combined options believing this would be a beneficial short-term solution.

- *Capping spending growth at 0.5% and introducing a 2% territorial sales tax in order to balance the territorial budget by 2019/20.- I like this one.*
- *I like reducing spending/efficiency. I also think we need to increase revenue.*

There was also some in favor of user fees on top of sales tax to generate revenue.

- *You absolutely have room to increase user fees as they currently stand.*

Drawbacks and Challenges

Some participants were concerned they may lose valuable programs under this option.

- *Would this option eliminate some of our programs? It depends what the government targets. Con is that this is going to hit somebody.*

Respondents also worried about how much YG is spending and how it would be paid back.

- *Living within your means...we have to do it on council, we all have to do it. Who pays for it at the end of the day? If we take out debt, who pays back that money?*
- *Borrowing money to get out of debt is not the answer. I don't get a mastercard to pay off my visa.*

Other participants would like to see YG operate more efficiently and re-evaluate the budgets they are currently working with.

- *The Panel suggests a "stop government spending growth" option, but they don't provide an option to decrease spending, and in the long term, decrease government growth. I am a long time Yukoner. I have worked in government and in the private sector. The primary reason that I left the government was that I could not stand the inefficiency and waste of funds. Departments are under the belief that if they don't spend all of their funding each year, it will be clawed back the next year. Whether or not this is true, I don't know, but it gives no incentive whatsoever for departments to be fiscally responsible. Anyone in the private sector who benefits from government spending will agree that March is a great month for getting government contracts as every department is desperately trying to spend what they have on hand before the year end. If there were some sort of incentive for those same departments to come in under budget, maybe the government wouldn't have a spending problem. If someone has a spending problem, the first advice they get is to look at their budget, tighten their belt and curb their spending. I think it is ludicrous that an option is to raise further revenue to feed the out of control spending.*

Additional Considerations

Operating under a deficit was also offered as an option in the short term.

- *I don't think we should be totally averse to deficit spending. It has been shown to help governments get back to where they need to be.*

Another participant would like YG to evaluate the use of contractor services believing this to be a place where money could be saved.

- *I would caution against contracting. In the Yukon there is a very small workforce so contractors are aware of this inability and contractors will gouge the government. We overpay for a lot of things when there isn't a lot of competition or workers to do it.*

Options for Short Term Financial Health...#4 Do Nothing

OPTION DESCRIPTION

Doing nothing, as proposed by the Panel, is the final option that suggests there is an opportunity to accept the status quo and take no deliberate action. The Panel's draft options highlight the Conference Board of Canada's Territorial Outlook Economic Forecast, which anticipates mining activity to grow and large scale activity to begin – both of which will have positive impacts on increasing revenue from 2018/19.

The Panel also notes the risk of doing nothing. If increasing revenue does not materialize, Yukon's fiscal situation will become more difficult to manage at a later date.

Using an online survey, hosted by Yukon Bureau of Statistics, Yukoners were asked to rank each option based on their preference in order of most preferred option to least preferred option. Based on the results received:

14.55% of respondents indicated Option 4 as their most preferred option.

Preference Rank	Percentage	
1	14.55%	Most preferred option
2	24.18%	
3	9.86%	
4	51.41%	Least Preferred option

Participants were also asked to discuss the benefits and opportunities of the option, and alternatively the associated drawbacks and challenges. They were also asked to provide any additional considerations or feedback for the Panel. This data was collected via a number of engagement tools that are outlined in the "How Yukoners Participated" infographic.

The key themes from the collected input and feedback are as follows:

Benefits and Opportunities

Some Yukoners feel the economy is on the rebound and anticipate mining revenue will be enough in the short term.

- *The economy is just going to continue to strengthen and this whole process is unnecessary.*
- *Can't we count on 3 or 4 mines opening in the next couple of years? Yes.*

There were others who would like to wait and see before implementing any changes to the financial plan.

- *YG could decide to do nothing in the next budget, but consider doing something if new mining doesn't materialize.*

Drawbacks and Challenges

There was also concern about not making changes and relying on future mining income to increase revenue.

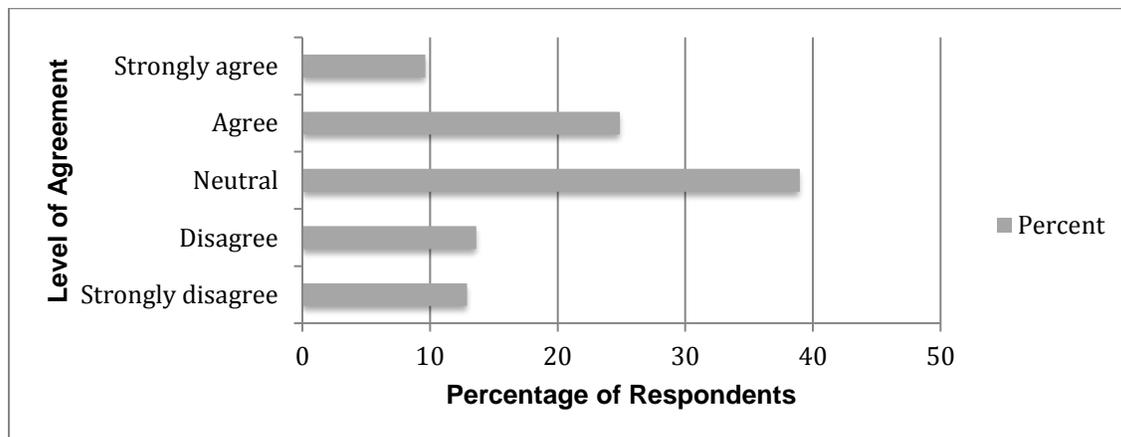
- *There is some language within the plan to "do nothing." We see that as a bit of a risky approach.*
- *Never count on mining.*
- *In my experience you do nothing you get nothing.*
- *We can't rely on mining as a sign of economic growth in the territory, nor can we rely on mining since we have no idea where oil and gas prices will go, which drives tourism in the territory.*

Options for Medium Term Financial Health...#4 Tie the Borrowing Limit

OPTION DESCRIPTION

The Government of Yukon could negotiate with Canada to tie its borrowing limit to the Yukon economy. As the economy grows, so too does the territory's ability to manage debt and therefore so too should its borrowing limit increase. For example, a borrowing limit of 15% of GDP (gross domestic product) would be roughly equivalent to the current limit of \$400 million in 2015 but would potentially increase to \$485 million by 2020.

Using an online survey, hosted by Yukon Bureau of Statistics, Yukoners were asked to provide their level of agreement in tying the borrowing limit to the Yukon economy.



Participants were also asked to discuss the benefits and opportunities of the option, and alternatively the associated drawbacks and challenges. They were also asked to provide any additional considerations or feedback for the Panel. This data was collected via a number of engagement tools and are outlined the “How Yukoners Participated” infographic.

The key themes from the collected input and feedback are as follows:

Benefits and Opportunities

Some participants were in favour of tying debt to GDP to maintain economic growth and development.

- *It can make sense for governments to borrow to pay for infrastructure.*
- *If the government doesn't choose this, it means the budget needs to be balanced sooner, in order to avoid hitting the current debt limit.*

Respondents also believe parameters would need to be put in place to protect YG from volatility in GDP.

- *Perhaps always a floor or a moving average. Like benefits tied to inflation. They aren't reduced if deflation occurs.*
- *GDP as escalator on borrowing cap: GDP can be very volatile from year to year.*

Drawbacks and Risks

There were other respondents not in favor of increasing debt, and were hesitant to agree to tying debt to GDP.

- *As a small business owner, I avoid debt if I can. We should not increase government debt in any way.*
- *Cap the borrowing limit to \$400 million and when annual revenue exceeds annual costs then start paying down the 400 million debt.*
- *If you had to lower the debt ceiling when GDP dropped that would be counter intuitive.*

Additional Considerations

In Yukon, GDP is strongly tied to the resource sector. Tying debt to GDP would create more risk.

- *There is risk if the GDP is tied to resource sector and the Companies have not invested in future proofing i.e. the cleanup and refurbishment of the site. Guarantees need to be in place at the OUTSET to mitigate unexpected shut downs and or complications associated with the industry.*

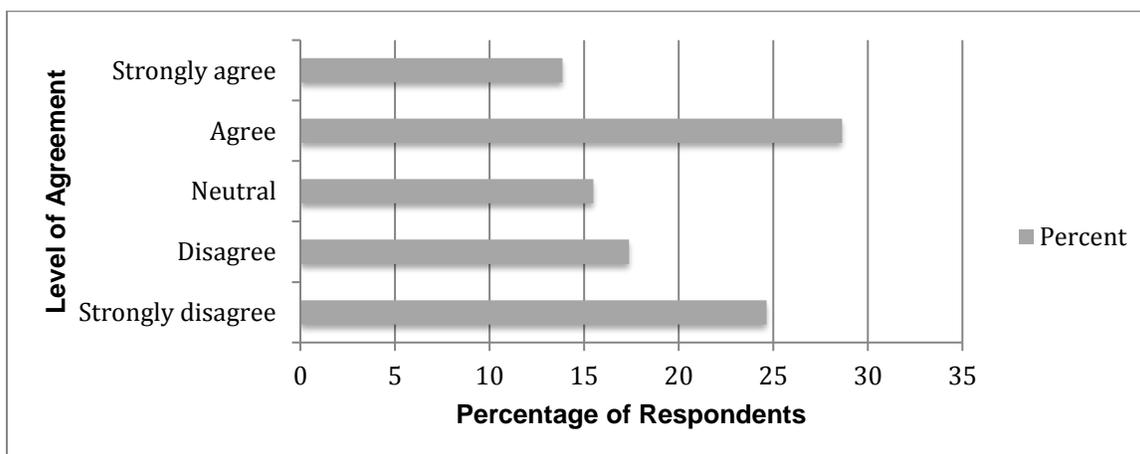
Options for Long Term Financial Health... Income Taxes vs Consumption Taxes

OPTION DESCRIPTION

The Government of Yukon could consider a broad reform that shifts taxes away from income and productivity and towards consumption. Primarily, this would result from the introduction of a territorial sales tax and re-distributing this revenue through lowering personal and business tax.

Visitors to Yukon would contribute a substantial share of the sales tax revenue, perhaps in excess of 25 cents of each dollar collected, and therefore Yukoners overall would pay less tax. This will improve the efficiency of Yukon's economy, provide funds to enlarge the cost-of-living credit recommended under the carbon tax plan, dampen the volatility of government revenue, lower its reliance on mining sector activity, improve the predictability of future government revenue, enhance the incentive to work, to save, and to invest and better extract value from visitors to the Yukon.

Using an online survey, hosted by Yukon Bureau of Statistics, Yukoners were asked to provide their level of agreement with long-term tax reform.



Participants were also asked to discuss the benefits and opportunities of the option, and alternatively the associated drawbacks and challenges. They were also asked to provide any additional considerations or feedback for the Panel. This data was collected via a number of engagement tools that are outlined in the "How Yukoners Participated" infographic.

The key themes from the collected input and feedback are as follows:

Benefits and Opportunities

Some respondents supported implementing a consumption tax with accommodation to low income brackets.

- *I'm a fan of consumption taxes, and I would go with the corresponding lowering of income taxes.*
- *A sales tax makes good sense if Yukoners realize income tax benefits. But everyone is responsible for the burden, there should be NO discrimination, resource companies, tourists regardless of country, and First Nations, should all be required to carry this responsibility. Consumerism is not tied to culture nor should it be exempted from resource extraction.*
- *Through operation of the TFF, Yukon is penalized for its low effort in sales taxation. This is a cost to Yukoners. Start taxing consumption while lowering the tax on income for lower income brackets.*

Drawbacks and Risks

There was some concern about the cost of living in the Yukon and how a consumption tax would negatively impact this as well as place a larger burden on low income earners.

- *The cost of living is already quite high in the North, especially in Old Crow.*
- *Doesn't shifting taxes from income to consumption just hurt poor people?*

Another concern raised was the impact of a consumption tax on consumer behavior in the Yukon.

- *My concern about a sales tax is that people will buy their jackets elsewhere, where they are cheaper.*

Participants also raised the issue of increased YG administration and cost to implement and collect a consumption tax whether or not it is harmonized with GST.

- *Government has to hire staff, businesses have to hire people to process, disincentive to spend. A: harmonize with GST.*
- *Higher costs from audits and other government administration.*
- *Harmonization doesn't always work. Paperwork can be a nightmare.*

Additional Considerations

Participants suggested that if a consumer tax is implemented and a rebate issued to low income earners to offset the tax, it would need to be thought out how to implement the rebate with the least negative impact to these people.

- *If there are going to be rebates or credits, they should be delivered ahead of time, not after the fact.*
- *I'd like to talk about GST rebate cheques. It is great for low income people to get a cheque annually, but how do they pay the sales tax for the rest of the year? Answer: rebate cheques generally come out quarterly. A government could even send them out in advance of bringing in a sales tax.*

Respondents also asked the question of what the income tax cut would look like for different levels of income.

- *Income tax. How would it fall? It would be up to government.*
- *Lower upper brackets?*
- *Lower all?*

Respondents would also like to see more diversity in cost saving methods and income generation – branching away from consumption tax and looking at other options.

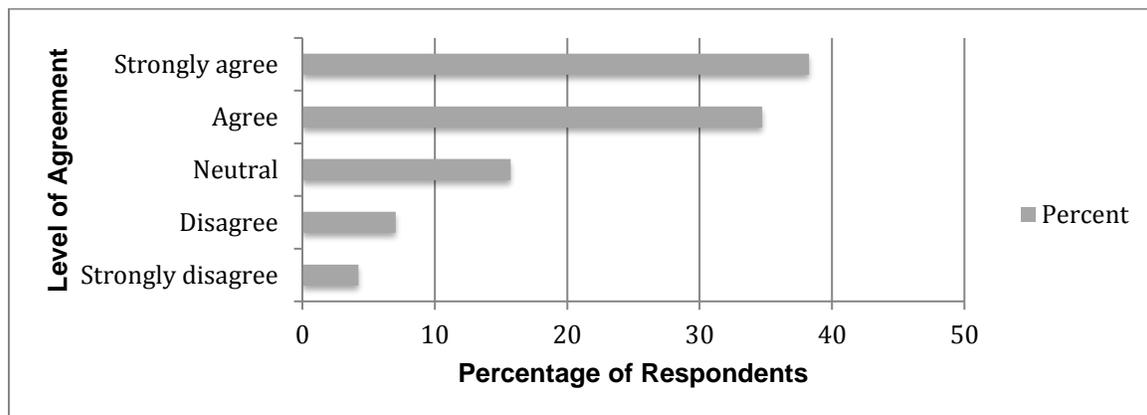
- *We would rather they look at efficiencies (a review of all departments) before considering bringing in a new tax.*
- *You support consumption tax, but you hate corporate income taxes. You do not refer to research that shows cutting corporate taxes doesn't lead to increased productivity. Should be mentioned that there is a lot more controversy than what the report outlines.*
- *Report needs more balance. Don't just focus on consumption tax.*

Options for Long Term Financial Health... A Savings Fund

OPTION DESCRIPTION

The Government of Yukon could establish a savings fund that would receive deposits in years where tax revenues come in above a set threshold and could withdraw from the fund in years where revenues come in below that threshold. This could dampen volatility of government revenue due to unexpected swings in mining sector activity.

Using an online survey, hosted by Yukon Bureau of Statistics, Yukoners were asked to provide their level of agreement with the development of a Yukon savings fund.



Participants were also asked to discuss the benefits and opportunities of the option, and alternatively the associated drawbacks and challenges. They were also asked to provide any additional considerations or feedback for the Panel. This data was collected via a number of engagement tools that are outlined in the “How Yukoners Participated” infographic.

The key themes from the collected input and feedback are as follows:

Benefits and Opportunities

Participants who agree with a savings fund felt it may be an option instead of introducing a consumption tax while also easing volatility.

- *An alternative to long term option 1. This option could also dampen volatility, even if taxes weren't shifted to consumption.*

Respondents also felt a savings plan could better utilize surplus funds of under-budget departments.

- *Could this also stop YG from scrambling to spend at the end of the fiscal year? A department level savings fund?*
- *Keep the money in department budgets as a surplus for next year.*
- *Government should be looking at whether departments delivered on outcomes. Encourage frugality so long as departments are achieving results, not penalizing them.*
- *I would go with a savings fund. There are really good years sometimes. Instead of spending all that money that year, put it away for a rainy day. You do it in your personal life. Why doesn't government do it?*

Drawbacks and Risks

Alternatively, some respondents were opposed to a savings fund and raised concerns of how and when the funds would be utilized.

- *What's the guarantee that this doesn't just get spent when a government is facing difficult times?*
- *If we have a savings fund a change in government could use it as a slush fund.*

Others felt debt and overspending should be addressed before considering a savings fund.

- *Why not pay off debt rather than creating a savings fund? Yes, you could pay off debt from the savings fund first, then accumulate monies. That would be one way to use it.*
- *The government should never be in the savings business.*
- *The best savings is don't spend it.*

Additional Considerations

In responding to this option, participants noted a need for focus on environmental concerns. More specifically, implementing a savings plan for mining companies to pay would ensure proper environmental cleanup at the end of a project as well as providing funds for environmental monitoring.

- *We need a fund that the mining companies pay into that, once they up and leave, it can pay for those environmental liabilities.*
- *We know more environmental monitoring is required, but it is expensive.*

Other respondents would like to see YG use different methods to find a solution for the financial future of the Yukon.

- *Government should be looking at whether departments delivered on outcomes. Encourage frugality so long as departments are achieving results, not penalizing them.*
- *The Norway example is a fabulous example. I think Canadians should know more about this story as an example.*
- *Should government have financial advisors to dictate how the fund should be spent?*

Participants discussed the connection and impact of utilizing resource development industries as the source for funding a savings fund.

- *"I wanted to mention that if we go this route and try to build on the savings fund and that money is going to come mostly from resource development. What I want to say here is the way that the government's thinking in building this savings fund in the future when my grandchildren are elders in this community or future generations in the Yukon, all that we're going to be worried about is keeping this fund at a certain level and the amount of resource development we need to keep up to keep our fund topped up. Because that is going to be the driving force in the future."*
- *Can the revenue only come from oil and gas?*

**Successfully
Implementing
Yukon Priorities**

Successfully Implementing Yukon government Priorities

In its first Throne Speech [April 20, 2017] the Yukon government committed to four key priorities. In brief, they are:



Our people-centred approach to wellness helps Yukoners thrive.



Our strategic investments build healthy, vibrant, sustainable communities.



Our strong government-to-government relationships with First Nations foster reconciliation.



Our diverse, growing economy provides good jobs for Yukoners in an environmentally responsible way

In its Draft Options report, the Yukon Financial Advisory Panel provided a number of suggestions for YG to consider associated with the successful implementation of each of these priorities. Yukoners had opportunities to review these suggestions and provide their input and feedback to support the development of final options.

Priority 1 Our people-centred approach to wellness helps Yukoners thrive

Considerations from Yukon Financial Advisory Panel

Consideration	Why do this?
Undertake comprehensive review of the healthcare sector	<i>This review would provide a complete understanding of the factors driving healthcare costs and the quality of outcomes being delivered to Yukoners in the current system. Additionally, this would serve as a basis for future improvements.</i>
Support innovations in healthcare delivery	<i>This consideration aligns with the intention of increasing public sector efficiencies. As a significant portion of the budget is allocated to healthcare, this is an important area to focus on. Examples of such innovation could include development of mobile labs or clinics supporting around the clock diagnostic work or creation of electronic medical records.</i>
Consider “co-pay” arrangements in healthcare	<i>Co-pay refers to implementing income-related cost sharing of healthcare costs. There is an opportunity to examine the potential for low-impact changes to co-pay arrangements in areas like pharmacare (drug costs).</i>
Invest in social spending	<i>There is evidence that incremental investments in housing and other aspects of social spending have a much bigger impact on health outcomes than a marginal dollar spent on health care facilities and personnel. This consideration suggests reallocating tax dollars from traditional health spending (facilitates & personal) to social spending (housing or other key indicators of health & wellness)</i>
Focus on supporting adult functional literacy challenges	<i>The Education Department could assess the outcomes from current approaches to dealing with adult literacy challenges and consider program design changes to improve those outcomes.</i>

Participant Input & Feedback

CONSIDERATION: Undertake comprehensive review of the healthcare sector

Priority 1 of the Yukon government Priorities considers a comprehensive review of the healthcare sector to understand costs, outcomes and improvements. Some participants responded with support for reviewing healthcare and shared, “I do think that there should be some heavy exploration into the theme of integration and synergies where we do have redundant services (i.e. back office, clinical, admin, etc.),” and “I think there should be a comprehensive review of the health sector.” While other participants cautioned, “This is a marathon. You need politicians who understand this and understand the community and can make the tough choices. This isn't a one mandate thing, this is like a three mandate operation.”

Participants also commented on many aspects of healthcare such as seniors' care, access to healthcare, budgets, mental health and hospitals, and the key themes are noted below.

Seniors Healthcare

Participants shared their input on how to provide care for seniors in their communities. People noted that supporting seniors to age in place is important as well as programming for seniors to remain active and healthy. There were concerns about seniors waiting for long-term care and remaining in hospital unnecessarily for extended periods of time. Ensuring that seniors are in the appropriate place for care was also a concern noted, whether that be in hospital, acute care, long-term care or at home with the support of home care. Participants also commented on the number of seniors moving to Yukon and the number of seniors living in seniors facilities and if there are statistics to confirm these numbers. One participant stated, "How can we support senior citizen homes if we don't even have the statistics on how many are living in seniors homes?"

Access to Healthcare

Respondents felt strongly about the need to access healthcare in Whitehorse as well as closer to home in their own communities. Some participants expressed frustration about having to access services in other cities such as Vancouver, BC. Additionally, participants recounted stories of travelling to Whitehorse for medical appointments and either not having that appointment or feeling frustrated that their appointment could have been conducted via telephone or video conference. The time and expense of traveling for appointments were noted in comments such as, "I'm on the road 6 or 7 times a year for medical appointments. I drive all the way in then they tell me I need to come back later," as well as, "We have spent so many times going to the hospital to have a face to face conversation with the doctor and he didn't even lay a hand on me." Other participants shared, "We have videoconferencing here in the hospital that is state of the art and we don't use it," and "There are major issues with health care in the communities. Astronomical costs of getting people to Whitehorse and beyond to see a specialist for a consult. Why can't people use Telehealth for consults?" Participants suggested that bringing a doctor or specialist into the community could increase efficiency of healthcare delivery. An overall need for more resources in the community such as addictions counselors and palliative care services was also identified.

Participants also commented on the lack of healthcare services that are available in their communities. "There are programs in Whitehorse itself for home care, but this is not available in the communities," and "We can't even birth children outside Whitehorse". Another participant shared a story about her grandmother who has to travel for her healthcare needs. "Grandma is ill and we bring her into town regularly and she hates it. Beaver Creek itself is not small enough. She wants to live in the bush. We're struggling as a family to heal her. We had to contract out service because there is no nurse that goes all the way to Beaver Creek and does day to day care."

Healthcare Budgets

The cost of healthcare and healthcare budgets were also noted in participant feedback. One participant addressed the costs associated with having to leave Yukon for healthcare and asked, "How many Yukoners go down to Vancouver for an all expenses trip for a 15 minute appointment?" and "People don't want to be sent out to Vancouver for this stuff

and if that's the case, the money needs to come from somewhere.” Another participant made the suggestion to “Modernize the budget to reflect today's demands rather than the demands of 25 years ago.” Others commented on the subsidies that YG provides and those associated costs. For example, one participant commented, “Massive subsidies provided to long-term care (\$35/day). Pretty massive cost.”

Others using YG Healthcare Services

It was mentioned by some participants that people who aren't receiving healthcare from Yukon government are still accessing services. “We have far more health cards out there than Yukon residents. They change over to the Yukon then move away and ride on the Yukon healthcare system for the entire rest of the year.” Additionally others felt that people were coming to Yukon to use the extended care facilities.

Mental Health

Mental health is another topic that participants addressed, stating that more support for mental health is needed in communities. One participant suggested, “Dealing with mental health issues at home, in communities to reduce later costs on the health and justice systems.”

Hospitals

Participants had varying comments about hospitals including bed capacity, the cost of care, staff to provide services, high administration costs, fees for services, accessing services that are in high demand (such as MRI) and the demand to provide more community based services.

CONSIDERATION Support innovations in healthcare delivery

The Financial Advisory Panel also put forward considerations in creating innovations in healthcare delivery with a focus on finding efficiencies.

Healthcare Innovation

Participants suggested a number of innovative ideas about healthcare. Some of these ideas include healthcare cards with photos (to cut down on others using Yukon healthcare benefits), implementing a user pay fee for hospital visits, increasing taxes for the highest earners in Yukon, increasing taxes on alcohol and tobacco and investing more in prevention.

CONSIDERATION: Consider “co-pay” arrangements in healthcare Privatization

Participants responding to “co-pay” or other privatization options in healthcare raised a number of concerns. One participant shared, “I believe public health care is a sacred trust. Any co-pay arrangements would likely become an insidious slope and the burden would eventually lead to a bigger and bigger strain on the users who can pay and these people would eventually subsidize the large cohort of users who could not pay.” Other participants commented that privatization doesn’t necessarily lead to efficiencies and worried about the costs of accessing services. Participants also shared that they would like more information about what potential co-pay could mean. “I would like a little bit more on healthcare and what they’re describing with co-pay.”

Comparatively, some participants see the potential benefits of privatizing some elements of healthcare but are afraid and worried for what it could mean and how they and other Yukoners would be impacted.

CONSIDERATION: Invest in social spending

Participants put forward a few ideas about how to invest in people instead of facilities and personnel. The main theme heard here was education and finding opportunities for youth. Participants commented on investing in early education and also online education. A challenge participants highlighted was finding good teachers and keeping them in the community.

CONSIDERATION: Focus on supporting adult functional literacy challenges

There were no direct comments related to this consideration but the overall feeling from participants centred on investing in prevention and keeping people healthy in order to support wellness.

Additional Comments

Other pertinent comments about Yukoners’ wellness centred on First Nations and the YG working with non-government organizations (NGOs).

Collaboration between Governments

Participants suggested that Government of Yukon and Yukon First Nations need to work together collaboratively to deliver services. “In the spirit of reconciliation, that’s something that would be best to work towards. Let the FNs manage that for their people,” and “Reducing family services would be a good start because that needs to be moved to FNs to manage child welfare in the communities rather than the department managing it.” Another participant would like to see a reduction of family services at the Government level to allow First Nations more autonomy. One participant added, “YG can’t provide services by themselves in isolation. They need to work with First Nations to offer programs leading to healthier Yukoners.” One participant also offered a word of caution, “Whenever we need to work with YG, things get very complicated and bureaucratic very quickly.”

Collaboration between Yukon government and NGO's

Participants shared similar sentiments regarding NGOs and Yukon government working together collaboratively in order to stretch dollars. "I think there are ways we can work more collaboratively with YG to make our money go further." Others relayed support for NGOs to provide even further support in the future.

Priority 2 Our strategic investments build healthy, vibrant, sustainable communities

Considerations from Yukon Financial Advisory Panel

Consideration	Why do this?
Use proposed savings fund as source for social infrastructure	<i>Budget surpluses would be stored in this specific fund and could be allocated to support the development of social infrastructure such as spending on community facilities and meetings halls and therefore not compete with economic infrastructure revenue sources.</i>
Introduce working income tax credit	<i>If Yukon government was to proceed with implementing a carbon and/or consumption tax, the revenue could be recycled in several ways. Specifically, the Yukon government could implement a working income tax credit instead of a cost-of-living credit as this supports more equitable distribution of benefits.</i>

Participant Input & Feedback

Participants had varied comments relating to Priority 2 and strategically investing to build healthy, vibrant and sustainable communities.

CONSIDERATION: Use proposed savings fund as source for social infrastructure

Participants who were in favour of a savings fund to support social infrastructure suggested the following:

- *A government savings account should be spent on social infrastructure.*
- *These kinds of investments, when done together, can move the quality in all communities and they all create their own spinoffs.*
- *Thinking about efficiency and how money flows to this community. There was an example when we really needed money for something and we couldn't access it. We're a very small government where capacity is an issue and we don't have time to be applying to various grants or applications.*

Participants who were not in favour of a savings fund to support social infrastructure shared the following:

- *We are stewards of our lands and our people and our animals and it is very important and we are that voice for them today. I do not support the recommendation of a savings fund at all.*
- *Knowing a little bit about politicians, I don't know if I would support this because it might not fit under the Financial Administration Act.*
- *A savings fund could be used as a bargaining chip for politicians. This could divide politicians in a hurry.*

Additionally, participants identified social infrastructure needs in communities and within Yukon that would benefit from more funding.

This included:

- On the job training programs for highway maintenance.
- More social housing and/or an overhaul of the Yukon Housing program that participants feel is ineffective.
- More programs and services for youth.
- Amenities like recreation centres, swimming pools and a youth centre.
- Recreation coordinator position and more activities.
- Social services for alcohol abuse.
- Integration services for people moving to the smaller communities.
- More seniors centres and facilities.
- Funding for seniors care so they may age in place and having family members care for them.

CONSIDERATION: Introduce working income tax credit

One participant commented on the introduction of a working income tax credit and stated, "Working tax credit: good idea, but not sure it will actually work. There will always be ways of working around it."

Additional Comments

Participants shared additional comments relating to healthy, vibrant and sustainable communities. They are as follows:

Going back to the land

"The best medicine for us is that the land heals. We need access to our land." This comment was heard in the discussions around healthy communities. Another participant echoed this view by stating, "We listen to our elders everyday. If YG listened to its elders, they would be telling them to get their people back out onto the land because that is where the healing happens. Mining is not where that happens."

Community Planning

Participants voiced their opinions on the need for communities to be included in planning at an earlier stage, which would lead to better, more sustainable outcomes. "Community planning across government (housing, etc.) is not done with the communities. Communication at the planning stage, not just at the implementation stage."

Property Assessment and Housing

Participants shared that property assessments should be current. One commentator stated, "We pay \$12k per year for assessments, and yet we were told assessments have not taken place in 9 years." It was also mentioned that subsidies should not be given to residents living on the outskirts of Whitehorse and that "assessed values there were lowered by government by about 25% about 10 years ago - this is lost revenue and unfair to all of us who don't live in this (vote-rich?) zone."

Priority 3 Our strong government-to-government relationships with First Nations foster reconciliation.

Considerations from Yukon Financial Advisory Panel

Consideration	Why do this?
Assess the educational outcomes for aboriginal students	the <i>For economic and social reasons as well for the advancement of reconciliation, it is critical to assess the educational outcomes for aboriginal students and to craft, with the First Nations communities and the federal government, ways to improve those outcomes.</i>
Consider joint ventures, including public-private partnerships, with First Nations governments	joint <i>For future infrastructure projects, the Government of Yukon could consider joint ventures, including public-private partnerships with First Nations governments. With potential funding from the federal government's PPP Canada Fund, the cost to the Yukon taxpayers can be lowered for desirable projects.</i>

Participant Input & Feedback

CONSIDERATION: Assess the educational outcomes for aboriginal students

Supporting Early Education and Aboriginal Youth

In this theme, participants shared their views on embedding culture and language in education at an early age to improve educational outcomes and how “supporting this is critical to ensure strong educational outcomes of FN students.” There were challenges identified in First Nations communities relating to education and they included attracting and keeping teachers, small class and school sizes and lack of schools in communities because of these low numbers. One participant proposed that, “Parents should educate their kids at least until they are 6.”

Online Learning Options

Participants cited online learning as a good option to increase high school completion numbers in First Nation communities. One person commented that setting up online learning in schools was “a battle with government to make it happen in the school.” Others shared their view that Northwest Territories uses online learning and YG should be looking to them as an example.

Job Awareness and Training in High Schools

Participants noted the importance of investment in teachers as well as specific training for possible careers by, "Identifying career opportunities early in high school - what jobs are there in Yukon? Train people for the jobs that are out there."

Supporting Financial Education

Financial education was a theme cited by participants where they felt that students with an interest in finance should be identified early and given opportunities to increase learning. "We need to increase the knowledge of FNs so they can have informed conversations about this issue," and "You're probably not getting as much feedback because many people don't have a firm understanding of financial issues." One participant suggested increasing financial literacy within First Nations through a scholarship or similar programs.

Another aspect of education and finance is the amount of money the YG receives for First Nation education. "FNs have no idea how much money they should be getting from the federal government for FN education. We can't get the figures, the formula or anything."

CONSIDERATION: Consider joint ventures, including public-private partnerships, with First Nations governments

Participants noted the need for diversifying economic development and the need for joint ventures. Comments centred around the reliance on mining in Yukon and that development of other industries is essential. One participant shared, "the DevCorp just went through a strategic plan. We're looking into tourism, mining, renewable energy, etc. Those are our big avenues. And then probably real estate. That's a given." Other participants stressed "if we're going to look at mining on our territory, we're going to look at companies that respect our history, culture and asserted territory." Another participant stated that joint ventures between the DevCorp and YG are desirable in order to keep money in Yukon and in the traditional territory.

Additional Comments

A range of other themes were heard around Priority 3 and strengthening government to government relationships in order to foster reconciliation. A commonly occurring theme centered around the need to work *together* to solve issues. "I think we need to get together at one table and talk about these issues and look each other in the eye about these social issues and solving them. And it hasn't been there so far."

Working Together to Solve Issues

Participants stressed the importance of identifying the root cause of issues saying, "We can't hope it will just go away because it is generational and it is impacting our children and grandchildren today." Another participants suggested, "It ties directly into all aspects of government and when you're talking about the root causes, you need to start talking about not staying stuck in the past but having an open and frank conversation about residential schools and that trauma."

Participants stated that they are cautiously optimistic that there is intent by the new government to collaborate. "We've seen more ministers at this table in the last year. I think they're ready to talk." Others expressed frustration at the feeling that YG is still the "big brother" when it comes to funding and expressed the desire to be more connected to the Department of Finance.

While a collaborative working relationship between Yukon government and First Nations is desirable, participants also commented on the need for First Nations to "talk more among themselves. We are too isolated."

Final Report of the Truth and Reconciliation Commission of Canada and Recommendations

Participants indicated the importance of the Final Report of the Truth and Reconciliation Commission of Canada and its contribution in how to move forward together. Participants feel there has been "little collaboration and communication on moving forward on Truth and Reconciliation actions to implement recommendations." Another participant asked, "How do you reconcile the spending decisions in the context to reconciliation?" Other participants called for *action* in order to implement the recommendations in the report.

Economic Development and Opportunities

Participants shared their perspectives on the Yukon government supporting development in First Nations communities with one participant simply asking, "What is the Yukon government doing to help the communities with Yukon's growth?" Some participants would like to see the smaller communities given more attention and others are looking for more opportunities for First Nations to deliver programs and services.

Participants also suggested the need for more government jobs in the smaller communities. These types of opportunities will strengthen the viability of communities. On the same topic of strengthening communities, participants commented that contractors add value to their community and felt more contracts should be considered within communities. There were also questions around procurement as one participant stated, "I don't see much discussion of procurement rules in your report. There has been an issue I know on Yukon hands as to whether they have aboriginal procurement or not."

Government Bureaucracy and Inefficiencies

Many participants voiced frustration about the rules and regulations when working with the Yukon government and the negative impacts of efficiency. "We're seeing a lot of the money go towards red tape now. When the government comes in with new rules for landfill or for water, sometimes they seem quite needless or pointless and those things cost the village a huge amount of money." Another participant commented on the complexity of environmental regulations saying, "We can't do that paperwork anymore. That's a 10k contract that is sent out."

Other participants commented on the size of Yukon government, work being done in silos and the perceived differing funding authorities. In general, participants said there should be a reduction in duplication and investigation into where there are opportunities to be more efficient. One participant spoke specifically to internal employees offering that, "YG employees want to be more efficient. Need a champion to lead a process to bring people together, find the best practice and implement it across government."

Others offered that First Nations could assist in finding efficiencies and work collaboratively with Government to do so. "I think YG and FNs can work together to find some of these cost efficiencies because FNs have some of these resources in the communities already and there is some duplication."

Agenda Items at the Yukon Forum

The Yukon Forum was mentioned as a possible avenue for discussing a fiscal table and pertinent financial issues. One participant commented, "It's hard to have a fiscal table because there are so many FNs that it's difficult to have one unified single vision for things." In general there is support for the Yukon Forum to discuss shared priorities and the budget.

Taxes and Benefits

Participants shared their views about royalties and benefits for First Nations with one person stating "Any activities on WRFN traditional territory should provide benefits to WRFN. We were the first people here and it is time to recognize it." Other participants recognized that "always going to the tax well is not going to solve the issues with the government" and offered the need for tax sharing discussions between YG and First Nations. Beaver Creek was cited as an example of a community that has sustained itself with little to no funding.

Priority 4 Our diverse, growing economy provides good jobs for Yukoners in an environmentally responsible way.

Considerations from Yukon Financial Advisory Panel

Consideration	Why do this?
Reduction in business taxes	<i>The reduction of business taxes directly impacts economic growth by encouraging capital investment and improving income distribution by moderating the burden on workers' compensation.</i>
Consider use of public-private partnerships [P3]	<i>Consider the use of public-private partnerships [P3] using the federal government as a potential funding partner in such joint ventures with the private sector through PPP Canada and/or the new Canada Infrastructure Bank [CIB].</i>
Evaluate business support programs against outcomes	<i>Consider evaluating the cost of business support programs to the revenues generated from business income taxes to determine their effectiveness or need for improvement.</i>

Participant Input & Feedback

Priority 4 ties together a diverse economy, responsible growth and the environment. One participant shared this comment and it exemplifies the tension around this Priority, "I'm a maniac about the environment. But I also want a decent standard of living."

CONSIDERATION: Reduction in business taxes

There were differing viewpoints heard when considering a reduction in business or corporate taxes. Many participants felt that lowering corporate tax is not a good idea and doesn't lead to the desired outcome of more jobs. "Stop lowering corporate taxes rates. Most corporations in the Yukon are sole proprietorships - lowering this tax rate just puts more money into the pockets of doctors, lawyers and accountants and doesn't do much to generate employment (the supposed goal)." Another participant stated, "Raise the corporate tax back to its previous value. Increase the number of territorial income tax brackets. With more brackets in the higher taxable income areas." This will increase Yukon government revenue by making higher income Yukoners paying more. Presently Yukoners in high income brackets pay too little income tax." Another person commented, "It's the cost of doing business, sorry. These industries need to absorb this cost rather than get break after break."

Other participants held the opposing view that they'd like to see business taxes reduced. "The Yukon is a great place to live and run businesses. But if I keep getting taxed there is

no incentive for me to stay. If you keep taking stuff away from the people who live here you will not get people to stay.”

Other more general comments around taxes in Yukon were also presented. Participants mentioned Yukon's low fuel tax and one person commented, “we subsidize use of oil and gas, including propane. We don't produce any petroleum products in YT, and probably won't in medium term. We are not getting the benefit of buying our own fuel. Every dollar spend is a complete loss through leakage.” There was support for a consumption tax, which may help to reduce consumption and benefit the environment.

CONSIDERATION: Consider use of public-private partnerships [P3]

In responding to this consideration, participants focused on the partnership aspect of working together and collaborating for the benefit of Yukoners. “YG needs to see FNs as an opportunity, not an impediment. For example, through FTAs 11 FNs bring in more than \$100 million, 60% is wages. Successful negotiation of FTAs will increase those amounts, and the amounts from taxation of wages.” Participants commented that there is opportunity there for YG and First Nations to collaborate on program and service delivery and municipal infrastructure. Others held an opposing viewpoint and shared that “YG should not be in the position of having an ownership stake in a hotel, for example,” and, “I would like to get government out of doing business. A lot of these government services do not still need to be in the public service.”

Generally there was overall support for investing strategically in communities in order to keep the money local. Others suggested that procurement procedures should focus on First Nations and keeping jobs in the communities by not allowing outside contractors.

CONSIDERATION: Evaluate business support programs against outcomes

Many of the comments related to this consideration are mirrored on page 45 “Increasing YG Efficiency & Effectiveness” under the “Focus on evaluation of outcomes in government programs and services” consideration. Please refer to this section for more information.

Additional Comments

A range of other comments and ideas were also brought forth in discussions about Priority 4.

Balancing the Benefits, Impacts and Risks of Mining in Yukon

Mining in Yukon has both pros and cons, with participants wanting to see exploration of other resources, fair treatment across industries and efforts in finding a balance. One participant feels that “YG is sending us down the path of mining. None of that product is used in the territory or benefits the territory whereas tourism benefits the territory. That money stays here. Mining money does not.” It was also noted that if “If we really want to incentivize people to use less fossil fuel and save energy, then why are the taxes on fuel so low and why is does government subsidize all of our electricity bills?”

Another participant offered that some environmental non-governmental organizations are not anti mining but rather would like to see a balance. “We don't want to kill mining in

Yukon, but the incentives should not be all going to mining. You are creating an unlevel playing field and making sure other business have a very hard time getting a leg up and diversifying the economy.”

The sharing of costs by investors was also suggested. “Flow through shares. You can pass on some of cost of exploration to investors. They can claim tax loss to offset income. Huge fiscal drain. We estimate Yukon is losing \$30 million/year. Is this federal, or do we have a YG flow through share program?” The system for land holds was also addressed with one person commenting the “YG system encourages people to stake and hold on to claims in expectation of future compensation for having those claims taken away.”

New Ideas and Approaches

Participants suggested ideas and approaches for growing Yukon's economy. They included:

- *We have wind. Wind generation to replace diesel! KFN has been working on alternative energy opportunities for 30 years. Only now moving forward with a wind turbine. Funding is an issue. Many ideas, how do we make them happen?*
- *I agree that investment tax credits could work. I'm in favour of new investment and providing incentives to attract that investment.*
- *What about land leases? In our submission to the Panel we compared YG's land lease rates with those of BC. Ours are laughably low in comparison. It is the cost of doing business in BC and companies are not going broke doing it. They are used to paying this in BC.*
- *If you look at coal leases: coal permit fee is \$1??? If they were increased there would be more revenue.*
- *We need to start selling our resources in Canadian dollars.*
- *New infrastructure bank? Two modes of funding: National Infrastructure Bank and YG access to \$400 M northern infrastructure fund.*

Cost Benefit Analysis

Participants suggested the need for a cost benefit analysis to have a fulsome picture of industry in Yukon. “What I've always dreamt of seeing in the Yukon is just a cost-benefit analysis of all the industries that we have in the Yukon and forecasting the needs for the next ten years and presenting it to the public. A snapshot of the baseline for where money comes in and where it goes out.”

**Improving Yukon
government
Efficiency &
Effectiveness**

Increasing YG Efficiency & Effectiveness

Considerations from Yukon Financial Advisory Panel

<i>Consideration</i>	<i>Why do this?</i>
Focus on evaluation of outcomes in government programs and services	<i>Yukon government should, as rigorously as possible, assess the programs it delivers as well as the processes used to do so. Particular attention needs to be paid to policy outcomes rather than to the allocation of inputs that has historically been the bulk of the analysis in program evaluation.</i>
Contracting out services and/or collaborating with other governments	<i>The Territory should consider the potential benefits of either contracting out to or collaborating with other governments on the provision of such things as IT and analytics, on standard processing activities [e.g., payroll and standard HR services] and on common purchases [e.g., drugs, alcohol, hospital equipment]. The purpose would be to lower operating costs and some capital expenditures.</i>
Improve efficiency of YG operations and programs	<i>This would be the start or basis for possible “structural” changes in policy. The following are broad approaches for consideration:</i> <ul style="list-style-type: none"> • <i>Internal operational changes such as:</i> <ul style="list-style-type: none"> ○ <i>upgrading skills of employees</i> ○ <i>capital investment in systems (IT or data analytics)</i> ○ <i>process/delivery and funding innovations</i>

Participant Input & Feedback

The need for overall identification of inefficiencies within government was a common theme that included a variety of ideas such as looking at department revenues and spending, reducing “red tape” and government growth, duplication of work and redundancies. One participant summed this up by suggesting, “The whole government needs to be examined to address systemic inefficiencies.”

CONSIDERATION: Focus on evaluation of outcomes in government programs and services

Participants made comments around this theme that related to business and community programs. One participant suggested that YG should, “Evaluate business support programs against outcomes.” Another comment centred on the review of programs in the community. Assessing programs and services in communities will assist in planning and ensure community needs are being met.

Evaluation and reporting in general were also prominent themes heard around efficiencies and effectiveness. One participant suggested, “Improved accountability for government spending through better public evaluation. An arms-length public body conducting

evaluations of departmental spending would facilitate realistic discussions on effective targeted spending cuts. Deputy Minister discretion is not sufficient - a body external to the department, but still a public agency, should be able to investigate major sources of misspending." It was also proposed that conducting a Yukon-wide government efficiency audit would make sure Yukon is getting the "best bang for our buck."

Other participants shared feedback on measuring outcomes and the importance of "data and evidence to show Canada we are achieving and improving education, health and justice outcomes, for example." It was suggested that Yukon needs to tell positive stories that are based in fact and the way to do this is to implement an outcomes-based strategy.

Lastly, it should be noted that in this theme not all were in agreement on the need for more reporting and evaluation. One participant stated, "The last thing the Yukon needs is another study on what we need to do. We need something that tells us what we can do in the immediate future."

CONSIDERATION: Contracting out services and/or collaborating with other governments

Participants noted that contracting out may not be cheaper; in small communities the market is so small that a contractor can have a monopoly and therefore cost more. However, other participants suggested that so long as government sets the standard of delivery and the budget, then let the private sector focus on delivery. Other participants saw benefit in YG collaborating with Yukon First Nations on mutual objectives, or with other provincial and territorial governments. For example, "why does the Yukon and NWT have their own publications for parents of new babies? Are we really that different?"

It was suggested that YG could strengthen its collaboration with NGOs by providing resources to help with budgeting and project delivery. One participant shared, "Some agencies work with NGOs to make sure they have the tools to be effective, and work with them to address any issues that may get in the way." Others expressed that more opportunities should be given to NGOs. "Instead of paying a lot of money in house or to consultants give those opportunities to NGOs." In terms of partnering together, a caution flag was raised about replicating services: "Many instances of NGOs delivering programming, and finding out government was moving to replicate those programs/services at a higher cost."

Participants also cited frustrations with government processes as a roadblock to working together. One person offered, "If they want to save money or reduce their spending, we can help here locally. And if every community can take a part in their local implementation, that's the way to go." A sole source letter sent by YG was another issue participants provided feedback on. "YG sent a letter informing that we can't continue on managing our own projects locally because they don't want their projects to be sole sourced," and "It's a blanket letter that says you can't sole source after a specific figure."

On the flipside, participants also shared examples of when contracting and partnership were implemented successfully. "We did three lift stations here and came in under budget by about \$60,000 when it was locally managed. We demonstrated that we are able to get

things done.” Another successful example was illustrated in this story. “We have like six projects happening right now where there is local employment. They aren't long term but it's the collection of them that makes it worthwhile.”

Overall, participants see a need for more cooperation at all levels of government. One participant summarized this thought by saying, “We need to figure out a better way to collaborate among three levels of government on projects – efficiency.”

CONSIDERATION: Improve efficiency of YG operations and programs

Government staff

Participants shared feedback about improving efficiencies related to employees that included the number of staff, their workload, wages and the location of Yukon government jobs. It was suggested that YG structure is “top heavy” and there are managerial jobs that are redundant. “Government really needs to look at cutting positions and/or wages to reduce spending.” In this same vein, government bonuses were also cited, with one commentator suggesting to, “Eliminate the Yukon Bonus for all part and full time YG employees.”

Others would also like to see employee workloads reviewed. One participant shared, “I am a government employee but I know there are a lot of people with full time jobs that do not have enough work to be busy all day. There is a lot of bloat, and a lot of people in management.” A comment about Assistant Deputy Ministers (ADM) also reflected this same opinion, “How many ADM positions do we actually need? Restructuring, not constant hiring in areas we don't need, or adding titles to increase salary for the same jobs.”

We also heard participants say there are positions within YG that are not permanent or full time and that “an audit of hiring and retention practices should be considered to better help streamline the YG workforce.” One participant suggested early retirement packages for some YG employees citing benefits and higher wages as undesirable. “Has the Panel looked at early retirement as an option to attrition? It would almost in my mind, they're taking so much time off work that it would almost be cheaper to let this person retire and bring someone in at a lower rate. It would also bring in fresh energy into your government.” Another participant implied that Yukon government has very high rates of people on long-term disability, which is very costly.

Another theme within employees and efficiencies was the location of jobs. With the majority of jobs in Whitehorse, participants feel efficiencies can be found by moving some jobs to local communities and “decentralizing the Yukon government and moving some of the most educated people to the communities, especially for services that require a longer-term relationship over a single transaction.”

Participants also shared their views on training within YG. The main theme heard was that the same people are trained in the same courses every year. For example, “Chainsaw training. The idea that this has to be done every year is ludicrous.” Another participant

asked how many times an employee has to be trained in basic first aid to be knowledgeable.

It was also suggested that there are ways government could reduce spending by eliminating unnecessary travel. "Stop excessive government travel. I have seen many employees go on conferences that don't benefit better government business. Often it's a free trip with little returned value. I am an employee who travelled a lot for government business and stopped because there was no added value to my line business. The practice continues annually to various conferences that aren't essential." Using Skype, webinars or telehealth would eliminate the need for unnecessary travel and provide cost savings. One participant offered, "Use webinar and telemeetings for meetings to reduce travel spending. Having fully functional government offices in the communities."

Additional Comments

Participants shared feedback on other aspects of government that could lead to efficiencies and effectiveness across the board.

Government spending

It was suggested that a review of government vehicles could lead to efficiencies. "A thorough study on the number of vehicles, and type of vehicles in the fleet. There may be better methods of utilization." Another commentator said, "There are departments that have vehicles that put on a couple thousand km a year, that is a waste of money don't ya think? Car pool!!!! Why do 3 or 4 people from the same department show on a jobsite and each have a separate vehicle? Another waste!!!"

Other participants offered input about roads and infrastructure spending. One person suggested, "Not spending unnecessary money on renovating roads that don't need it (aka Carcross Cutoff road, etc.)." Another participant wants to see YG "Stop spending money on projects that don't make sense, adding lanes to the Alaska highway, building schools when we have lots of empty classrooms (redistribution), or arts schools in Dawson that are heavily subsidized." One commentator also offered their view on projects and over spending by sharing, "Yukon government is notoriously a poor manager of public funds. I would like to point to the over expenditures on F.H. Collins, the Whistle bend Care Facility, and of course the proposed 25 million dollar French school."

Other participants see an opportunity to increase efficiencies by cutting spending "On surveys, hiring outside consultants who do research and feasibility, if it can be done within government." The suggestion was made to reward departments for saving money and rethinking smart spending solutions. Another participant felt that YG should "Buy from the cheapest vendor, even if it is outside Yukon."

Accountability

Government accountability is important when looking at efficiencies, and participants suggested that YG needs to be more accountable overall. "Accountability. I would like to have had an internal evaluation framework. I grew up in Alberta and lived through restraint.

A thoughtful process.” It was also suggested that evaluation of programs and services would continue to hold YG accountable for spending and funding. One participant sees a need to “Increase accountability and resource achieved with each government dollar. I estimate YG is 30% effective with every dollar.”

Another participant shared their view on accountability and stated, “I would encourage the Panel to comment on the absence of independent financial watchdogs in the Yukon, compared to those present in most provinces. There is no Yukon Auditor General. The Auditor General of Canada devotes modest resources to reviewing YG expenditures, and follow-up audits are rare. There is no Yukon Parliamentary Budget Officer.”