

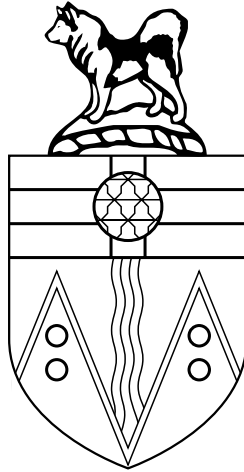
# **BUDGET** 2001 **2002**

**Budget Speech**

**Long Term Plans**

**Budget Highlights**

**Supplementary Information**



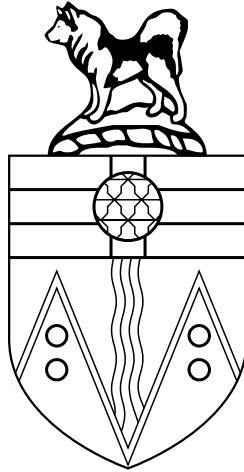
**BUDGET**2001  
**2002**

# The 2001 Yukon Budget Address

**The Honourable Pat Duncan**

**Minister of Finance**

February 22, 2001



**BUDGET**2001  
**2002**

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## Budget Speech

## A Yukon Made Budget

Mr. Speaker, let me begin, on behalf of our government, by expressing our thanks to Yukoners from every community who participated in our pre-budget consultation meetings. Since taking office in May, 2000 and particularly throughout the months of January and February during these meetings we have listened as people have shared their ideas and insights with us. The commitment that they have shown to making the Yukon a better place now falls to us to respect — to balance the sound perspectives they have advanced.

The experience of the last few months has confirmed, beyond doubt, that an open budget process is a better budget process.

It is an inescapable fact of life that a budget always brings its own special vocabulary. We talk about operations and maintenance, of percentages and decimals, of surplus, deficits and revotes. These accounting methods and measures translate into a budget that is about the everyday lives of Yukoners. It is about managing your money to make the lives of all Yukoners better. It is about providing an environment where Yukoners have the opportunity and the tools to improve their standard of living.

For budgets are about more than entries in the books of a government; they are chapters in the progress of a people.

Today's budget is the first chapter that we have written. It delivers on the seven priorities that were set out in the Speech from the Throne in October of last year:

- Rebuilding the Yukon economy;
- Maintaining quality health care;
- Addressing alcohol and drug addictions;
- Settling outstanding land claims;
- Achieving devolution;
- Developing infrastructure; and
- Restoring confidence in government.

These priorities are not new. They form the basis of this government's contract with the people of the Yukon. Yukoners endorsed these seven commitments because they are responsible and balanced. This budget works toward making these commitments a reality.

We must recognize that the Yukon is part of a larger economic picture. It is apparent that the American economy is slowing. This is especially evident in their manufacturing sector and is reflected in both recent consumer and business confidence surveys conducted south of the border. This will, of course, have an impact on Canada, with the United States as our largest trading partner.

Fortunately, the Canadian economy is well positioned to weather this state of affairs, in part due to national efforts to promote international trade, and in large measure, because of strong central financial management. Most forecasters are expecting Canada to continue to maintain its extended period of growth, albeit at a more modest pace. The real Canadian Gross Domestic Product is forecast to grow at 3 per cent this year, rather than the 3.5 per cent of previous forecasts.

Economic conditions in Canada as a whole influence many of the inputs to our formula financing grant. For example, if Statistics Canada revises Canadian local-provincial expenditures, for the past three years, by one-tenth of one per cent for each year, our formula could change by a total of \$3 million. We must, therefore, be mindful of the economy of the world around us.

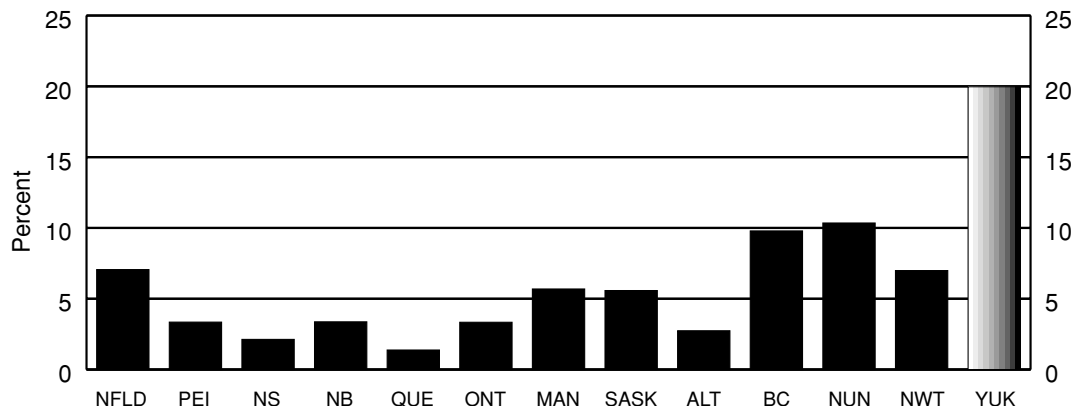
The budget that is before you today shows a projected income of approximately \$513.9 million. This is made up of \$77.8 million raised in the Yukon, over \$20 million in the Canada Health and Social Transfer, \$332.6 million in formula finance payments from Canada and \$83.5 million in recoveries from a variety of sources.

On the expenditure side the government is seeking authority for total spending of \$535.5 million. In addition, \$2.5 million has been allocated to meet contingencies.

The spending estimates for operations and maintenance are \$428.2 million. This figure includes a substantial increase in superannuation costs. Effective April 1, 2000 the federal government implemented changes to its employer pension plan. Essentially, employer contributions to the plan have doubled. The result is a \$9 million increase in our costs that is offset by a matching increase in our payment from Canada. Another substantial increase is the impact of the collective agreement reached with the Yukon Government Employees Union. This deal has increased our costs by over \$8 million this year alone.

Capital costs are projected to be almost \$107 million.

**CAPITAL EXPENDITURES BY JURISDICTION**  
AS A PERCENTAGE OF TOTAL EXPENDITURES



SOURCE: Department of Finance, Yukon. For Yukon: 2001-02 Estimates. For all others: 2000-01 budget documents.

The combined expenditures for operations and maintenance and capital will leave the Yukon government with a projected deficit of \$24.1 million for this fiscal year. While this is a reduction in the size of the deficit from last year, we have nevertheless continued to draw down the surplus.

This budget will leave an accumulated surplus, or amount of money still in the Yukon's bank account, of \$6 million.

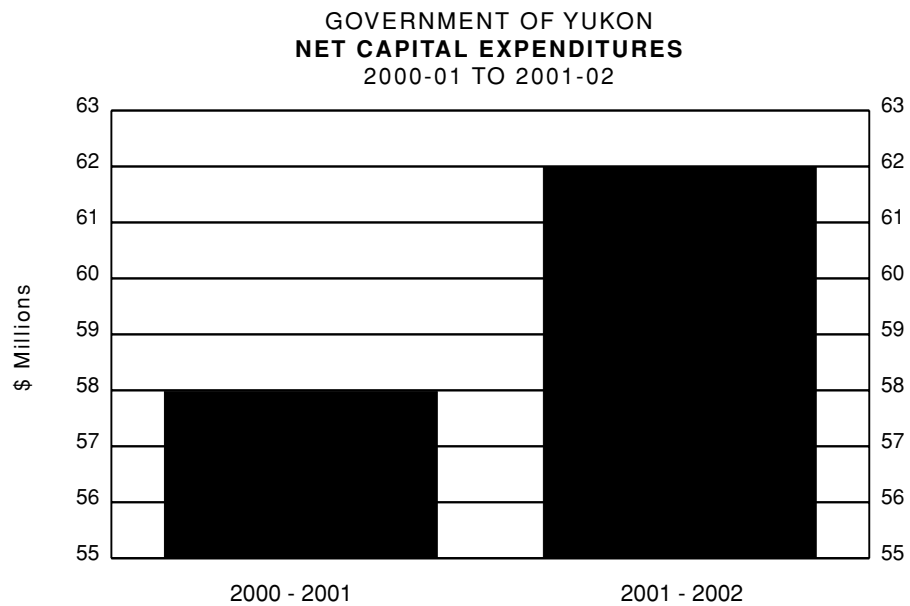
Every year the government budgets for projects that do not proceed for one reason or another. Historically, these lapses, or money that is set aside and then not expended, are in the range of \$10-15 million. Given this history, I am confident that the plans outlined today, including drawing down the surplus to \$6 million, before lapses, represent sound financial management and make good use of taxpayers' money. We are using our budget to create as many jobs as possible, while preserving the social programs that Yukoners have come to rely on as among the best in the country.

## Rebuilding the Yukon Economy

Above all else this is a budget that focuses on rebuilding the Yukon's economy. This budget contains several initiatives to meet that end including a substantial 7% increase in net capital spending over last year's Main Estimates and direct spending on job creation. The budget also implements our previously announced tax cuts, which are now having an impact on people's paycheques and our revenues. Capital projects have been chosen that maximize job creation, particularly during this current downturn in our economy. Capital spending set out in this budget that has been tabled today will sustain almost 700

full time private sector jobs.

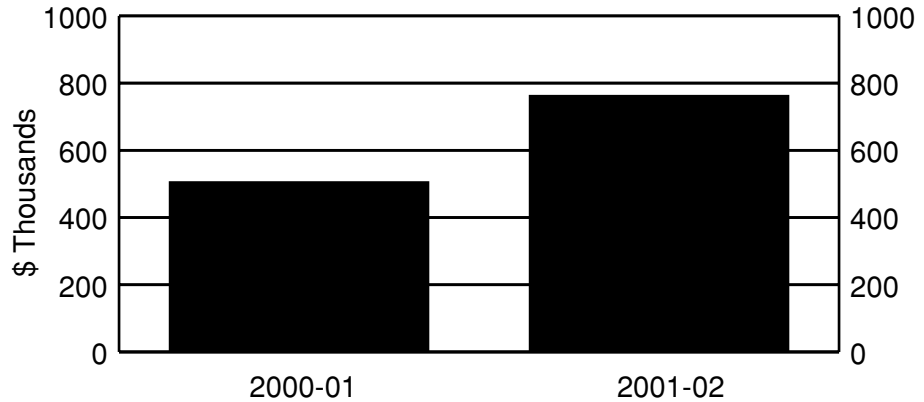
Part of that increase in capital is for programs that support and enhance our mining sector. As we heard in Mayo and Whitehorse, people wanted money to go into mining. We heard that concern. We increased the Yukon Mining Incentives Program upon taking office and our support, based on your advice, continues.



SOURCE: Main Estimates for 2000-01 and 2001-02

This program, which is designed to promote and enhance mineral prospecting, exploration and development activities, is budgeted at more than \$760,000. Our government is also enhancing geological survey work by \$64,000. In addition, there is \$551,000 for a new cost shared regional mineral development program, which is currently under development with Canada. Finally, there will be \$550,000 spent on mineral resource assessments. In capital dollars alone we are spending over \$3.4 million on projects and programs that create jobs for Yukoners now, while adding to the mining industry for the future.

**Yukon Mining Incentives Program**



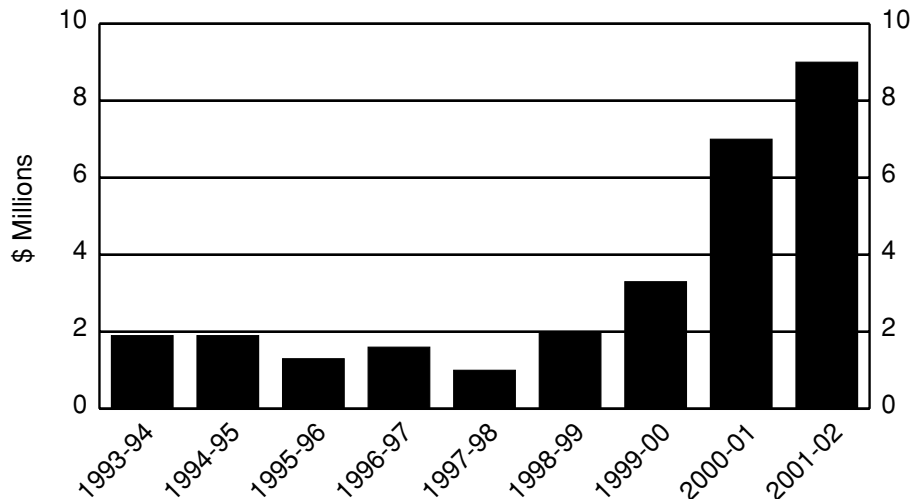
SOURCE: Main Estimates for 2000-01 and 2001-02

We have also set aside funding to increase the Yukon’s Mineral Exploration Tax Credit to 25 per cent and to extend it for an additional year, until April 1, 2002. This is a refundable tax credit that encourages mineral exploration and received strong reviews during my most recent visit to the Cordilleran Roundup.

These expenditures are all designed to benefit the mining industry. Our government’s efforts to enable the mining industry to return to its position of strength within the Yukon economy will continue throughout the year.

Our work in other sectors of the resource economy is starting to pay dividends. Oil and gas royalties are expected to hit the \$9 million mark in the new fiscal year. These revenues, shared with Canada and First Nation governments, are contributing to Yukon’s financial self-sufficiency.

**Oil & Gas Royalties**



SOURCE: Department of Economic Development



This winter an oil and gas company is employing 60 Yukoners in the Eagle Plains area and, on March 14th of this year, bids will close on the second disposition of land in the same area.

To support this growing industry our new budget also contains \$200,000 for continuing resource assessments relating to oil and gas exploration.

People throughout the Yukon have also spoken to us in our pre-budget consultations, and in all our coffee shop conversations, about a pipeline to transport Alaskan natural gas to southern markets. We are committed to the aggressive promotion of the Alaska Highway as the route for this pipeline.

A route has not yet been selected. Alaskan producers are spending \$75 million (US) on a feasibility study to select where a potential pipeline would be built. A decision is expected before the end of this year. Certainly the producers are well aware that the Yukon Government, and the Government of Alaska, have endorsed and support the Alaska Highway route. Our way is the highway.

One of the essential ingredients in the discussion of route selection is the preparedness of our government and the Government of Canada with respect to regulatory and environmental aspects of the project. A significant investment of time and money has been dedicated to our efforts to date, and an additional \$750,000 has been set aside, to continue these efforts.

This is a substantial investment in a project that would be the largest capital project in the Yukon's history. The possibility of a pipeline along the Alaska Highway has the potential to be far more than a construction project. The 1977 Canada - US Agreement on this pipeline includes a provision that natural gas would be made available to Yukon communities. This source of relatively cheap, relatively clean energy would have positive effects on overall Yukon air quality and reduce greenhouse gas emissions, and would foster further economic development in the Yukon.

Although the advantages and potential of the Alaska Highway route are clear to us we have not yet secured the project.

Not all of the investment will be spent on promotion of our preferred route.

Mindful of the need to avoid unduly raising expectations, we will continue with public information meetings on oil and gas and pipeline development in the communities to ensure that Yukoners have up-to-date information. In the past six months staff from the Oil and Gas Branch have visited Destruction Bay, Old Crow, Mayo, Dawson, Whitehorse and Watson Lake. Communities have requested that we continue with these public information sessions and that we continue to explore and expand training and education opportunities for Yukoners in this new industry.

The forestry sector is also recognized by our government as an essential part of our developing resource economy. We are sponsoring a Forestry Summit this spring that will bring together Yukoners from across the territory to assist in developing forest industry policy. Yukon must take a leadership role in decisions that are consistent with our

responsibilities for economic development. We would like to thank those people in the forestry sector who have provided us with their ideas on this summit and will help to make it a success. We will also continue to work with the federal government to ensure that Timber Harvesting Agreements meet the needs of our citizens.

The Department of Economic Development is not alone in attempting to rebuild our economy. The tourism industry also provides many jobs for Yukoners and puts money from out of the Territory directly into our economy. In recognition of this economic benefit, and the need to expand this industry, we have designed the Stay Another Day Program. \$785,000 is being spent to keep visitors in the Yukon longer by highlighting our natural beauty and our many attractions and events. Part of this funding has been targeted specifically for heritage and arts themed projects.

Expenditures by government also create jobs directly.

For example, money that goes to contractors as an incentive to hire local employees and to purchase locally manufactured goods, in the form of Business Incentive rebates, has been increased in this budget. The Business Incentive rebate is budgeted at over \$700,000, an increase of \$300,000 over what was allotted last year. This program helps to ensure that works stays in our communities and that we support local manufacturers.

Supporting local communities was one of the positive aspects of previous attempts to create jobs directly through capital funding arrangements. However, more accountability and a stronger commitment to working with other departments and governments on this type of funding was something that has been suggested by a number of communities. An audit of the Community Development Fund, which will be released shortly, demonstrates significant problems with the administration of the fund and highlights the importance of our new Internal Audit function. To address these issues we have revamped a number of funding programs.

Applications for the Project Yukon, FireSmart and Arts Fund will be accepted through a 'one-window' funding office in the Department of Economic Development.

Project Yukon, a \$1.5 million fund, will support community priorities for infrastructure development, particularly those with a strong focus on job creation. Projects that improve community spaces, such as landscaping and trail improvement are also eligible. A third group of projects that support social and recreational activity also will be considered.

The FireSmart program is already well known. In meetings in Watson Lake, Marsh Lake, with the Liard First Nation, in Teslin, Faro, Beaver Creek and Tagish, we heard about the success of earlier projects and the need to continue to make reducing fire risks in and around communities a priority. We also heard concerns about why the previous government failed to set aside any money for this fund in last year's budget. We have responded to this concern by including \$500,000 for FireSmart projects.

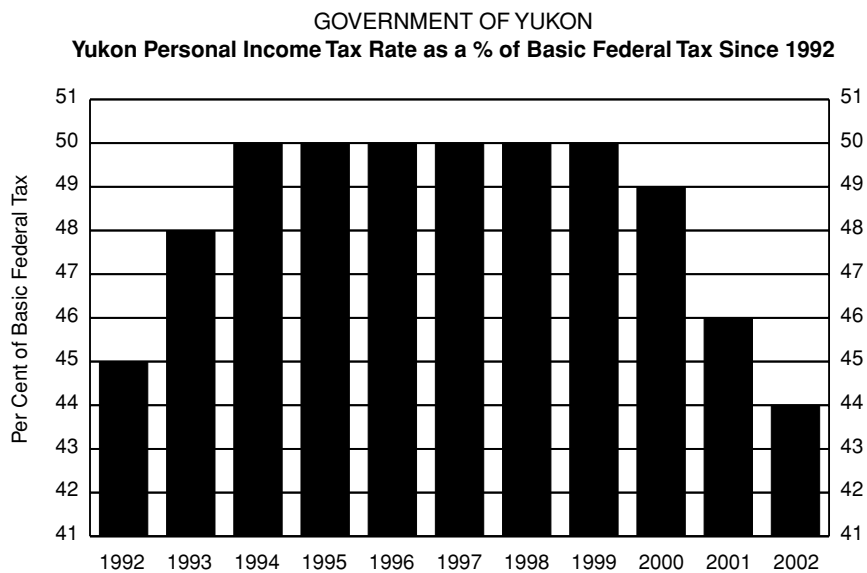
A new \$500,000 Arts Fund will support the creative development of the arts in the Yukon. Arts Fund projects will also be accepted through the same 'one window' to streamline the application process. Projects will be approved, as suggested by the arts community, through a peer review process

FireSmart and Project Yukon applications will be reviewed with technical expertise from the Departments of Renewable Resources and Community and Transportation Services and a member of the public.

The Minister of Tourism has also identified a \$185,000 contribution to the Yukon Quest in this budget. The increase in funding has been provided to assist the Quest in securing private sponsors and to become more economically independent. The Yukon Quest has received a variety of government funding for years. We are creating certainty and reducing red tape by recognizing the need and the funding required, up front. Event organizers can simply get on with organizing what has become an event we can all be proud of.

The MLA for Riverdale South, Sue Edelman, in her capacity as Minister of Tourism, has also been the lead on the Government of Yukon's participation in an air access study. This study will address the long term prospects for improved air service to the Yukon. The study was funded as part of last year's budget and we have been encouraged to continue this work by the members of the Watson Lake and Yukon Chambers of Commerce, during recent meetings. Our partners in the air access study, the city of Whitehorse, the city of Edmonton and the Yukon Tourism Marketing Partnership have indicated that it will be completed in April of this year. The air access study will then form the basis for future negotiations with air carriers. The Yukon Tourism Marketing Partnership includes representatives from the private sector, heritage groups, the arts community and municipalities.

While Yukoners appreciate that government needs money to provide necessary public services such as health care and education they also do not want to pay an unreasonable amount of taxes to support these services. Last year we began a program of responsible tax relief and this budget continues that agenda. Tax cuts help stimulate our economy by allowing people to spend more of their own money. On January 1, 2000 the territory's personal income tax rate dropped from 50 per cent of the federal rate to 49 per cent. On January 1 of this year the rate dropped to 46 per cent. These changes taken together mean Yukoners will pay \$3 million less in taxes This year. In 2002 the tax rate will drop again, to 44 per cent, meaning a further \$1.5 million in savings.



SOURCE: Department of Finance, Yukon

I would like to provide some examples of the tax relief that today's Budget delivers.

For a single person with one income of \$30,000, Yukon income tax falls by an additional \$73 this year and the total savings by the end of 2003 will be \$421.

For a family of four with earnings of \$45,000 Yukon income tax drops an additional \$128 this year and the total savings by the end of 2003 will be \$746.

For a family of four with an income of \$60,000 income tax falls by an additional \$173 this year with a total savings of \$997 by 2003.

This tax relief means more money for Yukon families and more money spent in Yukon stores and with Yukon businesses.

Both as a preventative health measure and as a revenue measure we have increased the Tobacco Tax by 1 cent per cigarette or 25 cents per pack. This will result in increased revenues of roughly \$550,000. The World Health Organization and World Bank both recently released a report that supports a tobacco tax increase as an effective tool for lowering tobacco use. In higher income countries, the treatment of tobacco-related diseases swallow up to 15% of annual spending on health. As we are aware, health care costs continue to escalate and we all must be looking at preventative measures to assist in keeping these costs under control. The additional revenue from this measure will improve our overall financial picture.

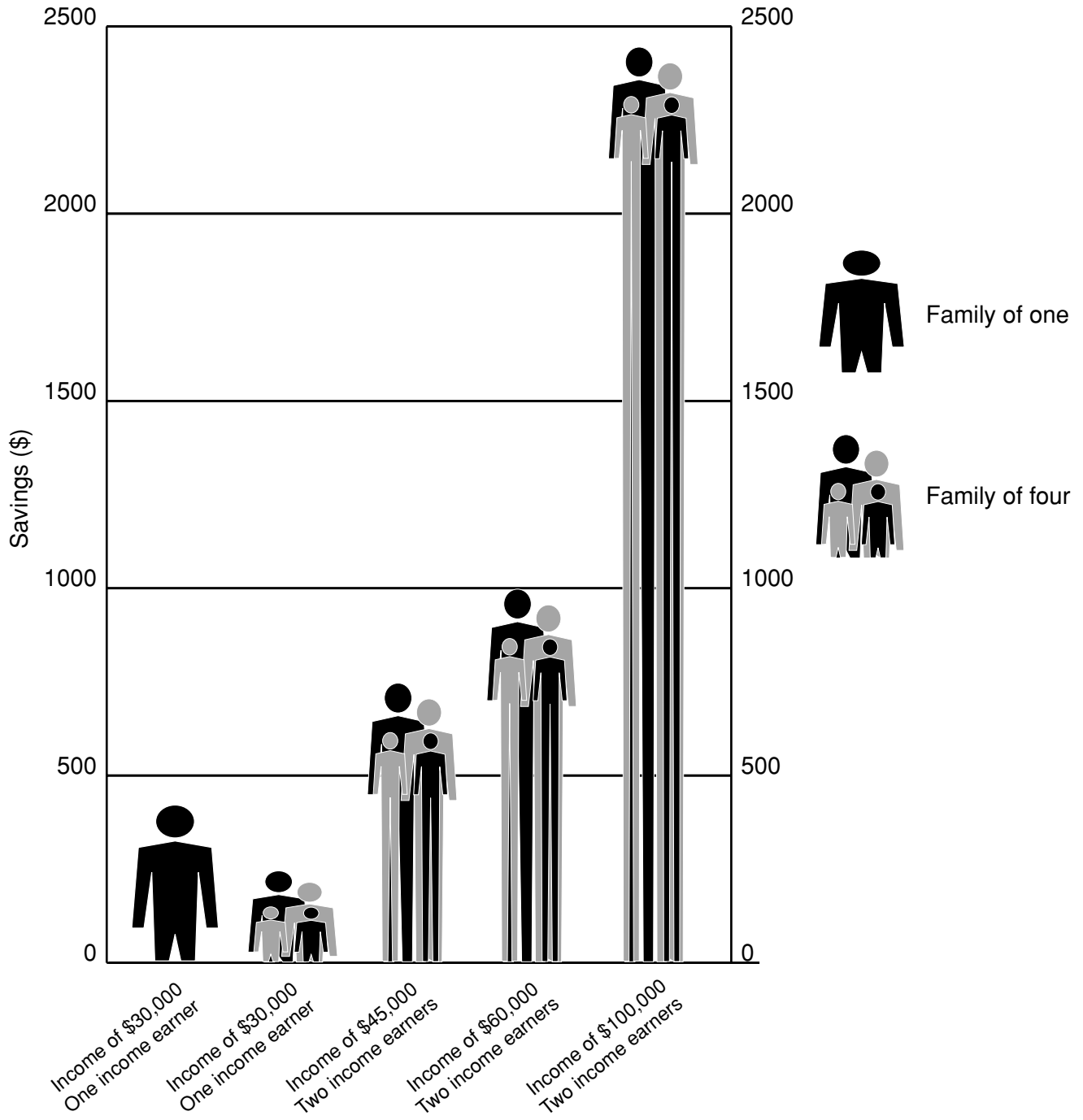
**Examples of Personal Income Tax Reduction Impacts**

<b>Family Structure and Net Income*</b>	<b>Personal Income Tax Savings in taxation year 2000</b>	<b>Personal Income Tax Savings in taxation year 2001</b>	<b>Personal Income Tax Savings in taxation year 2002</b>	<b>Personal Income Tax Savings in taxation year 2003</b>	<b>Total Savings over four years</b>
Family of one with a family income of \$30,000 - one income earner	\$26	\$99	\$148	\$148	<b>\$421</b>
Family of four with a family income of \$30,000 - one income earner	\$15	\$58	\$86	\$86	<b>\$245</b>
Family of four with a family income of \$45,000 - two income earners	\$48	\$176	\$261	\$261	<b>\$746</b>
Family of four with a family income of \$60,000 - two income earners	\$62	\$235	\$350	\$350	<b>\$997</b>
Family of four with a family income of \$100,000 - two income earners	\$156	\$576	\$856	\$856	<b>\$2,444</b>

SOURCE: Department of Finance

NOTE: All amounts are annual. \* line 236 of Income Tax form

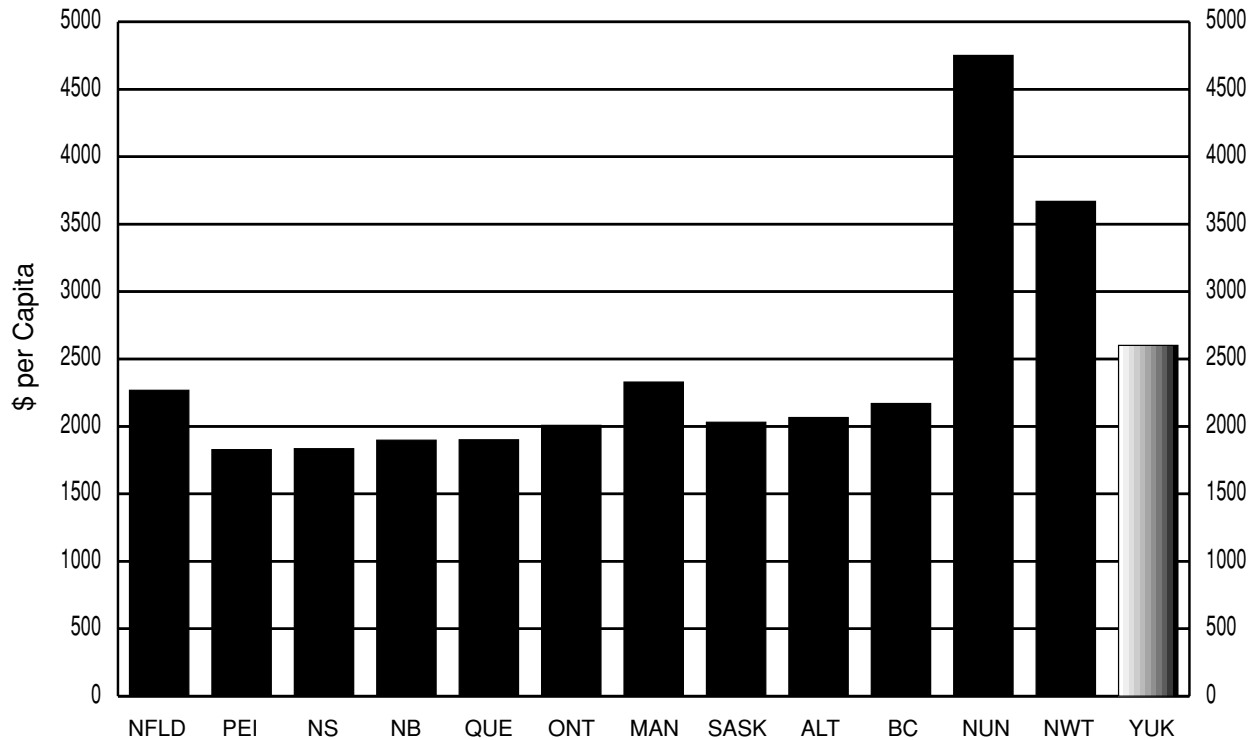
**Total Savings to Yukoners as a Result of Personal Income Tax Cuts**  
(from 2000 to 2003 inclusive)



## Maintaining Quality Health Care

A healthy financial statement also ensures that we are able to fund the health care priorities of Yukoners. In fact, for the first time, over \$125 million has been dedicated to the Department of Health and Social Services for operations and maintenance.

**PER CAPITA EXPENDITURES ON HEALTH  
BY JURISDICTION  
Year 2000**



SOURCE: Canadian Institute for Health Information.

The largest portion of the budget, over \$19.5 million, will be transferred to the Yukon Hospital Corporation on the first day of the new fiscal year. It is higher than last year and fulfills our commitment to maintain stable funding at the Whitehorse General Hospital. Another significant expenditure, \$7.1 million, is for Yukon Hospital Insurance Services, in other words, medical coverage for Yukoners who receive hospital care in other jurisdictions.

As a government, we have made a commitment to provide stable funding to the Child Development Centre. This is a non-profit society that is the only Yukon agency providing therapeutic services to pre-school special needs children. Accordingly, we have allocated slightly over \$1.1 million for the 2001/02 fiscal year.

This government recently announced the first phase of our strategy to recruit and retain health care professionals. \$140,000 has been set aside to fund initiatives aimed at both doctors and nurses. We recognize that there is a Canada-wide shortage of health care professionals and that competition for health care professionals will remain fierce. In consultation with the medical community, we intend to announce additional measures in the next few months.

An additional major expenditure in the health budget is funding in the amount of \$9 million for the completion of the continuing care facility. In order to save money over the long term our government decided to complete construction of the 96 bed facility at once. We are anticipating approximately \$300,000 in start up staffing costs. This figure will grow considerably over the next two years and will put significant pressure on our health care budget.

One other area of the health budget that is growing is the cost of providing children's residential services. This year alone we will need to increase our budget by \$300,000.

At meetings with the Victoria Faulkner Women's Centre, Yukon Aboriginal Women's Association, Yukon Status of Women's Council, the Help and Hope Society in Watson Lake and the Dawson shelter we heard a clear message: women's shelters do not have adequate resources to properly provide services. These groups provide care and support for women and their families who are in need. We have responded by increasing the operating grant to Kaushee's Place by \$100,000, providing an additional \$62,000 to the Help and Hope for Families Society in Watson Lake and a \$62,000 increase to the Dawson shelter.

We heard from women's groups, organized labour and communities that government should put more resources into victim services and programming for abusive spouses. We have heard you. And, to that end, we have put an additional \$155,000 toward these services.

The Minister of Health has also set aside \$100,000 to go towards increasing the per diem rates for foster parents by 16%. This is the first increase in nine years. Clothing rates will also be increased by 22%. Clothing allowances have not increased in eleven years. The remainder of the funds will be used to help assist with intake, recruitment, assessment and training for foster parents.

Other significant increases to non-government organizations this year include Teegatha'Oh Zheh a \$50,000 increase for staff costs and training; a \$39,000 increase to the Yukon Family Services Association for staffing and a \$75,000 increase to Hospice Yukon to provide services in rural communities.

This government is also funding, for the first time ever, the Line for Life program. This is a program that provides an emergency notification system for seniors who require help.

## Addressing Alcohol and Drug Addictions

In our government's first Throne Speech last fall we emphasized our commitment to combating our Territory's serious drug and alcohol addictions problem. In November of last year we moved ahead with the implementation of our Strategy on Alcohol and Drug Addictions and the creation of the new Alcohol and Drug Secretariat to meet the needs of Yukoners who are suffering from the effects of alcohol and drugs. In meeting after meeting, including Carcross, Old Crow, Haines Junction, and with the Kwanlin Dun First Nation, we heard that government should be committing more resources to fighting alcohol and drug addictions. Today I am announcing that funding for the Secretariat has been set at \$2.36 million for the first full year of operation.

This means we have put an additional quarter of a million dollars towards funding alcohol and drug abuse prevention and treatment. This is the beginning of implementing more comprehensive and enhanced services than have ever been available in the Yukon.

Prevention of FAS and FAE will obviously be a key component of the work done by the Secretariat. Part of that strategy will be to create better awareness about FAS and FAE through education and prevention initiatives undertaken in our schools. This will mean taking a more aggressive and proactive approach than has happened in the past. The Secretariat will also begin preparations to host the Prairie Northern Fetal Alcohol Syndrome Partnership in May of 2002. The partnership was put together to develop best practices and solutions for prevention of FAS.

We are also looking forward to working with the federal government who has signaled a new willingness, in the Speech from the Throne delivered last month, to work with all levels of government to reduce the incidence of FAS.

The recent First Ministers meeting in September 2000 is a prime example of what governments can accomplish, when they share a common goal. An historic agreement was reached on a comprehensive Health Action Plan and Yukoners are now seeing the positive results of that consensus. This year, for example, we will be purchasing three new ambulances, at a cost of \$276,000, as a result of these successful negotiations in Ottawa.

While this budget addresses health care and addictions it also sets aside significant resources for the top priority of our government - the settlement of land claims.



## Settling Outstanding Land Claims

The settlement of land claims remains an essential part of the long term economic success of our territory. Settling land claims will mean more certainty for all Yukoners. This budget contains over \$6 million of funding for the continued negotiation and implementation of the Yukon's self government and final agreements.

In addition, resources have been set aside in the Executive Council Office to assist in funding our new First Nations Secretariat. The establishment of the Secretariat was agreed to as part of the Political Accord between the Yukon Government, and Yukon's First Nations. The Accord was signed on February 2nd by Yukon's 14 First Nation and 2 tribal council Chiefs, the Grand Chief of CYFN, and by all 11 government caucus members.

The Secretariat will facilitate and co-ordinate communications between our government and First Nation governments. This Secretariat reflects the government to government relationships that have been established over the last nine months and is an ideal forum to discuss and move ahead on issues of mutual concern.

## Achieving Devolution

While working to settle land claims we are also continuing to move forward with devolution negotiations. It is our intention to conclude a devolution transfer agreement this spring and there is funding set aside in the Executive Council Office for this purpose.

Once signed the agreement paves the way for the new *Yukon Act* to begin making its way through the House of Commons.

Gaining management and control over our natural resources is essential if we are to continue to grow the Yukon's economy. The recent experience with the transfer of authority for oil and gas from the federal government to the Yukon is a shining example of what progress can be made over a short period of time. We continue to aim for the transfer to occur on April 1, 2002.

The transition period will not be without its ups and downs as we integrate new employees, take over administration of new legislation and assume new responsibilities and authority. Our preparations include a new Deputy Ministers Review Committee that is actively examining the renewal of the Yukon government, incorporating devolution, to ensure a citizen oriented administration. It is only by preparing now that we can meet the challenges that lie ahead.

## Developing Infrastructure

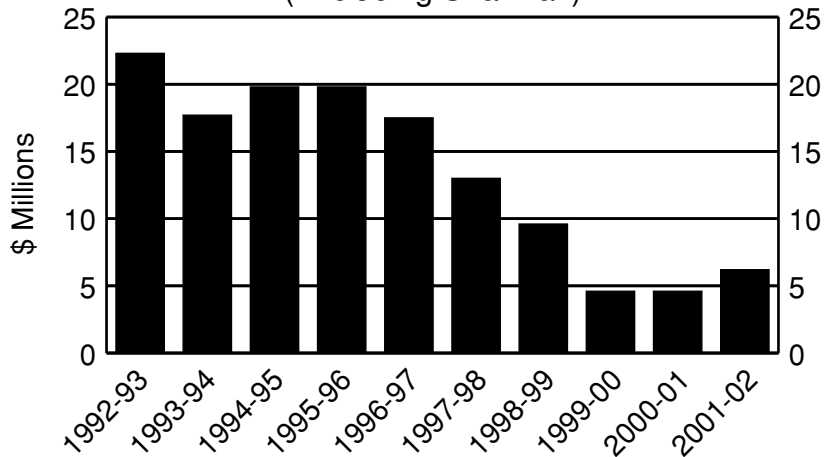
Another priority of this government is the continued expansion and upgrading of the Yukon's infrastructure. In many instances spending decisions have been directed by communities themselves as they identified infrastructure projects that they wanted to be undertaken on a priority basis. They have also stressed how important these projects are for creating work in their communities.

We heard from the Selkirk First Nation that improving the firehall in Pelly Crossing was a priority for the community. This budget contains \$35,000 for that purpose. The Liard First Nation said that the community needed an electric fence installed around the community dump. There is \$15,000 set aside to make that happen. In a meeting with the Vuntut Gwitchin a request was made for help to control riverbank erosion. This budget contains \$50,000 to do just that. In Ross River we heard concerns about water projects. The result is \$55,000 for improving water supply and \$50,000 for work on a new water use license application.

In community meetings in Burwash Landing and in Carcross we heard the same priorities. We are addressing those priorities with \$200,000 being spent on the construction of a new sewage lagoon in Burwash and \$500,000 for the Carcross sewage treatment project.

The most talked about infrastructure in the budget consultations, and indeed throughout the year, is our network of roads and highways. While our road system remains the envy of the North, years of neglect by previous governments have left our highways in need of upgrading and repairs. Our government reversed the longstanding pattern of lower expenditures on highway construction in our supplementary budget of last fall. We have continued that trend today. Capital spending on highways is up another half million dollars over last year, despite a \$1.5 million drop in Shakwak funding. Over \$29.7 million will be spent on highway construction. This is money well spent and money that creates jobs for Yukoners.

**GOVERNMENT OF YUKON  
CAPITAL EXPENDITURES ON HIGHWAY  
CONSTRUCTION FROM 1992-93 THROUGH 2001-02  
(Excluding Shakwak)**



SOURCE: Department of Community and Transportation Services

Major projects include \$23.5 million in Shakwak projects on the Alaska Highway. Another \$2.9 million will be spent on a reconstruction project for the Alaska highway, as requested during the budget consultation with the community of Haines Junction. There is also \$900,000 for spot reconstruction of the Campbell Highway, as requested by the communities of Ross River and Carmacks, and \$750,000 for a variety of pavement rehabilitation projects. This last item will improve the quality of our paved roads and provide for a safer, more comfortable ride for motorists.

This year's budget also contains \$281,000 for increased maintenance of the Campbell Highway and Nahanni Range road. This is the result of a request from the Watson Lake mayor and council. Leaders of both the municipal and First Nation governments in Watson Lake also requested that the government begin a preliminary study of an access road in southeast Yukon. That work will begin in the new fiscal year.

In the community of Mayo there were concerns about the fact that in recent years the amount of work done on brush and weed control had been cut dramatically. This government shares those concerns. In the last two years, for example, approximately \$500,000, in total, has been spent on this type of work. In 2001/2002 we have budgeted \$620,000 for brush and weed clearing that will create jobs and improve the safety on our roadways.

There is also over \$1.1 million in maintenance funding, that was requested by the village council of Mayo, for the Silver Trail and \$75,000 set aside for the upgrading of the Sawmill Road near Ross River.

While we have met a number of requests from communities for improvements to our road system we know that ideas will continue to come in from across the Territory. To respond to these requests our government has set aside \$400,000 in the Rural Roads Program to allow community groups to complete small projects that are identified as priorities.

Some of the other requests that we heard were simple enough to address. In Burwash Landing, the Kluane First Nation asked for money to be set aside to clear snow from the community's roads in the winter months. We have addressed this concern.

Other community requests, such as the boat ramp and breakwater at the marina in Destruction Bay, and the need for increased fire safety in Tagish, have been addressed by setting aside \$30,000 and \$22,000 respectively for projects in those communities.

While creating jobs by maintaining our highways we have not forgotten improvements to recreational facilities. For example, as part of a multi-year commitment to the city of Whitehorse \$1 million is being provided for the new swimming pool that is being constructed this summer. There is also ongoing support for the new recreation complex that is under construction in Dawson City. \$2.9 million will be transferred to the city on April 1st of this year. In Carmacks there is another \$1 million set aside to complete work on the new recreation centre.

A number of major capital projects related to education are also part of this year's expenditures. The Department of Education will spend over \$11.8 million on projects, including the Mayo school. There is also \$1.6 million for expansion projects at Holy Family Elementary and Christ the King Elementary schools in Whitehorse. This is the final part of grade reorganization and will move the grade seven students from Vanier Catholic Secondary School to the elementary schools. In addition, there is \$250,000 for work on the heating system at Eliza Van Bibber School in Pelly Crossing and \$400,000 to replace the heating system at Takhini Elementary School. There is also \$750,000 set aside for the annual Yukon College capital contribution.

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In some cases we are spending money on infrastructure now to save money in the future. This is the case with the House Calls Energy Efficiency Program, which is already in progress and will be completed during 2001/2002. This program has targeted up to 2000 primarily rural households for installation of energy saving and comfort devices, practical tips, and climate change information that reduce energy bills and greenhouse gas emissions. A separate seniors initiative, of this same program, was started in February which involved an expanded partnership involving the Yukon Development Corporation, Yukon Housing Corporation, Health and Social Services, Natural Resources Canada and Yukon Electrical Company Limited.

Another example of how this government is spending now to save later is the recent expression of interest call for small-scale renewable energy supply projects that was issued in late January 2001. This is the first step in a two-part process that is planned for 2001/2002. This proposal provides potential Yukon developers with business and investment opportunities for installation of 'green power' generation facilities that meet the needs of electrical consumers. The priority is to displace diesel generation requirements in Yukon communities. This type of forward thinking is in line with that of a Yukoner who sent a submission to us by e-mail asking that we invest in the research and development of renewable sources of energy.

The Yukon Development Corporation is also launching a new Renewable Power Sales Incentive Program. It complements the 'new and improved' Commercial Energy Management Program that was started the summer of 2000. Our experience to date shows that for each dollar invested in CEMP an additional four more are generated in expenditures to upgrade commercial facilities. The new program will facilitate the use of lower cost and renewable hydro surplus power by larger commercial, institutional and government customers. The result will be energy cost savings and reductions in greenhouse gas emissions.

The government is also embarking on a much larger project that will reduce our dependency on diesel fuel - the Mayo to Dawson City transmission line, a multi-million dollar energy infrastructure project. This project is good for ratepayers, a good investment for long-term development of Yukon's power network, good for the economy by creating business and employment opportunities during the up to two year design and construction period, good for the environment, and good news for participating Yukon First Nations.

We are also demonstrating our commitment to community infrastructure by participating in the latest Federal Infrastructure Program. This partnership between federal, territorial and municipal governments will result in the Yukon government receiving \$2.4 million over three years to help fund infrastructure development in the areas of water, sewer and solid waste management. Our government looks forward to working with municipal governments to identify projects that match the funding criteria for this program.

We are also maintaining the level of funding we provide in the form of comprehensive municipal grants, or block funding to communities, at \$11.8 million.

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While we have outlined the priorities of this government in creating jobs and building infrastructure, we have not lost sight of the environment. During our budget consultations we received a request from the Tr'ondek Hwech'in First Nation for resources to be committed to Tombstone Park. As a result \$255,000 has been set aside for work on the interpretive centre and for a seasonal park ranger, for Tombstone Park.

## **Restoring Confidence In Government**

Finally, Mr. Speaker, we are announcing today a number of initiatives that will help restore Yukoners confidence in government. We heard in almost every public meeting, by e-mail and in voice mail that we received on a toll free number that was set up to receive input on the budget process, that governments must continually work to be more efficient. We also heard that no administration has ever before taken on the task of looking at government as a whole to see how it can be more citizen-centered, simple and make more sense to the public. We agree completely and, in fact, have already been working to do just that.

The Internal Audit Unit is up and running and has been given the task of conducting reviews and audits of programs to determine their efficiency and effectiveness. A second group, the Strategic Management Unit, is assisting program managers across all departments in reviewing and updating their programs and beginning to implement accountability frameworks. These initiatives will result in a more effective government that is clearly focused on its role in improving the economic and social well being of the Yukon, and on recognizing that the citizens of this territory are its clients.

Restoring confidence in government is also about ensuring that Yukoners are fairly represented in this Legislature. This budget fulfills that commitment by providing the funding to review the Yukon's electoral boundaries. Last fall we passed legislation creating the Commission to oversee the review and this budget contains \$115,000 to conduct the public hearings. New boundaries that will be in place for the next election will ensure that Yukoners are fairly represented in this Legislature.

We are already fulfilling our commitment to reinstate community cabinet tours and have visited Faro, Ross River and Teslin in recent months. This allows Yukoners to speak directly with elected officials about the challenges facing communities and families.

Another suggestion about restoring confidence has come from organized labour and Yukon business people. The suggestion is a simple one. The Yukon government should outline capital spending priorities in a fall budget so that companies can put bids together over the winter period and contracts can be awarded by the time the spring construction season begins. We agree with that suggestion and will be introducing the capital budget for the year 2002-03 during the fall sitting of the Legislature.

On April 17 of last year Yukoners asked for change and we have delivered on that agenda. While change is a priority, real results will take time. We began with a supplementary budget last fall. We moved this government forward in implementing

new directions on policy, and we have been able to achieve many of the changes that Yukoners asked us to make. This government has taken on the challenge of tackling the tough issues that Yukoners have told us they want to address.

We are delivering on commitments to review a number of important pieces of legislation. Reviews of the *Liquor Act*, the *Education Act*, and the *Wildlife Act* are underway and new legislation will be brought forward over the course of the next two years.

We have, in consultation with the community at large, put a new focus and a higher profile on alcohol and drug services for Yukoners.

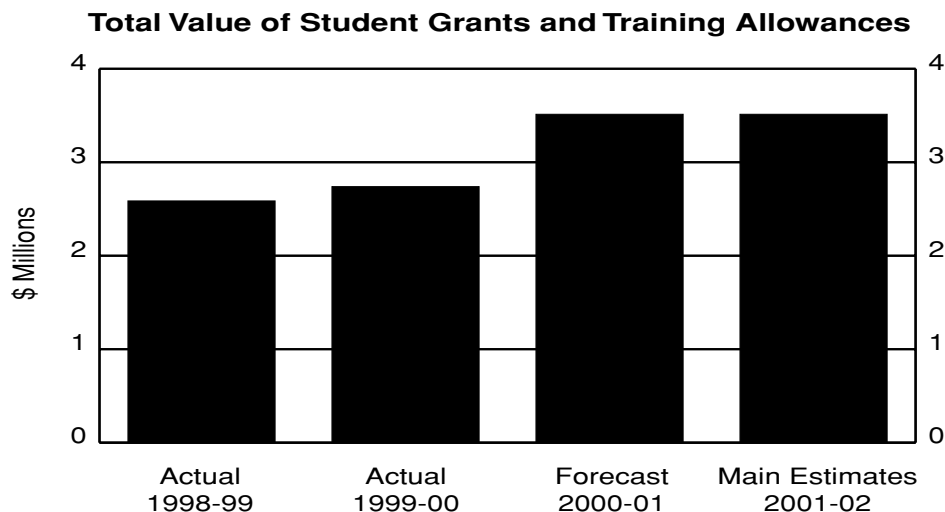
Yukoners also told us they were concerned with the lack of accountability surrounding programs such as the Community Development Fund. We told Yukoners we would review those funds and make them more accountable. We have done that.

Our government also committed to developing a new territory-wide museums strategy. Consultations on this strategy began last fall.

We have also kept our promise to continue televising the Yukon Legislative Assembly so that rural Yukoners can see their government in action, and can make suggestions to us about how we can make government better.

We said we would fund the Innovators in the School program and we have done that by setting aside \$57,000 for that program in this fiscal year. We made a commitment to establish a Youth Directorate. The MLA for Riverside, Scott Kent, is taking the lead on youth issues to show our commitment to our youth and our future. We are also supporting youth employment opportunities with a \$35,000 commitment to the Yukon Work Information Network.

Another commitment to youth that has been fulfilled is the 20 per cent increase to post-secondary student grants. This change was made in June of last year, in time for the current school year.



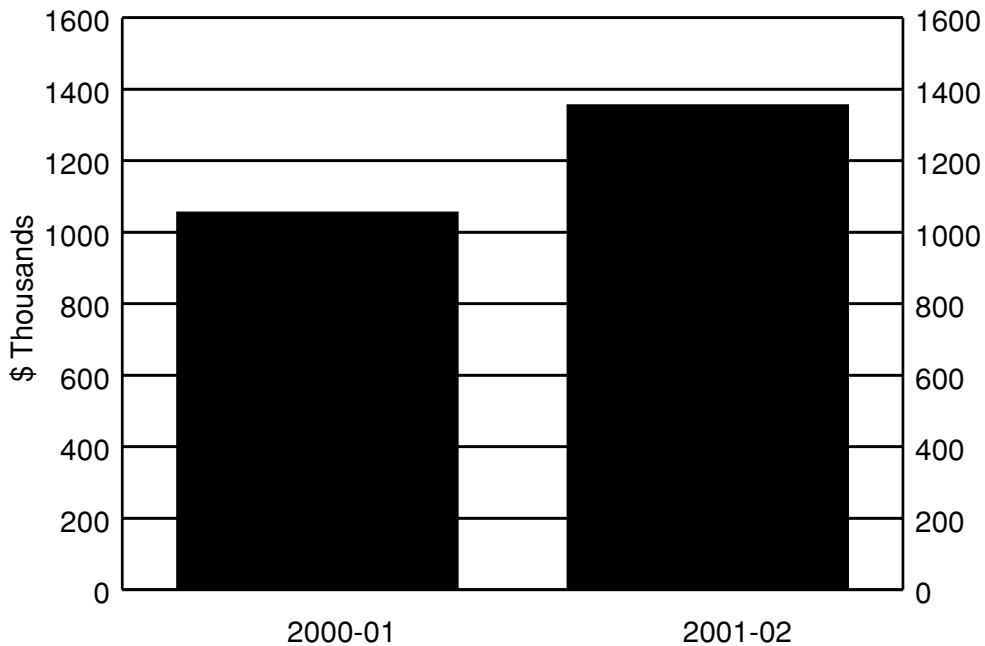
SOURCE: Department of Education

We also promised to expedite payments from government to local suppliers of goods and services. While we have begun to do that with the introduction of the new acquisition card, that has meant faster payments for businesses that supply government with products, there is much more that needs to be done.

In February of this year we fulfilled a commitment to allow social assistance clients to retain a greater portion of employment income as an incentive to continue working. At the same time we allowed single parents receiving welfare to stay at home until their children turn six, rather than two years old.

We also committed to providing more legal aid funding. We provided that increase in a supplementary budget last fall and are making it permanent in this budget today.

### Legal Aid Expenditures



SOURCE: Main Estimates for 2000-01 and 2001-02

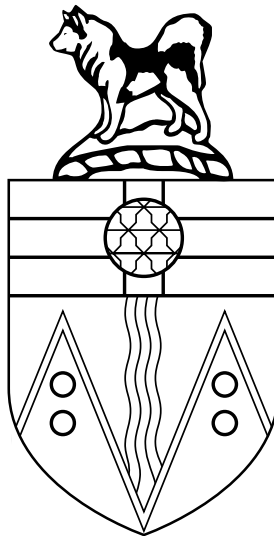
During the election campaign last spring, we heard Yukoners' concern about the large cuts to Heritage Branch funding by successive governments. I will not stand here and tell you that those cuts can be restored overnight - they cannot. I can tell you that the Minister of Tourism has been working hard to restore money to the Heritage Branch because when tourists come to visit the Yukon, we want to share our cultural heritage with them - a heritage that make us all proud to call ourselves Yukoners. With that in mind, we have increased heritage spending this year by almost \$470,000 over last year's main estimates.

While we focussed our resources on these priorities we are also living up to several expensive obligations passed on by the previous government. These include the Connect Yukon Project, the Dawson City Recreation Centre, and the new Continuing Care Facility. These items will have a cumulative impact of over \$13.6 million on the main estimates this year alone.

If we all take a moment to think about it, this budget is the result of the efforts of many people. The people of Watson Lake and Whitehorse, Carmacks, Beaver Creek and Destruction Bay, Old Crow, Ross River, and Faro and all of the communities in between are the authors of this document. We have worked hard to balance the priorities that Yukoners presented to us, and we hope that you see yourselves reflected here.

I would also like to thank officials from the Department of Finance and our translators from the Department of Government Services for the work they have done in putting this budget together.

In October, when we delivered our Throne Speech, we said that “as Yukoners, we envision a Territory where opportunity is built upon the strength of our land, the diversity of our people, and the openness of our government”. By participating in the budget process Yukoners have added to the strength and openness that we hope to achieve during our mandate. We want to thank all Yukoners who actively participated in the creation of this budget. We will continue to listen to you, and we take pride in tabling the document that is before you today because it was created by all of us.





## Long Term Plans

## GOVERNMENT OF YUKON PROJECTIONS\* (\$'000'S)

	2000-01 Projected Actual	2001-02 Projected Actual	2002-03 Projected Actual	2003-04 Projected Actual	2004-05 Projected Actual
<b>INCOME:</b>					
Territorial Revenue	\$ 80,000	\$ 78,000	\$ 75,000	\$ 76,500	\$ 78,000
Canada Health and Social Transfer	18,500	20,000	19,500	19,000	18,500
Transfer from Canada	320,500	332,500	345,500	356,000	370,000
Net Loan Interest	500	500	500	500	500
<b>TOTAL NET INCOME</b>	<u>\$ 419,500</u>	<u>\$ 431,000</u>	<u>\$ 440,500</u>	<u>\$ 452,000</u>	<u>\$ 467,000</u>
<b>LESS NET EXPENDITURES:</b>					
Net Operation and Maintenance Expenditures	\$ 381,500	\$ 390,500	\$ 398,500	\$ 403,500	\$ 408,000
Net Capital Expenditures	70,500	62,000	56,000	56,500	56,500
<b>TOTAL NET EXPENDITURES</b>	<u>\$ 452,000</u>	<u>\$ 452,500</u>	<u>\$ 454,500</u>	<u>\$ 460,000</u>	<u>\$ 464,500</u>
<b>UNADJUSTED SURPLUS (DEFICIT)</b>					
<b>FOR THE YEAR</b>	\$ (32,500)	\$ (21,500)	\$ (14,000)	\$ (8,000)	\$ 2,500
Less: Contingency	(1,500)	(2,500)	0	0	0
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<u>\$ (34,000)</u>	<u>\$ (24,000)</u>	<u>\$ (14,000)</u>	<u>\$ (8,000)</u>	<u>\$ 2,500</u>
<b>ACCUMULATED SURPLUS:</b>					
Accumulated Surplus, Beginning of Year	\$ 64,000	\$ 45,000	\$ 23,000	\$ 11,000	\$ 5,000
Add: Estimated Gross Lapses	15,000	15,000	15,000	15,000	15,000
Less: Estimated Revotes of previous year lapses	0	(13,000)	(13,000)	(13,000)	(13,000)
Less: Surplus (Deficit) for Year	(34,000)	(24,000)	(14,000)	(8,000)	2,500
<b>Accumulated Surplus, End of Year</b>	<u>\$ 45,000</u>	<u>\$ 23,000</u>	<u>\$ 11,000</u>	<u>\$ 5,000</u>	<u>\$ 9,500</u>

\* Figures rounded to nearest one-half-million dollars.

Sources:

- Territorial Revenue - YTG Forecast
- Canada Health and Social Transfer - Government of Canada Forecast and adjusted by CHST Enhancement in October 2000 Federal Mini-Budget
- Transfer from Canada:
  - Population - Yukon growth based on YTG Forecast - Canadian growth based on historical growth rate
  - Formula Escalators - Conference Board of Canada (December 2000 Outlook)

## Budget Highlights

## **2001/2002 BUDGET HIGHLIGHTS**

*"We want to thank all Yukoners who actively participated in the creation of this budget. We will continue to listen to you, and we take pride in tabling the document that is before you today because it was created by all of us."*

Premier Pat Duncan  
February 22, 2001

### **Rebuilding the Yukon Economy:**

- 7% increase in net capital spending
- direct spending on job creation
- more than \$3.4 million in capital spending to support mining
- \$785,000 in expanded tourism initiatives
- \$750,000 for Alaska Highway pipeline related activities
- more than \$700,000 in incentives to contractors who hire locally and purchase locally manufactured goods
- \$1.5 million for community infrastructure development
- \$500,000 for Firesmart
- \$500,000 for a new 'Arts Fund'
- reduced personal income tax rates from 50% to 46% - Yukoners will pay \$3 million less in taxes

### **Maintaining Quality Health Care:**

- more than \$137 million toward health care and social services
- more than \$1.1 million to the Child Development Centre
- \$140,000 toward recruitment and retention of health care professionals
- \$9 million for completion of extended care facility
- \$100,000 in increases for Foster Parent per diem and clothing rates
- improvements to Social Assistance
- more than \$220,000 in increased funding to women's shelters across the territory

### **Addressing Alcohol and Drug Addictions:**

- \$2.36 million toward a new Alcohol and Drug Secretariat
- implementation of our strategy on alcohol and drug addictions
- education and prevention initiatives in our schools on FAS and FAE

### **Settling Outstanding Land Claims:**

- \$6 million toward negotiations and implementation
- resources to assist funding a First Nations Secretariat

### **Achieving Devolution:**

- concluding a devolution transfer agreement this spring
- fine-tuning transition plans that address the change in control and responsibility

### **Developing Infrastructure:**

- \$30 million toward highway construction
- \$400,000 for Rural Roads Program
- more than \$800,000 for water and sewer projects in Ross River, Burwash Landing and Carcross
- \$4.9 million for recreation facilities in Whitehorse, Dawson and Carmacks
- \$11.8 million on education projects, including Mayo school
- \$1.6 million for expansion of Catholic schools in Whitehorse

### **Restoring Confidence in Government:**

- establishing an Internal Audit Unit to review the efficiency and effectiveness of government programs
- establishing a Strategic Management Unit to implement accountability frameworks in government

### **Keeping our Commitments:**

- moving Capital budget to the fall in order to better meet Yukon contractors' needs
- reviewing the *Liquor Act*
- reviewing the *Education Act*
- reviewing the *Wildlife Act*
- increasing heritage spending by almost \$470,000
- sponsoring a Forestry Summit in March
- \$300,000 increase to legal aid
- \$197,000 for youth leadership programming is being budgeted again this year
- establishing a Youth Directorate
- investing in renewable sources of energy
- proceeding with the Yukon Electoral Boundary Review
- reinstating and continuing Community Cabinet tours

**Supplementary  
Information**

# **SUPPLEMENTARY INFORMATION**

**2001-02**

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### SUPPLEMENTARY INFORMATION 2001-02

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**FINANCIAL SUMMARY**  
**(\$000'S)**

	2001-02 ESTIMATE	2000-01 FORECAST	% CHANGE	1999-00 ACTUAL
<b>INCOME:</b>				
Territorial Revenue	77,741	80,093	-3%	78,593
Canada Health and Social Transfer	20,070	18,433	9%	19,946
Transfer from Canada	332,591	320,881	4%	309,751
Recoveries	83,532	89,869	-7%	74,469
<b>TOTAL INCOME</b>	<b>513,934</b>	509,276	1%	482,759
<b>LESS EXPENDITURES:</b>				
Operation and Maintenance	428,188	418,594	2%	393,160
Capital	106,963	122,613	-13%	106,157
Loan Interest	379	386	-2%	397
<b>TOTAL EXPENDITURES</b>	<b>535,530</b>	541,593	-1%	499,714
<b>UNADJUSTED SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(21,596)</b>	(32,317)		(16,955)
<b>ADJUSTMENTS:</b>				
Plus: Recoveries of Prior Years' Expenditures	0	0		133
Plus: Items transferred to Balance Sheet	0	0		339
Less: Contingency	2,500	1,500		0
<b>SURPLUS (DEFICIT) FOR THE YEAR *</b>	<b>(24,096)</b>	(33,817)		(16,483)

\* The estimated unconsolidated accumulated surplus of the Government for March 31, 2002 is as follows (in \$ thousands):

Accumulated Surplus, March 31, 2000	63,926
Less: Forecast Annual Deficit for 2000-01	(33,817)
Forecast Accumulated Surplus, March 31, 2001	30,109
Less: Estimated Annual Deficit for 2001-02	(24,096)
<b>Estimated Accumulated Surplus, March 31, 2002</b>	<b>6,013</b>

In the 2000-01 Estimates, the estimated accumulated surplus at March 31, 2001 was \$13.667 million.

**FINANCIAL SUMMARY (Cont'd)**  
**(\$000'S)**

	2001-02 ESTIMATE	2000-01 FORECAST	% CHANGE	1999-00 ACTUAL
<b><u>NET BUDGETARY EXPENDITURES:</u></b>				
<b>OPERATION AND MAINTENANCE:</b>				
Gross Budgetary Expenditures	428,188	418,594	2%	393,160
Less: Recoveries	37,665	37,089	2%	37,826
<b>NET O &amp; M EXPENDITURES</b>	<b>390,523</b>	<b>381,505</b>	<b>2%</b>	<b>355,334</b>
<b>CAPITAL:</b>				
Gross Budgetary Expenditures	106,963	122,613	-13%	106,157
Less: Recoveries	44,968	51,990	-14%	35,772
<b>NET CAPITAL EXPENDITURES</b>	<b>61,995</b>	<b>70,623</b>	<b>-12%</b>	<b>70,385</b>
<b>LOAN INTEREST:</b>				
Gross Budgetary Expenditures	379	386	-2%	397
Less: Recoveries	899	790	14%	871
<b>NET LOAN INTEREST</b>	<b>(520)</b>	<b>(404)</b>	<b>29%</b>	<b>(474)</b>
<b>TOTAL BUDGETARY EXPENDITURES:</b>				
Gross Budgetary Expenditures	535,530	541,593	-1%	499,714
Less: Recoveries	83,532	89,869	-7%	74,469
<b>NET BUDGETARY EXPENDITURES</b>	<b>451,998</b>	<b>451,724</b>	<b>0%</b>	<b>425,245</b>
<b><u>NET NON-BUDGETARY EXPENDITURES:</u></b>				
<b>LOAN PRINCIPAL:</b>				
Gross Expenditures	70	88	-20%	123
Less: Recoveries	1,789	1,680	6%	1,096
<b>NET LOAN PRINCIPAL</b>	<b>(1,719)</b>	<b>(1,592)</b>	<b>8%</b>	<b>(973)</b>
<b>LOAN CAPITAL:</b>				
Gross Expenditures	5,000	6,000	-17%	1,360
Less: Recoveries	5,000	6,000	-17%	1,360
<b>NET LOAN CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>

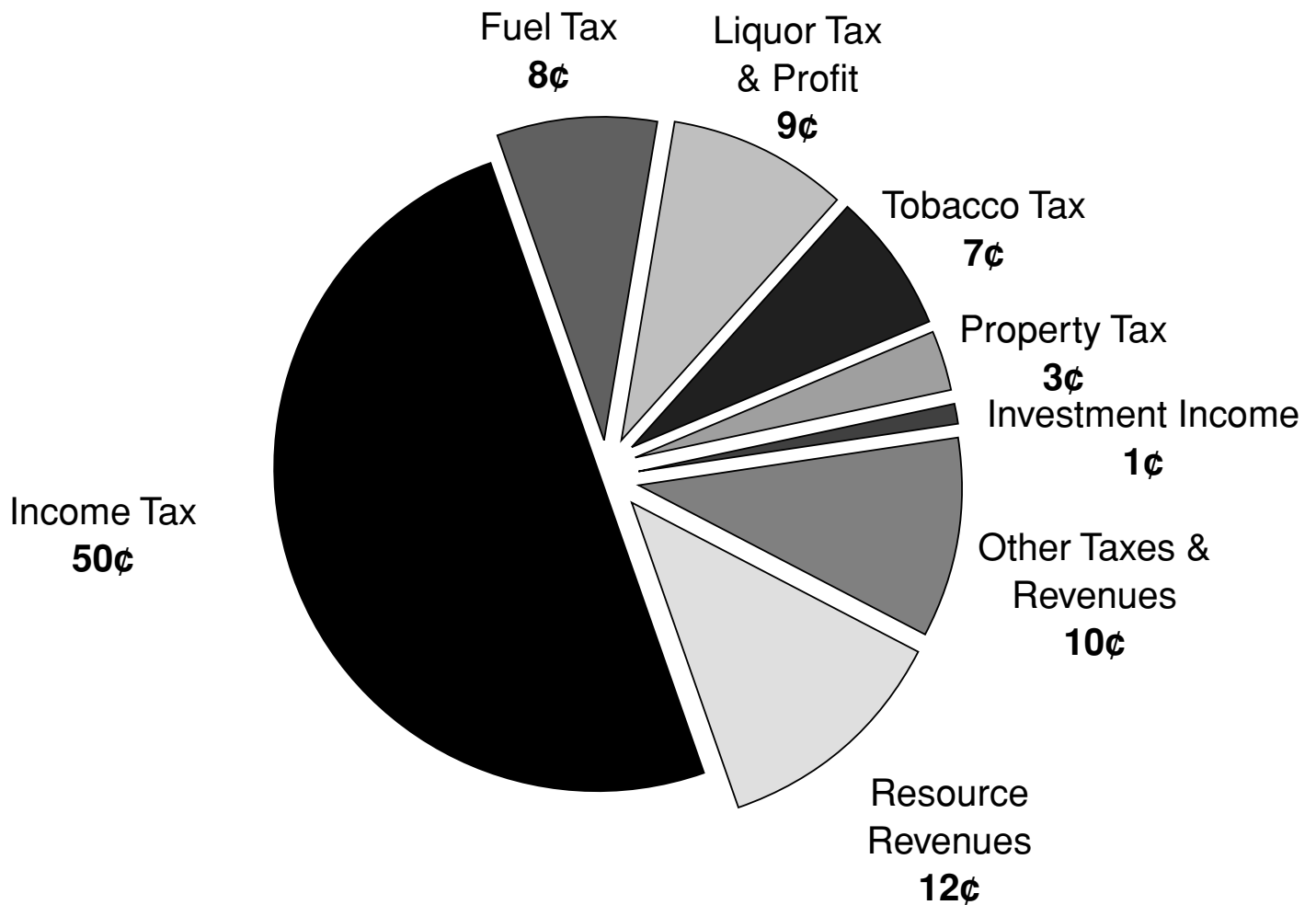
**BUDGETARY INCOME SUMMARY BY SOURCE**  
**(\$000'S)**

<b>SOURCE</b>	2001-02 ESTIMATE		2000-01 FORECAST		1999-00 ACTUAL	
<b>TERRITORIAL REVENUE</b>						
	\$	%	\$	%	\$	%
<b>TAX REVENUE</b>						
Personal Income Tax	28,985	5.6	34,068	6.7	35,223	7.3
Corporate Income Tax	9,711	1.9	8,746	1.7	8,289	1.7
Property Tax	2,150	0.4	2,200	0.4	2,165	0.4
Grant-in-Lieu of Property Tax	225	0.0	235	0.0	215	0.0
Fuel Oil Tax - Diesel	2,389	0.5	2,325	0.5	2,621	0.5
Fuel Oil Tax - Other	4,049	0.8	4,085	0.8	4,019	0.8
Insurance Premium Tax	872	0.2	780	0.2	924	0.2
Tobacco Tax	5,577	1.1	5,245	1.0	5,059	1.0
Liquor Tax	2,220	0.4	2,106	0.4	2,245	0.5
<b>TOTAL TAX REVENUE</b>	<b>56,178</b>	<b>10.9</b>	<b>59,790</b>	<b>11.7</b>	<b>60,760</b>	<b>12.6</b>
<b>OTHER REVENUE</b>						
Liquor Profit	4,945	1.0	4,745	0.9	5,063	1.0
Investment Income and Other Interest	1,159	0.2	2,290	0.4	2,868	0.6
Licenses, Fees, Registrations and Permits:						
Motor Vehicle	2,734	0.5	2,549	0.5	2,686	0.6
Game and Campground	798	0.2	831	0.2	803	0.2
Business and Professional	886	0.2	662	0.1	886	0.2
Other	779	0.2	900	0.2	681	0.1
Resource Revenues	9,000	1.8	7,000	1.4	3,313	0.7
Fines	381	0.1	485	0.1	437	0.1
Gain on Sale of Lots	0	0.0	0	0.0	249	0.1
Aviation Operations	753	0.1	723	0.1	720	0.1
Miscellaneous	128	0.0	118	0.0	127	0.0
<b>TOTAL OTHER REVENUE</b>	<b>21,563</b>	<b>4.2</b>	<b>20,303</b>	<b>4.0</b>	<b>17,833</b>	<b>3.7</b>
<b>Subtotal Territorial Revenue</b>	<b>77,741</b>	<b>15.1</b>	<b>80,093</b>	<b>15.7</b>	<b>78,593</b>	<b>16.3</b>
<b>FEDERAL TRANSFERS</b>						
Canada Health and Social Transfer	20,070	3.9	18,433	3.6	19,946	4.1
Transfer from Canada	332,591	64.7	320,881	63.0	309,751	64.2
<b>Subtotal Federal Transfers</b>	<b>352,661</b>	<b>68.6</b>	<b>339,314</b>	<b>66.6</b>	<b>329,697</b>	<b>68.3</b>

**BUDGETARY INCOME SUMMARY BY SOURCE (CONT'D)**  
**(\$000'S)**

<b>SOURCE</b>	2001-02		2000-01		1999-00	
	ESTIMATE		FORECAST		ACTUAL	
<b>RECOVERIES</b>	\$	%	\$	%	\$	%
<b>Government of Canada</b>						
Alaska Highway	23,500	4.6	25,100	4.9	19,905	4.1
Yukon Housing Corporation	4,610	0.9	4,610	0.9	4,639	1.0
Child Welfare	5,326	1.0	5,326	1.0	5,851	1.2
Aboriginal Language Services	1,100	0.2	1,100	0.2	1,009	0.2
French Language Services	1,614	0.3	2,324	0.5	1,557	0.3
French Language Programs	1,166	0.2	1,166	0.2	1,018	0.2
Land Claims Implementation	2,622	0.5	3,588	0.7	2,897	0.6
Devolution - Transitional Funding	1,000	0.2	1,000	0.2	870	0.2
Geological Surveys	680	0.1	680	0.1	680	0.1
Young Offenders	1,319	0.3	1,206	0.2	1,091	0.2
Airports	1,350	0.3	1,305	0.3	1,313	0.3
Inuvialuit Final Agreement	762	0.1	760	0.1	757	0.2
Legal Aid	505	0.1	505	0.1	505	0.1
Other	8,044	1.6	6,543	1.3	7,233	1.5
	<b>53,598</b>	<b>10.4</b>	<b>55,213</b>	<b>10.8</b>	<b>49,325</b>	<b>10.2</b>
<b>Other Recoveries</b>						
Yukon Housing Corporation	18,385	3.6	19,051	3.7	15,151	3.1
Land Development	3,775	0.7	5,808	1.1	2,602	0.5
Reciprocal Billing	1,345	0.3	1,345	0.3	1,166	0.2
Loan Interest Recovery	899	0.2	790	0.2	871	0.2
Other	5,530	1.1	7,662	1.5	5,354	1.1
	<b>29,934</b>	<b>5.8</b>	<b>34,656</b>	<b>6.8</b>	<b>25,144</b>	<b>5.2</b>
<b>Subtotal Recoveries</b>	<b>83,532</b>	<b>16.3</b>	<b>89,869</b>	<b>17.6</b>	<b>74,469</b>	<b>15.4</b>
<b>TOTAL BUDGETARY INCOME</b>	<b>513,934</b>	<b>100.0</b>	<b>509,276</b>	<b>100.0</b>	<b>482,759</b>	<b>100.0</b>
(Total Territorial Revenue, Federal Transfers and Recoveries)						

GOVERNMENT OF YUKON  
**TERRITORIAL REVENUE BY SOURCE**  
2001 - 2002



NOTE: Represents the portion by source of each dollar of locally raised revenue.

**OPERATION AND MAINTENANCE AND CAPITAL RECOVERIES  
SUMMARY BY DEPARTMENT/CORPORATION  
(\$000'S)**

<b>DEPARTMENT/CORPORATION</b>	<b>O &amp; M</b>		<b>CAPITAL</b>	
	2001-02 ESTIMATE	2000-01 FORECAST	2001-02 ESTIMATE	2000-01 FORECAST
Yukon Legislative Assembly	0	0	0	0
Executive Council Office	4,722	5,315	0	389
Community and Transportation Services	2,887	2,870	27,369	32,768
Economic Development	28	80	1,206	930
Education	2,403	1,708	300	933
Finance	16	36	0	0
Government Services	2,051	2,021	1,081	1,891
Health and Social Services	13,970	13,667	1,000	4
Justice	1,275	1,410	53	3
Public Service Commission	45	45	0	0
Renewable Resources	773	802	219	268
Tourism	240	240	0	33
Women's Directorate	0	0	0	0
Yukon Housing Corporation	9,255	8,890	13,740	14,771
Office of the Ombudsman	0	5	0	0
Elections Office	0	0	0	0
<b>Total Recoveries</b>	<b>37,665</b>	<b>37,089</b>	<b>44,968</b>	<b>51,990</b>

# MAJOR TERRITORIAL AND PROVINCIAL TAX RATES

## February, 2001

	PERSONAL INCOME TAX			CORPORATE INCOME TAX			COMMODITY TAXES							
	BASIC RATE	TAX BRACKETS	HIGH INCOME SURCHARGE	GENERAL RATE	SMALL BUSINESS	MANUFACTURING AND PROCESSING	RETAIL SALES	TOBACCO TAX	UNLEADED GASOLINE	DIESEL FUEL	%	¢/25 cigs	¢/litre	¢/litre
	% A	(TAX ON INCOME)	% B	%	%	%	%	%	%	%	%	%	%	%
Newfoundland	10.57	< \$29,591 \$29,591 - 59,180 > \$59,180	9.0	14.00	5.00	5.00	8.0 D	275.00	16.5	16.5	8.0 D	275.00	16.5	16.5
Prince Edward Island	9.80	< \$30,754 \$30,754 - 61,508 > \$61,509	10.0	16.00	7.50	7.50	10.0	165.63	13.0	13.5	10.0	165.63	13.0	13.5
New Brunswick	9.68	< \$29,591 \$29,591 - 59,180 > \$59,180	8.0	17.00	4.50	17.00	8.0 D	103.75	10.7	13.7	8.0 D	103.75	10.7	13.7
Nova Scotia	9.77	< \$29,591 \$29,591 - 59,180 > \$59,180	10.0	16.00	5.00	16.00	8.0 D	120.50	13.5	15.4	8.0 D	120.50	13.5	15.4
Quebec	18.00	< \$26,001 \$26,001 - 52,000 > \$52,000	--	16.25 C	8.90	8.90	7.5	107.50	15.2	16.2	7.5	107.50	15.2	16.2
Ontario	6.20	<= \$30,814 > \$30,814 - 61,629 > \$61,629	20.0/36.0	14.00 E	6.50	12.00	8.0	66.25	14.7	14.3	8.0	66.25	14.7	14.3
Manitoba	10.90	< \$30,545 \$30,545 - 61,089 > \$61,089	--	17.00	6.00	17.00	7.0	215.00	11.5	10.9	7.0	215.00	11.5	10.9
Saskatchewan	11.50	< \$30,000 \$30,000 - 60,000 > \$60,000	--	17.00	8.00	10.00	6.0	215.00	15.0	15.0	6.0	215.00	15.0	15.0
Alberta	10.00	one tax bracket	--	15.50	9.50	14.25	--	175.00	9.0	9.0	--	175.00	9.0	9.0
British Columbia	8.40	< \$30,484 \$30,484 - 60,969 \$60,969 - 70,000	--	16.50	4.50	16.50	7.0	275.00	11.0	11.5	7.0	275.00	11.0	11.5
18.70	\$70,000 - 85,000 > \$85,000													
Nunavut	45.00	--	--	14.00	5.00	14.00	--	315.00	10.7	9.1	--	315.00	10.7	9.1
Northwest Territories	45.00	--	--	14.00	5.00	14.00	--	340.00	10.7	9.1	--	340.00	10.7	9.1
Yukon	46.00 F	--	5.0	15.00	6.00	2.50	--	205.00	6.2	7.2	--	205.00	6.2	7.2



## MAJOR TERRITORIAL AND PROVINCIAL TAX RATES

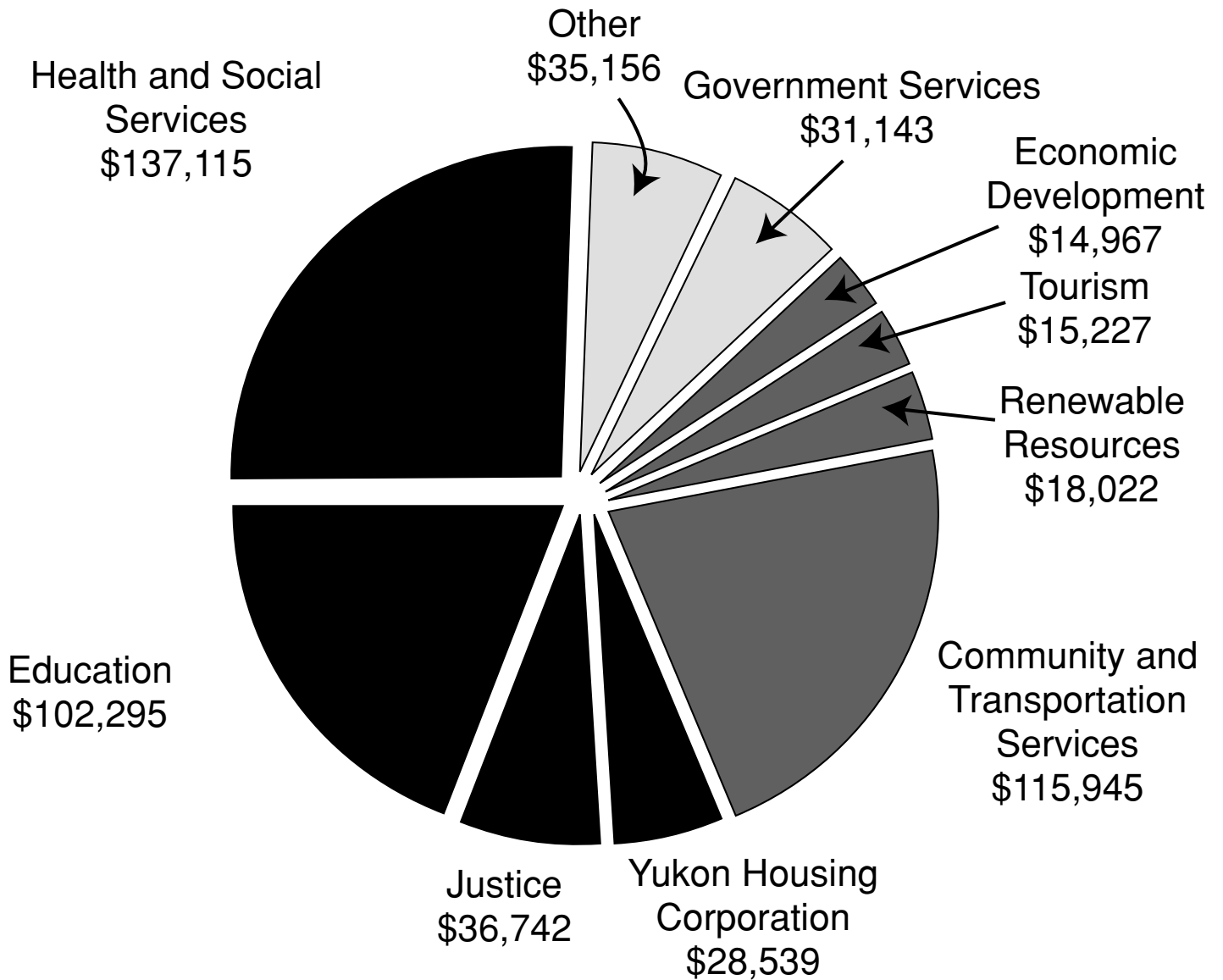
### Notes to Table:

- A) Yukon, Northwest Territories and Nunavut levy their personal income tax rate on basic federal tax. All other jurisdictions levy personal income tax on taxable income.
- B) The following jurisdictions levy a surcharge on provincial/territorial personal income tax:
- Newfoundland, 9% of provincial tax payable in excess \$7,032;
  - Prince Edward Island, 10% of provincial tax in excess of \$5,200;
  - New Brunswick, 8% of provincial tax in excess of \$13,500;
  - Nova Scotia, 10% of provincial tax in excess of \$10,000;
  - Ontario, 20% of Ontario tax in excess of \$3,560 and 36% of Ontario tax in excess of \$4,491;
  - Yukon levies a surcharge of 5% of territorial tax in excess of \$6,000.
- C) The rate is 16.25% on non-active business income and 8.9% on active business income. Quebec corporations are subject to a temporary youth fund surtax from March 15, 2000 to March 14, 2003 equal to 1.6% of provincial tax net of non-refundable tax credits.
- D) Provincial share of Harmonized Sales Tax (HST).
- E) General rate will be reduced to 8% by 2005. Ontario corporations are subject to a 4% minimum tax where gross revenues are greater than \$10 million or assets are greater than \$5 million.
- F) The personal income tax rate will be reduced to 44% for the 2002 taxation year.
- N.B. Rate changes may have occurred since the time of the survey (February, 2001). To determine current rates, reference should be made to each jurisdiction's Department of Finance.

**TOTAL EXPENDITURES BY DEPARTMENT / CORPORATION  
(\$000'S)**

<b>DEPARTMENT/CORPORATION</b>	2001-02 ESTIMATE		2000-01 FORECAST		1999-00 ACTUAL	
	\$	%	\$	%	\$	%
Yukon Legislative Assembly	3,249	0.6	3,239	0.6	2,986	0.6
Executive Council Office	14,724	2.8	14,406	2.7	12,615	2.5
Community and Transportation Services	115,945	21.7	116,736	21.6	107,671	21.6
Economic Development	14,967	2.8	16,637	3.1	17,977	3.6
Education	102,295	19.1	107,998	20.0	98,247	19.7
Finance	4,279	0.8	4,275	0.8	4,297	0.9
Government Services	31,143	5.8	33,288	6.2	32,293	6.5
Health and Social Services	137,115	25.6	133,793	24.7	122,449	24.5
Justice	36,742	6.9	36,012	6.7	32,674	6.5
Public Service Commission	11,763	2.2	10,596	2.0	10,729	2.1
Renewable Resources	18,022	3.4	17,280	3.2	16,422	3.3
Tourism	15,227	2.8	15,862	2.9	15,385	3.1
Women's Directorate	589	0.1	516	0.1	437	0.1
Yukon Development Corporation	one dollar	0.0	one dollar	0.0	0	0.0
Yukon Housing Corporation	28,539	5.3	29,722	5.5	24,566	4.9
Yukon Liquor Corporation	one dollar	0.0	one dollar	0.0	0	0.0
Office of the Ombudsman	317	0.1	301	0.1	248	0.0
Elections Office	235	0.0	546	0.1	321	0.1
<b>Total Expenditures</b>	<b>535,151</b>	<b>100.0</b>	<b>541,207</b>	<b>100.0</b>	<b>499,317</b>	<b>100.0</b>

**GOVERNMENT OF YUKON  
O&M and CAPITAL EXPENDITURES  
BY DEPARTMENT  
2001 - 2002 BUDGET  
\$ THOUSANDS**



"Other" includes Yukon Legislative Assembly, Executive Council Office, Finance, Public Service Commission, Women's Directorate, Office of the Ombudsman and the Elections Office.

**OPERATION AND MAINTENANCE  
EXPENDITURE SUMMARY BY DEPARTMENT / CORPORATION  
(\$000'S)**

<b>DEPARTMENT/CORPORATION</b>	2001-02 ESTIMATE		2000-01 FORECAST		1999-00 ACTUAL	
	\$	%	\$	%	\$	%
Yukon Legislative Assembly	3,229	0.8	3,219	0.8	2,958	0.8
Executive Council Office	14,334	3.3	14,017	3.3	12,382	3.1
Community and Transportation Services	69,765	16.3	66,417	15.9	64,421	16.4
Economic Development	7,770	1.8	6,967	1.7	6,076	1.5
Education	90,475	21.1	90,283	21.6	83,303	21.2
Finance	4,249	1.0	4,240	1.0	4,279	1.1
Government Services	24,973	5.8	25,366	6.1	22,846	5.8
Health and Social Services	125,889	29.4	122,429	29.2	116,972	29.8
Justice	34,369	8.0	34,602	8.3	32,050	8.2
Public Service Commission	11,728	2.7	10,578	2.5	10,710	2.7
Renewable Resources	16,122	3.8	15,345	3.7	14,521	3.7
Tourism	11,552	2.7	10,933	2.6	9,647	2.5
Women's Directorate	584	0.1	516	0.1	433	0.1
Yukon Development Corporation	one dollar	0.0	one dollar	0.0	0	0.0
Yukon Housing Corporation	12,605	2.9	12,843	3.1	11,998	3.1
Yukon Liquor Corporation	one dollar	0.0	one dollar	0.0	0	0.0
Office of the Ombudsman	312	0.1	296	0.1	243	0.1
Elections Office	232	0.1	543	0.1	321	0.1
<b>Total Expenditures</b>	<b>428,188</b>	<b>100.0</b>	<b>418,594</b>	<b>100.0</b>	<b>393,160</b>	<b>100.0</b>

**CAPITAL  
EXPENDITURE SUMMARY BY DEPARTMENT / CORPORATION  
(\$000'S)**

<b>DEPARTMENT/CORPORATION</b>	2001-02 ESTIMATE		2000-01 FORECAST		1999-00 ACTUAL	
	\$	%	\$	%	\$	%
Yukon Legislative Assembly	20	0.0	20	0.0	28	0.0
Executive Council Office	390	0.4	389	0.3	233	0.2
Community and Transportation Services	46,180	43.2	50,319	41.0	43,250	40.7
Economic Development	7,197	6.7	9,670	7.9	11,901	11.2
Education	11,820	11.1	17,715	14.4	14,944	14.1
Finance	30	0.0	35	0.0	18	0.0
Government Services	6,170	5.8	7,922	6.5	9,447	8.9
Health and Social Services	11,226	10.5	11,364	9.3	5,477	5.2
Justice	2,373	2.2	1,410	1.1	624	0.6
Public Service Commission	35	0.0	18	0.0	19	0.0
Renewable Resources	1,900	1.8	1,935	1.6	1,901	1.8
Tourism	3,675	3.4	4,929	4.0	5,738	5.4
Women's Directorate	5	0.0	0	0.0	4	0.0
Yukon Housing Corporation	15,934	14.9	16,879	13.8	12,568	11.8
Office of the Ombudsman	5	0.0	5	0.0	5	0.0
Elections Office	3	0.0	3	0.0	0	0.0
<b>Total Expenditures</b>	<b>106,963</b>	<b>100.0</b>	<b>122,613</b>	<b>100.0</b>	<b>106,157</b>	<b>100.0</b>

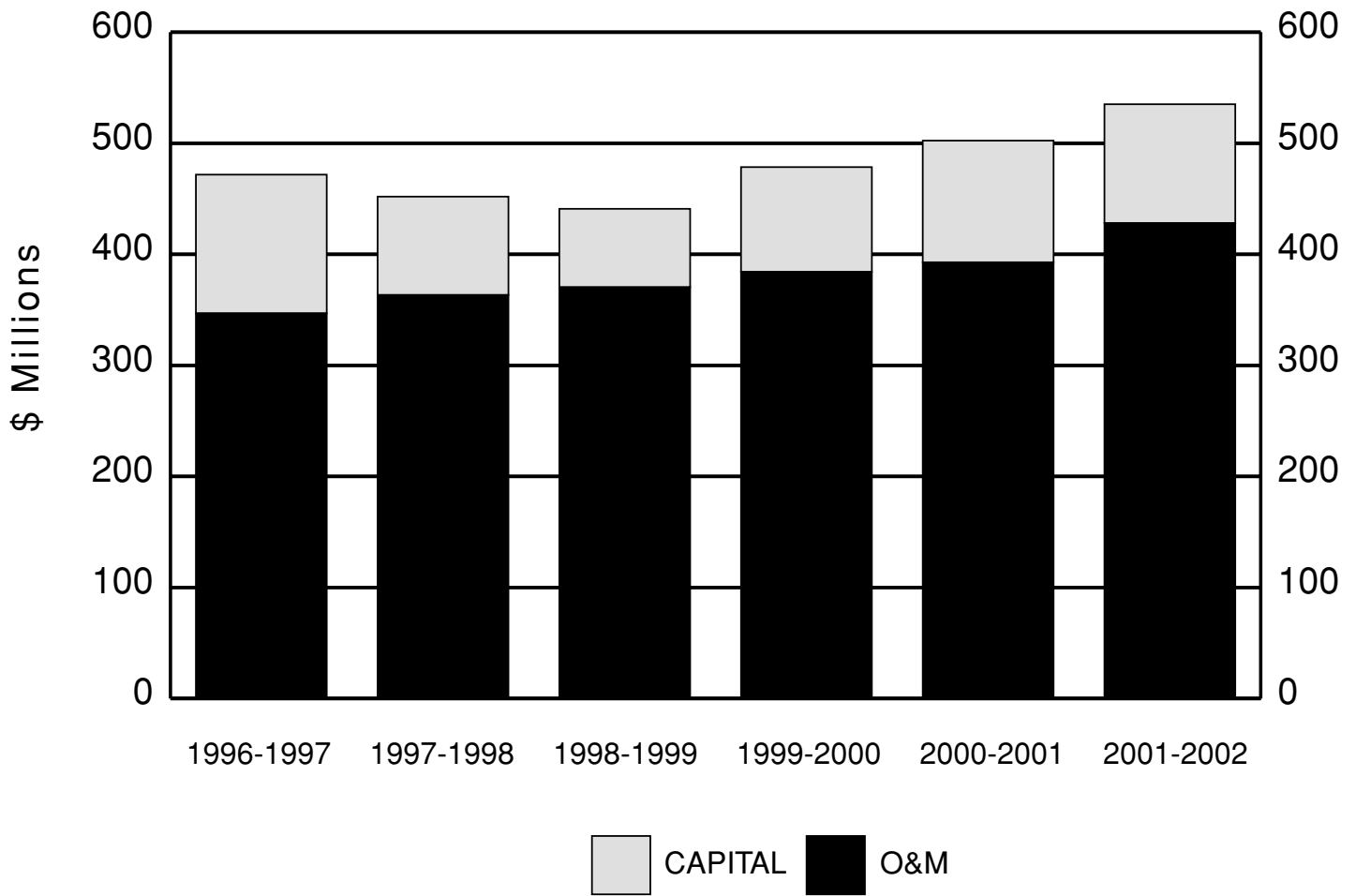
**MAIN ESTIMATES**  
**HISTORICAL COMPARISON**

(\$000'S)

	<u>O &amp; M</u>	<u>CAPITAL</u>	<u>TOTAL</u>
<b>2001-02</b>	<b>428,188</b>	<b>106,963</b>	<b>535,151</b>
2000-01	392,801	109,580	502,381
1999-00	384,217	94,314	478,531
1998-99	370,360	70,598	440,958
1997-98	363,363	88,583	451,946
1996-97	346,821	124,925	471,746
1995-96	343,735	145,112	488,847
1994-95	346,210	121,724	467,934
1993-94	352,485	128,298	480,783
1992-93	314,752	102,723	417,475
1991-92	262,626	93,061	355,687
1990-91	248,546	93,935	342,481
1989-90	225,658	103,724	329,382
1988-89	201,806	100,474	302,280
1987-88	176,749	114,302	291,051
1986-87	171,065	80,935	252,000

Note: These figures reflect the voted expenditures as per the estimates for the relevant year and have not been restated for purposes of comparison.

**GOVERNMENT OF YUKON**  
**O & M and CAPITAL EXPENDITURES**  
1996-97 TO 2001-02



NOTE: These figures reflect the voted expenditures as per the Main Estimates for the relevant year and have not been restated for purposes of comparison.

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