

Yukon's future. Our priorities. *Our plan.*



Yukon Talks: Speakers Corner Instructions

Financial planning is more than dollars and cents, it's about articulating a plan, set of priorities and goals for the future and then aligning that with the available fiscal and financial tools and options.

The Government of Yukon anticipates a significant shortfall of money (deficits) in the coming years, where the spending levels are higher than the anticipate revenue. The Yukon Financial Advisory Panel has developed the following options to improve the currently forecasted budget deficits:

1. **Restrain Spending Growth**
2. **Increase Government Revenue**
3. **Combine New Revenue with Spending Restraint**
4. **Do Nothing**

**More detailed information about each option can be found on the next page.*

We want you to think about...

What is your preferred option? What are the opportunities and challenges of this option? How will it serve your needs as well as your friends, family, neighbours and other community members?

NOW – Tell us what you think

How to submit a video to Yukon Talks:

Step 1	Step 2	Step 3
<p>Consider the options:</p> <p>1. Information about each option can be found on the following page.</p> <p>2. More detailed information can be found in the "Documents" section of www.yukonplans.ca.</p>	<p>Record Your Story:</p> <p>Record your response in 2-3 minute video.</p> <p>This doesn't need to be high-tech – most smart phones or tablets have recording capability.</p>	<p>Submit your video:</p> <p>EMAIL TO: ourplan@gov.yk.ca</p> <p>Your video will be posted to our YouTube channel.</p>

Options for Short Term Financial Health

Option 1: Restrain Spending Growth

In order to achieve a balanced budget by 2020, the Yukon government 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.

Option 2: Increase Government Revenue

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

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

Option 3: Combine New Revenues with Spending Restraint

There is an opportunity to combine both Option 1 and 2 where the outcome of a balanced budget would be achieved sooner as well as 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.

Option 4: Do Nothing

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.

Your experiences and perspectives have the power and wisdom to inform and support the start of this conversation.

We welcome all relevant perspectives – the good, the bad and the ugly AND we ask to consider that this is intended to be a respectful, productive dialogue.

We reserve the right to not post videos that contain inappropriate language or incorporate slander or libel to other individuals or groups.