2018 – 2019 Yukon Territorial Budget Highlights:

- Increase in overall budget of $33 M (2.3%) in 2018/19 compared to 2017/18 budget ($1.472 B versus $1.439 B)
- Transfer funds from Canada up $35 M (3%) from 2017/18 ($$1.005 B versus $0.970)
- Annual deficit forecasts for next 3 years down significantly from $50M range per year to $5M range per year with small annual surplus forecast of $2M in 2020/21.
- Capital budgets in next 3 years forecast to be in the $280-300 M range, down from past years at the time when Territorial private sector activity in projected to accelerate.
- Major areas of new Operating expenditures are in Health Care at $37 M, primarily driven by Whistle Bend opening and 10 new beds in Thomson Centre accounting for $28 M of this.
- Major areas of Operating expenditure increases in government labour costs of $28.6 M $545.1M compared to $516.5M in the current year, an increase of 5.6%. This is the result of an increase in the government workforce of 242 FTE's. This seems at odds with the Financial Advisory Panel recommendation cited in the budget speech that "the Government in Yukon needs to get out of the business of business," and the decision to not use attrition to reduce this cost of government. Government payroll costs are now up to 46% of the governments O&M budget ($545.1M out of $$1.192M).
- No significant changes in territorial taxes except for the introduction of a federally mandated carbon tax beginning January 2019 that will add 2.3 cents per liter to the price of gasoline and 2.7cents per liter to the price of diesel/home heating fuel. These taxes will rise to 11.6 cents per liter and 13.7% by 2023.
- 5 year capital plan is a good start.

Report Card

Overall Grade: B+

Category	Grade	Comments
Investments in Infrastructure	B+	(The Chamber applauds the inclusion of a 5 year capital plan. However it has concerns with the smallest capital budget in 5 years coupled with nearly $30 million or 10% of last years announced spending lapsing that the execution of these commitments maybe delayed.

Investments in Communities	B+	The commitment of funds towards the Internet redundancy and the planned paving of the Dawson City airport end the uncertainty about both of these election commitments and will be significant aids to business in the territory. The Chamber is concerned about the delays in implementing previously announced the “Roads to Resources” $350 million infrastructure investment and encourages the Government to complete the engagement process with impacted First Nations as expeditiously as possible to begin construction.
Taxation	B	The Chamber is pleased that government recognized its recommendation to the Financial Advisory Panel that projected deficit reduction be addressed by government expense reduction rather than a territorial sales tax; particularly given the uncertainty of impact to businesses related to the implementation of the planned Federal Carbon Tax and changes to the Federal Small Business Tax structure. The Chamber notes with disappointment that the Small Corporations tax reduction promised during the last election, but only partially delivered on, appears to have disappeared from the radar screen.
Housing	B	As mentioned last year, the Chamber continues to hear from the business community that affordable as well as social housing continue to be a critical need in the Territory. We are disappointed that this does not seem to be reflected in the new budget.
Balanced Budget	B+	We acknowledge the planned deficit is now significantly smaller than what was projected a year ago, and share the government’s optimism that future deficits will be less than previously estimated. The Chamber applauds the formation and the final report of the Financial Advisory Panel. We would urge the government to provide more detail on how and when it plans to its recommendations, specifically we would recommend inclusion of a 5 year plan on how it plans to reduce expenses, We applaud the government on taking a long term view on the Territories finances, in terms of revenues, capital spending and the need to review health expenditures. We believe that this analysis needs to be extended to the size of the public service which now accounts for 46% of government O&M expenditures.