

Monthly Newsletter October 2017

Welcome New Members

MacBride Museum
of Yukon History

Events Calendar

Chamber Events	Other Events
Nov 09, 2017 Canadian Free Trade Breakfast (info below)	Oct 23-26, 2017 Renewables in remote communities
Dec 07, 2017 Business Continuity Conference (info below)	Nov 01, 2017 Education, Career and Volunteer Expo

Cannabis Legalisation

Cannabis Distribution and Supply in the Yukon

The regulation of the retailing and wholesale distribution of cannabis is generating a lot of discussion across the country. The Yukon Chamber of Commerce developed a short briefing paper on [Cannabis legalisation: a business perspective](#) presenting some of the challenges and opportunities regarding the upcoming legalisation of cannabis. Note that the document was developed for informational purposes and should not be considered the Yukon Chamber of Commerce position on cannabis legalisation. The document also presents the views of some of our members on cannabis distribution and supply in the Yukon, collected via a survey that was distributed to our membership in September. For example, the survey revealed that 31% of the respondents think that licensed private stores should operate retail cannabis outlets and 49% don't agree with online sales and home delivery.

THE YUKON CHAMBER OF COMMERCE
PRESENTS

Canadian Free Trade Agreement (CFTA) Breakfast

A PRESENTATION BY



**CANADIAN
FREE TRADE
AGREEMENT**
**ACCORD DE
LIBRE-ÉCHANGE
CANADIEN**

Jean-Pierre (JP) Flament
Mr. Flament is a retired Yukon Government employee who specializes in providing consulting services to government entities. Mr. Flament has variously worked on the Agreement on Internal Trade (AIT) as well as on various international trade agreements, including current work on the North American Free Trade Agreement (NAFTA). Recently he assisted with the negotiations of the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union and the Canadian Free Trade Agreement (CFTA).

**Learn how the CFTA impacts Yukon
businesses and procurement practices**

Thursday, November 09, 2017

- Breakfast will be held at the **Gold Rush Inn – Town Hall Room**
- Doors open at **8:00 a.m.**
- Presentation at **8:30 a.m.**
- Cost for this event is **\$35**



For tickets, please contact
Rachel Morgan, Office Manager
Tel: (867) 667-2000
Email: office@yukonchamber.com

Tickets must be purchased in advance and will not be available at the door. Buy your tickets now as seating is limited!



Input to the Financial Advisory Panel

Board members of Yukon Chamber of Commerce participated in an excellent three-hour session with the Financial Advisory Panel which was formed by the government to consult with Yukoners on ways to close a projected \$50 million gap in the 2018-2019 budget, and beyond. YCC applauds the panel's consultation process and summarised the perspective of the Chamber in the following 10 points:

1. Expense-reduction options should be exhausted before new revenue-generating approaches (taxes) are implemented,
2. Since approximately \$1 billion of our \$1.3 billion annual budget is received in the form of transfer payments, on the revenue-generation side, closing a \$50 million gap from annual local tax revenues of approximately \$300 million (\$1.3 billion minus \$1 billion in transfer payments) would require a ~17% increase in local taxation (\$50 million divided by \$300 million).

3. The projected shortfall is in the range of \$50 million, representing approximately 3.8% of the current territorial government budget (\$50 million divided by \$1.3 billion). Given that, if one pursues a solution on the expenditure side of the equation it should not be too difficult to close the gap by expense reduction. Certainly any business in such a situation could find a way to reduce expenses by 3.8% annually. We would expect nothing less of our territorial government.
4. It is the understanding of the Yukon Chamber of Commerce that over the past 10 years, while the territorial population has grown by 15%, the number of people employed by government has grown by 49%. While the chamber recognises that there are issues of scale that require a certain number of government employees to fill required positions, employee growth so far out of step with territorial population growth is a clear indicator that the challenge lies on the expense side of the equation and is not the result of a revenue shortfall.
5. The Yukon Chamber of Commerce also observes that the introduction of a sales tax would contribute to further exacerbating the growing gap between government and non-government employees. This is because government union salary adjustments reflect increases in cost of living so government employees would be insulated from the impacts of the introduction of sales tax with cost-of-living adjustments that would be negotiated. The same is not true for the private sector.
6. And this would also contribute to accelerating the poaching of private sector employees by the Yukon government, which already poses significant challenges for the business community.
7. Sales tax or other revenue-side solutions are at best medium-term solutions to what is being described as a short-term problem.
8. It is the expectation of the Yukon Chamber that Yukon government will address the projected budget shortfalls by applying expense-management measures rather than introducing new revenue-generating vehicles.
9. YG expenditures that currently involve importing products and services from outside of the territory should be reviewed in that there is an opportunity to reduce economic leakage and grow the local tax base with those expenditures.
10. The implementation of new revenue schemes is a long-term option that does not address the short-term issue at hand.

We look forward to monitoring responses of the government to the information gathered by the financial advisory panel.

Federal Small Business Tax

Updates on the Federal Small Business Tax Proposed Changes

Over the last three weeks the Yukon Chamber of Commerce has been very actively working on providing input from the Yukon business community to the federal government on their proposed changes to the small business tax regime.

YCC co-hosted with the Whitehorse Chamber of Commerce a session on this subject to solicit input from the Yukon business community and encourage them to communicate directly to our MP Larry Bagnell on the subject.

This effort was part of the larger Canada-wide effort supported by the Canadian Chamber of Commerce and provincial and municipal chambers across the country. These efforts did not result in an extension of the consultation deadline as requested by the above parties, including the Yukon Chamber, but there does appear to be some movement in response to this very vocal national input from small businesses.

Most recently, on October 18, YCC received a call from MP Larry Bagnell, wanting to ensure that the Yukon Chamber of Commerce was aware of changes made by Minister Morneau in response to the voices of the small business community.

Revisions announced within the last week include:

- a commitment to lower taxes on small businesses from 11 per cent in 2015 to 9 per cent by 2019;
- a \$50,000 threshold on investment income annually, or equivalent to \$1M in savings;
- businesses will also be able to still use their RRSP and TFSA limits and Lifetime Capital Gains exemptions;
- as well the government has decided not to move forward with the measures that would limit access to the Lifetime Capital Gains Exemption; and
- will not be proceeding with the prohibition of the transfer of dividend revenues to capital gains.

These responses to the input from the small-business community are encouraging and suggest that efforts across the country have yielded some results.

Of course “the devil is in the detail,” and both the Yukon Chamber as well as the Canadian Chamber of Commerce will be looking forward with great interest to the release of the draft of the legislation. The Yukon Chamber of Commerce has already invited MP Larry Bagnell to attend a lunch lecture as guest speaker to take the business community through the details of the draft legislation, answer questions from the Yukon business community, and hear our feedback.

Thank you to all of you who took the time to attend the session in Whitehorse or respond to our encouragement to provide feedback to our Member of Parliament. Your efforts have contributed to the results reported above.

Community Visits

Watson Lake

The Yukon Chamber of Commerce had the pleasure of meeting with the Executive of the Watson Lake Chamber of Commerce in September. It was great meeting with our colleagues and discussing matters of interest for the Watson Lake business community. Special thanks to Tiffany, Rick and Linda.

For more information on community visits, please refer to 'Recent Activities of the Employer Advisor' later in this newsletter.

Southeast Alaska Conference

The Yukon Chamber of Commerce attended the [Southeast Alaska Conference](#) that was held in Haines September 19 to 21. The economy of the region has been hit hard in the last few years. From 2014 to 2016, the seafood industry in Southeast Alaska was struck with a loss of 26% of the total pounds of seafood landed. The timber industry weakened over the last few years with the number of board-feet harvested annually falling by 96% from peak levels. The decline of the industry may be exacerbated by the Tongass Transition Plan that will substitute old growth with young growth before the young growth timber becomes economic.

A contraction of the State's capital budget and a decrease in federal spending also impacted the construction industry as high-profile publicly-funded projects are not really envisioned right now. The number of jobs in the region decreased and a sharp decline is noticed in State government jobs (-565 jobs for a total of 13,052 jobs - a decrease of 10% from 2014 to 2016) and fishing and seafood processing jobs (-518 jobs for a total of 3,854 jobs - a decrease of 12% from 2014 to 2016).

On the bright side, there were more jobs created in the visitor industry (+ 350 for a total of 7,752 jobs – an increase of 5% from 2014 to 2016). The workforce earnings for this industry (\$229,411,968) were also superior to the employment earnings of the seafood industry (\$209,692,763). The Southeast region is the most visited part of the State of Alaska with two-thirds of all tourists. The region had a record-breaking number of airline passengers for 2016 and the industry predicts a record year for 2017 regarding cruise passengers. Of all Southeast Alaska industries, the visitor industry has the strongest outlook.

The other sector doing well is the mining sector with metal prices rising, especially for zinc, and the combination of falling supply and strong demand for zinc in China. Two large mines, Hecla Greens Creek (silver) and Kensington (gold) comprised most of the mining jobs with average annual earnings of \$104,000, the highest wages in the region for any sector. Constantine's copper-zinc-silver-gold Palmer Project near Haines is the only mineral-exploration project in the region right now. More information on the southeast Alaska economy is available in the publication [Southeast Alaska by the Numbers 2017](#).

Participants in the event were also keen to learn more about biomass projects, such as the one in Haines Borough. Wisewood Energy, a firm with biomass expertise, is creating the conceptual designs for a boiler that will burn both pellets and chips and be used for heating the Haines School and pool, the borough administrative building, and the public library.

Another topic of great interest for the region is the Alaska Marine Highway System (AMHS) which is struggling with ageing vessels and funding uncertainty. The Southeast Conference and the State of Alaska are working together on the [AMHS Reform Project](#) that aims to revitalise the State's ferry system.

The Yukon Chamber of Commerce would like to thank the Yukon government's Department of Economic Development for their financial support to enable the Chamber to attend the event.

Recent Activities of the Employer Advisor

The Employer Advisor Service provides information and education to employers about all things related to the Yukon Workers' Compensation Health and Safety Board (YWCHSB). This covers questions or issues related to the insurance side of the organisation as well as occupational health and safety.

The services of YCC in this regard are available at no cost to all Yukon employers. Mal works at arm's length from YWCHSB and his dealings with employers are strictly confidential; he tells no one at YWCHSB which employers use the services of the Employer Advisor.

An important aspect of Mal Malloch's job as YCC's Employer Advisor is to visit employers and make them aware of the program. The past several months have been busy. In addition to responding to employer requests, Mal has undertaken road trips to many rural communities to spread the word. He is on track to complete by mid-November visits to every community in the territory this year.

Mal has exhibited at the trade shows associated with industry events this year including the Arctic Indigenous Investment Conference in Whitehorse in February, the Business Connects Conference in Whitehorse in April, and the Dawson City International Gold Show, also in April. Mal also attended the fall conference of the Tourism Industry Association of the Yukon in Dawson in September.

He has also participated actively in meetings of various stakeholder committees, contributing input from the employer point of view.

Mal has delivered his half-day 'Workers' Comp 101' workshop in two communities this year and plans to deliver it a couple of more times before the end of the year.

If you are an employer and you have any questions or concerns about workers' compensation or health and safety, or if you want to learn more about Workers' Comp 101, please don't hesitate to get in touch. Mal can be reached at advisor@yukonchamber.com or 393-6061.

Workers' Comp 101

What Employers Need to Know

YCC offers a free half-day introductory workshop for Yukon employers on key aspects of workers' compensation. We have delivered it in Whitehorse and half a dozen rural communities. The most recent sessions were in Old Crow in May and Teslin in September.

Everyone who has attended this workshop has indicated on their feedback form that they agree somewhat or agree fully with the following statement, "I would recommend this workshop to other employers".

Below are the topics covered in the half-day workshop:

- Basic principles of workers' compensation (WC) in Canada
- The basis on which employers are classified
- How rates are set and what factors influence rates
- Employers' responsibilities with regard to WC
- Assumptions that underlie Return to Work (RTW) initiatives
- Employer obligations and opportunities in regard to RTW
- Basic concepts of the CHOICES program
- How Letters of Clearance work
- General parameters around appeals
- The Certificate of Recognition (COR) program
- The purpose and main activities of the Northern Safety Network Yukon (NSNY).

We are planning a few more offerings this year in Whitehorse and one in Haines Junction. We will advertise the dates soon. Meanwhile, if you want to be advised directly once the dates are set, please let us know. Just send Mal Malloch an email at advisor@yukonchamber.com or call him at 393-6061.

Business Continuity Conference

On the heels of last year's Fort McMurray fires, this year's wildfires in British Columbia, and our own 6.3 earthquakes in May, the Yukon Chamber of Commerce is hosting a one-day conference on Thursday, December 7, 2017, with the theme 'Business Continuity: Dealing with Disaster'.

Consider these data points related to one recent example: the Fort McMurray fires:

- 42,000 workers in the Fort McMurray region lost 7.6 million work hours over two months;

- Virtually all of the municipality's 3,900 businesses closed;
- 277 businesses were either destroyed or otherwise affected by the blaze;
- Direct and indirect costs of the wildfire are estimated at \$9.9 billion;
- One year later it is estimated that:
 - 73,500 people are living in Fort McMurray today, down from 82,000 residents before the catastrophe, and
 - As many as 40% of the businesses have not re-opened.

Our conference will focus on elements that Yukon businesses and other organisations should consider in terms of risk mitigation:

- How can I realistically prepare my business for this sort of risk?
- How do I protect my company assets?
- What assistance is available during and after a disaster?
- What are best practices for managing human resources in these situations?
- What are my obligations toward my employees?
- Are there workers' compensation considerations of which I should be aware?
- What are the occupational health and safety implications?
- What are my insurance needs and what coverage is available?
- After a loss, how do I get my business back on its feet quickly?
- How can I benefit from the learning of people and organizations that have experienced this kind of disaster?

Soon we will be releasing more details about the conference. For now, please save the date: Thursday December 7, 2017.

2018 WCB Assessment Rates

Last week the Yukon Workers' Compensation Health and Safety Board announced the new assessment rates effective January 1 2018.

Details of the new rates can be found at wcb.yk.ca/rates

Arctic Inspiration Prize



ARCTIC INSPIRATION PRIZE

PRIX INSPIRATION ARCTIQUE

APPLY NOW!

NOMINATION DEADLINE
OCTOBER 23, 2017

**UP TO \$3 MILLION
WILL BE AWARDED**

\$1 MILLION
FOR
1 TEAM

UP TO \$500,000 EACH
FOR UP TO
4 TEAMS

UP TO \$100,000 EACH
FOR UP TO
7 YOUTH TEAMS

DO YOU HAVE AN INNOVATIVE IDEA?
TO LEARN MORE, VISIT
ArcticInspirationPrize.ca

The Arctic Inspiration Prize is for the North, by the North, with generous support from the South. It encourages, enables and celebrates achievements of the peoples of the North.

Occupational Health and Safety Act

Government of Yukon tables bill to amend the Workers' Compensation Act and the Occupational Health and Safety Act

The Government of Yukon has tabled Bill No. 8, which will amend the *Workers' Compensation Act* and the *Occupational Health and Safety Act* to better support and care for Yukon workers who are most at risk from suffering from Post-Traumatic Stress Disorder (PTSD).

Learn more: <http://www.gov.yk.ca/news/17-210.html>

Yukon BUSINESS DIRECTORY

Putting you in touch with Yukon businesses

<http://www.directoryyukon.com>

On the Yukon Chamber website click the Invest Yukon icon on the lower left-hand side of the main page to access the Yukon Business Directory.

To find a Yukon business, simply enter a keyword, business name, category, or location using the search fields.

To register your business click "Register Your Business" in the top right-hand corner.

For more information, or to edit an existing business listing, please contact the Yukon Chamber of Commerce 867-667-2000 or by email office@yukonchamber.com



Membership Recognition



KLONDIKE BUSINESS SOLUTIONS

The Yukon Chamber of Commerce would like to recognise

Klondike Business Solutions

as they have been a member since 1994.

Thank you to all our members for your ongoing support for the efforts of the Yukon Chamber. It's your memberships that allow us to do the work we do for the Yukon business community.



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