

**Yukon Legislative Assembly
Whitehorse, Yukon
Thursday, May 9, 2013 — 1:00 p.m.**

Speaker: I will now call the House to order. We will proceed at this time with prayers.

Prayers

DAILY ROUTINE

Speaker: We will proceed at this time with the Order Paper.

Tributes.

TRIBUTES

In recognition of National Elizabeth Fry Week

Ms. Moorcroft: I'm very pleased to rise on behalf of all Members of the Legislative Assembly to pay tribute to National Elizabeth Fry Week, which began on May 6. The Canadian Association of Elizabeth Fry Societies exists to ensure substantive equality in the delivery and development of services and programs for women and girls in the justice system, particularly those who are or may be criminalized, through public education, research, legislative and administrative reform, regionally, nationally and internationally. Elizabeth Fry Societies believe women who are criminalized should not be imprisoned. All efforts must be made to prevent women from being incarcerated and to facilitate the earliest community integration of those who are sentenced to a term of imprisonment.

Elizabeth Fry was a noted reformer, who was born in England in the late 1800s. She took a great interest in the welfare of women who were incarcerated, as well as their children.

Her contributions toward improving the conditions for mothers and children earned her the nickname "Angel of the Prisons". National Elizabeth Fry Week in Canada always takes place the week before Mother's Day. The goal is to raise awareness of the conditions of women, particularly mothers, who are imprisoned or institutionalized. The majority of women who are imprisoned in Canada are mothers. Many women in prison are the sole supporters of their families. Single mothers have the lowest average income of all family types in Canada and have the most unstable earnings. The crimes these women commit are generally not violent. Approximately 80 percent of the crimes committed by women are related to economic survival. When these women are sentenced to prison, their children are sentenced to separation.

During Elizabeth Fry Week, we should pause to reconsider the image of the mother in prison as the "bad mother". This stereotype hinders women from maintaining ties with their children and regaining custody when they are released. Furthermore, it disregards the circumstances that may have led these women to committing the crimes they did. The bad mother belief strips them of their humanity.

As one incarcerated woman said, "For me, the biggest problem of being a mother in prison is that I can't care for my children. You can write to them and maybe talk to them on the

phone, but you can't make decisions for them. You're stripped of it. You are not a mother in prison."

Elizabeth Fry Societies strive to increase the availability of community-based, publicly funded social service, health and educational resources available for marginalized, victimized, criminalized and imprisoned women.

In the past year, Yukon's Elizabeth Fry Society has offered weekly programming and advocacy for inmates at Whitehorse Correctional Centre. The society also collaborates with other women's groups working to address poverty, racism and other forms of oppression.

At the Elizabeth Fry Society of Yukon annual general meeting yesterday evening, I learned that the local chapter is excited about this year's project to develop publications on legal rights for inmates and information on bail review hearings. The society is grateful for funding from the Yukon government's women's equality fund, community development fund, the Law Foundation, and its Christmas donation initiative. Elizabeth Fry Society Yukon does more than help women navigate the legal system — the "Women Coming Home: Transitions back to community" activity gives any woman released from jail who asks for one a backpack loaded with life essentials. Imagine leaving corrections after months of incarceration, having a small gift of supplies thoughtfully put together: a coffee card, a bus pass, a calling card, socks, a wallet, matches, emergency phone numbers, and the list goes on. What the Elizabeth Fry Society offers is so much more than navigation of the system — it offers hope.

So to the many volunteers, thank you for your hard work and dedication. Thank you, Mr. Speaker.

In recognition of National Hospice Palliative Care Week

Hon. Mr. Graham: It's my pleasure today to rise in honour of National Hospice Palliative Care Week, which runs from May 5 to 11 this year.

This is a prime opportunity for me to highlight the excellent work being done by the Health and Social Services palliative care program. The program has been providing high quality services to Yukoners for the past six years. They work collaboratively with family caregivers, Hospice Yukon, First Nations, Whitehorse General Hospital, community nursing and community care staff.

I'm very proud to say that in September 2012, our palliative care services were recognized through an Accreditation Canada evaluation. In fact, the evaluators even commended the program in several areas.

Many people and organizations help provide palliative care: physicians and nurses, Hospice Yukon volunteers, family caregivers. They are all important to the person who needs end-of-life care and to their family and friends. While Hospice Yukon provides direct support to people in Whitehorse who are dealing with life-limiting illnesses, the palliative care program of Health and Social Services provides various services in both Whitehorse and the communities.

The palliative care program focuses on educational opportunities for professionals, care providers and the public. Education topics include oncology, rehabilitation, essentials in pallia-

tive care, learning essential approaches to palliative care, opioid management and managing grief over the holidays. In the past year alone, the program has provided educational opportunities for 163 professionals in Whitehorse and in the communities — physicians, nurses, pharmacists, home support workers, occupational therapists, physical therapists and social workers.

The palliative care program works with its community partners to deliver innovative supports to the public. For example, the program's social worker has teamed up with the cancer navigator from Whitehorse General Hospital to pilot a support group for individuals dealing with cancer in both Whitehorse and Faro. The team is also working with health providers across the territory to raise awareness of the importance of advance care directives.

The Canadian Hospice Palliative Care Association emphasizes the importance of advance care planning. In Yukon, we have a great set of tools called "advance directives" to facilitate this planning. The advance directives start with a conversation we should all have with our aging parents or our children. It clearly identifies what we want done or what we don't want done, in the event that we can't speak for ourselves. Once we have it filled out, we need to share the information in it with our families and our caregivers, so that they know what our wishes are. Advance directives information is available from many sources, including the Health and Social Services website and health care providers throughout the territory.

I've always found it to be a bit strange but wonderful fact that those who are engaged in supporting people at the end of their lives have one of the most life-affirming jobs in the territory.

Ms. White: I rise on behalf of the Official Opposition and the Independent member to pay tribute to Hospice Palliative Care Week. This year, the theme for the week is "Canadians are aging. We've done the math. Have you?" This year, the Canadian Palliative Care Association's message and hope is to encourage professionals, caregivers and the general public to advocate for better hospice palliative care, especially with the population aging at the rate that it is. Palliative programs need to continue to grow. In the Yukon, the palliative care program in the Department of Health and Social Services offers clinical consultation, education and training on palliative care. This service is offered to the public and professionals around the Yukon. Palliative care is offered in our hospitals, continuing care facilities, and, whenever possible, in the home.

The Hospice Yukon Society is a separate organization from the palliative care program that works collaboratively alongside them. Hospice Yukon offers counselling support for people with a life-limiting illness, for anyone anticipating the death of a loved one and for anyone in grief. Sometimes it is a hospice volunteer who sits with a dying individual, giving relief to family and friends. They are also there for individuals who might not have these supports.

Many of us are aware of the Lights of Life program and have participated in it during the Christmas season. It's amazing to see how this program has grown, offering services at the

Whitehorse Correctional Centre or even including a tree for pets to be remembered.

Hospice Yukon is also there to offer support to workplaces when a co-worker dies, and did you know that they even have a grief walking group? These are just a few examples of the excellent service and outreach, not just in Whitehorse but in other communities as well.

Some people associate hospice and palliative care only with sadness, but most hospice experiences include times of peace, joy and even laughter. It is a time of closeness and often gives people a deeper understanding and appreciation of life. In a very real sense, hospice and palliative care are about living and dying well. It is an honour to pay tribute to these staff and volunteers who provide this support to us all. Thank you, Mr. Speaker.

Mr. Silver: I rise today on behalf of the Liberal caucus in recognition of National Hospice Palliative Care Week. Hospice palliative care is a whole-person health care that aims to relieve suffering and improve quality of life and dying. It is about seeing someone with a life-limiting illness as a living person, not as a dying patient. It is about adding life to the days and supporting the caregivers, family and friends. Hospice palliative care helps prepare the patients and their families for life closure and the dying process and how to cope with the loss and grief during illness and bereavement. The theme for 2013 is "Canadians are aging. We've done the math. Have you?"

More than 259,000 Canadians die each year. Due to impressive medical advances, most die in their old age. Of those, only a small portion currently receive high quality hospice palliative end-of-life care. With the aging population, by 2026, the number of Canadians dying each year will increase by 40 percent to 330,000. By 2036, Canada will see more than 425,000 deaths a year. Each of these deaths will affect the well-being of, on average, five other people — families and loved ones — or more than 1.2 million Canadians this year and more than two million Canadians by 2036.

The need is urgent and our capacity to respond is limited. Canadians often assume that if we need specialized care at the end of our lives, it will be there for us. Unfortunately, this is not always the case. It is important that our health care system have the programs and services in place to provide quality end-of-life care that Canadians need, especially with the population aging at the rate it is.

This week is an opportune time to encourage professionals, caregivers and the general public to advocate to all levels of government for improved access to hospice palliative care. We would like to thank and pay tribute to the many hospice palliative care workers, health care professionals, family caregivers and volunteers who help to improve the quality of life for people living with terminal illness. We celebrate your contributions and reflect on the importance of end-of-life issues across the country and across the continuum of care in hospitals, in people's homes and in their communities. It takes a very special person to work in the field of hospice palliative care. End-of-life compassionate care is vital to our life journey. Even when hope fades, the dedication of the hospice and medical

staff remains strong and focused. Your compassion, care and support directed to those journeying through grieving, battling life-threatening illnesses or facing end-of-life challenges is a most precious gift.

Thank you for being there.

In recognition of World Migratory Bird Day

Mr. Elias: I am honoured to rise today on behalf of all members in honour of World Migratory Bird Day, which takes place this coming weekend.

Bird migration is a natural process. Around the world different birds fly distances of hundreds of thousands of kilometres in order to find the best ecological conditions and habitat to molt, feed, breed and raise their young. There are over 1,850 species of migratory birds in the world.

The beautiful yellow-billed loon mostly migrates to Asia, with recent research showing that many Arctic nesting yellow-billed loons spend their winters off the coast of Japan. The tiny northern wheatear has been known to fly 3,500 kilometres non-stop on its annual migration from the Canadian Arctic to its wintering grounds in sub-Saharan Africa. It crosses either the Atlantic Ocean or the continent of Eurasia on its way. The migration of the bar-tailed godwit is the longest known non-stop flight of any bird and also the longest journey without pausing to feed by any animal. These birds have been tracked flying 11,000 kilometres non-stop from New Zealand to the Yellow Sea in China and to the Arctic.

Then there is the Hudsonian godwit, which can fly almost 10,000 kilometres non-stop. That's a seven-day journey that can take this large shorebird from southern Chile to the United States Great Plains in the spring, from the Arctic to Buenos Aires in the fall. But the tiny, 113-gram Arctic tern sets the record. These birds migrate 71,000 kilometres each year between Antarctica and our Arctic. The birds often live 30 years or more, so an Arctic tern can migrate as many as 2.4 million kilometres in its life — that is three trips to the moon and back. Migratory birds have the perfect morphology and physiology to enable them to fly fast across long distances; however, their journey is often an exhausting one, during which they push themselves to their limits. So it's important that humans avoid interfering with the migratory patterns of birds and assist them when they can.

The Yukon is an important route and destination for a very wide variety of migratory birds. There are 20 parks and protected areas throughout the Yukon that offer safe haven to migratory birds. We also have Swan Haven at M'Clintock Bay on Marsh Lake, which is an invaluable natural resource for migratory swans and many other waterfowl.

It is a sign that spring has arrived when the magnificent trumpeter and Arctic swans stop en route to their breeding grounds further north. Just this past weekend, Faro hosted its annual sheep and crane viewing festival. It's absolutely spectacular to watch the migrating sandhill cranes swoop, soar, and ride the thermals on their way to their nesting grounds in the western Arctic and northeastern Siberia.

In my own riding, dozens of migratory bird species enjoy the full 6,170 square kilometre expanse of the Old Crow Flats each year. This area was identified as part of the international

biological program inventory and was designated as a wetland of international importance over 30 years ago at the Ramsar Convention on May 24, 1982. It is protected by federal, territorial and our First Nation agreements. Speaking on a personal note, when I used to live out in Old Crow Flats from March until June, I would anxiously await the arrival of one bird, in particular, and that was the white-crowned sparrow. I would tell myself that [*member spoke in Gwitchin*] had travelled all the way from the southern United States just to sing its sweet song to me and my grandma. It fills my heart to see them return again just a few days ago. The theme of this year's World Migratory Bird Day is "Networking for Migratory Birds".

In one respect this highlights the importance of the networks of sites and support for migratory birds along their annual routes. Many sites that birds depend on are under threat from human activities, thereby posing a grave risk to migratory bird species. In another aspect, this year's theme also highlights the importance of networking among governments, conservation organizations and dedicated people to conserve migratory birds by establishing global connections.

Birds do not recognize political boundaries, so we need to make sure we don't inhibit their natural migratory patterns. On their behalf, World Migratory Bird Day aims to encourage the international community, governments, conservation organizations and dedicated people alike to work together to conserve migratory birds around the world. Thank you.

Speaker: Introduction of visitors.

Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. Graham: I have two documents today; the first is the *Yukon 2012 Health Status Report: Focus on Children and Youth*, and the second is the memorandum of understanding between the Yukon Medical Association and the Government of Yukon as represented by the Health and Social Services department regarding remuneration for medical professionals.

Mr. Elias: I have for tabling an Alberta government news release dated April 30, 2013, which is entitled, "New strategy bolsters province's fight against cancer."

Speaker: Are there any reports of committees?

Are there any petitions for presentation?

Are there any bills to be introduced?

Are there any notices of motion?

NOTICES OF MOTION

Ms. McLeod: I rise to give notice of the following motion:

THAT this House urge the Government of Yukon to develop a tourism, trade and investment mission to Europe and the United Kingdom led by the Premier to profile Yukon's tourism industry and investment opportunities for the purpose of:

(1) increasing awareness of Yukon as a travel destination within European markets;

- (2) strengthening alliances with key business and government partners;
- (3) facilitating business-to-business partnerships; and
- (4) profiling investment opportunities within Yukon.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to continue to recognize the importance of the free entry system to the mineral exploration industry, and reject calls from the Opposition to eliminate it.

Ms. White: I give notice of the following motion:

THAT this House urges the Government of Yukon to support the ban on the use of neonicotinoid pesticides, which contribute to the decline of bee populations around the world.

Mr. Silver: I give notice of the following motion:

THAT this House urges the Government of Yukon to release all the data collected as part of the Yukon visitor tracking program.

Ms. Hanson: I rise to give notice of the following motion:

THAT this House recognizes that:

- (1) the Government of Canada's decision to eliminate the long-form census on ideological rather than scientific grounds has already produced negative impacts on the Yukon; and
- (2) the exclusion of rural Yukon communities from statistical analysis because numbers gained through measures that replaced the long-form census are too small, creates difficulties for making sound policy and program decisions; and

THAT this House urges the Government of Canada to reinstate the long-form census.

Mr. Hassard: I rise to give notice of the following motion:

THAT this House urges the Government of Yukon to explore existing design options for the F.H. Collins replacement project that have been built successfully and economically in other jurisdictions.

I give notice of the following motion:

THAT this House urges the Government of Yukon to continue to recognize the importance of the placer industry to Yukon's economy by rejecting calls from the Opposition to increase the royalties on placer gold.

Speaker: Are there any other notices of motion?

Is there a statement by a minister?

This brings us to Question Period.

QUESTION PERIOD

Question re: Whole child project

Ms. Hanson: Mr. Speaker, the whole child program evolved organically. It was not a theoretical model designed and implemented step-by-step by planners. Long before government funding allowed for a formal program, whole child

began to take form when a critical mass of vision, commitment, skill and volunteer service was achieved from local resource persons and community members. That commitment and volunteer service has been the defining strength of the whole child program. This is what the minister should be building upon to create the base for successful expansion of whole child into other schools. It cannot be dictated by edict from the Department of Education.

Will the minister respect those involved in the whole child program, take a step back, undertake a collaborative, formal review, and then implement any agreed-upon changes for 2014-15?

Hon. Mr. Kent: With respect to the whole child program, I have had a meeting with the board, and senior officials have met with the board on a number of occasions.

As recently as April 24, in a meeting with the Deputy Minister of Education, as well as another senior official, a request was made to the board to consider expanding the program to a fourth school, with an increase in funding as well. We were prepared to increase the funding from \$141,000 to a maximum of \$200,000, should they decide to take on the extra school. They did request an e-mail of the officials about how Yukon Education saw the program running. There was a response given to them that included a number of things, but what the Department of Education would like to see in 2013-14 is fully functioning programs at four Whitehorse schools that provide weekly activities, outreach to parents and community, as well as connecting to other programs, services and service providers in Whitehorse — that is, that's the full implementation of the whole child program, not just at the originating school, Whitehorse Elementary, but also at the two other schools that have satellite programs currently — Selkirk and Elijah Smith — and the inclusion of a fourth school in the Whitehorse area. Again, we are awaiting the response from the volunteers at the Whole Child Society.

Ms. Hanson: I think it's important to be clear about this: the issue is really about how the minister directs his department to work with a well-respected community board. The whole child program is one community-based NGO that has worked in partnership with many agencies, including the Department of Education, for over 10 years. This is not, and has never been, a government program, yet the government is now telling this volunteer NGO board how it will operate and what services it will provide. It's not about the money; it's about control and telling volunteers that government knows best and will direct how NGOs deliver on their mandates.

Why is the minister so insistent on taking a hard line with these volunteers? Is there not some common ground that can be achieved here?

Hon. Mr. Kent: Just to repeat part of the first answer I gave the Leader of the Official Opposition, at that meeting held on April 24, the board was asked to consider expanding to a fourth school with an increase in funding. Funding increased from \$141,000 to \$200,000 for the program. At that same meeting, the board asked Yukon Education officials in attendance for an e-mail of how we saw the program running. Officials advised they would provide this; however, the board

would need to ultimately decide how the program would be coordinated. That certainly isn't us giving any edict to the board. We're looking for their input on how the program runs. They have certainly been very much involved.

I know that one of the big issues that they raised in the meeting with me was the end of the secondment for the teacher who has been coordinating the program. As I mentioned a couple of days ago, in consultation with the three principals of the schools where the program exists, it was felt that a teacher skill set wasn't needed to deliver that program, so we are going to be returning that teacher to the classroom this fall and looking for the society to work with a coordinator or coordinators, whichever they decide.

Ms. Hanson: You know, Mr. Speaker, it appears that the Yukon Party government is going in a new direction when it comes to volunteers and NGOs. Another Yukon Party minister had this to say recently: "We're going to get out of the business of providing funding for NGOs just to provide an advocacy base. We'll be providing funding for services, and then we'll be following up on those services and making sure that they dovetail with what the department is doing."

The Yukon Party government's treatment of the Whole Child Board is a glimpse into a new vision of control, which dovetails rather nicely with their moves to increase government secrecy, control the message and muzzle those who dare question them.

Why is the Yukon Party government insisting on dictating how non-governmental organizations carry out their work?

Hon. Mr. Kent: As I mentioned in both of my previous answers, we are certainly not dictating how the whole child program is to be operated. They asked us for our opinion on how we should deliver it. We wanted it increased from being fully implemented at one school and partially implemented at two Whitehorse schools to a full implementation at four Whitehorse schools, so expanding the program and increasing the amount of funding from \$141,000 to a maximum of \$200,000 should they care to take on that additional responsibility.

Again, Mr. Speaker, we did send them what we thought, but we wanted to ensure that the board needed to ultimately decide how the program would be coordinated. Again, while we provide funding to them, we recognize that they are in the best position to decide how the program would be coordinated.

Following up on my comments from the other day, the major concern from the board was with respect to the seconded teacher. We will be returning that teacher to the school. Interestingly enough, in November of last year, the Education critic for the New Democrats asked me to return those centrally assigned teachers to the classroom where they could do the most good. Now we see the Leader of the Official Opposition offside with her Education critic.

Question re: Catholic school sexual orientation policy

Ms. Stick: Mr. Speaker, we began the spring sitting with the issue of a school policy and behaviour at Vanier Catholic Secondary School that quite frankly did not meet the standards most citizens expect from our schools.

The minister did stand up and assert government policy that homophobic behaviour or bullying and school policies that condone such behaviour would not be tolerated in any publicly funded school.

At the March 27 public meeting attended by over 100 parents, students, teachers and citizens, the Yukon Education officials reiterated Yukon's zero tolerance of homophobia. The department also made a public commitment that a new school policy would be implemented in May after a workshop that was to take place in April with key stakeholders. Has this commitment been met, and when will a new school policy consistent with Yukon's educational policies and law be in place?

Hon. Mr. Kent: With respect to this issue, we certainly stand by what I had said previously as well as the open letter that I delivered to the bishop of Whitehorse prior to the start of this sitting.

I think members in this House can understand that there is not only the 1962 agreement at play, but there are some legislative issues at play with this. It's a complex issue, and we continue to work on it. I'm hopeful that we can deliver on a time frame of May. We're not ready for the broader public workshop yet, but when we are ready with the document, we can have that workshop. I look forward to following through on that commitment and working with the school community to share that and seek their input on that policy when it is complete.

Ms. Stick: It's unfortunate — I'm sure many parents and teachers and the public were expecting something before now. At the March 27 meeting, the Yukon Education officials made a public commitment to also review Vanier Catholic Secondary School's hiring policy by April. April 15 was the deadline for teachers requesting transfers. We know students and teachers have left Vanier over this issue and more have asked for transfers for the coming year. Dealing with the Vanier hiring policy was identified as critical to stem the tide of departure and restore teachers' confidence. Has this review been conducted and what changes have been made to the hiring policy for Vanier Catholic Secondary School?

Hon. Mr. Kent: I thank the member opposite for the question. With respect to a number of the issues that were raised at the public meeting that was held, hosted by the school council at Vanier school, obviously the same-sex policy was one of the issues that was identified, and the hiring policy was one of the issues that was identified.

Obviously, as the minister responsible, individuals in the House know that I am not responsible for the hiring at the schools, but with respect to the policy, I can report that a facilitator has been contracted by the Department of Education to work with the staff at the school. Work continues on the hiring policy.

Another piece that emerged from that public meeting is that a document be developed that speaks to the roles and responsibilities, not only of the Department of Education, but also the Episcopal Corporation, as represented by the bishop. So that work continues. I don't have anything concrete to report at this time, but when I do, I will certainly make it public and ensure that the entire school community is made aware of

all of those documents and any changes that have come from them.

Question re: First Nations/government relations

Mr. Silver: Mr. Speaker, last fall the Premier cancelled a scheduled meeting of the Yukon Forum on very short notice. Chiefs from around the territory had already travelled into Whitehorse for the meeting, only to be informed that the Premier would not be meeting with them. This is an example of the government's frayed relationship with Yukon First Nations.

This week, the government announced plans to meet more often with Yukon First Nation leaders. The Premier deemed this revelation worthy enough to issue a press release confirming that more meetings would be planned. The Grand Chief of the Council of Yukon First Nations does not, however, share the Premier's excitement. She told local media, and I quote: "...it's the government's feeling that we shouldn't have to sit down and rehash issues, but we should be able to celebrate at the Yukon Forum. If we're going to celebrate anything, the legwork has to be done..."

Why is this government dictating when it will meet and what will be on the forum agenda?

Hon. Mr. Pasloski: The real question here is whether or not the Member for Klondike actually read the press release to see exactly what was being articulated. What the press release did say is that the Yukon government, led by me and, depending on the area of discussion, the appropriate minister would meet regularly with the leadership of Yukon's First Nations to talk about issues to ensure there is an understanding and continue to build on those relationships. These meetings are over and above the Yukon Forum, which will continue to occur, as necessitated and agreed upon by both Yukon First Nation leadership and the Yukon government.

I think it's just a matter of having an opportunity to read the press release carefully and articulate the fact that these are two different meetings.

Mr. Silver: Last fall, the Yukon Forum was cancelled outright. Since this Premier was elected, I believe there has been only one meeting of the Yukon Forum.

It's supposed to meet four times a year. That did not happen under the previous Yukon Party government, and nothing has changed since the last election. I am very pleased that another forum has been finally scheduled for the spring. That will be two forums in 20 months. Council of Yukon First Nations has a long list of topics to discuss with the Premier, including land use planning, health, and resource revenue-sharing. Yukon First Nation chiefs are obviously frustrated with this government's command-and-control approach to the Yukon Forum. It is clear that the Grand Chief is interested in using these meetings to discuss issues. The government does not want to talk about contentious problems and prefers to use these meetings to celebrate.

Will the Premier drop the command-and-control approach and allow Yukon First Nation leaders to jointly set the agenda?

Hon. Mr. Pasloski: I think we can do a tally here as to how many such meetings occurred under the Liberal government — it was zero — and how many of these meetings occurred under the NDP government — it was zero. In fact, it

was a Yukon Party government that created the Yukon Forum, along with the Yukon First Nations. I have to say, I just met with the leadership very recently — in the last couple of weeks — also on the heels of recent discussions that the Minister of Health and Social Services had with leadership, and the Minister of Education met with the leadership to look at opportunities in terms of success stories for education in the rural communities.

This work goes on, on a daily basis, between this government and all First Nations. We collaborate extensively in myriad areas and will continue to use the Yukon Forum, when it's agreed upon, to ensure that we can highlight some of those accomplishments that are going on. We'll use this new venue to be able to ensure that there is a way to move forward, to have an understanding of opportunities where we can work together. A lot of times those discussions will lead to opportunities to advance things that are important to all Yukoners through an intergovernmental forum with the Government of Canada.

Mr. Silver: I love the comments about the Liberal Party in the past. Are we moving forward together, or are we stuck in the past?

The government's relationship with First Nations today is probably the most important relationship it has, yet it has been badly neglected. The forum could be a valuable tool to discuss common interests, agree on priorities and resolve disputes. Instead, this government seems to prefer meeting First Nations in court or in front of a judge. The Chief of Liard First Nation says relations with the territorial government are still strained at best. He said, and I quote: "I'd say unfortunately because of the government's ongoing conduct of divide and conquer it's not a positive relationship at all."

This government has been in office for more than a year and a half. It is long enough for the public to see that its confrontational approach to First Nation governments is not working. When is the Premier going to adopt a more cooperative approach to working with First Nation leaders?

Hon. Mr. Pasloski: As I have already articulated, we have agreed on a way forward in an entirely new set of meetings, where we have that opportunity to sit down as leaders to work on things. Certainly, the forum itself has resulted in many success stories, such as the implementation framework for the northern strategy. There was an incredible amount of work and success through the northern strategy: investments that were done; supporting financial transfer agreements through a nine-year implementation review that was supported through the Yukon Forum. There are many different things that have gone on that have been a success. We're currently working on land-based treatment. We're looking forward to moving forward with results of that work. We'll continue to work with First Nations — both settled First Nations and unsettled First Nations — as we do on a daily basis.

I want to congratulate and thank the officials of all the departments because not only does this work exist at the political level among leadership, but it's the day-to-day work that occurs at the department level, where our officials are working with

officials of Yukon First Nations to ensure the success of all Yukon citizens in all our communities.

Question re: Cancer strategy

Mr. Elias: Mr. Speaker, there is no doubt that the fund you helped to launch a week ago — the Yukoners' cancer care fund — will be an invaluable resource for citizens in our territory who are battling this terrible disease.

Please accept my congratulations on your efforts to establish and raise money for this fund. With all due respect, though, I'd like to recommend to the House that we strive to make your work redundant. It is time to redouble our efforts in preventing this terrible disease in the Yukon so fewer people will ultimately need to access your fund and, eventually, no one will.

What is the government doing right now to understand specifically the causes of cancer in the Yukon so as to effectively prevent people from getting it?

Hon. Mr. Graham: Thanks to the Hospital Foundation, we were able to raise \$2 million for an MRI machine, which will assist in diagnosing cancer, but another thing we've done is look at the wellness of all Yukon citizens and have attempted to promote wellness in children and families in an attempt to head off the kind of risky behavior, shall we say, that produces not only cancer, but other diseases in the Yukon population. We choose to concentrate on preventing these diseases before they ever get started.

Mr. Elias: In Canada and around the world, other jurisdictions have attacked the scourge of cancer with committed and forensic efforts. Scotland, for example, has established a national action plan to guide that country's approach to cancer. Just across the border, in British Columbia, there is the northern cancer control strategy. Only 10 days ago, on April 30, the Government of Alberta launched its cancer plan that lists 10 strategies meant to improve cancer screening, diagnosis, treatment and support, with the ultimate goal of preventing most cancers by 2030.

The future of cancer needs to change and the time to change the future is now. Those are the words of Alberta's Health minister. When will they be the words of our Health minister? When will our minister initiate a concrete strategy and approach to prevention and the understanding of cancer in the Yukon?

Hon. Mr. Graham: Maybe the member opposite didn't listen to the first part of the answer I gave previously. We are looking at better diagnostics; we are working with our wellness strategy, public awareness and an active living strategy that the Minister of Community Services has recently renewed. So we are attacking cancer and other diseases — not only cancer, but other diseases at the root cause, which is healthy living and less risky behaviour.

The previous government brought in anti-smoking legislation, but also things like our rates of alcohol consumption and other risky behaviours — I guess we can call them — are causing these high rates of cancer, so those are the things we are working on.

Mr. Elias: I'm calling for the minister to commission a Yukon cancer task force here, because people ask me: is there something in the water? We're over-represented with cancer in

our territory. I have lost dozens of constituents to cancer. I've lost my mother-in-law. There isn't a person in this House who hasn't suffered a loss because of this disease.

This Sunday, just have a look at the faces of the hundreds of people who will participate in the Run for Mom. This disease is over-represented in the Yukon population and people want to know why.

Will the minister commit to answering that question? Will the minister commit to turning that around? Is the minister willing to put together a Yukon cancer task force, charged with developing an action plan to drive down cancer rates and eventually prevent the disease in our territory?

Hon. Mr. Graham: Before the member opposite gets up and gives these impassioned speeches he should be well aware of his facts. We are not over-represented in the Canadian population. If the member opposite would learn the facts, he would know that as of the last Statistics Canada report, the instance of cancer in the Yukon was 331.4 cases per 100,000, whereas the Canadian average is 496, so we're actually quite a bit lower. The most recent Canadian Cancer Society report, from 2012, does not report Yukon rates separately due to our small numbers. However, the report does point out the estimated incidence rates for all cancers combined is highest in the Atlantic provinces, Quebec and Ontario. The highest rates for females are in Quebec, Nova Scotia, Ontario and New Brunswick; the lowest rates for males and females are in British Columbia. Yukon is not singled out as a separate jurisdiction.

We're doing everything we can to prevent not only cancer, but also other diseases in this territory. Fifty percent of the new cancers in this territory are preventable, and those are the ones that we're trying to work very hard on and we will continue to do so.

Question re: YESAB recommendations

Mr. Tredger: When YESAB makes a recommendation on a project, the government can accept, vary or reject YESAB's recommendation. Since 2005 the Yukon Party government has rejected or varied over 80 percent of YESAB's recommendations on quartz mining projects. That means that more than four out of five times the YESAB recommendations are rejected or modified. When compared to agricultural proposals or other permitted land uses, this Yukon Party government is three times more likely to vary YESAB's recommendations in favour of mining development. This is a disturbing trend.

Will the minister tell this House why the government is three times more likely to overrule YESAB mining project recommendations?

Hon. Mr. Cathers: As has unfortunately become the pattern in the House, the NDP member is bringing forward assertions that simply do not line up factually. Government, in most cases, either accepts or makes minor variations to YESAB recommendations. The determination is made by the very capable and competent staff of the branch responsible for formulating the decision document, which, contrary to what the member claimed was a fact last week, is not signed off at the ministerial level; it's typically signed off at the director level by the branch responsible for issuing the decision document.

I just reiterate that we have confidence in the staff of all the branches, not only of Energy, Mines and Resources, but across the Yukon government that are responsible for issuing decision documents for YESAB reviews.

Mr. Tredger: Mr. Speaker, the responsibility rests with the minister. It is his delegated authority, and it is his government's direction.

YESAB makes recommendations on the basis of impartial scientific evidence and analysis, yet we see that over 80 percent of YESAB's recommendations regarding mining projects are overturned or modified while the government seems content with the rest of YESAB's work. This seems to be a double standard, and the minister's responses leave little comfort for Yukoners who work in this area and care about how assessments are done.

Will the minister explain to this House how he can justify this apparent double standard where mining projects are three times more likely to be varied or overturned than other project types that YESAB assesses?

Hon. Mr. Cathers: Mr. Speaker, I would encourage anyone listening, as they should know by now, not to take anything that comes out of the NDP member's mouth as being a reflection of the facts.

The member has a pattern of making up his statistics.

Some Hon. Member: (Inaudible)

Point of order

Speaker: Official Opposition House Leader, on a point of order.

Ms. Stick: I would go to Standing Order 19(g), which relates to imputing false or unavowed motives. I would even cite Standing Order 19(h), charging another member with uttering a falsehood.

Speaker: Government House Leader, on the point of order.

Hon. Mr. Cathers: On the point of order, Mr. Speaker, I was simply giving my opinion of what the member puts forward on the floor. I think it's just a dispute between members.

Speaker: Official Opposition House Leader, on the point of order.

Ms. Stick: What the member across suggested was that the member on this side was making up facts. I would again go to 19(h), which is suggesting or uttering a falsehood.

Speaker's ruling

Speaker: It is not for the Chair to determine the facts. Every member is left to interpret the facts in their own way and to present their own interpretation. To suggest that one member is, in fact, purposely misrepresenting the facts could be considered a point of order. But I don't believe that that was the intent here. It was the interpretation of the facts. There is no point of order at this time.

Hon. Mr. Cathers: In conclusion, what I would say simply is that contrary to what the member asserted, government decision bodies across all branches of the Yukon government typically accept most of the YESAB recommendations

received or make minor variations to what's recommended by a designated office. It is up to responsible staff to assess their responsibility as regulators and assess the recommendations and make the appropriate determinations. I have confidence, as do my colleagues, that across all of the Yukon government, all of the staff tasked with issuing decision documents and helping in preparing them do their very best in fulfilling their responsibilities to the government and to the Yukon public.

Speaker: If the member wishes to ask a supplementary question, it will be permitted, but we are beyond the time for new questions.

Some Hon. Member: (Inaudible)

Speaker: The time for Question Period has now elapsed. We will proceed with Orders of the Day.

ORDERS OF THE DAY

Speaker: We are now prepared to receive the Commissioner of Yukon, in his capacity as Lieutenant Governor, to grant assent to bills that have passed this House.

Commissioner Phillips enters the Chamber, announced by the Deputy Sergeant-at-Arms

ASSENT TO BILLS

Commissioner: Please be seated.

Speaker: Mr. Commissioner, the Assembly has, at its present session, passed certain bills to which, in the name and on behalf of the Assembly, I respectfully request your assent.

Clerk: *Act to Amend the Housing Corporation Act; Act to Amend the Employment Standards Act; International Interests in Mobile Equipment (Aircraft Equipment) Act; Third Appropriation Act, 2012-13.*

Commissioner: I hereby assent to the bills as enumerated by the Clerk.

Commissioner leaves the Chamber

Speaker: I will call the House to order. Please be seated.

Hon. Mr. Cathers: Mr. Speaker, I move that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Speaker: It has been moved by the Government House Leader that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair (Ms. McLeod): Committee of the Whole will now come to order. The matter before Committee is Vote 7, Department of Economic Development, in Bill No. 10, *First Appropriation Act, 2013-14*.

Would members like to take a brief recess?

All Hon. Members: Yes.

Chair: Committee of the Whole will recess for 15 minutes.

Recess

Chair: Committee of the Whole will now come to order.

Bill No. 10: First Appropriation Act, 2013-14 — continued

Chair: The matter before the Committee is Vote 7, Department of Economic Development, in Bill No. 10, *First Appropriation Act, 2013-14*. Mr. Dixon has the floor with 17 minutes, 11 seconds remaining.

Department of Economic Development — continued

Hon. Mr. Dixon: When we left off we were talking about a number of issues with respect to the Department of Economic Development's current budget that's before the Legislature today. I wanted to take the opportunity to discuss a few of the issues we are dealing with in the department and highlight some of the key projects we have going forward.

Earlier this year, in April 2013, I had the pleasure of joining federal Minister Leona Aglukkaq, Minister of CanNor, to highlight a number of projects that receive the support, both from CanNor and from the Yukon Technology Innovation Centre, through the Yukon Research Centre.

CanNor provided approximately \$165,000 toward those projects. Funding for the projects also comes from Yukon Economic Development, as I mentioned. It comes through the cold climate technology innovation support, and in-kind contributions from developers bring the development budget total to just under half a million dollars.

As I noted earlier in the year, we are pleased to support projects like this, which demonstrate what is possible when innovation and commercialization are encouraged and supported. Such projects represent a tremendous step forward in the development of the knowledge-based economy in Yukon, which, of course, strengthens the private sector. One of the projects that was highlighted is being spearheaded by Mid Arctic Technology and will allow visitors in a pilot project to the MacBride Museum to enjoy an enhanced museum experience using mobile tablet computers.

If I may, I will quote from Mr. May, who is the president of Mid Arctic Technology, from his discussion of this announcement. He said, and I quote: "Without the support from CanNor and the Yukon government through technology innovation at the Yukon Research Centre, we would not have been able to build our proof of concept, which then enabled us to attract private sector investment." So what Mr. May is, of course, referring to is a project that he developed with his company, which allows an application on a tablet computer to be synchronized to allow visitors to a museum to receive a tablet upon entry to the building, and then they can walk around the museum and hold the tablet over various artifacts and items and receive information verbally from the tablet computer about that particular artifact, display or other items in the museum. Not only will it provide simple verbal information and visual

information about the display, but it also provides for the possibility of translation to every language that we know of — almost — so there is well over 100 languages programmed in, and I believe that there's the possibility for adding new languages, such as, potentially, some of the less common languages throughout the world.

I really think that this is a tremendous step forward, where a private sector company comes to the Yukon Research Centre and the Technology Innovation Centre with an idea, but without the financial capacity or business capacity to bring a project forward. They liaise with our Technology Innovation Centre and then, with some support from government, whether it be CanNor or the Yukon government, bring a project forward.

What we often refer to when we talk about those kinds of projects is for those companies to bridge the valley of death. It's the gap between a project idea and actually testing the project, commercializing the project and bringing it to market. This is just one example of a tremendous example of a project of the Technology Innovation Centre.

In that press release and announcement that I made earlier and referenced earlier, there were a number of other projects — six other projects, in fact — and they were as follow: weather sensors at Northwestel remote sites to gather data toward the feasibility of solar and wind energy powered sites; enhancing existing wood gasification technology to provide biomass energy in Carcross with Pacific Tlingit Energy; to use new, locally created technology to enhance the capacity of the Dawson City Community TV and Radio Society; the creation of a new software with the company Joint Families, to help manage communication and mitigation friction in dual custody situations involving divided families; phase 2 in the research and development of the plastics-to-oil machine being studied at P&M Recycling here in Whitehorse; and the final one was a final stage of development with Boreal Compost Enterprises toward the commercialization of a machine that removes plastic from compost.

Cold climate innovation and technology innovation are two of seven key programs at the Yukon Research Centre at Yukon College. The other five are the NSERC industrial research chair for college and mining life cycles, Northern Climate ExChange; biodiversity monitoring, science adventures, and resource and sustainability development in the Arctic.

Core funding for the Yukon Research Centre is provided by Yukon Department of Education and the Yukon Department of Economic Development. As we have heard before, the Department of Education and the Department of Economic Development work together to fund the Yukon Research Centre, which in turn provides a suite of programs under the umbrella and aegis of Yukon College.

Since we're talking about this, I should note a number of other very successful initiatives that have received some attention.

Earlier this year, the Association of Canadian Community Colleges produced a report entitled *Colleges, Institutes and Polytechnics: Stimulating Innovation for Small Businesses and Communities*.

In that report, a number of projects here in the Yukon were highlighted. The first one highlighted in their report was the biochar project. "Biochar for Yukon mine site reclamation" was the title of the project. It is highlighted in the report on page 24, published this year. It states that the Yukon College Research Centre's cold climate innovation unit and Laberge Environmental Services partnered to research the potential use of biochar to aid in the reclamation of abandoned mine site soils. The three mine site soils tested included low and high pH levels, but all of them could be characterized by a sandy texture and low organic content. Two of the sites had been abandoned for a sustainable period of time, with very limited reclamation success. Biochar, a heat-treated wood product, was tested as a way to improve soil conditions to allow for native grass species, as well as a native pea species, to grow and improve soil conditions for the long-term reclamation process. Students were hired to perform the field tests and a laboratory growth chamber experiment to assess the potential use of this technology.

They gained valuable experience and insights into the applications of mine site reclamation research. The project will run over three years and will demonstrate whether timber harvested on-site can be turned into biochar and aid in the reclamation process at the end of the mine life cycle.

So here is an excellent example of the private sector working with our research centre to develop a real-world solution to a problem or challenge faced by the mining sector here in the territory.

The next project that was highlighted in that publication was the northern biochar for northern restoration, which is a bit of a different spin on the use of biochar. With the expansion of industrial activities in Canada's north, there is a need for appropriate cost-effective remediation and restoration technologies. Yukon College has a CCI College-University Idea to Innovation grant, "Northern Biochar for Northern Restoration", which is working with local industry to develop biochar for promotion of hydrocarbon degradation in northern contaminated soils. This project is a collaboration between Yukon College, the University of Saskatchewan and three industrial partners in northern Canada: Nunatta Environmental, the Federated Cooperatives Limited, or FCL, and Zakus Farms, which is a local agricultural business here in Yukon.

Nunatta Environmental and FCL are interested in the production and/or development of biochar for their hydrocarbon restoration needs, while Zakus Farms is an expanding biochar producer in Whitehorse, Yukon.

Biochar, as I discussed earlier, is a term for a product that results from heating various biological ingredients, such as wood, fish, or animal bone under oxygen-limited conditions. In southern climates, biochar has proven to have many benefits for the environment, including increased soil pH, water-holding capacity and plant growth, as well as promoting hydrocarbon degradation at contaminated sites. Identification of the optimum biochar formulation for hydrocarbon degradation in the north will not only improve the likelihood for effective treatments, but will also provide economic benefit. Reduced logistics and shipping costs for companies operating in the north and

income-generation opportunities for northern biochar producers are two important impacts of the project. College and university students are gaining valuable northern research experience while making important connection with local industry and gaining important skills for employment. The next project that is highlighted in this report is related to the mapping of bumps on the Alaska Highway.

The Northern Climate ExChange research team, part of the Yukon Research Centre at Yukon College, is partnering with the Department of Highways and Public Works to conduct a project entitled "Mapping the Bumps in the Road: the Vulnerability of the North Alaska Highway to Climate Change". Specifically, the project examines the thaw sensitivity of permafrost under the highway alignment to changes in climate. The Alaska Highway is a vital overland supply route for Yukoners and Alaskans that is underlain by extensive, discontinuous, warm, potentially ice-rich permafrost. Understanding the potential impacts of climate change on permafrost under the highway is critical to ensuring its integrity as an important northern travel and supply route.

This project characterizes permafrost conditions underneath the northern 200 kilometres by pairing geophysical data, geotechnical reports, highway maintenance records and air photos with field investigations, including permafrost drilling.

The final one I wanted to highlight is the dual-frequency, ice-penetrating radar. The ice-penetrating radar is one of the most powerful geophysical tools used in glaciology, with applications ranging from ice-depth detection to mapping the internal stratigraphy of ice sheets or inferring in glacial and subglacial conditions.

Such information is valuable for research, water resource management and for the natural resources exploration industry. The cold climate innovation research team, part of the Yukon Research Centre at Yukon College, partnered with Blue System Integration Ltd. To build a unit to assist co-workers at the Yukon Research Centre and the Northern Climate ExChange to conduct research on local glaciers.

The project focused on the implementation and field testing of a ground-based, dual-frequency ice-penetrating radar system. Working with different frequencies can reveal different ice properties and typically requires surveying the same area twice when two working frequencies are chosen. Being capable of operating with a dual-frequency system offers an operational advantage by decreasing survey time in half. Since most of these surveys take place in remote regions where access is impeded by weather conditions, it becomes critical to decrease the survey time to maximize the chance of a successful field campaign. It also allows the development of specific technology that can be transferred to related applications, such as adaptive radar transmitter power, useful for better signal detection where ice conditions show increased attenuation.

The reason I highlight those is that, first of all, it's excellent to see the Yukon Research Centre at Yukon College and the Yukon Cold Climate Innovation Centre highlighted in a prestigious national publication. Second of all, it's excellent to see that the Research Centre is reaching out to local businesses to find real world examples of how research and innovation can

lead to economic development and economic opportunities for the territory.

As I discussed earlier, some of the examples I noted involve local businesses that have stepped forward and reached out to the various arms of the Research Centre, including the ones funded by Economic Development — and some of those have been very successful, and we're very pleased to highlight them for Yukoners. Of the ones I listed earlier that I recognized with the CanNor, I did want to highlight one particular one, which is the research and development of the plastics-to-oil machine being studied by P&M Recycling. Of course, P&M Recycling is a local recycling business that has developed, in conjunction with the Research Centre, a new machine that is capable of melting down plastics and converting those plastics to oil. The oil can then be used as heating oil.

In the case of P&M Recycling, they take in plastics that would otherwise have to be shipped out of the territory or not used at all, in some cases, and convert them into oil and use that to heat the building, which is the recycling facility — an excellent example of a northern idea leading to a northern business opportunity right here in the Yukon.

My time is elapsing here, but I did want to take the opportunity to recognize a number of those projects that are tremendous examples of how we can develop a knowledge economy here in the territory by supporting research, innovation and commercialization, both through the Yukon Research Centre, the Cold Climate Innovation Centre and the Yukon Technology Innovation Centre.

Ms. Hanson: I thank the minister for his interesting description of a variety of projects that have been funded. I have to say that my colleague from Riverdale South had me chuckling for a moment, because she was wondering aloud whether Inspector Clouseau was going to be involved in inspecting the bumps in the highway and wanting to know how one would define “a bump”.

Some Hon. Member: (Inaudible)

Ms. Hanson: I never saw the movie. We are talking about a demographic issue here.

When we left off the other day, there were one or two things I wanted to follow up. The minister had indicated that the department had done an analysis of the economic impact of the film industry and that he would provide a copy of it. I am just reminding him that we will eagerly await that.

Also, when we left off, the minister had made some comments regarding a question I had raised with respect to the question of foreign companies and companies owned by foreign governments having the right to take some national governments like Canada or subnational governments within Canada in front of a third party arbitrator. I was referring there to the *Foreign Investment Protection and the Promotion Agreement* with China. There was a slight suggestion, and I just want to confirm with the minister that he was not intending to suggest that I was making any inference around racial discrimination. This is not an issue about race; it's everything to do with the country of origin of the investment.

In fact, the issue with respect to the difference around the FIPPA with China is that we often know that Canada has en-

tered into many trade agreements, but none of the other agreements into which Canada has entered put Canada primarily in the capital importing position. Canada essentially does this with emerging or transition economies, where we're in the power position. What we've done is that we've conceded effectively — Canada has not ratified this agreement yet on our behalf. But this effectively concedes legislative and judicial elements of our sovereignty as a country in a way that other FIP-PAs do not do. Effectively, through this agreement, investors from China will be able to do things that we are not able to do. There is no reciprocity in this. These asset owners, whether they are state-owned or Chinese companies, will be able, at their option, to challenge Canadian legislation — and that includes territorial legislation — executive or judicial decisions outside of the Canadian legal systems and Canadian courts. The decisions are determined, or their outcomes are determined, by a panel of arbitrators. These panels of arbitrators don't operate within our jurisdiction — they're extraterritorial, Madam Chair.

I'm not going to dwell on this subject because there are many issues I want to speak to, but in reading and researching some of this, I found a quote by one of the arbitrators — and they are a small group. It's effectively a very elite group that gets to be named to these panels of arbitration.

One of these arbitrators — his name is Juan Fernández-Armesto — is from Spain. You can look him up. His quote: “When I wake up at night and think about arbitration, it never ceases to amaze me that sovereign states have agreed to investment arbitration at all [...] Three private individuals are entrusted with the power to review, without any restriction or appeal procedure, all actions of the government, all decisions of the courts, and all laws and regulations emanating from parliament.”

I simply think that we need to be cognizant of the implications of the agreements and what they have for this government and governments going forward, given the 31-year tenure of this particular agreement.

I would like to turn my attention, and that of the minister, I hope, to an area that he spoke on somewhat — one aspect of it, in terms of technology, and that's the Yukon ICT sector's strategic plan for the Yukon Information Technology Industry Society. That report highlighted that this sector embraces about 80 Yukon businesses and has about 576 employees, and as I know from my briefing this week from Northwestel, that includes about 356, so Northwestel certainly carries a significant number of those 576 employees involved in this industry and contributes almost \$50 million — or did. I don't know what the current figure is, but in 2011 it was about \$50 million to the Yukon GDP. We've heard and we've discussed in this Legislature that we've all experienced the limitations on wireless coverage, which are seen as a source of dissatisfaction, not just for us as individuals, but for the many hundreds of thousands of visitors each year.

We know from our own experience, every one of us in this Legislature, that cellphone coverage outside of Whitehorse is reported to be weak; that it's a given that Yukon consumers pay more for services with less capability and that both Yukon

and Yukon businesses have identified low affordability of Internet services as a key obstacle to creativity and innovation. This is an area we talk about and want to grow. The success and growth of the ICT sector is tightly linked not only to government capital and operating budgets, but also the effectiveness of the government's ICT budget planning and procurement process. This comes from the ICT sector plan.

There is an opportunity for Yukon government to adapt its planning and procurement functions to support investment and growth of the ICT sector and to enable import substitution of products and services that it currently procures from suppliers outside the territory.

As we know, as the report says, as the sector's largest customer, the Yukon government can indirectly support investment in capacity building within local firms and enable import substitution of products and services that it currently procures from suppliers outside the territory through an overhaul of planning and procurement policies and processes.

The minister said that he endorses that report — after all, the government paid for it — and that they were working with industry to implement the recommendations.

My question for the minister: What action has been taken, what are the time frames, and how? So it's when in terms of time frames and how? Because the issue is how does import substitution work with the *Agreement on Internal Trade* and non-discrimination.

Hon. Mr. Dixon: There are a number of questions there that I will try to recall and run through as best I can in the order they were asked. The first was about the Yukon music industry economic impact assessment. In April 2006, Music Yukon, with funding from Yukon Economic Development and the Yukon Film and Sound Commission, engaged a consultant to conduct an economic impact assessment of Yukon's music industry. The study found that Yukon's music industry revenues in 2005 totalled \$8.29 million and expenditures totalled \$8.9 million. In 2005, the Yukon Film and Sound Commission provided about \$43,000 to 15 different Yukon recording professionals.

The sum of both direct and indirect effects constituted \$2.79 million, or 0.18 percent of the territory's GDP in 2005. Employment generated by the industry totals 192 person-years when music industry employment is combined with the direct and indirect effects of this expenditure.

Since then, we've conducted a number of other studies and various types of analysis. I haven't seen the full package of that yet, but we're going to review those and look to fulfill the commitment I made the other day to provide information about those studies to the Opposition.

The second point was related to the FIPPA and the NDP's assertions about that particular agreement. I think this should simplify this a bit: The point I would like to make is that it is the federal government that holds the constitutional ability to enter into international trade agreements with other nations. That is something they have done in the case of the FIPPA, as well as a number of other trade agreements and trade-related agreements — throughout history, really.

Of course, we, as a territory, try our best to provide our input into those processes, but ultimately, at the end of the day, it's the federal government's constitutional right to enter into those types of agreements. So, with any of those particular agreements — in this case, we've highlighted the FIPPA with China, which has yet to be ratified — that is within the federal government's constitutional sphere. They are operating within their own sphere. We, of course, do our best to undertake studies and review those types of agreements to ensure that we aren't negatively affected and, if we are, we provide that information to Canada. So I don't see a great benefit in this budget debate for me to either defend or attack the FIPPA on its merits and on the structure of it, because it's something that is Canada's decision.

What I can say, though, and what I can bring forward to this House is our opinion of how it will affect Yukon. In that sense, what I would say is what you've heard me say before in this House: that we don't feel that the FIPPA in any way prevents the Yukon government from legislating on behalf of its people; on creating legislation or regulations that protect the health and safety of employees in the territory; that protect the integrity and value of the environment in the territory; or in any way limits our ability to levy funds from resource extraction or any of the other types of legislation that relate to this particular agreement. At the end of the day, we don't feel that Yukon is being negatively affected here or really impacted a great deal at all. I think that covers the FIPPA aspect of our discussion today.

I think we can now turn to the issue that was raised by the member opposite, which is the ICT industry. I think Yukon government's vision for seeing that industry grow and develop — I've noted in the past that I view the ICT sector as a subsector of the knowledge economy, and it's one we have identified as having tremendous opportunity for growth and development in the territory.

Obviously, the mining and exploration sectors as well as the tourism sector will continue to be Yukon's mainstay sectors of our economy. I really do believe that the ICT sector is one that we can grow and develop to the benefit of our overall economy.

To that end, we have worked very closely with industry through industry organizations like YITIS as well as directly with individual companies like Northwestel or Total North, Mid Arctic, STC — any of these ICT-related companies that are based in the Yukon. We've come up with a number of — I guess the best way to describe them is "strategies" — strategies for moving forward. Two of the reports that we commissioned recently have received some attention and the member opposite mentioned one of them — that was the ICT sector strategy which was a report commissioned by YITIS with financial support from the Department of Economic Development. That of course was complemented by another report that we commissioned ourselves, which was completed by some consultants — Lemay-Yates Associates Inc. — titled, *Yukon Telecommunications Development Final Report*.

This was prepared in December of last year for the Business and Industry Development branch of our department.

Those two reports very much have guided us forward to date — in the last several months at least — while we have been considering these issues.

I should take a moment to mention some of the previous work that was done jointly with Yukon College, the Yukon Research Centre and the Department of Economic Development, and it's a report that I know the Member for Klondike has referenced before. It was a survey of the knowledge sector in the territory. That came out with a number of recommendations as well, and I do feel those recommendations really dovetailed into these other two reports that we recently commissioned.

With all of that study and review that has been conducted over the past 12 to 18 months, we have a pretty strong vision of the existing industry, as well as a number of recommendations for how to move forward. Both of those reports that I mentioned — both the telecommunications development report and the ICT sector strategy — combine to do just that.

The ICT sector strategy report found that the information communications technologies sector in the Yukon economy is proportionately smaller than the corresponding sectors in other Canadian jurisdictions and is growing at a slower pace. Within the broader Canadian economy, this sector is seen as having great growth potential and is an important contributor and influence upon economic potential.

The report tries to identify the key opportunities and constraints the government and industry may be able to influence in order to maximize the potential for this industry sector in Yukon. The report found the ICT sector is important in two ways. Firstly, it brings high-paying and highly skilled job opportunities to the territory; secondly the industry can bring increased efficiencies to other businesses and organizations in the territory, reducing their costs and increasing Yukon's competitiveness.

So within those opportunities and constraints, the report found a considerable base of about 500 skilled professionals, and a good alignment between professionals and the technologies currently in use within the Yukon.

The relatively small market provides opportunities for access and communication between government and industry; a maturing base of businesses that are beginning to export their services, which of course brings money into the territory; a local, business-friendly government policy that promotes the use of local companies; and a close-knit industry that allows for flexible collaboration in responding to customer needs.

At the same time, the report found a number of constraining factors. Examples of these constraints: a limited telecommunications infrastructure, including both high-speed broadband services and current generation mobile services; the cost of existing voice and data services, which makes it more difficult for local companies to compete with organizations based in the south; reliance on the government as a customer, which is one of the largest consumers of ICT products and services; the lack of availability of local education and training resources, which makes it more difficult to maintain up-to-date skills and capacity; and a lack of scale which makes it difficult for local

businesses to plan and execute effective long-term strategies and investments.

We took those findings in collaboration with the Yukon telecommunications development report, which had similar findings, but it was more detailed in the specifics about technology infrastructure, speeds, capacity and those types of issues. Earlier this year — and I know that the Member for Riverdale South was in attendance at this particular event — we made a number of announcements about our vision of moving forward.

One of the key things that was noted in both reports was that there was a need for a focal point within government to coordinate the strategy for the sector and to provide oversight for its implementation. We have made the decision within the Department of Economic Development to create a new branch, a directorate, within the department. At this point we are calling it the Technology and Telecommunications Development Directorate, and it is in the process of being developed currently. My understanding is that we — as of yesterday I think — have hired a director for that position, so it will be less than 24 hours before that individual is officially hired. Then, following that hiring process, we'll go on to create the terms of reference, work with the individual to set out the vision for that branch, and to provide the branch with its marching orders on how to move forward.

Beyond the creation of the directorate itself, we made a number of commitments specific to the industry. One of the key ones I should note is that it relates to the CRTC. As members are probably familiar, in the past two years, I would say, the CRTC has taken a much more focused approach to dealing with the issues of communications technology in the north. The CRTC has most certainly become aware, I would say, of some of the issues in the north and has really taken it upon itself to involve itself to a greater extent in the north.

One of the commitments I made was that we would task the new Technology and Telecommunications Development Directorate to fully engage in the current holistic review that the CRTC is undertaking of Northwestel. That would be important because, as much as we like to think that the Yukon government and the industry are key players, I would say one of the main key players in this whole sector is the CRTC. The decisions they will make, and have made previously, greatly impact the quality and types of services that are available in the Yukon.

Also, I should note that the CRTC's deliberations tend to be fairly exhaustive and quite technical and, up until this point, we've done a fairly good job of providing government's input into their various processes. But it's certainly something that we identified within the department that we don't — first of all, what capacity we had was already focused on other areas and that — to use the phrase — a lot of the CRTC issues were being run off the corner of various people's desks. So we wanted to ensure that we are taking a very coordinated, very deliberate approach to dealing with the CRTC and to providing government's input and point of view on a number of programs and services that are being considered by that regulator. That's an-

other key role that the Technology and Telecommunications Development Directorate will be undertaking.

Another important announcement I made at that event, which related to our commitments pursuant to the reports issued, was the provision of annual core funding to the Yukon Information Technology and Industry Society, or YITIS.

A common theme in the reports was that industry needed to organize itself to a greater degree. Intra-industry collaboration was lacking, the reports found. While we had a tight-knit community, it didn't always collaborate in the ways it should. So we felt that YITIS was an excellent body to provide for some of that collaboration. However, up until this point, YITIS was entirely run by — well, of course, volunteers. And we certainly don't want to detract from the excellent work done previously, but it was definitely a recommendation of the reports that YITIS be provided with additional capacity and resources to deal with some of these important issues. If we are going to take this issue seriously, we needed to provide some additional support, according to the reports. So we announced \$50,000 that will be provided to YITIS on an annual basis, and you will see that that money in the budget that is before us today.

Another key aspect identified in the reports and in the strategy was the issue of telecommunications infrastructure and, in particular, fibre. As we all know, fibre is an important backbone infrastructure of the telecommunications industry and, in the Yukon, we are unfortunately fairly limited in the existing fibre. Northwestel has a single fibre line that runs to the south, down the Alaska Highway, and past a certain point just south of the B.C. border, we have no redundancy in that service.

So when from time to time in various places down in British Columbia some roadwork is being done, we do see the occasional outage as the result of a backhoe going astray and clipping a line. Recognizing that, we decided that a priority of ours should be the investigation of the possibility of a redundant fibre optic line to the south.

One particular project that was previously looked at by private sector proponents in the ICT industry was the possibility of a fibre optic cable down to the Alaskan undersea grid in the Pacific Ocean. That would run from Whitehorse to Skagway, and then underwater from Skagway to Juneau, where it would then link in with the main lines that go from Anchorage, underwater, down to Seattle. That would theoretically provide us with the redundancy we were looking for, so we highlighted that particular project and have committed to undertake a bankable feasibility study of that particular project.

As I have said, some work has been done previously by private sector companies, so we are going to start by reviewing that work that they have done, meeting with them, discussing the possibilities as they see them, and identifying what issues they have found, what challenges they have found, and what opportunities they have found with regard to that particular project.

That's not to say we won't look at other options as well. I know that the Member for Vuntut Gwitchin earlier this week asked me about the possibility of linking into a fibre optic cable that is being proposed underwater in the Northwest Passage. As

I said to him earlier this week — or maybe it was last week, actually — we will of course consider that

Ms. Hanson: In sum, I asked the minister opposite in response to the Yukon ICT sector strategic plan for YITIS, what the action was, when in terms of time frames, and how it was going to be implemented. As he had said previously, they were working with industry to implement the recommendations, so my understanding is, as of 24 hours ago, we have the core of a tech directorate that's going to be doing that.

My question for the minister, going back to the YITIS plan: Is it the government's intention to direct this directorate — the employee/employees of said directorate — to respond to the areas of concern identified there? Will Yukon be adapting its planning and procurement functions to support investment and growth of the ICT sector? Will it enable import substitution of products and services that the government currently procures from suppliers outside the territory?

As the report said, as the sector's largest customer, the Yukon government can indirectly support investment and capacity building within local ICT firms, instead of doing what it's doing currently: procuring from suppliers outside of the territory through this overhaul of planning and procurement policies and processes. Is that a government direction that this ICT or tech directorate will be following to ensure that, to the extent that the government can play a positive role in the growth of this industry — the sustaining of the industry — that that would be one of their functions.

Hon. Mr. Dixon: Jumping right into the response — essentially, yes is the answer. In 2002, when the Yukon government last did an ICT-sector strategy, there were a number of changes that were made pursuant to those recommendations in 2002. Those included, for instance, now the government works to balance the volume of government-initiated ICT projects on an annual basis in order to allow the ICT industry to more consistently predict the project levels from year to year. Where appropriate, ICT projects are tendered in components to allow smaller, local IT companies to participate in the bidding process. The ICT sector is responsible for the vast majority of software development done for the Yukon government. The default position is that the resulting intellectual property belongs to the software developer.

There are a few instances where the government still opts to own some intellectual property at times. Quarterly meetings are held between Highways and Public Works' ICT branch and the Yukon Information Technology and Industry Society. These meetings are an opportunity for the Yukon ICT sector to obtain a preview of upcoming Government of Yukon ICT projects. Highways and Public Works' ICT branch actively advises larger national and international suppliers of Yukon ICT companies capable of handling the maintenance and support aspects of large procurement contracts.

Yes, we already do some of this work and will obviously try our best to continue that. But when it comes to the recommendations of the report and the priority and order with which we pursue them, we'll be meeting with YITIS to determine those issues. So we'll meet with YITIS to determine the prior-

ity and some of the vision and understanding of how these recommendations will be implemented.

I think that answers the member's specific question about this, but in a general sense, as I said before — I know she indicated that we've made the directorate and it has been in place for 24 hours.

The directorate itself has space now, has a director and will be moving forward with implementation of this, but the priorities I've outlined here are government's priorities and they demonstrate what government will be directing this new directorate to undertake.

To reiterate, as I said, undertaking a bankable feasibility study of a redundant fibre optic line through Skagway to Juneau will be one of those key priorities. That's a very important one, Madam Chair. That's one that is going to likely require us to work with our partners in Alaska. I can report to the House that when the Premier, the Minister of Energy, Mines and Resources and I met with the Governor of Alaska earlier this year, we raised this particular issue in conjunction with some of the discussions we had around energy projects, and agreed that moving forward with telecommunications infrastructure possibilities will be something that we undertake together.

We haven't undertaken a significant amount of work. We haven't begun a study, so to speak, but, as I said, we have worked with the private sector, spoken with the private sector, which has completed some of this work, and we are going to talk to them about what we might be able to build on, what they have done to date, and how we can best incorporate their work into our own so as not to be — no pun intended, but "redundant", I suppose.

Another opportunity in that project will be the ownership model. It really hasn't been determined by us or anyone what exactly that might look like. There are a number of options, and a number of options that bear consideration. One option, of course, includes a significant role for First Nations. I know a number of First Nations development corporations have already approached us with interest in our activities and the development of the new directorate and are eager to see us engage with First Nations governments and development corporations to determine how best First Nations can be involved in any potential project that might go forward. It is my hope that we can find a very positive synergy between government, First Nations governments, First Nations development corporations, as well as the private sector to move forward.

Of course, I would be remiss if I didn't suggest that I would expect the federal government to play a role in that as well. The federal government, either through CanNor or Industry Canada, I'm sure would have some interest in such projects, and we always prefer to see some federal dollars coming north to support these kinds of projects — especially infrastructure projects.

Another key action that will be undertaken by the directorate will be working with Northwestel regarding the service level provision for Internet and cell service as set out in the reports. Now there are a number of ways we can do that. We can do that by liaising directly with Northwestel, but we can

also do that by providing comments to the CRTC in a number of their processes.

As folks may or may not be aware, a few hours from now is the deadline for Yukoners to submit their comments to the CRTC with regard to their current holistic review of Northwestel's services. When the CRTC announced their public consultation on the telecommunications services that Northwestel provides to northern Canadians, the chairman of the CRTC said, and I quote: "Canadians expect to have a choice of high-quality telecommunications services, regardless of where they live ... Last year, we expressed concern about the services available to northern Canadians and required Northwestel to develop a plan to modernize its aging network. The consultation launched today will allow us to conduct a comprehensive review of Northwestel's services and its planned improvements."

Northwestel provides telecommunications services in the Yukon, the Northwest Territories, Nunavut, northern British Columbia and northern Alberta. One of the things we need to make sure the CRTC understands is that the Yukon is unique in the needs and services it currently has. When some of these folks down in Ottawa — the CRTC is based in Ottawa — think of the north, I think they tend to think of Nunavut and the eastern Arctic primarily, but an important role for us in this is making them aware of the geographical realities here in the Yukon, as well as the social and economic realities. We're quite a bit different from the other territories, both in our needs, the state of our respective economies and the geography, which plays an important role in the provision of infrastructure, like that of telecommunications.

So we will continue to work with Northwestel and work with the CRTC to identify areas where we can improve services. We'll also continue to work with our territorial partners through the Northern Communications and Information Systems Working Group in the review and recommendation of pan-northern telecommunications requirements. Madam Chair, while we do share a number of issues with our northern neighbours, there are a number of cases where our specific issues need to be highlighted because what works in Nunavut and Northwest Territories doesn't necessarily work in Yukon.

When I was speaking earlier about infrastructure projects, I mentioned that we were aware of a number of other projects going on in the north, and some of that has come through some of the work I just mentioned. One of them that the Member for Vuntut Gwitchin mentioned earlier in this sitting was an Arctic fibre proposal. Again, as I mentioned to him previously, of course we will consider that, but I'm sceptical about the possibility of joining into it. It would require a significant terrestrial fibre line in a part of the country that has very little other infrastructure, and then a significant amount of underwater — under ice, in fact — telecommunications infrastructure, which would be very challenging, I think, to implement and build. When we consider a project like the Whitehorse-Skagway-Juneau line, we are in the neighbourhood of tens of millions of dollars. I can only imagine what a project starting in Old Crow, heading most likely south to the Dempster, and then north up the Dempster to Inuvik, then overland to Tuk, and out into the ocean would

cost. While we will keep it under consideration, I'm a little bit sceptical about the possibility of that particular project.

What is a little bit more likely is the project being proposed and championed currently by the Northwest Territories. They are considering a fibre line down the Mackenzie Valley. That would essentially, for the purposes of the Northwest Territories, chart out what a possible pipeline route might ultimately look like but, as an ancillary role, it would also provide fibre services to a number of communities along the Mackenzie River Valley. If that were ever to go forward, and if Inuvik were to be on that line, it may, at some point, be worthwhile for us to consider bringing fibre down from Inuvik, along the Dempster Highway corridor, and into communities like Dawson and Mayo and ultimately connecting into the current fibre network to provide redundancy and an overarching loop.

That doesn't preclude the possibility of this project with Alaska and Juneau. Of course, they would be complementary if that were ever to go forward, and it wouldn't be a redundancy at all — well, it would be a redundancy exactly, actually.

So those are projects that we're working on now. I think that covers off the suite of action items we've identified for the immediate future. But, as I said, we're going to continue to work with industry organizations like YITIS and specific companies in determining how to implement the recommendations of these strategies and how best for government to move forward to better the industry and provide for growth in this important industry and ultimately lead to the potential of a new sector or a newly grown sector of our economy.

As I said before, I really do believe it's possible that this sector could one day be as important as a number of other sectors we currently have in the Yukon, such as tourism or mining or exploration. That's essentially what we're doing and why we're doing it, and I hope that answers the member's questions.

Ms. Hanson: My question with respect to the business nominee program — the minister does not need to tell me the criteria for this program — I've read them. In this case, more is actually less. Can the minister provide some statistics as to how many business nominees have been accepted in the Yukon over the past five years? Can the minister share with us any information he has as to the value of investment by business nominees in Yukon and a descriptor of the businesses they are buying or establishing in the territory? So, three rather succinct responses would be appreciated.

Hon. Mr. Dixon: The Yukon business nominee program accelerates the immigration process for qualified business people by providing Yukon with the ability to nominate potential immigrants to Citizenship and Immigration Canada.

The Yukon business nominee program is used strategically to increase business expertise and investment in Yukon by providing the opportunity for non-Canadians or permanent residents to invest in Yukon's economy and immigrate to Yukon.

The Yukon business nominee program allows Yukon to nominate qualified business people from around the world who have the intent and ability to move to Yukon and establish, purchase or become partners in business. Since its inception in 2004, 109 business applications have met the minimum processing standards. Forty-five of those were recommended for a

two-year temporary work visa to implement their business plans; 25 were nominated for permanent residency; 16 of those have been approved by Citizenship and Immigration Canada; eight nominations are pending approval by Citizenship and Immigration Canada; 24 have actually been implemented in Yukon.

Yukon business nominee program applicants who have implemented their business plans have brought more than \$10.9 million in investment capital to Yukon since the program started.

From April 1, 2012, to January 31 of this year, the Yukon business nominee program has received six applications that met the minimum processing standards, with four of those recommended for a two-year temporary work visa to implement their business plans. The potential investment in Yukon by applicants who have not yet implemented their business plans is estimated to be \$3.2 million. Types of investment vary, but one recent success story is a European couple that bought an abandoned highway lodge, made it operational, and was nominated for permanent residency.

Successful applicants must fill the following criteria: they must actively participate in a management-level position in a Yukon business; they must invest a minimum of \$150,000 and purchase a minimum of one-third of the business; they must provide a viable business plan; they must have a verified net worth of at least \$250,000; they must demonstrate an established standard of English or French-speaking skills; and they must agree to reside in Yukon for at least two years.

In 2001, Citizenship and Immigration Canada and the Government of Yukon signed the *Agreement for Canada-Yukon Cooperation on Immigration*.

A new agreement was signed by the Department of Education on February 12, 2008.

By way of statistics, I have some information regarding the business component applications for the Yukon business nominee program. These statistics are from March 9, 2004 to September 30, 2012. There were a total of 109 applicants. There was one applicant from Australia, 49 from China, one from France, 12 from Germany, one from Great Britain, one from Hong Kong, two from India, seven from Iran, one from Ireland, one from Japan, one from Mexico, two from New Zealand, two from Nigeria, two from Pakistan, one from the Philippines, one from Poland, two from South Korea and 11 from Switzerland.

With regard to the number of plans actually implemented in Yukon, Madam Chair, there were seven from China, one from France, two from Germany, one from Hong Kong, one from Ireland, one from Japan, seven from Switzerland and one from the United States.

In the earlier column, when I was listing the number of applicants, I forgot to mention there were 11 from the United States as well. Of those who were approved nominations for Canadian immigration, there were six from China, one from France, two from Germany, one from Hong Kong, one from Ireland, one from Japan and four from Switzerland. Of those nominated for permanent residency, there were eight from China, one from France, two from Germany, one from Hong Kong, one from Ireland, one from Japan, seven from Switzer-

land and one from the United States. Of those recommended for work visas, there were 18 from China, one from France, four from Germany, one from Hong Kong, three from Iran, one from Ireland, one from Japan, one from Mexico, one from New Zealand, one from South Korea, nine from Switzerland and four from the United States.

The total investment of all those programs combined is over \$10 million. The bulk of those were split between China and Switzerland. China led the way with just under \$4 million total investment of Chinese business nominee program applicants; Switzerland was right behind them with just over \$3.8 million invested in Yukon as a result of Swiss business nominee program applicants. Of those from France, there was \$1.2 million; from Germany there was \$1.2 million; from Hong Kong there was \$275,000; from Ireland there was \$500,000; from Japan \$150,000; and the lone American who had a plan that was actually implemented in Yukon brought in \$391,000.

I hope those are the statistics the member was after.

Ms. Hanson: An interesting and eclectic array of nationalities and investors, so that's good information to have.

I have one sort of general question before I turn it over to the Member for Klondike. Of interest to me as the MLA for Whitehorse Centre is the fact that the Minister of Economic Development is charged with the responsibility to maintain the economic integrity of the Whitehorse downtown core.

I think that's great. Now I'm interested in finding out what exactly the Minister of Economic Development is doing to maintain the economic integrity of the Whitehorse downtown core. What initiatives does he have underway to achieve that so I can tell my constituents what he is doing on their behalf?

Hon. Mr. Dixon: Madam Chair, what that particular commitment refers to goes back to the days when I believe the NDP were in power and they brought a number of government offices up to the highway, which of course really pulled the guts out of the downtown community. By bringing so many government workers up to the highway and non-centralized locations, they really degraded the ability of the community of Whitehorse to come together as a community. What happened there was that a number of government employees weren't able to access coffee shops, lunch spots or sandwich shops in the downtown area. The decision was made by the Yukon Party government to relocate a number of government offices to the Whitehorse core.

So, over the years, we continue to advocate on behalf of Whitehorse for government offices to remain in as centralized a location as possible. Of course, whether we like it or not, government is a tremendously important part of our economy here in the Yukon, and ensuring that Yukon government employees are somewhat centralized and have access to other restaurants, coffee shops, et cetera, in the downtown core stimulates the activity in the downtown area and allows for the development of not only an economically strong community, but a socially strong community as well. The Department of Economic Development continues to advocate on behalf of the City of Whitehorse and the businesses in the downtown Whitehorse area to always keep those issues in mind when we consider where government offices are located.

As well, we have done a number of good works with the businesses that operate in downtown Whitehorse. For instance, there is a society known as the Main Street Yukon Society. It's a non-profit umbrella association of retail, cultural and commercial enterprises in downtown Whitehorse. Its priority is to ensure the ongoing vibrancy and success of the downtown core.

Supported by funding from the strategic industries fund in the 2011-12 budget, the Main Street Yukon Society engaged Vector Research and Halliday & Company to undertake a study to identify tangible opportunities to encourage more tourism and visitor revenue for its members. Main Street Yukon Society's study, *Tourism and Visitor Development in Downtown Whitehorse*, was completed and has been shared with interested parties. The Department of Economic Development is currently in discussion with the society regarding potential next steps.

Going back to the findings of that study, as I recall — I believe I've read it — it noted that, while a number of these businesses are somewhat co-located downtown, and in that sense they are competitors, they found that they could work together to bring visitors into the area as a whole. They're happy to compete with them once they're here, but getting them here is a challenge. It was certainly a challenge when the visitor information centre was located up on the highway, which I believe was a decision of the NDP government in the 1990s.

Having the visitor information centre downtown and providing information to tourists and visitors about some of the businesses that are available and services that are available in downtown Whitehorse is a function that is undertaken. I guess, to reiterate, that tourism and visitor development study noted a number of things. One of the studies related to comparable areas, including the peer cities of Juneau, Sault Ste Marie, Kamloops and Yellowknife. They looked at economic measures and investigated how best to quantify and track revenue-generating initiatives. The findings suggest there is significant opportunity to increase visitor revenue through friends and family, business meetings, independent wilderness and sports/arts events from both B.C. and Alberta as well as the federally organized ones, with further development of day and multi-day products and packages and improved communication of offerings between downtown businesses as well as coordination and focus of marketing activities for downtown Whitehorse.

As I mentioned, Madam Chair, the companies and businesses in downtown Whitehorse are certainly competitive and compete with each other, but they have noted that, in some cases, it's better for them to work together to get people into the area; then once they're down there, they can compete for them. We'll continue to work with organizations like the Main Street Yukon Society, work with individual businesses that require assistance or are eligible for assistance from the department, and we'll continue to work with other departments like the Department of Tourism and Culture to promote downtown Whitehorse as a vibrant city and hub of not only the economy, but the society in Whitehorse and ensure that Whitehorse remains a key stopping point for visitors travelling through the Yukon up the Alaska Highway or down the Alaska Highway.

As well, we'll also continue to work with companies like Air North, which brings a significant number of people into the territory. When they fly in, getting them downtown is a priority so that they can access the businesses and services that are available there. I think that covers off that particular commitment and note. Of course, as I have noted, Whitehorse is a very important aspect of Yukon's economy, and we will continue to promote it as such, and we'll continue to work with the City of Whitehorse itself to promote Whitehorse businesses and Whitehorse attractions.

Mr. Silver: I'd like to thank the officials from the department for being here today. I have a few very brief questions. We'll see how brief these questions are going to be. Maybe I should ask them all at one time.

Just to begin with a little housekeeping, in the briefing we did ask for a list of projects supported by various funds in this department — regional economic development fund, strategic industries fund, enterprise trade fund — and we still, to date, have not received these. I was just wondering if the minister can advise the House as to when we shall receive this list.

My first question is going to be about the Yukon small business investment tax credit. The Yukon small business investment tax credit is a personal tax credit that reduces Yukon income tax for eligible investors who invest in eligible business corporations making qualified investments.

How much uptake has there been on this in the last two years? We'll try that, Madam Chair, and see what happens.

Hon. Mr. Dixon: I will endeavour to answer as succinctly as possible for the Member for Klondike, but before I get into that, there are a number of things I should cover. Rather than that, actually, I'll just jump right into the small business investment tax credit.

The small business investment tax credit encourages Yukoners to invest in small Yukon corporations. The program allows Yukoners to invest in eligible Yukon businesses to receive an income tax credit equivalent to 25 percent of their investment cost-share purchase. Since its inception in 1999, the program has assisted nine Yukon businesses to raise just over \$8.1 million. By way of background, the program is limited to small businesses in Yukon with assets of up to \$25 million.

The program's objectives are the following: to (1) to make small Yukon businesses' share offerings more competitive; (2) to help small Yukon businesses to expand and grow; (3) to help diversify the Yukon economy; (4) to assist Yukoners to invest in small business in Yukon. Eligible companies can make share offerings of up to \$800,000 a year, and Yukoners who purchase those shares will receive an income tax credit of 25 percent of the purchase cost. The total value of shares offered by all companies under the program in any one year cannot exceed \$4 million, thus capping Yukon government's exposure at \$1 million in income tax credits per year, which, as I said before, was 25 percent of the value of the shares. The \$800,000 limit on annual share offerings per company was set so that at least five companies can benefit from the program in any year before the maximum of \$4 million in total share offerings is reached. The program is administered on a first-come, first-served basis.

As of March 31, 2012, \$2.04 million worth of tax credits were issued under the program. No credits have been issued this year so far. Over the past decade, a number of different companies have accessed this. Air North has done five offerings; Waterfront Place Developments has done two offerings; the Takhini Hot Springs did six offerings; Nahanni Paving had two offerings; Peak Fitness did three offerings; Chilkoot Brewery did four offerings; Fifth Avenue Taxi did one offering; PneuVation Medical Inc. did two offerings; and 39187 Yukon Inc. had an offering as well.

This year, there has only been one application so far and it's under consideration currently.

Additionally, I would note that the limits that I mentioned — the caps on the program — in the case of the definition of "small business" as being \$25 million — that is set out in legislation and it's something that, up until this point, we haven't really had a concern with, but at some point in the course of our deliberations we may find reason to revisit that to determine whether or not \$25 million is an adequate number to define small businesses. I don't recall what year that number was put into legislation and when that legislation came into force, but I do know it was some time ago. At some point, it may be worth revisiting that limit and discussing it, but up to this point we haven't had a problem and it has worked just fine. I think that answers the member's questions.

Mr. Silver: I appreciate the minister's answer. On the issue of a feasibility — and I know this has been discussed earlier today in Question Period by the minister and me and I think it was touched on here today as well — if he could touch briefly on when the tender will be released. More specifically, we know that the project will cost at least \$15 million. How are we moving forward with this? Is the government prepared to cost share with Northwestel or other private sector providers? If so, can the minister maybe elaborate a bit on the discussions so far with Northwestel or with other private sector interests?

Hon. Mr. Dixon: As I mentioned earlier today, the first big commitment related to the ICT sector for this government was the creation of the Technology and Telecommunications Development Directorate. One of the things that directorate will be tasked with, as the member correctly noted, was conducting a bankable feasibility study of a second fibre optic link to the south, vis-à-vis Skagway and Juneau. The work that has been done to date is fairly little because we're still in the process of developing the directorate. As I mentioned earlier to the Member for Whitehorse Centre, as recently as yesterday we hired a director for that new directorate and we're in the process of developing the directorate's terms of reference or goals, the management framework and all those kinds of things. We're in the process of doing that right now.

Once we have a functioning directorate in place, one of the key priorities I've identified for them is conducting a bankable feasibility study of a fibre project to the south. Without an alternate route connecting Yukon to southern Canada, telephone, cellphone, data lines and Internet service are all affected when the existing fibre connection fails. An alternate link would enable an almost immediate switchover of voice and data traffic with minimal degradation in service, improving the level of

reliability to the consumer. An initial review of the different routes available determined that the most viable route for a secondary fibre link would be through Alaska. As I mentioned earlier, of course we are open to considering other options, whether it be an Arctic underwater route or a Mackenzie Valley route in Northwest Territories, but our primary focus at this point, based on the likelihood of the project being successful, is through Alaska and, more specifically, through Skagway.

Northwestel and other potential service providers have indicated that the expected revenue generated from an alternate fibre route will not cover the investment and operating costs. Therefore, alternate measures of financing would be required for the project to proceed. So the work that we've done to date is at a very high level — the political level.

The Premier, the Minister of Energy, Mines and Resources and I have discussed the concept of a project with the Governor of Alaska and his staff. They seemed genuinely supportive and eager to take the next steps. Those next steps include, as I mentioned, the development of the directorate and getting that directorate functioning. Then once we've determined how we would proceed in conjunction with Alaska, we would enter into those discussions with them and have those discussions.

With regard to the financing, it's an interesting question. The member is right; as I mentioned earlier, others have indicated that, as a stand-alone project, the private sector simply doesn't have the return on investment to do this, so I think we'd be willing to explore a number of options. As I mentioned to the Member for Whitehorse Centre, there's a tremendous opportunity for First Nation governments to get involved in this. I think there's tremendous opportunity for First Nation development corporations to be involved, and there's also the possibility that the Government of Yukon could be involved. The possibility also exists that the federal government could become involved through a number of mechanisms that they have.

Industry Canada has a role to play. They advertise themselves as being involved in the telecommunications world. CanNor would naturally be the first place we might look. But what we have seen, of course, is that the federal government has demonstrated over the years a willingness to engage and invest in the north, and particularly in infrastructure. If we were to create a project through a feasibility study and present it to them, there's a possibility that they could get involved.

Once you have a project, though, the question becomes: How is it operated, and what does the ownership model look like? Again, we are not quite there yet in determining the answer. As I have said, any of the players and governments I've suggested could be involved, but I would think that one of the things we would want to consider is what other jurisdictions have done. What has Alberta done? What has Alaska done? What has British Columbia done? We could take all those things into consideration when we chart out a course for how to move forward.

I don't have a date or anything like that for the Member for Klondike with regard to when a tender may go out, but I would suggest that it will be a little bit more time because we don't quite have a functioning directorate in place yet. I am not com-

fortable committing to a specific time for when a project might go out for tender.

I will say that we have identified this as a key priority, especially for the Department of Economic Development. It's something I look forward to moving forward with. Hopefully, it will involve our partners in Alaska and will naturally involve significant contributions from the private sector. I know at least one private sector company here in Whitehorse that has done this kind of work before and looked at this project, and they found at that time that it wasn't feasible for them to do. So we will of course contact them and determine how we can build on the work they've done, what we can add to their work or what we can draw from their work and that will be how we chart out the course forward.

I think I've answered the member's questions — as best we know currently what an ownership model might look like. I am unfortunately not in a position to give him firm timelines around the specific project.

Mr. Silver: I do appreciate the minister's response. Just a quick question. The department normally produces an economic outlook. Could the minister tell us when this will be released?

Hon. Mr. Dixon: Typically we release the economic outlook at the end of the calendar year and then revisit it in late May or early June with the most up-to-date data we have. I know the Business and Economic Research branch is working on that currently. Since it's early May, I would expect them to be in full swing with regard to the work they do.

So what they'll do is collaborate with a number of other organizations throughout the country in assessing the global picture for the economic outlook of the entire world and consider that in conjunction with the outlook for the country — for Canada — and then take into consideration the input we've had from companies in the mining sector and the tourism sector, in the oil and gas sector and in the small- and medium-size enterprise sector, as well as, I assume, talk to chambers, et cetera, in determining our outlook.

When we release the outlook in May, we always try to use the most accurate and up-to-date data but, as everyone knows, things can change fairly rapidly and sometimes we have to return and revisit those outlooks.

One of the other interesting things that is worth noting is that the Conference Board of Canada has established its Centre for the North, which is certainly welcomed by the Department of Economic Development and the Yukon government as a third party, outside independent provider of information and speculation about the Yukon's economy. The Centre for the North is still in its early stages. I think it was established five years ago — in 2008, I believe. Although, as I said, we welcome the Centre for the North very strongly, we sometimes have different figures and different outlooks on the territory's economy, and that isn't a disagreement or a case where we have a difference of opinion. It's simply that we look at different numbers and different statistics. In some cases — in my opinion, at least — the Yukon government has more up-to-date data because we have closer proximity to the economy here of course.

For instance, the Conference Board of Canada is speculating quite considerable growth for the territory in this year. The Yukon government is maintaining of a bit of a more conservative outlook for the territory. Nonetheless, what everyone can agree on is that the Yukon continues to be a strong economic player and that our economy is growing faster and stronger than most other economies in Canada. That's something that we are very proud of and that's something that we intend to continue to get the story out on and discuss with our colleagues both in Canada and abroad when we highlight Yukon's economic performance.

So, to answer the member's question, we put out an economic outlook toward the end of the calendar year and revisit it with the best and most recent information in late May or early June.

Mr. Silver: It has no doubt been a rough six months in the Yukon here for potential mining companies moving forward. Brewery Creek is not moving forward. Victoria Gold announced that they will suspend construction and that project alone would have contributed hundreds of millions of dollars into the local economy at the production stage.

Could the minister elaborate on his views of the immediate future in the mining industry in terms of new projects? Does he foresee Victoria Gold opening next year? Has his department met with the proponents of either the Eagle project or the proponent of the Brewery Creek project in the past and, if so, do they list concerns other than the global investment climate?

Hon. Mr. Dixon: Mr. Deputy Chair, the member is quite right of course. We have seen a recent slowdown in the prospects in the mining industry and that's primarily due to the international investment market. Of course it is becoming more and more challenging every day for small- and medium-sized mining companies to attract investment and raise money to bring projects forward.

That isn't something that's unique to the Yukon; it's certainly Canada-wide and I would go so far as to say it's a global issue. Raising money in this current market is difficult, even for the best of projects. That's why we've seen announcements like the one made very recently by Victoria Gold with their Eagle project — they would be delaying the construction because of those markets.

I won't comment on whether I think a specific project will go forward or not — I don't think that's beneficial — but what I will say is that, when we're faced with markets like this, it really highlights the need for the Yukon government to continue to promote the Yukon as a good place to invest. We really need to get out even more than usual to try to attract capital to the territory. There is capital out there; it has just become increasingly competitive and increasingly difficult to access.

When we go out there and promote the Yukon, we have to consider the fact that there are projects around the world that are competing for the same dollars, and when those dollars aren't being spent or are being spent even less than they have been previously, that work becomes ever more challenging.

As I've noted before in this House, we believe that we need to focus on attracting investment from outside our borders. I have highlighted the fact that Europe, North America —

particularly the United States — and Asia are key target markets for capital. I have attended — for a lack of a better term — trade missions to a number of places throughout the world, including Europe and Asia, as well as the United States. What we can do in this sense is more of the same, I think, and improving on what we've done already. We need to get out to those financial hubs, get out to the key financial markets in the United States, Europe and Asia, and really tell our story, and explain what a fantastic place the Yukon is to invest and why investors should choose Yukon over any other resource market in the world.

But we don't just do this alone. We do it in conjunction with industry as much as we can. Industry organizations like the Yukon Gold Mining Alliance provide an excellent venue for us to collaborate with industry to get out and tell the story of the Yukon and its investment opportunities.

We have seen some turnover recently in the Yukon Gold Mining Alliance in terms of some of the companies involved, but the two the member opposite mentioned — Golden Predator and Victoria Gold — were both members. Victoria Gold is still a member, I believe. We work with that industry organization to identify new areas we should focus on and other areas we may already have focused on but need to provide additional resources toward or to enhance our focus on.

We'll continue to do this; we'll continue to work with industry to raise the profile of Yukon in international markets; we'll continue to get out and attract capital to the territory, and we'll continue to encourage projects in the territory to join us and to provide us with input as to how best to do that.

While a few projects have been delayed, I note that a number proceeded quite well. For instance, Alexco's Bellekeno mine — you can look at it as a mine expansion or as two new mines, but the Onek project and the Lucky Queen projects in the Keno district were recently provided with quartz mining licences and are moving ahead.

A number of projects are in the advanced exploration stage that have still been able to access financing. Kaminak, for instance, with their Coffee Creek project, continues to be a very exciting project and one that has been enjoying a significant amount of investment over the past couple of years.

Of course Western Copper maintains confidence in their Casino project, which is a very large copper/gold project north of Carmacks. There are a number of projects throughout the Yukon that we remain very optimistic about. That being said, with regard to the specific projects, I think I will defer to the Minister of Energy, Mines and Resources about where they are in their various permitting stages. I don't have that breadth of knowledge at my fingertips, but I will say in a general sense that attracting investment remains a priority of this department and, in the current markets that we are experiencing, that becomes ever more a priority. We'll continue to do that, and we'll continue to work with industry organizations to attract capital to the territory.

Ms. Hanson: When I'm looking at the business and industry development area of the Department of Economic Development and I look at the website in that area — the Business and Economic Research branch — as a matter of keeping

abreast of what issues the branch and the department are doing research and analysis on, and providing reports, which it says is to "...support a broad understanding of the economy and the assessment of its impacts on Yukon's fiscal position, budgetary projections and financial decision making."

In light of the last phrase, I was intrigued to see under "What's New" on the Business and Economic Research branch a report that has been added. I'm surprised, quite frankly, to see the "Alaska Canada Rail Link Phase I Report" being added in 2013, a report that was completed at least six years ago — maybe seven. It was launched in 2005. It seems to me that that feasibility study — when you read again through it, there was a lot of response to it and not very much of it was positive by either this Yukon government or the Alaska government.

I can understand that there is some interest in terms of establishing a new north Pacific Rim trade corridor in the context of making that link to ports to develop an opportunity for bulk mineral traffic, but one of the major areas described in that report, as people may recall when they think about this all those years ago, is that there was a significant emphasis on exporting of coal, which I had thought we weren't particularly interested in doing. But maybe the minister could elaborate and give us a status as to what is new about this report and why Economic Development is featuring it as a must-read on their website.

Hon. Mr. Dixon: The Alaska-Yukon rail link study was one that was completed a number of years ago in conjunction with the State of Alaska, and when it was completed it was hosted on an independent website that was specifically for the Alaska-Yukon rail study. That website has recently gone offline, and we were asked to provide a host for that study, so we reposted it on the Yukon government's Economic Development website quite recently. Hopefully, that explains why it is back on the website for 2013.

With regard to what a railway might ship one day, that is something we haven't even looked at. There are a number of natural resources in the territory that might benefit from rail. Those include any of the base metal projects that are in the territory, whether it's the Selwyn's zinc project or a tungsten project or Casino's copper project — any number of the projects that exist in the territory would be interested in an Alaska-Canada rail link.

I'm not aware of any coal projects in the Yukon that are being proposed, so I'm not sure where the member is coming from.

As well, there has been a bit of renewed interest in the possibility of rail, and not just for shipping ore from the Yukon south or north, but indeed as a possibility to haul bitumen from Fort McMurray, Alberta. There is a company in Alberta called G7G Ltd. that has met with both the Department of Economic Development, as well as the Grand Chief of the Council of Yukon First Nations and a number of affiliated chiefs, to discuss a rail project to Valdez, Alaska. In a CBC Radio story about the project that aired on March 1, former NND Chief, Simon Mervyn, was quoted as supporting First Nations taking the lead on a northern railway. We know that there is interest out there in the possibility of a railway, whether it be for shipping bitumen from the oil sands or minerals and ore from the Yukon, but to

be perfectly honest, I think those kinds of projects are good to talk about and good to consider, but I'm a little bit sceptical about the economic viability of them.

That being said, I most certainly don't want to pass judgment. I'm not an economist or an engineer and I'm not involved in either of the industries that would benefit from it, so my opinion is just my own. We will continue to work with anybody who's interested with regard to advancing study on projects that might benefit Yukon's economy.

As I mentioned, G7G is one of those companies that has expressed an interest. That's a B.C.-Alberta-based company that's developing and promoting the concept of a purpose-built railway. The concept is predicated on their belief that super-tanker traffic will not be permitted off the coast of British Columbia and that the market for oil will stay strong, and the Alyeska Pipeline has a diminishing supply. G7G has partnered with AECOM to do an initial investment of the project and determine that the concept may be viable.

Part of this is driven by the Government of Alberta, which is, as we know, looking for options for exporting their bitumen from the oil sands. Of course, the Pacific pipeline is being considered currently.

The Keystone pipeline is also being considered presently by the American federal government as high up as the President's office, I understand.

The Government of Alberta is also considering the possibility of reversing some existing pipeline infrastructure and shipping east and then of course, as a hedge against a number of those projects, they're looking at other options, including the possibility of a rail or a pipeline north.

Certainly the Premier of Northwest Territories has been very vocal in his support of hosting a pipeline or a rail north to their ports. We have been a little less optimistic than Premier McLeod, but we remain open to talking about these issues, investigating and discussing them. If there is a project that is viable — and in this case, apparently with the support of Yukon First Nations as indicated by some media — we would consider it. But of course no project has been presented to us in a real strong sense so we wouldn't be in a position to comment specifically on it, but we're willing to work with whoever wants to work with us to determine whether or not projects are feasible.

Ms. Hanson: Well, it is interesting to know — and I do know that quite a number of websites have recently closed down, so I can now tell them that they can contact the Minister of Economic Development and he'll be pleased to host them, so we'll see any number of new reports going up there. I mean, if it's not relevant to the Yukon, then why is it there?

Some Hon. Member: (Inaudible)

Ms. Hanson: You paid for it. It was a waste of money from many people's perspective, and now we're saying that you want it, you don't want it, you can't explain exactly why it's on the website — a lot of conjecture. It's very interesting, Madam Chair.

I have no more questions for the minister.

Hon. Mr. Dixon: It's very interesting to hear the perspective of the Member for Whitehorse Centre and the NDP

that conducting studies in collaboration with the State of Alaska is apparently a waste of money. It's very disappointing that such collaborative efforts on behalf of Yukoners working with the State of Alaska would be so casually and callously dismissed by the Leader of the NDP.

We do know that any effort that they can undertake to stymie the economic growth in the territory will be taken by them, so I'm not surprised at all to hear such negative comments about the possibility of economic growth in this territory.

In response, though, I have to say it to her question: why would we host this on our website? Well, we paid a portion of the cost to do this study. Alaska, of course, paid the majority, which we certainly appreciate. I believe Alaska's share was about 50 percent of the project and Yukon contributed some — and there is federal money in there as well as money from the University of Alaska. I think it makes sense for the Yukon government to put a study that we partially paid for on our website. I don't mean that as an invitation for all websites on the Internet to come to us when they have websites closing, as the Member for Whitehorse Centre has suggested, but when there's something available on-line that is soon to be not available on-line and we paid for it, I think it's only reasonable that we might offer to host it on our website.

It sounds like we're ready to get into line-by-line discussion, so I look forward to that.

Chair: Is there any further general debate on Vote 7?

Prior to going into line-by-line discussion, would the members like to take a break?

All Hon. Members: Agreed.

Chair: Committee of the Whole will recess for 15 minutes.

Recess

Chair: Committee of the Whole will now come to order. We are proceeding with line-by-line in Vote 7.

Ms. Hanson: Pursuant to Standing Order 14.3, I request the unanimous consent of Committee of the Whole to deem all lines in Vote 7, Department of Economic Development, cleared or carried, as required.

Unanimous consent re deeming all lines in Vote 7, Department of Economic Development, cleared or carried

Chair: Ms. Hanson has requested, pursuant to Standing Order 14.3, the unanimous consent of Committee of the Whole to deem all lines in Vote 7, Department of Economic Development, cleared or carried, as required. Are you agreed?

All Hon. Members: Agreed.

Chair: Unanimous consent has been granted.

On Operation and Maintenance Expenditures

Total Operation and Maintenance Expenditures in the amount of \$14,609,000 agreed to

On Capital Expenditures

Total Capital Expenditures in the amount of \$1,091,000 agreed to

Total Expenditures in the amount of \$15,700,000 agreed to

Department of Economic Development agreed to

Chair: Committee of the Whole will recess for two or three minutes while we wait for officials.

Recess

Chair: Committee of the Whole will now come to order.

Department of Energy, Mines and Resources — *continued*

Chair: We're going to resume general debate in Vote 53, Department of Energy, Mines and Resources.

Hon. Mr. Cathers: Thank you, Madam Chair. I believe since you have indicated that I have roughly 13 seconds remaining, I will simply sit down and await questions from members opposite.

Mr. Tredger: I'd like to welcome the officials from Energy, Mines and Resources and thank them for taking the time on a sunny day to come out. On behalf of the NDP, I would also like to thank them for their briefing notes. We found them very helpful and much appreciated.

I have a number of questions, so I'll keep my introductory remarks relatively brief. I would like to speak about some of the ideas that will inform my questions and, I think, inform where we're headed with this. My first concept is that the greatest natural resource Yukon has is its people.

Communities and neighbours live, work and grow together. It's the people who make the place tick. It is important that decisions are made by all involved and that there is collaboration, consensus and consultation. It's important that we have access to information and that there is an open and honest dialogue. Yukon people need the opportunity to listen and be heard.

The key initiative to creating and maintaining healthy environments requires ongoing attention. We must continue to invest in what truly makes people healthy. This requires the effort of the entire community, led and supported by a whole-of-government approach. It's not always easy, and it's not always quick. It takes resolve, and it takes determination.

There is no place for ultimatums or for litigation that divides and shows disrespect. Furthermore it's part of our government mandate to advocate and provide meaningful information so that people, communities, organizations and government have the knowledge necessary to make appropriate decisions when faced with balancing the potential benefits and harm of a given situation — and risks. We must consider all the people and, in this case, the entire population, present and future, and give thoughtful advice for actions that will promote fair opportunities for individuals, families and communities to enjoy.

All departments of the government, all members of the Legislature and all communities must work together, not in isolation, not separate, but together so we can accomplish what is necessary to achieve a truly healthy community.

I also like to keep in mind our relationships with First Nation governments. We are and operate on the traditional territory of the various governments. Both governments, the First Nation governments and the Yukon government in conjunction with the federal government, have made commitments and have obligations to the land and the people on it. Through the land claims process, self-government implementation, we are creating a truly unique society. We have parallel governments working side by side. Our relationship with First Nation governments must be focused on respect, mutual cooperation and communication.

I believe, and the Yukon NDP believes, that the benefits of resource extraction and industry accrue to all Yukon people. With industry there of course may be economic benefits that should have a positive impact on health status. However, we cannot simply assume that more money equates to a healthier population. The money needs to be garnered in a sustainable way that respects the land and the people and used strategically to promote good health.

It will be important to ensure that the overall gains are greater than the losses. The economic status of individuals in communities is an important determinate of their health. However, there are many other factors resulting from industry development that can have strong negative impacts. Unless proper controls and oversight are put in place, there is a risk of spoiling any benefits from economic gains through adverse health outcomes.

All research shows that to gain maximum benefit, local citizens need to be consulted, involved and empowered. This has benefits financially as well as improving the health of the local community. I am pleased to say that industry is becoming aware of this. Mining companies in the Yukon are going the extra step to include local communities — to work with the people in Pelly Crossing, Mayo and Watson Lake.

They're working closely with the local community, and enabling the community to feel like partners. A big fear of local Yukon people, and especially Yukon First Nations, is that they will be left aside, sitting and watching as trucks roll in and out of their territory. It is not only a question of money, but one of respect. Fair and equitable payment for our resources is crucial. We, the people of the Yukon, own these resources. They are a legacy gifted to us for now and for our children. The NDP will stand up for Yukoners, and we will fight for our share to ensure that all Yukoners benefit and have a say in the development and extraction of our nonrenewable resources. We can and must work with industry to ensure it is viable.

We are also compelled to be stewards of the land. We need to listen to the elders, to enrich opportunities for people to be on the land to be our eyes and our ears. We need to involve communities and elders, renewable resources councils, hunters, trappers and NGOs, like the Yukon Fish and Game and the Yukon Trappers Association, and citizens who spend time on our lands and waterways.

This is our opportunity to establish and formalize oversight, first-hand observations and early warning systems to recognize and mitigate changes to our environment. We need to gather information and baseline data in order to make informed

decisions. We need to be aware of climate change to mitigate the effects, but also to take steps to prevent further climate change. Our biologists, our civil servants, need local people to be involved. The inspectors, the personnel who are charged with the task of providing oversight and direction of activities on our land need to work hand in hand with those who are on the land.

We also need to be aware that there are systems in place, and it is important that we honour and respect those systems in order that the people have belief and trust in them and in order that people know their concerns will be addressed fairly and openly and so that people know that communication and consultation is transparent and open to all — and part of doing business in the Yukon.

There is need for real local involvement now and in the future through the process. We need reassurances that there are no shortcuts being granted that allow back-door entry to our land — that everyone plays by the same rules. We need regular audits that evaluate the effectiveness of our systems and whether they are working. Have we determined that the recommendations and mitigation efforts are working? Is there follow-up? The protection of our community, the safety of our labour force and proper stewardship of the environment are important and critical roles for the government to play.

Not only must we be accountable, but we must be seen to be open, transparent and accountable.

We need to consider the cumulative effects of many projects in one area and whether or not our infrastructure and our human resources have the capacity to deal with them. We need to ensure that there are resources to provide proper inspections and oversight of our projects.

I would also like to talk a little bit and ask questions about our energy, our land use planning, agriculture, forestry, and maybe through it all, the importance of data and the fact that that data will be available to all Yukon people and consequently drive decisions that are evidence-based and driven by science in order that we can leave a legacy, not only for the people of today, but for our children and our children's children.

I'll move from there into some questions. How much time do I have left, Madam Chair?

Some Hon. Member: (Inaudible)

Mr. Tredger: Some time? Okay, I won't take long.

I've raised the issue before of keeping good statistics and information on mining in the Yukon. Last year, Bill Lupien at the gold mining summit referenced the need for more data — investors want this; mining companies want this; people who are looking after the environment and making decisions want this.

In light of the uncertainty in the markets, it's all the more important that we have access to good, clear data. Alaska, our neighbour, keeps meticulous records on all aspects of mining and publishes the information annually in the Alaska mining industry reports. Mining companies, policy-makers and investors want to know more about mining than in the old days, when all you needed to know was where the Bonanza was.

The reports from Alaska that I have read are a gold mine of information. They break Alaska into regions and then focus on exploration, development and production. They provide reams of information on everything: historic commodity prices; employment figures in focus; exploration development and production sectors; total industry employment; exploration expenditures by region; exploration expenditures by deposit type; exploration expenditures by commodity; production statistics for each mine; sand and gravel production; corporate income tax; revenues and royalties; current and historic drilling footage by region; estimated first market value of mineral exploration, et cetera.

As the minister is aware, mining and exploration companies are facing an investment crunch. Part of convincing investors is to provide well-researched information. Yukon and Yukon people need more information to stay competitive. After all, information is power and while we do have much data and much data being gathered, it's important that it be clear, transparent, collected in one spot and accessible — easily accessible — in order that we can make research-based, evidence-based and scientific decisions based on data.

Will the minister commit to the production of a manual modelled on the Alaska mining industry annual report, available to the Yukon people?

Hon. Mr. Cathers: Before I continue answering some of the questions that members had asked yesterday that I didn't have a chance to speak to, it's very interesting what we hear from the NDP Member for Mayo-Tatchun. It's really quite hard for me to understand how he and his colleagues fail to see the connection between royalty rates and — on the one hand they demand royalty rates be hiked to do what they characterize as giving Yukoners a fair value for resources, and then in a later paragraph the member talked about uncertainty in markets, about the importance of attracting investors and about the importance of staying competitive.

I really find it hard to understand how the member can fail to see the connection between the fact that, if government continues hiking taxes and royalty rates, investment capital goes elsewhere. Whether we like it or not, the Canadian economy is increasingly competitive for investment capital. Investors, including both large- and small-scale investors, have choices about where they can invest their money, and in jurisdictions that are very expensive to operate in, consistently change the rules and increase the taxes, or nationalize the rights that they have issued to companies, such as Third World countries do — that has been a significant cause of some major mining companies having difficulty raising money in the marketplace.

Some of them have recently been burned in their investments in Third World countries and have been forced to take significant write-downs in the value of those assets as a result of the countries they were in choosing to either nationalize those assets or seize a greater share of them than they had been led to believe when they started doing development work in those areas.

We know the NDP's position. When members of the mining community are in the House, they extol the virtues of mining and its place in the community and then when those people

leave the gallery, they talk about hiking royalty rates and assert that Yukoners are not getting a fair share for their resources.

What I would again emphasize, as I've said in the past, is that royalty rates are not the only way government derives financial benefit from resource development. In fact, we receive a significantly greater benefit from the income taxes generated as well as the economic value of both direct and indirect employment.

The fact that the production figures — \$420 million in mineral production I believe is the number from last year — going into the Yukon economy has a significant benefit, not just to those who are employed, but also to their families, to the people they purchase from, to the restaurants they visit, to the place where they buy their home heating fuel, to the stores where they purchase their snowmobiles, their boats, their kitchen cupboards and their light fixtures. Everything that they buy is a result — everything they purchase within the Yukon economy is going to some other Yukoner as a result of their job working in a mine. This also affects people who work in the service sector for mines and this net effect has been quite significant in the Yukon economy. It is a major increase in the private sector economy within the past decade.

As a result of that, I would again point out that two of my colleagues tabled motions today urging the government to reject calls from the Official Opposition to end the free-entry system of mining and to increase royalty rates on placer miners. I pointed yesterday to the fact that placer miners have a lot of costs and a lot of challenges and, in fact, the production of placer gold within the Yukon has gone down since the 1980s and that is in part due to the increased environmental costs of dealing with more stringent discharge standards for water and increased paperwork and environmental costs that they face today versus what they faced in the 1980s.

To increase the rates for placer gold would, in our opinion and based on the best information we have, certainly negatively affect that sector of the economy and would probably keep certain operators from either being in operation or hiring additional people. They would look for areas to cut costs and that would mean that they are not spending money either on development of their project, on hiring people or on upgrading equipment, et cetera.

For placer mining, the most positive benefits to Yukon come from direct jobs and through the service and supply sector. The benefit to government is not through the royalties but through the income in business taxes from the sector. Revising the royalty for the placer mining industry would result in extra costs to operators and less money for placer miners to spend in the local economy.

I would point out that placer mining has played a significant role in the Yukon economy during every time period that the Yukon economy has been doing well since the gold rush in 1898, so over a century later, placer mining is still an important and valued sector of Yukon's economy. It has a long and valuable role not only in the economic well-being of the Yukon but also within our history.

Having spent most of my life growing up with a family who was in the tourism sector, and then myself being in a tour-

ism business, I can tell the member, as others who are currently in the tourism business will tell him, that the Klondike Gold Rush is a major part of what attracts a number of our visitors to the territory. They come for a variety of factors and it depends on the individual tourist what their primary reasons are. The history of the Klondike Gold Rush, the Yukon's cultural history related to the Klondike Gold Rush and the ongoing placer mining in the territory are major factors for a significant portion of the Yukon's visitors — why they come here, what they're interested in, what they would like to see. It is one of the reasons we have supported and my colleagues and I have encouraged the federal government to ensure that steps were taken to keep Parks Canada sites open, despite the federal decision to reduce funding for those.

We appreciate the fact that the federal government responded to our identification of keeping the *SS Klondike* open for guided tours and keeping Dredge No. 4 open. Of course, we look forward to seeing how well the plan they've come up with works and evaluating that, based on the success of a season.

We do appreciate the fact that, while we would have preferred that they had not made the cut in the first place, they did agree to our primary request, which was to ensure that these valuable tourism assets remain here for Yukoners to see because that history of the gold rush is very important to Yukoners and the era of the dredges that followed the gold rush is something that a lot of people find very fascinating.

It is challenging to be successful in placer mining. Fuel prices, increased operating costs related to more stringent federal regulations, labour and lower-grade ground than existed in past eras all affect the profitability of the industry. What I should note is that while there are still areas of high grade, for some of the placer miners who are operating within areas that have had placer mining in those areas and on those creeks for years, in some cases they are still on profitable ground, but are dealing with a lower grade of gold within the gravel deposits there than they had in previous times.

Even given the recent ups and downs of the placer mining industry, it's still a key contributor to the Yukon's economy. Placer miners hire local workers and buy local goods. It is estimated that the 140 placer mines that operated in Yukon last year employed about 450 workers and generated about 600 additional jobs in related service and hospitality sectors. Again, that's a very significant portion of the Yukon's workforce. What I should note, in terms of comparison for members opposite, is that, in 1989, more than 165,000 ounces of placer gold was produced, whereas just over 50,000 ounces were produced in 2012. Again, in fact, we think that we should be concerned about the challenges faced by the placer mining industry, not erecting additional barriers and levying additional taxes or royalties on them like the NDP.

I think it has also been shown very clearly when we saw in late 2002 — I believe on December 16, 2002 — when the then federal Liberal government, with Minister Thibeault, unilaterally announced without consultation with the Yukon government that they were ending the placer authorization. We saw the grave concern that caused, not only within the Yukon's placer mining community, but throughout much of Yukon so-

ciety. We saw the rallies that occurred with members of the public coming out to support the placer mining industry and support their friends, family members and customers within the placer mining sector.

We understand the NDP's position is that the government should hike the placer royalty rate. I would hope that they will be equally frank about their position when members of the mining community are in the gallery instead of extolling the virtues while demanding that government hike royalties that would probably put some people out of business. This government's position will continue to be that we will not raise the royalty rates on placer miners. I believe our first major announcement from the 2011 election campaign was the commitment we made not to raise taxes and not to raise royalty rates. We will continue to honour our commitments.

Moving to a few questions that were asked yesterday, as far as the challenge of getting eggs into stores — that was asked by the Member for Takhini-Kopper King — sales of eggs at local farmers markets are allowed. Face-to-face sales do not require egg grading and we do have high-quality local eggs produced through our farmers that are fresh and high in quality. Egg grading is required to sell into stores and that is under the Yukon *Public Health and Safety Act*, but is consistent with requirements across the country. Egg grading is a federal responsibility under the Canada Food Inspection Agency. The Agriculture branch recently brought a federal CFIA inspector to the territory for a workshop on egg grading in the Yukon and to explain to local farmers what would have to be done to meet those requirements.

I know the term “egg grading” is one that not everyone necessarily knows what it means. We do have a pamphlet available from Agriculture branch for those who are interested in more information, which I will quote some excerpts from for the members to basically answer that question and illustrate how the system works.

Currently all eggs produced in Yukon are ungraded. As such, egg producers in Yukon may sell eggs to the public only through a sale completed directly between the producer and the consumer. Producers may connect directly with customers through public advertisements and can sell their product at a local farmers market. Ungraded eggs cannot be purchased for resale or the commercial preparation of food.

Under the authority of the *Public Health and Safety Act*, eating or drinking places regulations and Environmental Health Services require that all food and drink brought into these places come from approved sources. Ungraded eggs do not come from an approved source as they are not processed in a regulated facility where all of the required quality control procedures are in place.

As far as the question as to why eggs are graded and what that means, grade requirements are set for eggs to protect the public from undue risk. In grading eggs, factors of interior quality, cleanliness, shell construction and weight are all considered. These factors are related to safety, wholesomeness and quality. Eggs are graded in a federally registered egg station to ensure they are handled and packed in a sanitary environment.

Regulations to protect consumers require that eggs from federally registered egg-grading stations be clean and free of leaks, cracks or other defects that could present food safety problems.

These eggs are graded as Canada A consumer grade eggs. Eggs not meeting the Canada A grade standard are either processed for other purposes, such as baking, or, if rejected, removed from the food system.

What happens in an egg-grading station is that eggs are received, washed, candled to check for cracks, weighed and packed into containers with the applicable federal grade name in an inspected sanitary environment. The Canadian Food Inspection Agency, or CFIA, inspects all registered egg-grading stations to ensure that proper sanitation and operating requirements are being met. CFIA takes environmental samples at egg-grading stations to detect the presence of salmonella. The CFIA also collects samples from egg-grading stations as part of its testing program. It is possible for operators to get registered as a federally registered egg-grading station. Operators apply to the CFIA to have an egg-grading station federally registered. Operators must show the agency that they meet all the requirements of the egg regulations. The requirements cover all aspects of operation, including construction, equipment, access to potable water, and the handling and packaging of eggs.

All the requirements are designed to ensure that eggs coming from federally registered egg-grading stations are handled and packaged in a clean, sanitary environment and properly labelled. For on-farm tips for handling eggs, including the fact that eggs are a perishable food and whether they are being used personally or for farm-gate sales, they must be handled properly so that they don't pose any food safety risks. Improper handling also reduces the quality of the egg. Tips for safe handling include that eggs should be washed with clean water as soon as they are collected, and the temperature of the wash water should be around 43 degrees Celsius. The temperature of the wash water is important — if it is too cold, harmful bacteria may be drawn into the egg. Washing under a continuous flow of —

Some Hon. Member: (Inaudible)

Point of order

Chair: Ms. White, on a point of order.

Ms. White: Thank you, Madam Chair. Standing Order 19(d) refers to reading unnecessarily from *Hansard* or another document.

Chair: Mr. Cathers, on the point of order.

Hon. Mr. Cathers: The Member for Takhini-Kopper King asked me a question yesterday about egg grading. I'm responding with excerpts of information about it that I thought were relevant to the question she asked.

Chair: Ms. White, on the point of order.

Ms. White: I didn't actually ask about egg grading. Egg grading was not in my question.

Chair's ruling

Chair: There is no point of order, but I would ask the member to move it along.

INTRODUCTION OF VISITORS

Hon. Mr. Pasloski: With your indulgence, I would like to introduce the Premier of the Northwest Territories, Hon. Bob McLeod. He is in town for the beginning of the 11th annual Northern Premiers Forum. I would like to welcome him here. I would also like to introduce the Premier of Nunavut. Unfortunately, because of the inclement weather in Nunavut, she was unable to get out and will be joining us tomorrow via telephone. We are getting together to talk about northern issues, about working together and really strengthening our communities and, in fact, strengthening the north and all of Canada. The theme of this year's forum is "Driving the Canadian Future with a Northern Vision". So I would also like to invite all members to be in the foyer after conclusion of business today for a reception, and then tomorrow we will be getting down to business and dealing with issues that are important to the north.

I would ask you to join me in welcoming the Premier and his other guests with him as well.

Applause

Hon. Mr. Cathers: I'd like to also welcome Premier McLeod to the gallery. It's a pleasure to see him here today.

Returning to the question that I was answering, actually the Member for Takhini-Kopper King was mistaken. She may have thought she didn't ask about egg grading, but she did ask why eggs can't get into supermarkets, and that was the reason I was explaining what it was. Since the member didn't seem to be interested in that answer, I will allow her to pick up a copy of the pamphlet, *The Sale and Use of Ungraded Eggs in Yukon*, that is produced by the Agriculture branch and is available there and at Environmental Health Services. But the simple answer is that we would be happy to allow Yukon eggs into Yukon supermarkets, but they do need to meet the standards set out by the Canadian Food Inspection Agency.

The Member for Takhini-Kopper King asked about the B.C. mountain pine beetle and whether the mountain pine beetle was in the Yukon. The mountain pine beetle has not been detected in Yukon as yet. There are confirmed detections within 80 kilometres south of Yukon's border, or roughly 50 miles.

Yukon government is a member of the *National Forest Pest Strategy*, which allows Yukon to collaborate with other provinces and territories on monitoring research and expertise.

Forest Management branch's forest health program has been monitoring the mountain pine beetle in northern B.C. through aerial and field surveys since 2009. Results were reported in the *2011 Forest Health Report*, and monitoring results from the summer of 2012 are reported in the *2012 Forest Health Report*.

An interdepartmental Yukon mountain pine beetle committee was formed to assess the risk to Yukon pine forests, identify information and research gaps, provide management options and communicate with First Nations and the public. I would note, as well, that work we're doing around the vegetation inventory is a good example of the type of information that

is helpful to us to understand what is going on in our forests and the situation around forest health.

I believe you are signalling me that my current time has elapsed, so I will sit down, Madam Chair.

Mr. Tredger: I'd like to move on to security, and security held for mining projects. The government asks for security and it is held to ensure that proper cleanup and closure must be done when a mine site is abandoned or a project is abandoned or people move on.

That security must be high enough to ensure it's in the company's best interest to fulfill all of its obligations. What we want is a company, in a sense, to pay itself for cleaning up, rather than abandoning it and leaving the government to pay for it at potentially a much higher cost.

Given the rising costs in today's world, there is uncertainty of financing and uncertainty of many of the companies that are here of the ability for global and international movement of money so that a mine that is in production can be bought, sold and moved very, very quickly and much more quickly. It's a serious concern not only to the mining community, but it must also be to the government itself.

We've got a number of mine sites that we are cleaning up in type 2 and type 3. Currently there are 11 projects in the Yukon that we have collected security for: Alexco, Carmacks, Golden Predator, Kaminak, Ketz River, Kudz Ze Kayah. Minto, Sa Dena Hes, Selwyn, StrataGold, and Yukon Zinc. The total amount held pursuant to the *Waters Act* is \$8,400,000 and, pursuant to the *Quartz Mining Act*, the total amount is \$48,176,157. The total of all that is just about \$56,580,257.

Given the fact that Mount Nansen, which is one-tenth the size of the Minto mine, is now costing us close to \$100,000 in accumulated dollars, and for the cleanup there is no end in sight, and the Faro mine has cost hundreds of millions of dollars and promises to cost more and we're talking centuries for the ultimate cleanup, the Yukon has come a long way to address the concerns of environmental liabilities caused by mines and to protect the taxpayers. I must commend the mines and the Yukon government for working through progressive reclamation.

However, given the uncertainties in the market, the rising costs and the apparent small amount held in security, I have a number of questions around that. I will give them all to the minister at once.

The reports from an independent assessor are made on each mine site and, I assume, updated on a regular basis. Will those reports, or can those reports, be made to the public so that we can reassure the citizens of Yukon that indeed the amounts are right? Will the government be reviewing its regulation laws and the amounts of security to ensure that Yukon and Canadian taxpayers are not left on the hook? Would the minister report back to the House on this in the next session?

Hon. Mr. Cathers: I do think that when we get into these discussions — unfortunately, it's not the first time I have heard this line from the member opposite — I don't do the assessments. Ministers don't do the assessments. We have staff who do it. We hire consultants when it is necessary to do so.

In the case of mines, using Capstone's Minto mine as an example, government and the mine work with the First Nation. In fact, within the last year and a bit, they have had taken additional efforts to have more involvement with the First Nation to have them understand the technical aspects of the project and be involved in an earlier stage. I've met with Chief McGinty regarding that and so far we think it's working quite well and remain very interested and open to talking to the First Nation, as well as to Capstone, about whether there are areas where it can be further improved.

INTRODUCTION OF VISITORS

Hon. Mr. Pasloski: I would like to introduce Yukon's Senator Dan Lang, who has joined us here in the Legislative Assembly. He is a previous long-serving member of this Legislative Assembly and I'd like to encourage everybody to welcome the senator here this afternoon.

Applause

Hon. Mr. Cathers: It's good to see you, Senator Lang.

Madam Chair, just returning to the topic of security, the members noted the amounts of security — I would point out that when a member makes a comparison to federal projects that were mismanaged under previous federal governments in an era that the member could ask his leader about during some of that during her time as regional director general — we have inherited their mess. If action had been taken when it should have been to reclaim these projects, we wouldn't have seen the types of problems we do today.

In the case of Faro, the significant costs are due to the fact that the mine was left; it was not properly reclaimed. As I indicated yesterday to the Member for Takhini-Kopper King, the problem at Faro is the result of acid-rock drainage, which is the result of rocks with a high sulfite content being exposed to both oxygen and water. You need those three things — the sulfite rock, the oxygen and the water — for that acid-rock drainage to occur. If the mine had been properly reclaimed promptly, we would not only not see the significant costs we see now, but there would not be a need for ongoing care and maintenance. It would have been a walk-away solution many years ago with the project being properly reclaimed.

I'd like to move to a few other areas. In talking about the context of the global market, one of the things that we need to keep in mind is the global economy and the fact that, as I've indicated before, it's much better to have the challenges associated with a strong economy than the very severe problems that are associated with weak economies and collapsing economies. Spain, for example, in the European context, recently revised their unemployment numbers higher — I believe it was some 32 percent, with youth unemployment being in excess of 50 percent. The European Union, as members should be well aware, has a number of major economies in very severe financial trouble — Greece, Italy and Spain, to name a few of them.

I would like to point out again the fact that the Yukon, compared to the rest of Canada, certainly compares very well.

Canada, compared to most of the world, is doing extremely well.

I would like to quote from an article of mid-April, with the International Monetary Fund. It was carried through the Canadian Press. With the economy weak and at risk, IMF tells Canada to keep supporting growth. The International Monetary Fund is advising Canadian policy-makers against pulling too hard on the reins of austerity, and it goes on about other risks within the marketplace. As well, the Washington-based global financial organization warns that the risks for Canada include if the European crisis worsens or the economy of the United States does not grow as strongly as projected.

The quote from the body includes, “The main challenge for Canada’s policy-makers is to support growth in the short term while reducing the vulnerabilities that may arise from external shocks and domestic imbalances,” the body advises.’

That’s what we’re focused on doing — ensuring that we’re responsibly managing all sectors of the Yukon economy so we are appropriately doing things, including taking appropriate security for reclamation of our mining projects. Basically the standard that is set, as I believe I’ve explained to the member before, is that staff do the assessment based on what it would cost government to reclaim the project, based on their technical assessment, if a company were to go bankrupt or walk away. They base that assessment on how much money they think we would require and make that determination. It’s not intended as a threat or as a lever so much on the company as ensuring that we have security, such that if they do go bankrupt, we can appropriately reclaim the site and ensure that the Yukon is not saddled with the types of environmental liabilities that we were saddled with by former federal governments.

With Senator Lang in the gallery, I would like to also thank him and acknowledge the work that the federal government has done in understanding our need for multi-year funding arrangements and stability for Faro and would like to thank the former Minister of Aboriginal Affairs and Northern Development, John Duncan, for his work and assistance on this file, as well as thanking the current minister, Minister Valcourt, for their understanding of the importance of this issue to the Yukon.

Madam Chair, a few things I would like to additionally touch on in the context — the Yukon Minerals Advisory Board tabled its recent report and we appreciate the information they have provided us. YMAB has provided its recommendations over the past decade, which have been useful to help us understand how to improve our regulatory structure, as well as Yukon’s investment climate.

In 2003, the Yukon Minerals Advisory Board supported the development of a new placer authorization, replacing the one that the federal Liberal government had cancelled without any consultation with Yukon. In 2006, the new placer authorization was put into place.

Another example is regulatory and post-implementation of YESAA. In 2004, the Yukon Minerals Advisory Board recommended the development of a new reclamation policy framework related to long-term project planning and setting the groundwork for flexibility in security requirements while pro-

tecting the Yukon from future liability. What that basically breaks down to is, as I’ve indicated to members before when in the past I heard calls from the NDP to not give companies back any security until the mine was fully done, our security policy is designed to take security when we need it for work that is done, so that if companies were to go bankrupt we’re able to have government contract with somebody to complete the necessary work to reclaim that project. It also encourages them to be proactive. A good example of this is the work that Capstone Mining and, prior to them, Sherwood Copper have done at the Minto site, whereby if they fully and acceptably reclaim an area of tailings and have met the appropriate standard, they can get money back equal to the amount that was held in security for that portion of the mine site. It encourages them not to leave reclamation to the very end of the project, but in fact if they’ve completed work in a certain area, also complete that recommendation for that phase of the project.

We believe that this is a much better way of doing business than leaving it all until the end of a mine’s lifespan and ensuring that they only have a cost for completing reclamation work in phases.

The government response to YMAB’s recommendation was the development of a mine site reclamation and closure policy for hardrock mines after extensive consultation.

Other examples of what the Yukon Minerals Advisory Board has recommended — that we have responded positively to — include recommendations in 2007 for the *Miners Lien Act* reform to reflect modern standards and make industry more competitive and more able to attract financing from banks and other entities. As well, in the same report, they recommended the *Quartz Mining Act* reform, including reform of the royalties to make them more competitive with other Canadian jurisdictions. We just finished hearing the NDP again reiterating their position that the Yukon needs to increase royalty rates and place a higher burden on companies doing this work.

So, in response to what we heard from the Yukon Minerals Advisory Board, the act revision of the *Miners Lien Act* was completed in 2008, the act revision of the *Quartz Mining Act* was also completed in 2008, and regulations were put in place to ensure that revenues from mining industry also have an advantage for investment in Yukon communities through the community development allowance they are allowed to deduct from royalties and can create examples such as the water treatment facility that the Premier and the Minister of Economic Development and I attended, along with Chief McGinty and members of the Selkirk First Nation, last summer in Minto.

They had a ceremony to commemorate the money that the Capstone mine had put into developing this facility for the community of Pelly Crossing. So that is a good example of the net benefit of these modernized regulations, that as a result of this, it made it easier for the company and encouraged them to work with the First Nation and make that significant investment. That’s in addition to the fact, as I have pointed out before, that millions in royalties have been paid directly to the Selkirk First Nation for the operations of the Capstone mine, which of course occurs entirely on category A settlement land.

More information about that is that Yukon's hardrock royalty, or quartz royalty, is a stepped or incremental royalty that is based on profit and is capped at a maximum of 12 percent. The regulation, as I mentioned, also includes innovative approaches to royalty issues, such as the community and economic development allowance. Some of the specifics that have been paid under it: Capstone has paid royalties to the Selkirk First Nation for 2008 of \$1.5 million; 2009 — \$5.9 million; 2010 — \$3.8 million; and 2011 — \$1.6 million. The royalty filing for 2012 is due in April 2013, so we should then know the actual calculation of the royalties and payment which, if memory serves, is typically due in October as a result of the time involved in the processing.

Yukon Zinc declared commercial production in March of 2012. They will be required to file a royalty in April of 2013 and will be required then to pay a royalty on that basis.

Alexco Resources, with their Keno project, has filed royalty for the 2011 royalty year of \$351,000, which was their first year of commercial production.

Another important note is that in the summer of 2012 we had the change to the agreement with the federal government for resource royalty sharing under the devolution transfer agreement. We appreciate the support of the federal government, and with Senator Lang in the gallery I will take the opportunity to thank him and our Member of Parliament, Ryan Leef, for their support of this, as well as thank the Prime Minister and then Minister John Duncan for their agreement. That new resource revenue arrangement gives Yukon an increase to our royalty cap calculated on the basis of the gross expenditure base, which increases our cap for resource royalties significantly. As a result of the removal of the line between oil and gas resources and minerals, and lands and all other resources, we saw an immediate \$2.8-million benefit for the 2011-12 fiscal year.

Seeing the time and in light of the following reception, I move that the Chair report progress.

Chair: It has been moved by Mr. Cathers that the Chair report progress.

Motion agreed to

Hon. Mr. Cathers: Madam Chair, I move that the Speaker do now resume the Chair.

Chair: It has been moved by Mr. Cathers that the Speaker do now resume the Chair.

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

INTRODUCTION OF VISITORS

Speaker: Before we proceed, I would like to introduce the Hon. Mike Chenault, the Speaker of the Alaska House of Representatives, who came over for a short visit. We were just talking, and he is the first Speaker to sit three consecutive times in their House. So, a nice Yukon welcome to Mike.

Applause

Speaker: May the House have a report from the Chair of Committee of the Whole?

Chair's report

Ms. McLeod: Mr. Speaker, Committee of the Whole has considered Bill No. 10, entitled *First Appropriation Act, 2013-14*, and directed me to report progress.

Speaker: You have heard the report from the Chair of Committee of the Whole. Are you agreed?

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

Hon. Mr. Cathers: Mr. Speaker, I move that the House do now adjourn.

Speaker: It has been moved by the Government House Leader that the House do now adjourn.

Motion agreed to

Speaker: This House stands adjourned until 1:00 p.m. Monday.

The House adjourned at 5:28 p.m.

The following documents were filed May 9, 2013:

33-1-55

Yukon 2012 Health Status Report: Focus on Children and Youth (Graham)

33-1-56

Memorandum of Understanding between the Government of Yukon, Department of Health and Social Services and the Yukon Medical Association (dated August 22, 2012) (Graham)