



# Yukon Legislative Assembly

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## HANSARD

Monday, May 4, 2015 — 1:00 p.m.

Speaker: The Honourable David Laxton

# YUKON LEGISLATIVE ASSEMBLY

**SPEAKER — Hon. David Laxton, MLA, Porter Creek Centre**

**DEPUTY SPEAKER — Patti McLeod, MLA, Watson Lake**

## CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
<b>Hon. Darrell Pasloski</b>	Mountainview	<b>Premier</b> Minister responsible for Finance; Executive Council Office
<b>Hon. Elaine Taylor</b>	Whitehorse West	Deputy Premier Minister responsible for Tourism and Culture; Women's Directorate; French Language Services Directorate
<b>Hon. Brad Cathers</b>	Lake Laberge	Minister responsible for Justice; Yukon Development Corporation/ Yukon Energy Corporation
<b>Hon. Doug Graham</b>	Porter Creek North	Minister responsible for Education
<b>Hon. Scott Kent</b>	Riverdale North	Minister responsible for Energy, Mines and Resources; Highways and Public Works
<b>Hon. Currie Dixon</b>	Copperbelt North	Minister responsible for Community Services; Public Service Commission
<b>Hon. Wade Istchenko</b>	Kluane	Minister responsible for Environment
<b>Hon. Mike Nixon</b>	Porter Creek South	Minister responsible for Health and Social Services; Workers' Compensation Health and Safety Board
<b>Hon. Stacey Hassard</b>	Pelly-Nisutlin	Minister responsible for Economic Development; Yukon Housing Corporation; Yukon Liquor Corporation

## GOVERNMENT PRIVATE MEMBERS

### Yukon Party

<b>Darius Elias</b>	Government House Leader Vuntut Gwitchin
<b>Hon. David Laxton</b>	Porter Creek Centre
<b>Patti McLeod</b>	Watson Lake

## OPPOSITION MEMBERS

### New Democratic Party

<b>Elizabeth Hanson</b>	Leader of the Official Opposition Whitehorse Centre
<b>Jan Stick</b>	Official Opposition House Leader Riverdale South
<b>Kevin Barr</b>	Mount Lorne-Southern Lakes
<b>Lois Moorcroft</b>	Copperbelt South
<b>Jim Tredger</b>	Mayo-Tatchun
<b>Kate White</b>	Takhini-Kopper King

### Liberal Party

<b>Sandy Silver</b>	Leader of the Third Party Klondike
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## LEGISLATIVE STAFF

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Deputy Clerk	Linda Kolody
Clerk of Committees	Allison Lloyd
Sergeant-at-Arms	Rudy Couture
Deputy Sergeant-at-Arms	Doris McLean
Hansard Administrator	Deana Lemke

**Yukon Legislative Assembly  
Whitehorse, Yukon  
Monday, May 4, 2015 — 1:00 p.m.**

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

*Prayers*

**Withdrawal of motions**

**Speaker:** The Chair wishes to inform the House of changes which have been made to the Order Paper. Motion No. 956, standing in the name of the Hon. Premier, and Motion No. 927, standing in the name of the Member for Vuntut Gwitchin, have been removed from the Order Paper as the actions requested in these motions have been taken.

**DAILY ROUTINE**

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

Tributes.

**TRIBUTES**

**In recognition of Sexual Assault Prevention Month**

**Hon. Ms. Taylor:** May is Sexual Assault Prevention Month. This year's theme is "Call it what it is: Alcohol and responsibility". This theme builds on the discussion we actually commenced last November during the 12 Days to End Violence Against Women campaign. This month, Les EssentiElles and the Victoria Faulkner Women's Centre and their partners are focusing on how alcohol is used as a deliberate tool to commit sexualized violence. As a community, we join this leadership by taking a stand to name deliberate acts of violence when they happen. This is fundamental if we want to change our culture, norms and behaviours to honour the dignity of all women and girls.

I rise today on behalf of the Government of Yukon to pay tribute to all of the people who work daily to support victims of sexualized violence, to those who raise public awareness regarding the amount of violence and sexualized assault in our territory, and to the survivors of sexualized violence who inspire us with their strength and their resistance. It is from them that we can learn how to support each other and strengthen our voices against this violence wherever and whenever it occurs.

Sexual Assault Prevention Month is an opportunity for all of us to be aware of and to speak out against sexualized violence in all of its various forms in our society. It's also a time to consider the women, the men, the boys and girls who have experienced sexualized violence and to support them.

Prevalence of sexualized offences, like other violent crimes, is substantially higher in the north. Figures for Northwest Territories and Nunavut indicate that women's risk was nine and 12 times greater in those territories than the Canadian average. In 2013, Yukon had a rate of sexual offences that was over three times the Canadian average. Statistics like these can help us understand the severity and the

prevalence of sexual assault, but statistics cannot tell us how it feels to experience violence, nor can they tell us what it feels like to be blamed for being a victim of violence. This is all too often a common occurrence, especially for people who have been sexually assaulted by someone they know and they trust.

In Yukon, a number of steps have been taken to improve the response to domestic and sexualized violence, including work with various service providers and organizations to offer a more consistent, effective, coordinated and informed response to domestic violence and sexualized assault by police and all other agencies. This work is ongoing and indeed it is making a difference.

The Government of Yukon is also providing resources to the RCMP in support of a four-person specialized-response unit within the M Division and training associated with that, which has enhanced their members' knowledge of investigating and responding to sexualized and domestic violence. The unit provides guidance, assistance and oversight to detachment police officers who are conducting domestic and sexualized violence investigations and they are lead investigators in domestic and sexualized violence investigations where specialized services are required.

The Sexualized Assault Response Committee, or SARC, is an inter-agency working group with representatives from Yukon First Nations, women's organizations, the Department of Justice, health providers, the RCMP, Public Prosecution Service of Canada and the Women's Directorate. SARC has also supported a number of initiatives to improve support and response for victims of sexualized violence.

Most recently, SARC supported third party reporting in the territory, an initiative which allows victims who are unwilling or are not ready to report to police to report sexualized violence to the Yukon women's transition home. We're working with the RCMP to track violence and protect victims.

In May of each year, women's organizations and communities across the country recognize Sexual Assault Prevention Month by raising public awareness of the serious issue of sexualized violence against women and girls. This year, during the month of May, a number of events are being hosted by the Victoria Faulkner Women's Centre and Les EssentiElles, including the official public launch of the campaign that took place on Friday, May 1 at Yukon Brewing as well as the consent workshop, which will be held later this month on May 21 at the public library. For more details on events throughout the month, I invite all Yukoners to visit the Victoria Faulkner Women's Centre Facebook page.

On behalf of the Yukon government, I would like to thank all of the amazing volunteers and the many staff who are working to engage Yukoners in continuing the discussion and taking action on sexualized violence. We encourage everyone to participate in these events and to join the voices of men and women who are supporting safety and dignity in all of our communities.

**Ms. White:** I rise on behalf of the Yukon NDP Official Opposition to acknowledge the month of May as Sexual Assault Prevention Month.

Sexual abuse and sexualized violence in our communities is still far more common than most people think. The numbers are shocking. Out of every 100 incidents of sexual assault, only six are reported to the police.

One in four North American women will be sexually assaulted during her lifetime; 60 percent of sexual abuse assault victims are under the age of 17; over 80 percent of sex crime victims are women; 15 percent of sexual assault victims are boys under 16; and over 80 percent of all sexual assaults are committed by someone known to the victim.

What continues to be one of the biggest hurdles people face after a sexual assault is victim-blaming — the notion that, somehow, the victim asked for it by what they were wearing, where they were, what they were doing and what they were drinking. Here's another hard truth: alcohol is the most commonly used date-rape drug in Yukon. Alcohol is legal, readily available and socially acceptable. Alcohol is not an excuse — it is a tool used deliberately by offenders to commit sexualized assault. When alcohol is used as a tool of assault, many of these assaults go unreported. Women may not remember what happened or, even worse, they may blame themselves.

It is critical that we talk about the double standard that surrounds alcohol and sexualized assault. When an offender drinks, alcohol becomes the excuse — he was wasted; he didn't know what he was doing — and it goes on and on. But when a victim drinks, alcohol is used to blame her: Why did you get so drunk? Why were you at that party or the bar? Why were you by yourself? It goes on and on.

So why do we expect and, worse yet, accept that when men drink, the responsibility goes down but, when women drink, the responsibility goes up? Drinking is not a crime, Mr. Speaker — rape is.

This month in the territory, organizations like Victoria Faulkner Women's Centre, Kaushee's Place, Les EssentiElles, White Ribbon Yukon and Yukon Brewery are taking this conversation to the streets. They want us to start talking about this reality and what we can all do about it. They want us to talk about getting consent.

Mr. Speaker, I think the best way I've ever heard consent explained is by comparing it to a cup of tea. I thank the blog page of Rockstar Dinosaur Pirate Princess for this easy-to-understand guide to tea and consent.

Just imagine that instead of initiating sex, you're making them a cup of tea. You say, "Hey, would you like a cup of tea?" and they go, "Yes, I would love a cup of tea. Thank you." Well, then you know they want a cup of tea.

If you say, "Hey, would you like a cup of tea?" and they hem and haw and say, "I'm not really sure," then you can make them a cup of tea or not, but be aware that they might not drink it and if they don't drink it, then — this is the important bit — don't make them drink it. You can't blame them for you going to the effort of making the tea on the off chance that they wanted it; you just have to deal with them not

drinking it. Just because you made it, doesn't mean you're entitled to watch them drink it.

If they say, "No, thank you," then don't make them tea at all. Don't make them tea; don't make them drink tea; don't get annoyed at them for not wanting tea. They just don't want tea.

They might even say, "Yes, please. That's kind of you," and then when the tea arrives, they actually don't want the tea at all. Sure, that's kind of annoying, as you've gone to the effort of making the tea, but they remain under no obligation to drink the tea. They did want tea and now they don't. Sometimes people change their mind in the time that it takes to boil that kettle, brew the tea and add the milk. It's okay for people to change their mind and you are still not entitled to watch them drink it, even though you went through the trouble of making it.

Mr. Speaker, if they are unconscious, don't make them tea. Unconscious people don't want tea and can't answer the question, "Do you want tea?" because they're unconscious.

Okay, so maybe they were conscious when you asked them if they wanted tea and they said yes, but in the time it took you to boil that kettle, brew the tea, and add the milk, they are now unconscious. You should just put the tea down, make sure the unconscious person is safe and — this is the important bit — don't make them drink the tea. If they said yes and then, sure they are unconscious but unconscious people — they just don't want tea. There we go, Mr. Speaker. Consent easily explained through a cup of tea.

I'll end with three action items from us all: we can all stop blaming victims; we can all get consent for sex; and we can all take action to end sexualized assault.

*Applause*

**Mr. Silver:** I also rise today on behalf of the Liberal caucus to join with my colleagues in recognizing May as Sexual Assault Prevention Month — prevention month, Mr. Speaker. This was originally known as "Sexual Assault Awareness Month". That name has changed because awareness of sexual assault is not enough. Prevention is what we all need to be working toward.

This year, the theme is "Call it what it is", as mentioned from the members opposite — and it is "Alcohol and responsibility to get consent". The theme works to highlight how too often — as mentioned by other colleagues in the House today in their amazing speech — alcohol is used as a tool and as an inhibitor of sexual violence. A lot of work has been done in the last few years to work toward defeating rape culture and our media and government campaigns are beginning to resemble this fundamental shift away from blaming the victims.

One campaign that I really want to mention here is a very, very powerful message from government is in Ontario — #WhoWillYouHelp — and it's a public service video announcement on sexual assault. The video reminds us that when we, as bystanders, turn our heads and look the other way at inappropriate sexual behaviour, we somehow normalize it and allow it to happen. We need to ensure we help our victims and step in to prevent sexual assault when we see the signs.

Although cultural shifts may be occurring, the number of victims who come forward is still thought to be as little as 10 percent of all victims of sexual assault. We need to continue the work together to end the stigma and support victims of these crimes.

A number of events will be taking place over the next few months to spread the awareness of sexual assault and they have been mentioned here today.

I would like to thank the Victoria Faulkner Women's Centre, and also Les EssentiElles for the excellent work that they do locally to support women who need the help and also for organizing these very, very important awareness events.

### In recognition of Mental Health Week

**Hon. Mr. Nixon:** I rise in the House today, on behalf of the Yukon government, to acknowledge national Mental Health Week, which is May 4 to 10 this year. Mental Health Week is an initiative of the Canadian Mental Health Association and it aims to promote the positive mental health of all Canadians and reduce the stigma of mental illness.

The World Health Organization states that mental health is an integral part of health; indeed, there is no health without mental health. Rather than focusing on a specific mental illness or condition, Mental Health Week is a time where we are all encouraged to take a step back and look at our own mental wellness. Research shows that when someone has good mental health, they are better able to cope with stressful situations and are more resilient to mental illness. Good mental health is about living well and feeling capable, even when challenging situations arise.

This year the Department of Health and Social Services is launching a campaign entitled "Flourishing". The campaign encourages Yukoners to take steps to improve their mental well-being and the mental well-being of those close to them, such as friends, family and co-workers. The campaign will run throughout the month of May.

Improving your mental wellness is a lot like staying physically fit. It requires a little effort every day. I encourage all Yukoners to take a look at their mental health and visit our website at [www.yukonwellness.ca](http://www.yukonwellness.ca) to read practical tips on how you can implement small changes to improve your mental health. It is worth it.

I would like to take this time to mention that Health and Social Services has been able to make our mental health staff in both Dawson City and Haines Junction permanent employees, and we will be hiring a mental health nurse in Watson Lake. These mental health nurses travel to surrounding communities to provide assessment and treatment services to individuals. They are also able to provide service to other health professionals and to the public.

We are fortunate to have the Mental Health Association of Yukon here in our territory. We have some members of the association here in the gallery with us today. I would ask all members to join me in welcoming Ray Wells, the chair, and Kim Solonick, the vice-chair.

*Applause*

**Hon. Mr. Nixon:** The association believes strongly in the importance of promoting positive mental health and reducing the stigma of mental illness in our society. The association will be hosting its first annual walk, "Steps to Positive Mental Health", this Wednesday, May 6 at 5:00 p.m. The walk will be followed by a barbecue at 6:00 p.m. and the association's AGM at 7:00 p.m. All events will be held at Hellaby Hall, located at Fourth Avenue and Elliott Street.

Mr. Speaker, I encourage everyone to attend and show your support for mental health.

**Ms. Stick:** I rise on behalf of the Yukon NDP Official Opposition to pay tribute to the national Mental Health Week, which is from May 4, today, until May 10. The Canadian Mental Health Association has declared this a time to get loud.

We all have mental health, just as we all have physical health. Mental health is more than the absence of mental illness. It is the state of well-being.

The Canadian Mental Health Association has come up with eight concrete steps every person can participate in. Choose one, choose them all. I have decided to highlight five of them here. The first one is: talk about your mental health. Be open, talk to friends and family about how you're doing — how you're really doing. We need to reduce discrimination and stigma so people feel free to seek the support a person needs to manage their mental health, to talk about their mental health. We're asked to talk to a person or a family member about their mental health issues. The more we know, the more we can empathize and be supportive.

Take action at work. Promote mental health in the workplace. Talk with co-workers about how they're doing.

Number four: host an event — and we've heard that on Wednesday, May 6 the Mental Health Association of Yukon will be hosting a number of events. Their first-ever walk, "Steps to Positive Mental Health", followed by a barbecue and then their AGM — all of these are taking place on Wednesday at Hellaby Hall, and everyone is encouraged to come out.

The last one is: share the website. That is what I will do here today. I encourage everyone to go to the website of the Canadian Mental Health Association at [www.mentalhealthweek.cmha.ca](http://www.mentalhealthweek.cmha.ca). It is a great site. You can sign up. You can agree to get loud. I encourage people to go to their site, read the information, and take a step. Get loud for mental health.

**Mr. Silver:** I also rise today on behalf of the Liberal caucus to pay tribute to Mental Health Week. As mentioned, this year the Canadian Mental Health Association is calling on us to get loud about mental health, to raise our voices to raise awareness, to show support and to reduce the stigma.

It is suspected that one in five Canadians will experience some form of mental health in their lifetimes. We as individuals must create an environment where we can feel welcome and supported. Mental health issues are affecting all Canadians, regardless of affluence, age or gender. There is so much work to be done to end the stigma, but Yukoners are

starting to talk about mental health more and more. Increasingly, it is at the forefront of their top concerns, but what they want is action taken to provide support for mental health services.

In the House last week, we debated a motion calling on the Yukon government to implement a mental health strategy and it received unanimous support in this House. It was a great step forward but the strategy still needs to be developed and implemented. We have done the studies here in the Yukon on the services and the needs. We have an amazing group of health care providers and associations. Now is the time for a comprehensive plan, and now is the time for action.

Today, as we recognize Mental Health Week, we renew our support for those who live with mental health issues and we want to thank those who work in the field for their very hard work and dedication as they commit to try to improve the lives of everyone in the territory.

### **In recognition of Multiple Sclerosis Awareness Month**

**Hon. Mr. Nixon:** I rise today to ask my colleagues to join me in recognizing May as Multiple Sclerosis Awareness Month. Multiple Sclerosis is a disease of the central nervous system that can cause several symptoms, such as loss of balance, impaired speech, extreme fatigue, changes in mood and cognition, and impaired mobility. The process, severity and specific symptoms of MS cannot be predicted and most often affects young adults 15 to 40 years of age. The unpredictable effects of MS last a lifetime. Therefore, individuals who live with MS — our friends and our family members — face an uncertain future — job instability, income security, inability to fulfill daily family responsibilities, and isolation due to mobility impairment.

MS affects each person differently and its effects can change from day to day. One day a person can feel great and the next day feel extremely fatigued or experience double vision.

It is still unknown why Canada has the highest rate of MS in the world. The MS society believes that the country might have the perfect storm for MS. At play, we have the genetics, the environment and some modifiable risk factors, such as vitamin D status, obesity, smoking and viruses. There are more than 100,000 Canadians living with MS, making it the most common neurological disease affecting young adults in Canada. Women are three times more likely than men to be diagnosed with MS. In fact, three people are diagnosed with the disease every day.

In Yukon, we estimate that about 150 individuals are living with MS. Fortunately, the Multiple Sclerosis Society of Canada has been a leader in offering services to people and families affected with MS to help them deal with the issues related to the disease and help them improve their quality of life. The good news is that Canada has one of the most robust research enterprises that focuses on the disease. Again this year, the annual Scotiabank MS Walk is a virtual walk. This means that any Yukon citizen can be a virtual walker. They can also create a team of friends, family and co-workers to

fundraise and walk on the day of their choice. I invite everyone to show their support for Yukoners living with this disease by participating in this virtual walk. Multiple sclerosis is challenging and it is life-changing. We all have a role to play in providing support and seeking answers.

I would ask the indulgence of all members of the Legislative Assembly to join me in welcoming Florence Roberts and Jen Roberts, as well as a number of other people from the MS community to the gallery today. Welcome.

*Applause*

**Mr. Silver:** I rise on behalf of the Liberal caucus and the Official Opposition to join my colleagues in the Legislature to recognize Multiple Sclerosis Awareness Month.

There is still much we do not know about MS. Approximately 200 Yukoners live with the disease, and although the disease has been with us for years, there is no known cause and there is no known cure. The Multiple Sclerosis Society of Canada states that it is often thought to be an autoimmune disease of the central nervous system. It attacks that protective covering of the nerves — the myelin — causing inflammation and often damaging the myelin.

If the damage to myelin is slight, nerve impulses travel with minor interruptions; however, if the damage is heavy and if scar tissue replaces the myelination, then impulses can be completely disrupted and the nerve fibres themselves can be damaged. Its symptoms can cause extreme fatigue, lack of coordination, weakness, tingling, impaired sensations, visual problems, bladder problems, cognitive impairments and mood changes.

Over the next month, carnations will be seen around town, a symbol of hope in the quest to find a cure. The MS Carnation Campaign raises awareness and much-needed funds for research of this debilitating disease. Carnations are usually sold over the Mother's Day weekend, because an unfair share of women has historically battled this disease. New medical advances continue to provide renewed hope for those with the disease and, maybe one day, a cure.

I would like to take the opportunity at this time, Mr. Speaker, to thank the MS Society of Canada and the Yukon's local division for the work they do, as well as the volunteers who help organize the activities for MS Awareness Month and their countless hours and support they provide for those living with multiple sclerosis. These dedicated volunteers have, once again, organized the Whitehorse MS walk, which will be held at noon, May 31, at Copper Ridge Place. Every step matters for those with MS.

### **In recognition of Music Monday**

**Hon. Mr. Graham:** I rise on behalf of all members of the Legislature today to pay tribute to Music Monday across Canada, a celebration of the art of music and music education. I volunteered to sing my tribute today; however, I was advised by members on both sides of the House that further physical trauma would result should I choose such a course of action.

This year, Mr. Speaker, marks the 11<sup>th</sup> Music Monday in Canada, with students and teachers tuning in and participating

in a live webcast across the nation. This program, organized by the Coalition for Music Education, showcases the musical knowledge and talents of students from every province and territory. Every year on Music Monday, they connect with other students and regions of Canada through their passion for music, joining together to sing the Music Monday anthem. The anthem *We Are One* written by a 16-year-old songwriter, Connor Ross, winner of the Music Monday anthem search while a high school student at Mayfield Secondary School in Caledon, Ontario.

Yukon welcomes this celebration of music and the school music programs that support student learning across all subject areas. The philosopher Plato said, "I would teach children music, physics, and philosophy; but most importantly music, for the patterns in music and all the arts are the keys to learning." Plato had the right idea, Mr. Speaker. Studies have shown that students develop enhanced listening, motor coordination, memory, focus, vocabulary and cooperation skills through the study of music.

Today, on Music Monday, let us celebrate the talented young musicians, not only of Yukon, but of all Canada, and thank the many teachers, volunteers, organizations and families who support them.

**Speaker:** Introduction of visitors.

### INTRODUCTION OF VISITORS

**Ms. Hanson:** I'm honoured today to introduce to the Legislative Assembly Maude Barlow. Maude, as many people will know, is well-known for her role in leading the Council of Canadians and serving as United Nations Special Advisor on Water.

With her today are Emma Lui and Amber Church from CPAWS Yukon. So I welcome Maude Barlow and her colleagues.

*Applause*

**Ms. Hanson:** I would also like to take the opportunity to welcome to the Legislative Assembly some guests today from the Liard First Nation. We have with us elder Alfred Chief; we have Rose Caesar, Margaret Charlie, Maggie Dick and George Morgan. I welcome them to the Legislative Assembly as well.

If I may — I just noticed that coming into the Legislative Assembly is Sean Smith, councillor with Kwanlin Dun First Nation.

*Applause*

**Mr. Elias:** With your indulgence, I would like to introduce two women who were influential in my upbringing in my youth. I would like the Assembly to welcome Ms. Gladys Netro, who has taught me a lot about environmental protection — whether it's having a cup of tea and some fried caribou meat at Kilometre 220 on the Dempster highway, or Tombstone Territorial Park, or in Dawson, or in Old Crow. I would ask everybody to welcome her to the Assembly today.

*Applause*

**Mr. Elias:** Also, my former colleague and my boss for well over a decade when I was working with Parks Canada — Ms. Rhonda Markel. I would ask everybody to welcome her to the Assembly, as well — because I do have a story about fermented apple juice, but we are not going to say that in the Assembly today. Welcome to the Assembly, Ms. Markel.

*Applause*

**Speaker:** Are there any returns or documents for tabling?

### TABLING RETURNS AND DOCUMENTS

**Ms. Hanson:** I have for tabling a letter dated May 4 from the Kaska Concerned About Land Protection and Good Government. It is addressed to Premier Darrell Pasloski regarding Yukon government's plans to develop a hydraulic fracturing industry in the Southeast Yukon.

**Speaker:** I would remind you just to paraphrase the Premier's name in there and just refer to him as the Premier.

Are there any other returns or documents for tabling?

Are there any reports of committees?

Are there any petitions to be presented?

Are there any bills to be introduced?

Are there any notices of motions?

### NOTICES OF MOTIONS

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

THAT this House urges the Government of Yukon to enter into bilateral agreements with each interested municipality to implement the existing domestic water well program within municipalities.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to work with the Klondike Placer Miners' Association and individual placer miners to:

- (1) improve Yukon's placer mining regulatory regime;
- (2) protect and preserve Yukon's free-entry system for mining exploration;
- (3) upgrade placer mining roads in the Klondike region and some of the major resource roads where needed; and
- (4) create new resource access roads to further provide opportunities for Yukoners.

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

THAT this House urges the Government of Yukon to improve Yukon's regulatory regime and infrastructure so that Yukon is well-positioned to benefit when the mineral industry emerges from the current downturn by:

- (1) working with Yukon First Nations, Yukoners and industry on the mine licensing improvement initiative and a mineral development strategy for Yukon;

(2) investing in mine training through organizations like the Centre for Northern Innovation in Mining;

(3) working with the Yukon Mining Alliance to highlight Yukon's investment potential for resources; and

(4) invest in new and existing transportation and energy infrastructure to help support economic development.

**Ms. Hanson:** I give notice of the following motion:

THAT this House urges the Government of Yukon to inform this House of the scope and intent of the non-treaty reconciliation agreements being negotiated with the White River First Nation, the Kaska Dena Council, the Liard First Nation and the Ross River Dena Council.

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

THAT this House urges the Government of Yukon to recognize that its inability to work with Yukon First Nation governments on mineral development is having a negative impact on Yukon's GDP.

**Speaker:** Is there a statement by a minister?

### Speaker's statement

**Speaker:** Before proceeding to Question Period, I would just like to direct a comment to the gallery. While I appreciate your participation and the fact that you're here, our Standing Orders do not allow for people in the gallery to participate in any fashion. That includes applauding or jeering — regardless of whether you appreciate or don't like the comments you're hearing. If there is any, I'll ask that person to leave and if it gets out of hand, I'll have to clear the gallery. All right?

*Interruption*

**Speaker:** Thank you, sir, you can leave now. Goodbye. This then brings us to Question Period.

### QUESTION PERIOD

#### Question re: First Nations/government relations

**Ms. Hanson:** Mr. Speaker, the current Yukon Party Premier has no peer when it comes to alienating Yukon First Nations. No Yukon government leader has so antagonized First Nations since the days when our unelected senator was here in this Chamber.

The Premier's unilateral decisions show a clear lack of respect for First Nation governments and the proof is before the courts in the number of lawsuits launched against his government. Despite the ill will he has sown, the Premier says he's after a reconciliation agreement with the Kaska. Kaska and Yukon citizens who are not part of the high-level negotiations — which we understand to have taken place behind closed doors in Vancouver — would like to know what's on the table.

Will the Premier share the mandate he has given to Yukon government negotiators for these reconciliation

meetings? What does the Premier hope to achieve through these behind-closed-doors meetings on reconciliation?

**Hon. Mr. Pasloski:** As the Leader of the Official Opposition knows very well, on a day-to-day basis there are many, many things that the government continues to work on in collaboration with First Nations right across this territory.

I was proud, just at the end of last week, to be involved in a signing ceremony between the Yukon Development Corporation and the Kwanlin Dun First Nation as they signed on as investors in Yukon's new LNG power-producing project.

Mr. Speaker, what I will say about the reconciliation is that we don't negotiate in the media or on the floor of this Legislative Assembly. We will continue to work with the Kaska people. We will continue to work with White River First Nation as we move forward toward reconciliation — reconciliation that will look different from one First Nation to the next, depending upon what the priorities of that First Nation and this government are.

**Ms. Hanson:** Justice Sinclair of the Truth and Reconciliation Commission said that reconciliation is about forging and maintaining respectful relationships. He said there are no shortcuts, but this is exactly what the Premier is doing — going for a high-level agreement that shortcuts the real acute issues of the Kaska people. After sowing the seeds of distress through removing the consent provisions for oil and gas, after neglecting so many serious social issues in Kaska communities — after all this, the Premier wants a reconciliation agreement. It is clear that the Yukon Party wants to frack southeast Yukon and it needs Kaska leadership to support this agenda.

Is the reconciliation agreement the Premier's way to seek to get the green light to frack southeast Yukon?

**Hon. Mr. Pasloski:** Certainly the tone and the demeanour of the Leader of the Official Opposition continue to be the same, and I don't expect any more or any less from her.

Reconciliation is a priority not only for this government, but for the First Nations as well. Otherwise they wouldn't be at the table. This is to go forward. Our number one priority would be a settlement of land claim and self-government agreements. However, that is not the case at this time for the White River First Nation, Liard First Nation or Ross River Dena Council.

Having said that, that is why we're moving ahead together in discussions to create a reconciliation agreement to address issues that have existed in the past and to ensure that those First Nations are able to benefit in economic development within their traditional territory.

**Ms. Hanson:** As I said, reconciliation is about forging and maintaining respectful relationships. There are no shortcuts.

Reconciliation means listening to what the Kaska people are saying. It means working with the people in real partnership to address the most significant issues facing a community. A backroom deal to frack is not reconciliation.



Addictions and substance abuse are profound issues in southeast Yukon. The Kaska and the Town of Watson Lake developed a 10-year vision for health and healing. The Yukon government has not supported the Kaska plan. If this government was serious about reconciliation, it would not neglect this call to action by the Kaska. It would devote time and effort to working on the ground with the people.

Does the Premier not see that the contradiction between saying that you want reconciliation while neglecting the things that the Kaska people truly want and need?

**Hon. Mr. Pasloski:** I'm not going to speak ill of the hard work of those health care professionals — and, in fact, all Yukon government employees who work every day, 24/7, for the benefit of Yukon citizens across this territory, including those areas where we have unsettled First Nations.

Of course, when it comes to dealing with the Kaska and with the White River First Nation, Canada as well has a role and responsibility as *Indian Act* bands. We know and expect them to be involved as we move through processes with those First Nations. When it comes to those First Nations, there are ongoing negotiations that are occurring both with the Kaska and with the White River First Nation to ensure that we can move forward past some of the difficulties that have existed for many, many years. We want to ensure that, as we do move forward, any economic opportunities that occur within their traditional territories — that those First Nations and those citizens of those communities are able to benefit from them.

#### **Question re: Hydraulic fracturing**

**Ms. White:** One of the concerns that was raised over and over again to the select committee on hydraulic fracturing by both scientists and Yukoners was about the huge amounts of freshwater that fracking projects require. We have seen the effects of the high levels of water usage by this industry on lakes and rivers in both B.C. and Alberta.

A single fracking operation can consume 1.5-million cubic metres, or about 600 Olympic swimming pools' worth, of freshwater. That is water that will never again be the same.

Where is the government going to get the water for the fracking that they plan to pursue in the Liard Basin, and what assurances will they give to Yukoners that their lakes, rivers and streams will not be put at risk to support hydraulic fracturing projects?

**Hon. Mr. Kent:** With respect to water monitoring and aspects surrounding water, that formed a number of recommendations put forward by the all-party select committee that examined the risks and benefits of hydraulic fracturing.

There are a number of initiatives in our response accepting and addressing the recommendations put forward by the all-party committee. There is the work of the *Yukon Water Strategy and Action Plan* that was released in June of 2014. One of the six priority areas is to better understand and manage Yukon's groundwater with emphasis on enhancing and formalizing the existing program in Yukon and developing a regulatory framework to manage the groundwater. The Yukon government is also collaborating

with the University of Calgary on an NSERC project to develop monitoring techniques to assess potential impacts of oil and gas extraction, including hydraulic fracturing.

When we made the announcement with respect to accepting and addressing the 21 recommendations of the select committee, we certainly understand that there are a number of Yukoners who have concerns with the practice of hydraulic fracturing but, as a government, it is also our responsibility to consider the potential benefits of a Yukon oil and gas industry. Through our actions in response to the select committee, we will move forward in a cautious and responsible way, whether it is with respect to water monitoring or seismic or a number of the other initiatives identified by the all-party committee.

**Ms. White:** We are always reminded that actions speak louder than words. One of the concerns raised that we heard over and over from Yukoners during the select committee process was that the process was merely a formality, and that this government was planning on pushing ahead with fracking regardless of the outcome. For many of those individuals, those fears were confirmed when the federal government proposed changes to YESAA that would allow this very same government to approve amendments to projects without going through the YESAA assessment process. It is no secret that this government chose the Liard Basin to pursue fracking due to the already existing conventional gas projects by EFLO.

Will this government give a guarantee to Yukoners that a YESAA assessment will be required to amend any existing conventional gas projects to include fracking?

**Hon. Mr. Kent:** This government supports all responsibly regulated resource development in the Yukon, and we are committed to creating the conditions that provide jobs for Yukoners here in our territory for the benefit of all citizens of the Yukon. When it comes to the Liard Basin, we have made it clear that we are open to receiving applications for hydraulic fracturing in that area, but the important part of that aspect is that no project will proceed without the support of affected First Nations. That includes the two Yukon First Nations that belong to the Kaska — the Ross River Dena Council and the Liard First Nation — as well as their three B.C. Kaska cousins and the Acho Dene Koe, which are First Nations centred in the community of Fort Liard. We will work on a government-to-government basis to determine what support would look like.

When it comes to the regulatory side of things and assessment side of things, YESAA will play a key role, the Yukon Water Board will play a key role, and the departments of Energy, Mines and Resources as well as Environment and Health and Social Services and other departments will play a key role in this type of activity going forward. When it comes to the development of shale gas resources in the territory, we are focused on a very small portion of the Yukon — less than two percent of the Yukon. It has a long history of conventional gas production and delivery contributing some \$45 million in royalties to the Yukon government — a little over \$10 million of which was shared with Yukon First Nations.

**Ms. White:** That two percent of Yukon is 100 percent of a nation's traditional territory. When this government doesn't answer questions about water usage and the YESAA process, it is asking Yukoners to trust it without any facts and, to date, this government has done nothing to earn Yukoners' trust. They have gone back on their word and disregarded public consultation too many times.

This Yukon Party government has said that it will seek the consent of affected First Nations in the Liard Basin before going ahead with the fracking process — the same consent that could have been sought under section 13 of the Yukon *Oil and Gas Act*, until this government unilaterally took away the Kaska's right to have a say in oil and gas projects that happen in their traditional territory. To say that this government has a trust problem would be an understatement — yet here we are.

How can this government expect that it will be able to find consent from the five affected First Nations when it is unable or unwilling to answer simple questions about their plans for fracking in this House?

**Hon. Mr. Kent:** Just for the member opposite, there are actually six affected First Nations when you include the Acho Dene Koe of Fort Liard — perhaps just an oversight on the member's part.

When it comes to the Liard Basin, we've made it clear that we're open to receiving applications for hydraulic fracturing, or shale gas development, in that area. No project will proceed without the support of affected First Nations, and we'll work government-to-government with those First Nations to determine what that support would look like.

Mr. Speaker, when it comes to the YESAA process, that's an independent body that provides recommendations to decision bodies, one of which is the Yukon government on many occasions, but it can also include First Nations and other levels of government when it comes to what types of recommendations for environmental assessment would proceed. The Yukon Water Board is a quasi-judicial board that also works on behalf of Yukoners to ensure that, any time water is used in a process, they properly assess and license that type of activity.

Again, Mr. Speaker, the members opposite would have us interfere, and they have very little respect for these arm's-length committees and organizations — like the YESA board and the Yukon Water Board — but again, we continue to work with them. We'll continue to work with Yukoners so that we can find jobs and opportunities as well as protect the environment.

#### **Question re: Red tape review**

**Mr. Silver:** Last week, Statistics Canada confirmed what many Yukoners already know. We are in a made-in-Yukon recession. Under this government, Yukon has the worst performing economy in Canada and our GDP has shrunk two years in a row. No other jurisdiction in Canada can claim that dubious honour.

In last year's budget, the Premier promised to undertake a red tape review for the regulatory burden facing Yukon businesses and provide a report on measures to reduce this

burden. That commitment is now over a year old and has not been acted upon. Given our dismal economic performance in the last 24 months, small businesses need all the help they can get.

So Mr. Speaker, why has this commitment from last year's budget not been met yet?

**Hon. Mr. Dixon:** As the Minister of Community Services — we oversee the business legislation that affects Yukon businesses. I should point out that the Yukon government has brought forward numerous amendments to a number of business-related pieces of legislation, including some of the ones that are before us today, including the *Personal Property Security Act*.

We've made a number of changes to reduce red tape for businesses. We have brought forward legislative changes and regulatory changes to improve the competitiveness of Yukon as a jurisdiction to operate a business, to start a business and to invest in businesses.

We'll continue to make those changes to ensure that Yukon is an attractive place to do business.

But, of course, as I'm sure my colleagues will explain, the red tape review was something that was led by the Department of Economic Development and it is well underway and a number of businesses have been contacted to explore new opportunities to improve legislation as well.

Mr. Speaker, we have a strong record on this front. We have made changes, we'll continue to make changes and we'll continue to make sure that Yukon is a great place to do business.

**Mr. Silver:** So I guess for the time being, we can consider this review to be added to the list of promises not kept, as of yet, for this government.

In January of this year, the Canadian Federation of Independent Business — CFIB — released its annual red tape report card for 2015. The Yukon received a D-plus — not exactly a good grade, Mr. Speaker.

Now, it is an improvement over the D that this government received in 2014; however it was on the strength of the commitment to actually conduct a red tape review that actually improved our grade. I'm sure when the CFIB sees that this government has not lifted a finger yet — that the announcement — our score will actually be negatively affected. The CFIB has asked every government in Canada to measure red tape and publicly report at least once a year on its finding. This government has made no effort to do that.

Mr. Speaker, does the government have any idea how much red tape businesses are forced to contend with? Is it willing to take a look at what that amount might be?

**Hon. Mr. Hassard:** The short answer, I guess, is yes, but I think it's important that the member opposite remember that while we have been working on this, we've modernized business corporate legislative — we've done tax cuts, we've increased small business deductions. Those were all part of that same package and part of those promises that the member opposite seems to forget.

**Mr. Silver:** I believe it's this government that forgot about the review, but I will continue with my questioning.

Last year, the government promised a red tape review. It has not delivered it and it has brought us two years in a row of negative economic growth. The CFIB has requested that the government measure red tape and publicly report at least once a year on its findings. The Yukon has not done this yet.

Given the GDP numbers released last week that have shown that we have one of the worst economies in Canada, I am surprised how little attention has been paid to the issue of red tape. Another recommendation from CFIB is to set targets on red tape reduction. This is in place in half of the jurisdictions across Canada, so I'll ask that question: Is this something that the government is willing to look at — which is setting targets on red tape reduction?

**Hon. Mr. Hassard:** While, yes, we do continue to look at red tape, our focus remains on growing and diversifying the private sector economy, providing jobs and opportunities for Yukoners.

Mr. Speaker, we're doing that by investing in strategic economic infrastructure, by improving our regulatory regime in Energy, Mines and Resources, by increasing training for Yukon jobs and education, and by attracting business and investment to the territory, and that's done through the Department of Economic Development.

#### **Question re: Coroner's judgment of inquiry**

**Ms. Stick:** Mr. Speaker, the Yukon coroner just released her findings and recommendations regarding the death of Robin Sam.

The Yukon Review Board had issued a disposition that Mr. Sam continue to take medication and that he be monitored daily and monthly on this requirement. They were also to be notified if this was not followed, but none of these things happened in a timely way.

We know that the government has already acknowledged their acceptance of the coroner's recommendations, but the government needs to tell Yukoners what it's doing to act on those recommendations.

What has the government learned from the coroner's judgment of inquiry and what concrete steps is it taking to act on those recommendations?

**Hon. Mr. Nixon:** I thank the member opposite for her question. Certainly the death of Mr. Sam was a tragedy and we wish to share our condolences with the family.

The Yukon Review Board is an independent panel established under the *Criminal Code* of Canada. They hear cases concerning accused individuals who are charged with a criminal offence, but who have been found to be unfit to stand trial or not criminally responsible due to perhaps a mental disorder.

Yukon Review Board dispositions are required by law to be the least onerous and least restrictive impositions on the accused while mitigating any risk to the public. Now we know at the time of Mr. Sam's death, he was subject to a disposition ordered by the Yukon Review Board. In fact, this disposition was one of the first of its kind where the Yukon Review Board was named — and the director of social services as well as another delegated authority as a responsible authority — so

we continue to work with the coroner on the good work that is being done there, but we will definitely be keeping a very close eye on this situation as it moves forward.

**Ms. Stick:** It was a tragedy and it was one that shouldn't have happened.

The Health and Social Services spokesperson called these arrangements unique and Mr. Sam's disposition as unique. All individuals under the Yukon Review Board are unique. It's telling that the coroner is making recommendations to the Health and Social Services department about a case whose subject was under the disposition of the Yukon Review Board — a Justice department body.

The government could move forward in leaps and bounds by improving the interdepartmental cooperation in supporting people like Mr. Sam. Will the government create new processes to improve the interdepartmental collaboration on Yukon Review Board cases to ensure that no more unique cases fall through the cracks?

**Hon. Mr. Nixon:** I thank the member opposite for her question. We will continue to work with the coroner's office on situations like the death of Mr. Sam as they arise. I should note that the Yukon Review Board reasons for disposition, which was dated February 7, 2013, indicated that Mr. Sam — and I quote: “enjoyed an excellent level of support in the community and has responded well to these supports” and was supportive of maintaining that arrangement.

I should note that Mr. Sam's care plan allowed him to live independently and to work and travel as approved by the delegated authority. As he was not in custody of any authority, no security was required at the Yukon Review Board hearing of January 2014 and the Yukon Review Board at that time granted him approval to leave the courtroom.

We will continue to work with the family, with the coroner's office and with other stakeholders on important issues like this.

#### **Question re: Bioenergy production**

**Mr. Tredger:** The Yukon Party government has finally released the *Yukon Biomass Energy Strategy Draft for Public Consultation*. Biomass is not a new concept and there have been successful projects, studies and workshops in the Yukon.

However, this government has moved slowly on this file and has missed many opportunities. Whistle Bend comes to mind, where we could have had a district heating system.

We should be much further along this path. This government's 2012 energy strategy progress report said — and I quote: “Energy, Mines and Resources has completed a draft Biomass Energy Strategy, which is anticipated to be reviewed in a public consultation process in 2013.”

If, in 2012, EMR had completed a biomass energy strategy, why did it take over three years for the public to see it?

**Hon. Mr. Kent:** Just before I answer the member's question, it would be great if, when he gets on his feet again, he could tell us if he supports the biomass strategy. During debate on Energy, Mines and Resources, he became quite animated in being against this strategy being put forward.

Again, what we're doing right now is seeking public feedback on a draft strategy for the development of this biomass energy sector in Yukon. The biomass energy strategy will guide the development of an emerging sector that could offer yet another much-needed solution to deliver adequate energy during our winter months.

There are six key action areas being proposed: using biomass energy for government infrastructure; developing regulations, policies and programs for the energy industry; and, moving through those six, into ensuring that biomass fuel quality and security and a sustainable timber supply is available.

This builds upon a number of the energy initiatives that this government has undertaken, including the microgeneration program that we launched last year. Later on this month, we'll make public an independent power producers policy that we consulted on last year. We're currently consulting on the biomass industry, and we have a number of incentive programs that we brought forward to assist residential Yukoners and those who own commercial businesses in becoming more energy efficient.

I'm very proud of the work this government has done on energy-related initiatives, and we'll continue to do that good work in the coming months.

**Mr. Tredger:** The Yukon Party's delay of green renewable energy options is becoming an all-too-familiar pattern. For years, we've known that biomass can work for space heating and for electrical generation, but this government has ignored this information, missed opportunities and, after releasing their position on fracking and spending over \$50 million-and-counting on a new LNG facility, this draft biomass strategy should be seen as what it is: a PR exercise.

Yukon College has had a wood boiler heating system that was installed in the late 1980s. It had some problems, and recently, the boiler has been removed and replaced with oil furnaces. Did the government look at fixing this facility?

**Hon. Mr. Kent:** I should take this opportunity to congratulate the minister responsible for the Yukon Development Corporation and the Premier for signing the agreement with the Kwanlin Dun First Nation on partnering on the LNG facility that the member opposite speaks so poorly of.

When it comes to the biomass industry or energy options, there are a number of priorities that we've set. I spoke to them in my earlier response. I guess a prime example of what is happening in the biomass industry is the district heating system in Dawson City. I had the opportunity to visit that facility earlier this year. It's a fantastic facility, and I think it has the opportunity, not only to supply heat to the waste-water treatment facility, as well as Dawson's water supply, but other buildings that have the potential to be constructed and/or converted that are in that area.

Mr. Speaker, there are a number of opportunities to expand biomass. I spoke in the local media last week about some of those opportunities, including the new F.H. Collins school and the tech ed wing at F.H. Collins. There are

opportunities for district heating in some of these areas that contain many of our government buildings. There are opportunities in communities such as Haines Junction and Watson Lake as well. Through the development of this strategy and our ongoing efforts in energy, we will continue to explore these options and look forward to having a very healthy and robust energy sector here in the territory.

**Mr. Tredger:** Three years after the strategy was completed, we are finally seeing it. That's not action — that's talk.

In May 2009, Yukon Energy, Mines and Resources commissioned a study, which recommended that Yukon College could modify the wood boiler and heating system at a cost of \$425,000. The study also said that a new biomass system would cost \$786,000. The costs and benefits of replacing the wood boiler versus installing new oil furnaces needed to look at more than just the financial cost of installation. We should be considering greenhouse gas emissions, cost of fuel, and spinoff potential for local green jobs.

In its calculations, what factors did the government consider before concluding that the college should get new oil furnaces and scrap the replacement of the wood-boiler heating system?

**Hon. Mr. Kent:** With regard to the specific question asked by the member opposite, there are a number of details in there — I think it would be better if I reported back to him on during departmental debate when I have the accompanying documentation with me.

Again, when it comes to biomass opportunities, we, as a government, funded the Dawson district heating project as a pilot project. It burns chips. The late Bill Bowie, who is much revered in the community of the Dawson City, and now his family have carried that on. There is still chip delivery to that facility. Those are the types of opportunities that we see here for Yukoners, when it comes to wood chips being able to power these biomass opportunities.

**Some Hon. Member:** (Inaudible)

**Hon. Mr. Kent:** Again we hear heckling from the Member for Mayo-Tatchun. I know he is quite upset. He was quite upset and animated during EMR debate on the biomass strategy when he was questioning why we were even doing the strategy at all. For him to now stand on his feet and criticize us for doing a strategy is quite puzzling indeed.

When it comes to the energy sector and what we're trying to do, we're looking at clean opportunities through IPP and microgen. We have introduced additional rebates for not only residential users, but commercial users. There is, of course, the work of the Yukon Development Corporation on the next gen hydro. When it comes to clean energy, this government has a great track record and I'm looking forward to continuing that work going forward.

**Speaker:** The time for Question Period has elapsed.

#### Speaker's statement

**Speaker:** Government House Leader, a reminder: no electronic devices during Question Period. That is an

electronic device and so is the one on your desk there. Please turn them off and put them away during Question Period.

**Some Hon. Member:** (Inaudible)

**Speaker:** The Standing Order says: “The use of any electronic devices...” —

**Some Hon. Member:** (Inaudible)

**Speaker:** The House Leaders can discuss it at great length, or you can get SCREP to look at it —

**Some Hon. Member:** (Inaudible)

**Speaker:** Hey — do you want the floor, sir?

Thank you.

We will now proceed to Orders of the Day.

## ORDERS OF THE DAY

**Mr. Elias:** 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 the Committee is Vote 7, Department of Economic Development, in Bill No. 18, entitled *First Appropriation Act, 2015-16*.

Do members wish to take a brief recess?

**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.

### Bill No. 18: *First Appropriation Act, 2015-16* — continued

**Chair:** The matter before the Committee is Vote 7, Department of Economic Development, in Bill No. 18, entitled *First Appropriation Act, 2015-16*.

#### Department of Economic Development

**Hon. Mr. Hassard:** I would like to begin by thanking Terry Hayden, acting DM, as well as Steve Rose, assistant deputy minister, for being here today with me to help me get through this, our maiden voyage. I would like to thank Jessica Schultz, who is hiding in the background somewhere — our Director of Finance. In the gallery this afternoon, we have Barbara Dunlop, who is acting assistant deputy minister, as well as Jeananne Nicloux, director of Planning and Policy — thank you to them for being here today.

I would like to begin by revisiting the context in which the department operates and how it contributes to the

continued development of a prosperous economy for the benefit of all Yukoners. It is through the Department of Economic Development that the Yukon government implements the vision outlined in *Pathways to Prosperity: an Economic Growth Perspective, 2005-2025*. This vision is further articulated in the department’s strategic plan and guides its day-to-day activities.

The role of Economic Development is to foster responsible development opportunities that contribute to a sustainable and diversified economy.

By responsible development, I mean growing the economy in ways that incorporate Yukon’s social, economic and environmental priorities. We are here to increase the benefits Yukoners, businesses, First Nations and communities receive from economic projects and activities.

The department works with a wide range of partners from the private sector to First Nation governments, to development corporations, to industry associations, to NGOs, to other Yukon governmental departments and to other governments. Our activities expand beyond our borders to represent Yukon’s interest in multi-jurisdictional concerns, such as pan-northern infrastructure and international trade issues. To carry out these activities in 2015-16, we have introduced an operation and maintenance budget of \$16.215 million and a capital budget of \$1.273 million.

One of the sections that we’ll be dealing with first is the technology and telecommunications sector. Its current multi-jurisdictional concern is the state of broadband connectivity in the north. Economic Development’s Technology and Telecommunications Development directorate works to ensure the availability of fast, affordable and reliable telecommunications infrastructure and services to Yukoners. Telecommunications is an important enabling factor in the economy and this directorate’s work includes exploring options for improvement.

Information and communications technology services are essential for Yukon residents and businesses. This sector has incredible potential as a contributor to a diversified Yukon economy. Further, we believe that the information and communication technology sector and telecommunications infrastructure in the north should be comparable with other areas of Canada in terms of access, service, quality and price.

Some of the directorate’s undertakings in this area have been as part of the Northern Communications and Information Systems working group. This group was formed in 2010 with a mandate to create more robust communications capabilities in the north. It includes representatives from the three territories and several federal agencies as it confers with members of the telecommunication industry on behalf of a better connected north.

Madam Chair, I’m proud to say that Yukon’s Technology and Telecommunications Development directorate led Yukon government’s work with our local ICT industry to develop an ICT sector strategic action plan to grow the industry’s contribution to our GDP.

Through this directorate, the Department of Economic Development supported three First Nation development

corporations — the Vuntut business arm, 40782 Yukon Inc.; Na Cho Nyäk Dun Development Corporation; and Chief Isaac Inc. led by Dempster Energy Services to develop a bankable feasibility study for an alternate fibre optic telecommunications link to the south.

This bankable feasibility study formed the basis of the Yukon diverse fibre link project to examine the business case for both a fibre link from Whitehorse to the south through Juneau as well as a route up the Dempster Highway to join the Mackenzie Valley fibre link when it is complete.

I would like to mention that the Yukon diverse fibre link project does not need to be limited to an either/or decision on the fibre route into the territory. A sequential build of both the Juneau and the Dempster fibre routes would ensure that goals of fast, affordable and reliable telecommunication services are met in the short and long term.

The department is currently focused on collecting pertinent information to be able to make a decision on the fibre route and the associated investment model. This includes the following tasks: performing a value-for-money assessment to ensure that a potential P3 investment model provides the Government of Yukon public value; preparing a total cost-of-service analysis comparing the recommended Juneau route with the alternate Dempster route to Inuvik; and by developing a detailed project plan for the permitting, procurement and construction phases.

The Department of Economic Development and Bell Mobility are implementing a plan to expand 4G mobile service in the Yukon to ensure that Yukoners have mobile access that is comparable to the rest of Canada. Previously only Carmacks, Dawson City, Haines Junction, Marsh Lake, Mayo, Teslin, Watson Lake and Whitehorse had this service, but last October, the Government of Yukon and Bell Mobility announced upgrades to the Burwash Landing and Pelly Crossing sites, and they now have access to 4G.

Mobile services are increasingly important to Canadians, both economically and socially. The Government of Yukon wants to ensure that Yukoners in all communities have access to those same economic and social benefits. The Government of Yukon will provide \$760,000 in funding to Bell Mobility between 2014 and 2018 to assist with the expansion of 4G services.

As you can see, the branch has been very busy. It is also through the Technology and Telecommunications Development Directorate that the department supports Yukon's research, innovation and commercialization sector as an area of prime strategic importance to our economy. Development of the research, innovation and commercialization sector has strategic, long-term benefits for Yukon including: enabling growth of the private sector, supporting the development of wealth-generating industries and secondary industries, and supporting the development of a knowledge-based economy here in the Yukon.

The Department of Economic Development is investing over \$1 million in the RIC-related projects in 2015-16, including support for the Cold Climate Innovation and Technology Innovation at the Yukon Research Centre and

support for the Yukon Information Technology and Industry Society. The Cold Climate Innovation centre vision is to become an internationally recognized hub for cold climate technologies and related solutions for subarctic regions around the world. In turn, this will support the development, enhancement and success of Yukon's technology industry. As well, this budget includes \$577,000 for Cold Climate Innovation and \$235,000 for Technology Innovation.

The Government of Yukon is also investing resources to support the development and diversification of the Yukon information technology sector. This includes committing \$50,000 per year for three years to provide a focal point for the industry, the Yukon Information Technology and Industry Society, better known as YITIS. This will act as an advocate for the industry, provide a forum for industry members and promote the industry outside the Yukon. The 2015-16 budget includes an additional \$100,000 for the Yukon Information Technology and Industry Society.

In addition, the Government of Yukon funds specific projects, which will support the development, growth and diversification of the information and communications technology sector. The department also supports the diversification of Yukon's economy by identifying and exploring significant economic development opportunities in the strategic industries, natural resources and tourism and culture sectors.

The Business and Industry Development part of the department — it is through the Business and Industry Development branch that Economic Development helps identify and assist with the development of industries and strategic projects with the potential for broad-based economic benefits. This branch supports the growth, development, expansion and creation of Yukon businesses and industry sectors through a range of programs and financial supports.

Personnel at the Business and Industry Development branch work closely with companies and industry organizations to undertake strategic projects that will enhance key industry sectors and contribute to Yukon's overall economic prosperity. As well, they support and stimulate the development and growth of Yukon's small- and mid-sized enterprises to further maximize benefits from large resource development projects and other economic activities. Small- and medium-sized enterprises have access to business development support and advisory services through the branch's partnerships with non-governmental organizations and industry associations as well as through direct financial assistance. In February, the enterprise development services unit moved to a storefront location to better serve the needs of the small- and medium-sized enterprise community.

Clients will be able to benefit from Business and Industry Development staff expertise and also learn more about the branch funding sources. One of these financial resources is the strategic industry development fund. This is available for projects that act as enablers or catalysts for growth of Yukon's strategic industries and that will generate secondary benefits and business opportunities within the territory.

Specifically, we expect that projects made possible through the strategic industries fund will help deliver: increased economic activities; successful business arrangements that provide positive community economic impacts; positive long-term impacts on employment and wealth creation; and increased private sector employment and a more diversified economy.

The strategic industries development fund provides funds to projects focused on natural resources, tourism and culture and research, innovation and commercialization. The funding is intended to assist the private sector to address barriers to development and to improve the competitiveness of their businesses.

In 2015-16, the Department of Economic Development will continue to support the development of Yukon's strategic industries through this fund and we have provided over \$800,000 in this year's budget to do so. Business and Industry Development also administers the enterprise trade fund to support business development and market expansion. The enterprise trade fund was developed to stimulate and support the growth of Yukon business activity by focusing on the development or expansion of export markets; attracting investment capital for businesses; and supporting business planning, marketing and business skills training.

The fund has been accessed by businesses in a wide variety of sectors, including the manufacturing, service, cultural, mining and film and sound sectors. In addition to being available to all Yukon businesses, the enterprise trade fund also accepts applications for non-profit and not-for-profit business-related organizations and industry associations.

From April 1, 2014 to January 21, 2015, we provided \$223,575 to 56 projects from Yukon businesses to assist them to expand their export-related operations. In this budget, we will be allocating \$360,000 to this important fund.

As I mentioned earlier, the department works to increase the benefits to Yukoners' businesses, First Nations and communities received from economic projects and activities that take place. This budget includes \$1.055 million for the business incentive program, which offers rebates to businesses that hire Yukoners, use Yukon-manufactured goods and hire apprentices and Yukon youth to work on eligible Yukon government projects.

As well, we are budgeting \$73,000 to continue the microloan program administered by Dana Naye Ventures. This program provides loans for the creation of small and home-based businesses and targets a segment of the market that has not been adequately served by banks because of high transaction costs. There are currently 11 active clients, two of which are from Yukon communities.

In terms of trade negotiations, ultimately Yukon's economy depends not only on what happens within our territory's borders, but also beyond them. The Department of Economic Development participates in trade negotiations to ensure that Yukoners enjoy the benefits of internal and international trade, while taking into account Yukon's position as a relatively small, developing economy. For example, as a member of the Canadian federation, Yukon is working with

federal, provincial and territorial governments to ensure that the movement of persons, goods and investments within Canada is not faced with unreasonable barriers.

Presently, a comprehensive negotiation of an internal trade renewable agreement is taking place as agreed to by all premiers at last year's Council of the Federation meeting. The Government of Canada is also currently negotiating the Trans-Pacific Partnership, which provides opportunities for Government of Yukon representatives to continue to work with officials from other regions and to ensure Yukon's interests are brought to these negotiations.

Seeing my time is running short, Madam Chair, I will conclude for now and pick up where I left off later.

**Ms. Hanson:** I thank the minister for his outline of the key areas of the Department of Economic Development and activities. I thank the officials for their briefing last month.

It's not my intention — I don't have a speech to give, or whatever. I want to be able to move through the debate on the Department of Economic Development. I think there are a number of areas we need to focus on, given the strategic importance of the Department of Economic Development in terms of the stated objective, which is — a pretty lofty objective — of developing and maintaining a sustainable and competitive economy.

As we know, at the moment, the Yukon's economy is neither sustainable nor competitive, and that's only bolstered by the recent information and data we have that our economy is effectively in recession. StatsCan and other measures have shown us that. We have some challenges and I think there's a real opportunity, using some of the tools that are in the toolkit of the Department of Economic Development to help us.

I would like to talk about this, because one of the things is that the minister, through his department, has done a number of very good studies that identify the kinds of opportunities that are out there in terms of economic development and stimulation in this territory — various sectors. I will want to focus on some of those sectors today, because I think the reality is, as the recent Yukon economic outlook in January of this year pointed out, that our real GDP is minus 0.7. The economy has shrunk and the growth rate is the lowest in Canada.

We also saw retail sales fall, with the most serious decline since 2009. I'll come back to some real-life examples of that later on. We also saw or anticipate the value of residential building permits falling. We do know that, with the proposed capital expenditures, we should see our permits for non-residential grow.

The value when those permits fall — they're not just falling a little bit. Between 2011 and 2013, they fell by over a half, and that's fairly significant. I want to talk with — as I mentioned at the outset — the minister about how the Department of Economic Development — this is no surprise to his officials — serves the government as a whole. If we look at various sectors — at the economic analysis and the modelling tools that they use to help forecast not just potential areas of growth, but actually to analyze current contributions of the sectors that the minister was talking about when he said

— you know, in terms of the strategic areas of engagement in terms of natural resources, tourism, culture, resource research innovation — so the broader enterprise trade area.

I have in the past asked a number of questions with respect to how the Department of Economic Development conducts the estimates of contribution to GDP by various sectors. I use the example that most of the time we hear statements made about the contribution to the economy mostly in the mining sector, but the difficulty that we find when we go — and even in the government's own reports — not the department's, but reports that are published — there are discrepancies in the estimates of mining employment in Yukon. So if we're going to invest in certain areas, then we need to know how we're assessing what the actual inputs are — how much is coming from various sectors and what the assumptions for these various forecasts are.

This minister won't be aware of this yet, but his predecessor was — that I will continue to press for the kinds of models that are being used to make forecasts for economic contributions and inputs in this territory — similarly, what kind of comprehensive analysis we're developing in the various sectors to give us a really clear picture of the jobs, the taxes and, in some cases, the royalties or other sources of revenue that can accrue to government so that we can make informed decisions with respect to the kinds of supports — in some cases even subsidies — to sectors so that we have a balanced approach to it.

When we say that one sector is worth investing this amount of money in, how do we make that distinction against another sector? Those are the kinds of things that are really important to get from the minister and from his department.

There are a number of other areas just to be able to know overall — like the changes in the labour force in the territory. We have seen reported changes federally or nationally in terms of more and more moving toward part-time and non-salaried — so part-time — wage earners as opposed to salaried employment — having that kind of information. It is my understanding that we do not currently have data from the Department of Economic Development that shows us the difference or the changes in terms of full-time versus part-time work in the territory — the kinds of efforts and what work the Department of Economic Development — and what role the government can play — we will come to that. The minister made, I think, a reference to the opportunities that government has to support local businesses. I have certainly heard from local businesses some real concerns about the need to have more robust supports. The challenges when we see that Yukon has the third-lowest growth in retail sales in Canada in the period — this is the report that came in February of 2015 — or January, one month's difference. When we look at not just our retail sales but our wholesales sales, we are again at the bottom of the pack across the country.

I have had conversations with members of the business community who are very, very concerned about this. They are concerned about what they perceive as a fair amount of conversation but not a lot of action with respect to how the

territorial government has responded to opportunities that are there in terms of local purchase. I noted that the minister made reference to the fact that the Yukon government, through the Department of Economic Development, participates in trade negotiations. I certainly have raised — and I am not alone in this — many people across this country have raised some concerns about the implications of a number of the trade agreements as they pertain to restricting the flexibility of local governments or subnational governments, like the Yukon, to be able to develop mechanisms that are responsive to the local economy and to local businesses.

I will be asking the minister to provide some update. FIPPA is not ratified yet. The agreement with China, the trans-Pacific agreement, is probably quite a ways away. The one that seems to be the most — well, if it wasn't for the fact that some of the members of the European Trade Union are not too happy about it either — but with CETA, the trade agreement between Canada and the European Union, in previous conversations with the previous Minister of Economic Development, I have asked questions with respect to procurements within a certain threshold level. I will want to come back to the minister on that matter when we get to that section of the budget, because I am quite prepared to move through, as he seems to be doing, in an orderly way through the various sections of the budget.

He did raise questions — I'm just giving him a heads-up of some of the areas where I will want to be raising questions. He raised the question that a lot of people are very interested in — the importance of expanding our broadband connectivity and the options that we've been hearing about for the last couple of years. We are interested in knowing more about the ICT contribution to the GDP as it stands now and what the forecast is. We're interested in knowing — the minister, at one point, said that we're not limited to either — or, in terms of the alternate fibre links, the south or the Mackenzie Valley one. It could be a sequential build of both, but I guess the question would be, and will be: Which one is going first and what risk is there by the choice that's being made?

I will certainly have questions about the P3 model for the funding of this — the resourcing of it — and be interested in knowing who's going to be conducting the value for money assessment — just seeing, Madam Chair, if there's anything else in this overview. It's clear that there are lots of questions in this area, because it is an important area of the budget.

I would also ask the minister — he might want to clarify his website, where his department has a couple of different messages on it. The website today still says that the Yukon forecasts the 10<sup>th</sup> consecutive year of GDP growth and there isn't a 10<sup>th</sup>. That's not happening. Also, the minister should be saddened to think that his picture is not on the website. I was sad not to see the current minister's picture up there. I'll leave it at that for now and let the minister go on.

**Hon. Mr. Hassard:** I will take that under advisement. I'll see if there is a good picture of me out there somewhere. It's debatable.

If I could just finish my opening remarks — the investment attraction has significant implications for natural



resources, technology and tourism and is particularly important for the mineral sector. The goal of investment attraction is to enable the development of the private sector economy. The Department of Economic Development's investment attraction activities focus on key markets around the globe. The Government of Yukon continues to build strong relationships with Asian, European and North American markets through targeted events such as China mining and the Premier's European mission. More recently, the the previous Minister of Economic Development had to attend the Cambridge House resource investment conference in Vancouver for me, and I was fortunate enough to attend the Prospectors and Developers Association of Canada convention in Toronto.

By working with the mineral industry organizations and companies, we ensure that our outreach is targeted and effective at connecting Yukon's mineral sector with the investment partners who can fund continued exploration, development, employment and growth here at home. In addition, we are working closely with the newly formed Yukon First Nation Chamber of Commerce to enhance the role of First Nation development corporations and their investment attraction.

The Yukon Film and Sound Commission — just as we reach out to mineral industry investors, we also reach out to the film and sound industries. This is to create opportunities for Yukoners and maximize the economic impact of media production here in the Yukon. In 2015-16, the Yukon Film and Sound Commission will build on its recent activities and successes providing Yukoners with employment and training opportunities and encouraging investment from outside interests.

From April 1, 2014 to January 31, 2015, the commission approved 24 projects under film programs for a total of \$1.131 million. The Yukon film location incentive provided financial benefits to five projects for \$987,620 and have an anticipated direct spend to Yukon businesses and crews of over \$3.91 million. These included location incentive funding for *Gold Rush*, season five, which was filmed in the Dawson City area, and feedback from producers is that the ratings for *Gold Rush* continue to be impressive.

Also, in 2014-15, nine projects were approved under the Yukon filmmakers fund for a total of \$42,500; eight projects were approved under the Yukon Film training initiative — \$51,940; and two projects were approved under the Yukon film production fund for a total of \$48,540. In addition, from April 1, 2014 to January 31, 2015, the Yukon Film and Sound Commission approved 15 projects for filming under the sound recording program, providing \$45,000 to Yukon sound recording professionals as they create demo and full-length albums. These grants assist an individual artist to advance their careers and also expand Yukon's recording industry. The 2015-16 budget includes \$815,000 to continue these film and sound initiative programs.

In the area of Regional Economic Development, this branch supports a broad range of foundational activities for organizations with a mandate in the area of economic

development. The Regional Economic Development branch works with First Nations, local governments, communities, and community-based organizations to facilitate strong, economically self-reliant regions and communities. The branch supports social and economic development projects and works with clients throughout their process, from project articulation to implementation.

As well, it is providing advisory and coordination services. The branch financially supports worthwhile initiatives through the regional economic development and community development funds. The intended outcomes of regional economic development fund activities include: coordinated regional economic development plans; positive long-term impacts on employment and wealth creation; diversified local economies; and an inclusive workforce.

Assistance under the regional economic development fund is available for activities related to regional economic development including: assistance in developing regional economic development plans; participation in regional economic development planning processes; opportunity identification; and other related research. The fund also supports activities related to capacity development including: needs assessment; training plans; and corporate organizational capacity training for corporate business enterprises and economic development organizations. Past-funded projects include: board training; human resource planning; tourism research; mining awareness projects; attendance at networking; and educational events related to economic development.

From April 1, 2014 to January 31 this year, 27 projects from Yukon communities were approved for the regional economic development fund for a total of \$304, 295. The regional economic development fund budget for 2015-16 is proposed to be \$405,000.

The Regional Economic Development branch also administers the very popular community development fund. The community — sometimes it is referred to as the "Currie Dixon fund", as he is no longer the minister. The community development fund provides support to Yukon communities, industry and professional associations, non-profit and charitable organizations and municipal and First Nation governments for projects and events that support community well-being, create jobs, generate spending on goods and services and have measurable social, cultural and economic benefits for Yukon residents and communities. The primary goal of the fund is to enable projects and events that provide long-term benefits and value to Yukon communities. Some examples of projects made possible through the community development fund include Bringing Youth Towards Equality, which received \$57,772 to hold a youth entrepreneurial conference here in Whitehorse, which happened last week and was a great event — very successful. I was fortunate to be able to attend Friday morning and give some opening remarks. There was in excess of 70 people who signed up for the program when I was there. It looked good.

The Percy deWolf Memorial Race Committee received \$15,120 to streamline the organization of the race's improved community-focused events and to update the race manual.

Champagne and Aishihik First Nations received \$20,000 to rebuild its existing website, creating a user-friendly social-media-compatible website allowing for more partners, citizens and public to utilize the site.

We look forward to supporting more worthwhile initiatives during the 2015-16 year and have included \$2.95 million in this year's budget to do so. The Department of Economic Development plays an important role in the well-being of our territory. This work is even more critical during difficult economic times like those that we have recently experienced and continue to feel the effects of, and I appreciate the members' attention to these details today and further appreciate your support for the resources that will enable Economic Development's continued work on behalf of a vibrant, diversified economy and a high quality of life here in the Yukon.

With that, Madam Chair, I will conclude my opening remarks and see where we go from there.

**Ms. Hanson:** I thank the minister for his comments. In one of the areas in the minister's department, one of the objectives is to provide information, analysis and advice to ensure balanced and considered economic actions. I am assuming that this is advice and analysis to make those considerations for the whole of government as opposed to just solely for the Department of Economic Development. I make that assumption based on his comments that a key area of his involvement is in investment attraction, primarily focused on the mineral sector.

The first question I would ask the minister is — and perhaps it's a good time to be doing this, since there is a relatively slow period in the mining sector, in the mineral extraction sector — what tools does the Department of Economic Development have at its disposal — or has it developed — to analyze the actual contribution of the mineral resource sector to Yukon's economy? When the Minister of Finance or the Minister of Economic Development says it's X percent of our GDP on a good day — I mean, it's not a good day right now — what tools are being used? What's the modelling that is being used? As I mentioned to his predecessor, the Government of Alaska, for example, can tell you, by mine, the number of jobs created, the amount of income tax generated and the amount of royalty generated, among other source data, by project, by mine. Do we have that kind of data? Are we developing that kind of data? Do we have it for the various exploration — when we say “exploration”, is that X amount in a year? Do we know how much of that is being spent in Yukon? How much of it is being spent outside the Yukon in terms of supplies? Have we done a comparative analysis on the amount of money that is being spent on exploration versus a developed mine in terms of actual local procurement?

I'll give you an example, Madam Chair. Generally it's assumed — and I'm looking for the minister to correct this assumption or not — that in exploration activities and the pre-

operational phase of a mine, a significant amount of money actually stays in the territory. We see local expeditors, helicopter and fixed-wing companies benefitting quite a lot because there's a lot of activity there, but, once a mine is actually up and operational, the perception — and I look to the minister to correct this or not. I've only seen the one example in action myself — at Minto — where once the mine is in operation — has been for some time — but the actual procurement of everything from, I would say, toilet paper to lettuce to whatever comes in on big trucks, on pallets, from Outside, and nothing is sourced locally.

When I'm asking for the net contribution and how we make these assessments, I'm looking for the kinds of factors the Department of Economic Development is currently using and what they're planning to use. Surely we would like to see — we hope to see — once we get through all the fiasco of the various court cases the government has us in. Once we get past that — and we'll have to, at some point — we would like to see some operating mines here. I would like to know how we're going to measure their economic contribution to the territory.

**Hon. Mr. Hassard:** So the department uses a standard model that is used throughout Canada, and the information that we input into that comes through EMR, the Department of Finance, as well as information that we received from the industry itself.

**Ms. Hanson:** Perhaps the minister could elaborate a bit. Does that information provide information about the number of jobs created in those phases? Does it indicate how much is by some breakdown of the contribution to the local economy? I'm looking to try to figure how you make this assessment about where you're putting the money.

**Hon. Mr. Hassard:** I guess the answer to the first question is, yes, we do. We get the information from the industry. I lost my train of thought — sorry. Give me one second. I'll make sure I get this right.

The information that we receive from EMR, the Department of Finance, as well as industry — we do an input-output model and then we can determine the economic impacts from there.

**Ms. Hanson:** Have we looked at other jurisdictions? Have we looked Alaska's approach to reporting on the economic impact and benefits that accrue from mining and the reporting that they use as a possibility of providing more detailed information that would be of benefit not just to the Department of Economic Development but to other government departments as well as the public?

**Hon. Mr. Hassard:** Yes, we do look, but, because they have such a very different framework, it wouldn't be compatible. That's because they are a state government.

**Ms. Hanson:** With respect, whether or not they're a state or a territory or a province, they still tell their citizens how many jobs are created, how much income is generated, how much tax is generated and how much royalty. That's just four off the top of my head. I don't have one of the reports in front of me, but on an annual basis that information is available to their legislators and to the public.

I raise this not to be vexatious, but because it is important that citizens understand how we make these decisions. If we have data, then you can say on balance here's where the opportunities are and this is what we're getting out of our investment, because we know, as government, we're being required or asked to make substantial investments in all sorts of infrastructure, whether it's the extension of transmission lines to mines that are not quite developed yet, or roads or whatever.

Those are public funds that are being asked to be invested, so we should be able to say on what basis we're making that decision.

**Hon. Mr. Hassard:** We do similar work, only we do it with such organizations as the Chamber of Mines or the Yukon Mining Alliance. Through working with them, we compile detailed information as to how many employees are working in mines, how many of those employees are First Nation, and that type of thing.

**Ms. Hanson:** I thank the minister. Do we publish that information anywhere, or is it just something that's held by the Yukon Mining Alliance or the Chamber of Mines? You would think the Government of Yukon would have an interest in making that information public — and to this Legislative Assembly as well.

**Hon. Mr. Hassard:** It definitely is public information. These organizations have used it as part of their branding campaign, so I'm sure that if somebody wanted it, it's there to be found.

**Ms. Hanson:** I ask the minister to make that — I'm looking for consolidated statements. I'm looking for some information that gives this Legislative Assembly and citizens of Yukon that information, without having to go and ask organizations that this Legislative Assembly, through the government, funds.

I would assume that if the Department of Economic Development is funding these bodies, it should be getting reports. I would assume with our ability to provide information, analysis and advice and to monitor and evaluate economic trends, issues and opportunities, that we would, under our corporate planning and economic policy sector, be gathering that information, collating it and then being able to present it in a coherent way so that that is available to us and to the public. Would the minister give an undertaking that we would get that kind of information? I am talking about the mining sector right now.

**Hon. Mr. Hassard:** I would like to say that we will give this some consideration, but we do have to be careful. If we had to do this for every different sector of the economy in the Yukon, it might create a lot of work for the department.

**Ms. Hanson:** I would suggest that is the role of the Department of Economic Development — to know what the contribution to the economy is by sector. I don't really care how much work it is. If you have a mining sector, a tourism sector, an ICT sector, cultural industries, you would expect that we are making informed decisions based on having some data, not just a gut feeling. When it says that we do information analysis and advice to decision-makers to ensure

balanced and considered economic actions, it says that we monitor and evaluate economic trends, issues and opportunities — how do we know what the opportunities are if we haven't got the data — if we haven't done the analysis?

I would expect that we will see something that gives us some rationale for the decisions that are being made. Perhaps I could ask the minister to turn to the issue that is another area that is a growth industry — unlike what we have seen over the last couple of years since we are now in the "bust" cycle of mining and resources extraction. There has been a steady growth, and it is non-controversial in the sense that there is a consistent year-over-year growth in the tourism sector. Similarly, what work is done by the Department of Economic Development in collaboration — I would presume as they do with Energy, Mines and Resources on the mining sector — to evaluate economic trends in tourism, the issues in tourism and the opportunities in tourism so that we can begin to get a sense of where the opportunities for increased investment might be?

I was interested — and the Minister of Tourism and Culture was also in Dawson City for the Tourism Industry Association meeting. There were a number of very informative presentations at that conference. I know the minister is going to be loath to hear this, but the Government of Alaska had some fascinating data, and it is available online. You can go and check this out yourself. With respect to just one aspect of the tourism sector in Alaska that certainly blew me away in the sense that there is a very large wilderness outfitting industry in Alaska where we have 20 outfitters in this territory — they have like 400 — so in terms of scale we recognize the scale is so different. They break it down in terms of the gross amount of income that is attributed to outfitting in Alaska and then they break it down in terms of the number of jobs, the income tax and that. It was significant. It was well over \$1 billion.

The interesting thing was they also did an economic analysis of another part of that tourism piece, which was wildlife viewing. The interesting thing — I was just taken away — it's double in terms of the gross amount of income generated from that and the number of jobs, and they break it down by the kinds of jobs as well.

I have previously asked the Department of Economic Development what work it's doing in collaboration with Tourism and Culture to develop economic models so that we can begin to look at the various slices of these various industries or sectors and tourism is certainly one that has huge potential. We see that in all sorts of different studies that this government has even sponsored as well. I look at the building Yukon's creative economy and creative class group report that was done in 2014. There are all sorts of data out there to suggest that the potential is enormous. Again at that Tourism Industry Association conference, the presentation made by a local wildlife viewing company that caters solely to a niche market — and the Member for Vuntut Gwitchin will know well the Fishing Branch Bear Cave Mountain viewing, which four people at a time are prepared to pay \$1,750 a day and they're booked three years in advance.

The wildlife viewing opportunities in this territory and one of the things that was made very clear is that the tourists who have gone to Alaska are now trying to come to Canada — to Yukon — because they don't like the crowds. They don't like the fact that there are 400 outfitters operating in Alaska. They are going there for a kind of authentic wilderness experience and you're not getting it when you have 400 outfitters shooting at each other or when you have the plethora of wildlife viewing operations that they now have over there.

What I'm looking for is what kind of advice is Economic Development creating so that it can, in conjunction with Tourism and Culture, provide some strategic advice about the opportunities that exist there. What kind of economic modelling are we doing — have we done so far — on the contribution made in the local economy of tourism? We have data and the only data that I am able to get so far from anybody is the number of entrants and exits — the number of people who come to the territory and the number of people who leave the territory. What is the multiplier effect of the tourism dollar? Where does that tourism dollar touch? Where are the opportunities to expand tourism dollars' reach in the Yukon?

What I am looking for from the Department of Economic Development, again, are the tools that I am assuming are being developed, or are in place, to monitor and evaluate economic trends and opportunities for the Department of Economic Development.

**Hon. Mr. Hassard:** Firstly, I would just like to say that I grew up in the outfitting industry and we didn't shoot at one another, just to keep that clear.

We have either done, or are in the process of, doing impact studies on the ICT sector, cultural and industry, the outfitters, as well as the Film and Sound Commission. We use a Yukon business survey by Yukon Bureau of Statistics and we work with Tourism and Culture, as well as Statistics Canada, to estimate and understand the impacts.

**Ms. Hanson:** I was certainly not referring to Yukon outfitters, Madam Chair. I know that they operate within the law.

**Some Hon. Member:** (Inaudible)

**Ms. Hanson:** Well, that is what was said.

So I can see that what I am looking for is how the minister measures the multiplier effect in terms of the impact on the local economy of a tourism dollar, if we are just going on these various — like the business surveys. What is that business survey measuring and is it voluntary? How do you get that data?

**Hon. Mr. Hassard:** Yes, it is voluntary, but we have over 95-percent input from businesses and those businesses put in the percentage of the revenue that they receive in terms of tourism.

**Ms. Hanson:** Is the minister able to disclose what the actual contribution by sector, within the tourism sector, is to the economy of the Yukon?

**Hon. Mr. Hassard:** That information can be found in the Yukon business survey data.

**Ms. Hanson:** I said to the minister previously that I would like to know the economic contribution to Yukon's GDP of the ICT sector.

**Hon. Mr. Hassard:** It's estimated that it's approximately 2.7 percent.

**Ms. Hanson:** I should come back, because we're still on the corporate planning and economic policy sector. In terms of working closely with other governments to cooperatively achieve Yukon benefits, there are two areas I would like to ask questions on.

I mentioned to the minister previously that I wanted to come back and ask him for an update with respect to Yukon's participation in trade negotiations. He mentioned that Yukon participates, I imagine, at the subnational level in those conversations. I have raised the concern prior to this about the implications of that agreement for local procurement. I just want to clarify — if the minister can confirm with me, or not. I'll just phrase it, and then he can tell me if this still applies or not.

Under CETA, there were certain monetary thresholds that were established, which really meant that, within that threshold, the government — whether it be a municipal government or a territorial or provincial government — couldn't establish what we would think would be preferential benefits — to prefer local suppliers. Somebody from France could say that that's discriminatory, so we were not allowed to put any discrimination based on the nationality of the supplier or the origin of the goods and services being purchased.

The thresholds — and this is the concern I had raised with the previous minister. I'm interested to know if these have changed and if the Government of Yukon has been successful in having them changed.

The proposed thresholds for subnational governments were about \$300,000 for goods and services and \$8 million for construction contracts. Anybody would say that those are pretty low by international standards. You can see that, if you are setting a threshold on an international agreement, you would think they would be quite high, but these are actually quite low. If we look at a series of projects that are being proposed throughout the territory, including the City of Whitehorse — because municipalities have expressed concerns about these in the past. My questions is: Do those thresholds still apply — \$300,000 for goods and services and \$8 million for construction and concession contracts?

**Hon. Mr. Hassard:** Yes, I believe those numbers are still the same, but they don't apply to municipalities under CETA.

**Ms. Hanson:** Is the minister sure that they do not apply to municipalities? If he has that information, would he be able to table that so that we would have a source document for that?

**Hon. Mr. Hassard:** Yes, we specifically excluded municipalities, and we can certainly table the document that Canada tabled.

**Ms. Hanson:** I look forward to that because it still leaves Yukon exposed — \$8 million is a rather low threshold

for projects that we have been hearing talked about in this Legislative Assembly.

The other problematic area in terms of the procurement area of CETA is a prohibition on offsets. An offset is a condition or undertaking that encourages local development. Most of us, as Members of the Legislative Assembly for a territory like the Yukon, would want to ensure that we could encourage local development. At the time I asked this question, my understanding was that that prohibition of offsets is basically absolute. We could not, as a government, take into consideration or take account of or impose or try to enforce any offset. That would mean that we could not take into consideration what kind of local benefits might be considered in purchasing decisions, so if it was somebody who was offering to train local workers or make a transfer of knowledge in terms of technology or make investments in the community or source a portion of goods and services locally, we would not be permitted to even consider this in the procurement decision. Does that offset provision, or prohibition, still exist?

If it does, what is the position of the Government of Yukon on that?

**Hon. Mr. Hassard:** No, there is not an absolute prohibition. There is regional economic exclusion for areas that need it, and there are other ways to support businesses rather than just with direct offsets such as training.

**Ms. Hanson:** But the prohibition did include prohibition on including training as one of those offsets — local training. When I posed the question in the first place, I was saying that this is my understanding of what was in CETA, and I understand that there was intended to be ongoing conversations between territories, provinces and the federal government, which in turn are the negotiators with CETA. If there has been a change with respect to the offset provisions, could the minister just table some sort of synopsis that confirms that?

**Hon. Mr. Hassard:** That information would be included in that document that I spoke about tabling earlier.

**Ms. Hanson:** I look forward to receiving that from the minister and I thank him for offering to do that.

The whole notion of what government can do to foster the local economy through local procurement is quite significant. I would just like the minister to confirm. My understanding from talking with people around town in terms of businesses is that our business incentive program is open to everyone in the country as opposed to solely being available to those who are resident businesses — resident in Yukon. I raise that because it is my understanding as well that in the Northwest Territories — that business incentive program — they have a parallel kind of program, that it's only available to those businesses in the Northwest Territories, and that it's really intending to foster local procurement, not to provide incentives for people to do business here from elsewhere. I'll come back to why I think this is important in a moment. I would just like to get that first part correct.

**Hon. Mr. Hassard:** It is open to all businesses but only in terms of hiring of Yukon residents and for manufacturing of

Yukon goods. Northwest Territories is more prohibitive, but it was because that was grandfathered in the *Agreement on Internal Trade* negotiations.

**Ms. Hanson:** That was my understanding, so I thank the minister for that.

What was the rationale for Yukon not seeking to have it grandfathered in if we're looking at a small economy that's fairly precarious at times and we're seeing some of the impacts on small businesses right now?

**Hon. Mr. Hassard:** The Yukon stuff was grandfathered in as well, but you can only grandfather in what's currently there when you make the deal, so you can't grandfather in stuff that doesn't exist.

**Ms. Hanson:** I have a series of questions on local businesses, which I think comes in the next section. The simple question is a start-off in terms of support for local businesses and it's kind of surprising. When you go to the Government of Yukon website today there is a pop-up survey on the Government of Yukon website, which tells people that if they complete the survey, they'll get an Amazon or PayPal gift certificate.

I spoke to a number of people over the last while, who tell me that — as we talked earlier, statistically we know this from Statistics Canada — retail sales are down 7.9 percent. We have seen significant wholesale sales this last month only down 7.4 percent, but the previous month it was down 20 percent. It is kind of a symbolic kind of thing for some small businesses, so why the heck would we be encouraging people to use PayPal and Amazon to solicit their participation in a Government of Yukon survey, when you could provide support to rotating small businesses? You could say, XYZ small business Yukon, get a gift certificate and just do that, as opposed to supporting two rather large enterprises that have nothing — nothing — to do with Yukon's economy, nor do they contribute to Yukon's economy. Actually, one would say — and we have seen the impact of Amazon in particular — it does have a negative impact when you are doing the ship-in and ship-out, and it doesn't help the local economy — perhaps Canada Post, but it's a little bit late for that.

**Hon. Mr. Hassard:** I think it's important that you understand that we do understand the importance of local businesses and promoting those local businesses. While I am not sure about why or how PayPal and Amazon got on there, I think it is important to remember that local businesses can use those products as well.

**Ms. Hanson:** Could I ask the minister to repeat that last bit — local businesses can do what?

**Hon. Mr. Hassard:** Local businesses can link up and utilize PayPal as well as Amazon for their local businesses here in the Yukon.

**Ms. Hanson:** I am aware that local businesses can use PayPal. The question is: Why would we be giving people gift certificates on PayPal? Why would we not be using local businesses on a Government of Yukon website? Why would we be using PayPal and Amazon versus a series of local businesses?

Madam Chair, I raise this because we've had people — local businesses — who have said that 2014 was the worst year, in one person's instance, in 40 years of business. They had laid off seven individuals who were long-term employees, and that 2015 is starting out worse. These are small businesses.

I'm not raising this as a joke. This is an example of what happens when we have removal. We talk the talk about supporting local businesses, but we don't actually do it. We have a really serious situation. I'll be interested in the minister's statistics on the number of small- and medium-sized business owners who want to retire. We've seen it already. They cannot find people to buy their businesses. If the economy is down, people aren't buying. It would be interesting to know. As part of our forecasting, some people think that up to 75 percent of the businesses currently operating will change hands in the next five years. A simple gesture of not recognizing that local retailers do need that kind of small boost begs the question. The support for economic development in the territory is more than just programs and program dollars. It's the ongoing sustained approach. That's why I keep asking the question about how we're using the tools of local procurement to maximize the multiplier effect of those procurement dollars.

We know that small businesses — or businesses that are local — if we're using our procurement dollars, it has a huge spinoff effect, as opposed to buying from Amazon. The irony is that, this morning I think I read someplace that our population is now close to 37,000, but our sales are down. There's a real problem here. What concrete work is being done to support those small businesses? That is why the importance of local procurement cannot be overstated.

We hear stories about the Yukon government ordering large amounts of materiel from outside of the Yukon as opposed to doing it locally. I used an example from a Zarb School of Business last year, in terms of a study they had done on the multiplier effect of local businesses. They used an office supply business. Somebody had mentioned to me in recent months that the Yukon government had ordered a truckload of paper from Outside and then didn't use it and then tried to sell it. The question was: Why did they go Outside when we do have local suppliers — local office supply companies?

It is more than just saying, "Well, the local suppliers can use PayPal." It is the symbolism of this government using those large Outside entities as opposed to finding ways to reinforce the need to support our local businesses through whatever means we have available to us. That is the toolbox that the Department of Economic Development has — to encourage other territorial departments, and in particular Highways and Public Works, which does most of the procurement — to be doing that. Economic Development would be able to tell us and be able to analyze what the implications are.

Are there any recent studies, as we look at both the City of Whitehorse and the chamber of commerce developing a strategic approach — the City of Whitehorse has developed an

economic plan — both of them looking at how they can increase local procurement because of its importance to the economy. What is the territorial government's actual strategy with respect to increasing local procurement? What analysis has it done of the economic implications of Yukon government procurement on the local economy? Standard & Poor's made it very, very clear that the preponderance of the monies in the territorial economy come from four parts of the territorial budget. Our spending influence as a government is significant.

What I am looking for is: How is that being measured? What do we know about the impact on the local economy? What is being done to enhance it? How much of the Yukon government procurement budget is spent Outside? Those are economic pieces of information that we need to know because it is part of the work that, as I read — in terms of information and analysis — because if you have that, then you can make and provide advice to decision-makers about what alternatives there are.

**Hon. Mr. Hassard:** I think there were a lot of questions in that little group there. First off, I would say that I think we should defer the procurement stuff to Highways and Public Works when they come up for debate.

On the Economic Development side, the member opposite spoke about the economy and 2014. We do understand that 2014 was a down year, but I think the businesses that we've spoken to so far — like the first quarter of 2015. Things have actually improved. I heard of one local business this morning saying that this is the best year they've ever had so far. I've talked to a few local hoteliers who have told me that they have more reservations this year at this time than they've ever had before in history. I beg to differ with the member opposite maybe there.

The survey that she talked about — that survey was not actually done by Economic Development so we would have to look into that because, if it isn't ours, it's pretty hard to speak on it.

One thing she did mention was that the population was increasing. I think that's a good sign because I remember times when I was younger that our population decreased significantly.

She spoke about the city's plan. I think it's important to note that we helped the city with that, so I understand. I think it's important to remember that the Government of Yukon is committed to providing programs and services that support and stimulate the development and growth of Yukon small- and medium-sized enterprises. In addition to delivering direct business development support and information, the Department of Economic Development provides advisory services to Yukon's small- and medium-sized enterprises through partnerships with non-governmental organizations and industry associations.

As well, the Canada-Yukon Business Service Centre previously operated by the Yukon Chamber of Commerce was established to nurture, stimulate and encourage business development. The centre provided counselling, computer access and a business library. Canadian Northern Economic

Development Agency — or CanNor, as it is more commonly known — and the Department of Economic Development developed a new bilateral approach to the Canadian-Yukon Business Service Centre with the intent to relaunch the centre in 2014. CanNor and the Department of Economic Development finalized an MOU agreeing to move ahead with plans to deliver the centre through the Business and Industry Development branch.

One of the other programs is Dana Naye Ventures' business development program. They provide loans directly to Yukon businesses. Dana Naye Ventures also does a microloan program. It provides loans for the creation of small and home-based businesses. The enterprise trade fund supports business development and market expansion of Yukon businesses. The Whitehorse Chamber of Commerce SME support service supports the small and medium enterprise business community through the development and delivery of Partnering for Success and SME training.

The Yukon venture loan guarantee program is intended to encourage the provision of business financing from commercial lenders by guaranteeing a portion of the loan to a financial institution and the Yukon small business investment tax credit program, which is administered by Economic Development on behalf of the Department of Finance and which encourages Yukoners to invest in small Yukon corporations.

**Chair:** Before we continue, would members like to take a brief recess?

**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're going to resume general debate on Vote 7, Department of Economic Development.

**Ms. Hanson:** I just want to go back to before the break. The minister had acknowledged my comment with respect to the population increase.

What he didn't acknowledge was the concern that I had expressed that, despite the fact that the population hovers around 37,000, one would expect to see a commensurate increase in both retail and wholesale sales, but what we are seeing is a decrease. That is the concern that is being expressed by the business community. We can't have it both ways. There is an underlying issue here in terms of either confidence — consumer spending and business spending — in terms of the wholesale. That is one of the reasons why I asked the minister about the data on procurement.

I guess I don't buy the notion that the Department of Economic Development would fob that off to Highways and Public Works, because the Department of Economic Development has the responsibility. Again, I am looking at corporate planning and economic policy. It is providing the information, analysis, and advice to decision-makers to ensure balanced and considered economic actions. We heard earlier

this afternoon that Economic Development is working — and I will get information from the minister about economic data on the contribution to the economy with respect to the mining sector and elements of that, and also with respect to the tourism sector and elements of that.

Similarly, when we look at one of the biggest economic drivers in the Yukon — the biggest is the Yukon government. So the question was: How does the government measure its contribution in terms of procurement? There are other elements that we could look at, Madam Chair; I am just asking the question of procurement now. There are many, many other aspects of the Government of Yukon's interaction with the private sector that we could talk about. For small businesses and the health of those small businesses, it is the procurement piece that is really, really important. That is why I was asking.

I know the Department of Economic Development doesn't manage the procurement process, but they certainly would have an idea. Unless you know the amount and the sources or where those procurement activities are occurring — in what sectors — I would imagine, or assume, that it is difficult to make recommendations with respect to how the economic development programs or other government programs could be changed or augmented to support that activity — to support local procurement — because if you are able to provide the data to the other departments, then they would be able to then take that into consideration. If it was compelling enough that government decisions to procure outside the territory were having a negative impact on local business, you would think that would also be compelling in terms of the commitment that the minister expressed to supporting local Yukon businesses.

I will leave it at that and ask him to respond.

**Hon. Mr. Hassard:** I have complete confidence in the Minister of Highways and Public Works to answer any questions in regard to procurement.

But I will just read into Hansard — and let the member opposite know — the information about why we're doing what we're doing, or where we get the information.

The preliminary percentage contribution for 2015 GDP is as follows: agriculture, forestry, fishing and hunting — 0.2 percent; mining, quarrying, and oil and gas extraction — 18 percent; utilities — 1.6 percent; construction — 6.8 percent; manufacturing — 0.7 percent; wholesale trade — 1.3 percent; retail trade — 4.5 percent; transportation and warehousing — 2.9 percent; information and cultural industries — three percent; finance and insurance — 3.1 percent; real estate, rental and leasing — 14.4 percent; professional, scientific and technical services — 2.7 percent; administrative support, waste management and remediation services — 1.5 percent; educational services — 5.5 percent; health care and social assistance — 7.8 percent; arts, entertainment and recreation — 0.4 percent; accommodation and food services — 3.2 percent; other services except public administration — 0.8 percent; and public administration — 21.7 percent.

**Ms. Hanson:** So I take it that when I look at the objective of the department to facilitate the development and expansion of new and existing small and medium enterprises,

we don't look at the implications of procurement from government for that.

I have a question that the minister will be able to answer. I asked his officials to provide a cost for the new Invest Yukon website — if they could tell me what the cost of that was.

**Hon. Mr. Hassard:** I will still continue to let the Minister of Highways and Public Works speak to the procurement part of that question. I don't have the numbers at my fingertips for the cost of the website but I will get back to the member opposite on that.

**Ms. Hanson:** I appreciate the minister and I'll look forward to receiving that information.

It's my understanding that the Chamber of Mines received funds for development of a communications plan under the strategic industries development fund. Is that correct and, if so, how much?

**Hon. Mr. Hassard:** Yes, that is correct. That plan is currently under development, but unfortunately I don't have that number at my fingertips either. I will have to get back to the member opposite with that as well.

**Ms. Hanson:** I take that as an undertaking — that the minister will get back to the House with the information on what contribution was made to the Chamber of Mines for the development of a communications plan.

**Hon. Mr. Hassard:** I believe I sent the list to the members opposite last week — no, a couple of weeks ago — so they should have already received that information. It would have been in that list.

**Ms. Hanson:** I don't recall that. I will check and then I will get back to the minister and ask him a question about it.

On the alternate fibre link, when we were talking about it earlier, the minister outlined the investment models and he indicated that he would be looking at doing this as a P3. What is the estimated total cost — because he said it is not either/or, so it's sequential and so it doesn't matter which sequence he gives them — for each of the options being considered? The estimated total costs for each of the options, being the estimated forecast costs for each of the options being considered, given that the minister said that it is not either/or — that they could be done sequentially — I am looking to hear what the estimated costs of those two fibre optic links are.

**Hon. Mr. Hassard:** We can't currently disclose any amounts because we are in the process of a life-cost analysis with all of the parties involved. We will have to wait until that is determined.

**Ms. Hanson:** When would the minister anticipate having that data available?

**Hon. Mr. Hassard:** We're currently in negotiations. Depending how fast those negotiations go, I guess that's how fast we'll get back with the information.

**Ms. Hanson:** Usually when you have negotiations, you have a box within which you operate. You just don't go in with wild hope that you're going to get somewhere. You must have some mandate.

Is the Government of Yukon looking to seek a contribution through partnerships with Canada — the P3 entity that Canada has established as a source for funding for both these links?

**Hon. Mr. Hassard:** The Department of Economic Development is currently assessing options for the diverse fibre route and investment model. Several due diligence tasks that are required prior to the decision occurring include development of a detailed project plan for the permitting, procurement and construction phases. That was completed this past December. A value-for-money assessment is currently underway, comparing a P3 investment model to traditional government procurement methods. This is to ensure the best public value for Yukoners, with both routes in mind.

Preparation of a total cost-of-service analysis, comparing the recommended Juneau route with the alternate Dempster route to Inuvik — the Yukon diverse fibre link project — does not need to be limited, as I said earlier, to an either/or decision. Assessing the sequential build of both the Juneau and Dempster fibre routes ensures the goals of fast, affordable and reliable telecommunication services are met in the short and long term.

The department will select a procurement method that best aligns with the Government of Yukon's goals, one that achieves the most favourable level of risk transfer to the private sector, and one that is expected to achieve market interest and competition during the procurement phase. A Management Board submission on this project is expected to be submitted sometime this summer.

**Ms. Hanson:** I have a number of questions that flow from the minister's answer, but he didn't answer the first question regarding the source of money. Is it their preference to see this done under the P3 in order to access federal funds?

**Hon. Mr. Hassard:** That is definitely one of the avenues we're looking at and will be determined at a later date.

**Ms. Hanson:** The minister said the department is currently doing — the way I heard him say it, and I'll ask him to confirm this — a value-for-money assessment to determine the model that would be pursued.

The question I have is: How is value-for-money assessment being conducted if we don't know what value is at the core? We don't know what number is being plugged in to assess the options that would be considered here — whether it is a public or a private bill.

**Hon. Mr. Hassard:** I guess that is the difference here. As we continue to have discussions with various partners, the numbers change. As you meet with each organization, or each stakeholder, different ideas come about, so these things continue to change. That is why we can't use a particular number right off the bat — because it is a moving variable.

**Ms. Hanson:** This is actually quite important. The Auditor General of Ontario did an audit of the P3 projects in Ontario last year, and the value-for-money assessment — who conducts it, how it's conducted, the parameters that are established there are critically important. In Ontario, the P3 projects that the Auditor General studied cost the Government



of Ontario \$8 billion more than if they had been done in a different way, so it is very important to know. I mean, if we are talking about going to Management Board this spring or summer — I wasn't too sure if it started with an "s" as I went down — you would think that we would have an idea.

Who will be conducting the value-for-money assessment?

**Hon. Mr. Hassard:** We have Ernst & Young working with us and we agree with what the member opposite said. That is why we aren't saying that we are doing a P3 right off the bat. We wouldn't say that until we knew what the value for money was, because maybe it's not the best option. We are not committing to any particular avenue at this point. We just said it was an option. It is something that we're looking at.

**Ms. Hanson:** No doubt we'll have opportunities to come back and discuss that in more depth as this develops. Can the minister just confirm — because I didn't quite get when he said that this decision would be made — whether it was spring or summer, and is it 2015 — or when that we will look at to see a decision by government on this?

**Hon. Mr. Hassard:** What I said was that a Management Board submission on this project is expected to be sometime this summer.

**Ms. Hanson:** I thank the minister for that. We will be looking forward to hopefully having further conversations.

Under Regional Economic Development, could the minister elaborate on exactly what it means to be the government of Yukon's focal point for First Nation economic development? What does that mean? What does it look like? What exactly is the role of the Department of Economic Development as the focal point for First Nation economic development?

**Hon. Mr. Hassard:** The Government of Yukon is committed to working with Yukon First Nations on collaborative initiatives to ensure they remain full partners in the economic development of the Yukon for the benefit of all Yukoners. The Department of Economic Development provides economic development-related advisory information and funding services to Yukon First Nations. Yukon government support for First Nation economic development spans a range of activities, from business planning to project evaluation, including building governance institutions through capacity development, supporting strategic and economic planning efforts, developing policies that support economic development, identifying and supporting projects that will provide lasting benefits to Yukoners, developing feasibility studies and business plans, and establishing business ventures.

The Department of Economic Development supports aboriginal capital corporation Dana Naye Ventures, which manages loans and microloan programs for aboriginal businesses, as I said earlier. The department contributes to regional economic development planning as outlined in chapter 22 of the *Umbrella Final Agreement*.

**Ms. Hanson:** I thank the minister for that.

There is a question I increasingly hear as I travel about the territory, particularly as people are looking at ways to bolster the economy in communities outside of Whitehorse. We know that businesses in Whitehorse are struggling, but

Outside there are also struggles. One challenge that is raised in conversation often — and I'll put it to the minister — is: How is community and regional economic development done in a region, for a region out of Whitehorse?

One of the issues that I've heard in many communities is that, without having people based in the various regions of this territory who actually know what's going on in the communities, know what the factors are and who the players are on an ongoing basis and see the opportunities as they evolve and they emerge — to do that out of the Whitehorse-centric model — well, basically it becomes a Whitehorse-centric model. Many people in the communities who I have talked to — whether it is in Haines Junction or Dawson City or Watson Lake or Ross River — are looking for opportunities to actually — when we talk about working in collaboration — work with somebody who is invested in their community, lives in their community and understands the challenges of their community.

My question is: What initiatives does the minister have underway to actually look at and consider having a regional presence, not somebody who travels in and out of a community, but actually lives in that community, invests in that community and participates in the regional economic development discussions that go on, whether they are between the LAC or the municipal government, the First Nation government or the development corporation — the various entities? We can start listing them off, and there are many and the minister knows that from his own experience living in a relatively small community in the Yukon and representing a number of small communities in a region of the territory that has many, many opportunities — economic opportunities — that would be bolstered, one would think, by not just the fact of having another job in a community, as opposed to growing jobs in Whitehorse, but growing some community employment. There is a spinoff — again using my analogy earlier about the multiplier effect. Every job has a multiplier effect in terms of housing, local purchasing, perhaps children attending the local school and using the facilities. What undertaking or initiatives is this new Minister of Economic Development, coming from a region — does he think it is important and is he sympathetic to the views of the people in the communities that there needs to be more of a presence for regional economic development?

**Hon. Mr. Hassard:** The department does work in all of these communities. I think that it's important — I mean we have to be realistic. Not every community has someone or has the ability to have someone with the knowledge base enough in that area to provide that. If we want to see a doctor, we usually go to Whitehorse because that is where the doctors are based. It's a similar situation.

I believe that the services the department are providing to the communities are wonderful. I don't hear any complaints at all. I deal with the Teslin municipal government, the Faro municipal government and Ross River. This is the first time that I've heard anything remotely negative in that regard.

One thing that we are doing is a pilot project called the north Yukon READI. It's a north Yukon regional economic

action development initiative to provide support and advisory services to north Yukon using combined financial contributions from the Department of Economic Development, the Tr'ondëk Hwëch'in, Na Cho Nyäk Dun, as well as the Vuntut Gwitchin First Nation and the Town of the City of Dawson. The Village of Mayo would be a non-financial participant.

The guiding principles of the north Yukon READI will ensure partnership and co-management, shared resources and decision-making, and community-based planning and deliverables. We're nearly ready to finalize an MOU between all the potential participants. This initiative could roll out as early as the second quarter of this fiscal year. A draft MOU has been circulated. Hopefully by June we'll have that signed.

It's proposed that personnel hired by a regionally based delivery agent, reporting to a representative stakeholder committee in each community, would be located in Dawson City and would travel regularly to the communities of Old Crow and Mayo, delivering a combination of community economic development and business development services. For the purpose of the pilot project, the service delivery agent will be the Tr'ondëk Hwëch'in.

An annual workplan tailored to the needs of each community will be monitored by a regional management committee. This workplan would form the basis for activities and projects that would be undertaken over the course of the year.

**Ms. Hanson:** The minister doesn't have to take it as a critique, or a negative, to suggest not having a presence in the regions. If you look at the opposite side of that, it is: What are the opportunities? If, from his perception, things are fine as they are, what opportunities might there be if we were to grow the presence?

I'm pleased to hear that he is talking about a pilot project in the northern region affecting Dawson, Mayo and Old Crow. Are there evaluation criteria for that? How will it be determined if it grows from a pilot? How long is the pilot for one? When will it be determined whether or not that pilot becomes a program? Would it be expanded to other regions of the Yukon?

**Hon. Mr. Hassard:** The timeline would be in the terms of reference. We're assuming this might be a pilot project for up to three years. The oversight will ensure deliverables.

As far as whether there would be other pilot projects, this will be determined on how this one works out. I mean, if it's a roaring success, then we would probably be looking at trying this somewhere else as well.

**Ms. Hanson:** Will there be, or are there, evaluation criteria? One of the challenges is to determine whether or not you know it has worked. What are the indices of success here? Dawson has already had the experience of having had a locally based tourism person and a locally based Department of Economic Development person and then they are not there. When you have something that may or may not be for three years, what are the criteria that will determine the length of the project and how will the department determine whether or not that merits an investment to make it an ongoing function

of the Department of Economic Development in that region? It is very easy to just say that we are going to do a little pilot and then it disappears and that does nothing for the sustainability of the economy.

Somebody is going in on a pilot project. Are they going to put down any roots; buy a house; do anything? What I am looking for is some sort of indication of the thought that has gone into this and how it will be determined whether or not it has succeeded and whether or not that could be the formation of a decision around continuation of it in that locale and possibly in other locations.

**Hon. Mr. Hassard:** I think the difference here is that this is a partnership. Everything is going to be based on a collective decision. We are just one partner in this partnership. I believe that it will be measured in ways, such as: Are there more responsive services with the support of professional economic development and business advisors located in the region? Is there capacity building and an increased knowledge base; opportunity for sound planning; recognizing needs; setting a future vision and building on strengths; the efficient and effective use of resources; and the ability to leverage other funding sources?

**Ms. Hanson:** I worked for the public service for a long time. I mean, I recognize that as language that is not — I am looking for what the outcome is here. Has it increased employment? Has it increased the local economic base in those regions? Has it increased the number of businesses? Has it increased the number of — what are the indices?

Surely, if we're into it as a partnership in collaboration, there is a real incentive for all the partners here to agree upon the criteria upon which we would then mutually, collaboratively assess whether or not we succeeded. We are not looking for the "process" language, which is what I have just heard here — that is process language. I am looking for outcomes. How will they, as the Department of Economic Development, assess whether or not this project has succeeded, because that is the basis — I am presuming — of all the other pieces of data analysis that go into a determination of whether or not we invest more money into tourism or more money into the resource sector, or more money into the ICT.

We are talking about regional economic opportunities, so we must have some expectations of what we're looking for to make that — so economic indices are what I'm looking for. What are the economic indices?

**Hon. Mr. Hassard:** I guess the whole purpose of economic development is to create wealth and jobs, so if we don't create any wealth or any jobs, then we know that it's not working. We're going to work with all of the stakeholders and try to make this project a success.

**Ms. Hanson:** Is the minister saying now that that will be built into the criteria now for reviewing this in three years from now?

**Hon. Mr. Hassard:** That obviously is one of the things we look for in Economic Development but, as I spoke earlier, the terms of reference will be developed by all of the stakeholders together. I'm just saying that we are just one

partner in the partnership, so it's pretty hard for us to say that this is what all the terms of reference are going to be.

**Mr. Silver:** Thanks to the department officials today for their time. It is much appreciated, and thanks to the minister on his first Committee of the Whole debate. We have a half hour left. I hope you don't filibuster.

I would like to pick up where the Leader of the Official Opposition left off with the second fibre optic line. I'm going to ask some very specific questions and I'm sure I will get some specific answers here.

The territorial government continues to study its options of course for creating telecommunications redundancy in the territory. Alaska Power & Telephone recently announced that it plans to run an underwater fibre optic cable from Juneau to Skagway. To start off, if the minister can elaborate, how will this impact the studies? Good starting question.

**Hon. Mr. Hassard:** I think the biggest thing we see with that is a definite possibility in cost-savings.

**Mr. Silver:** I believe the Alaskan company has put together \$10 million — or around there; I'll have to check again for that number. When you talk about Alaska now giving \$10 million toward a project, does that change any priorities or favouritism for one versus the other? I know that the minister has spoken about the fact that we're still in negotiations. There are still consultations but, other than the obvious — that this is now \$10 million that the Alaskan side is going to pay for that we might not have to — is there anything else that would have an impact based upon this new information?

**Hon. Mr. Hassard:** The most important thing we have to look at here is the overall lifecycle cost. Just because somebody puts \$10 million — or whatever that number exactly is — they're still going to want to try to recover that cost. We need to factor that into the lifecycle cost and the big picture of it — so not necessarily.

**Mr. Silver:** I do appreciate that there are still ongoing communications. One thing of interest coming from the Klondike is that, with the Skagway option, we have redundancy that's for the major centre in Watson Lake — so Whitehorse and Watson Lake.

I'm wondering if the minister is looking at redundancy north of Watson Lake and Whitehorse when they sit down and make their decisions. Other things to consider as well — after 10 years, what's the plan as far as the Skagway link and as far as access to the line that runs through Juneau and the costs? I'm sure there are a lot of those things.

I can appreciate that there are a lot of things we can't discuss right now because things are ongoing, but there are some questions that a lot of people would want some answers to — for example, who would be responsible for building the new fibre optic line, whichever one is chosen? Could the minister walk us through the process for building and selling bandwidth and how that would work with the proposed Juneau line, for example? I'll just ask the last question as well and sit down and let the minister decide which ones we can share information about today.

Competition with Northwestel — will the new line be in competition or will there be some kind of process that would allow them to contribute?

**Hon. Mr. Hassard:** To begin, I think the north — the redundancy is capable to be done through the microwave up until 2020. We're not saying we're going to do the Skagway-Juneau, so it's a little bit difficult to say. The Dempster route would eventually curb those concerns, I guess.

Currently the department has engaged Stantec Architecture, and they are to provide business development support to phase 2 of the fibre link. The project begins with an analysis of investment models for the proposed Juneau fibre link.

Stantec won that contract via a competitive request-for-proposal process in the summer of 2014. The RFP allowed for a phased workflow. The scope of work was divided into three parts: investment model, project plan, and implementation of the project plan. In phase 2, part 1, Stantec was tasked with the undertaking of an analysis and recommendation on the investment model for the recommended Juneau fibre link. This work builds on the recommendations of phase 1 of the project, which produced a bankable feasibility study concluding that the Yukon diverse fibre link project is technically feasible and recommended establishing a Whitehorse-to-Juneau fibre optic link. The three main tasks must be completed before the department seeks direction from government. The project plan — a detailed workplan, including estimated budget and timelines focusing on the development of the YDFL project business case and taking the project through the permitting, procurement and construction phases. The value-for-money assessment, which I spoke about earlier — the VFM assessment for the Juneau fibre link is required to provide a quantitative analysis of the costs recommended P3 model versus a Crown corporation agency model. A positive VFM indicates public value in proceeding with the P3, DBFMO investment model, and a negative VFM indicates the traditional public procurement would provide greater value.

The total cost-of-service analysis — the department has been in negotiations with Northwestel regarding opportunities to develop the alternate Dempster fibre route, and Northwestel has provided the department with additional information regarding costing. That was in February. The department is using this information to conduct the total cost-of-service analysis currently.

**Mr. Silver:** Thank you to the minister for some more information. I will move on.

I want to talk a little bit about economic forecasting. Here in the opposition we get accused every once in awhile of beating up on the public servants when we start talking about comparisons between the GDP and the forecasts. I have done a lot of work in my degree through mathematics and through statistics and SPSS modelling to know that there are a certain number of parameters that have to go into an economic forecast. I was wondering if the minister can run us through how and why major mining projects are added into the economic forecast? The reason why I ask is that the forecasts

are out of whack comparatively to the realities, and it goes without saying that the differential between those numbers is usually based upon the fact that these major mining projects could go in a certain year but don't, and could go in in another year and don't. We have even seen representatives of these companies say, "Please, don't add us in on the forecast. It's not fair for us."

If the minister could run us through how they decide which parameters and which variables go toward the forecast — because for me that would be a decision made at the higher political level as opposed to the public servants who are tasked with the job of putting together numbers saying, well, if this happens then it would be this percentage. I mean, imagine if Google decided tomorrow to put some databanks in the north because they need the cold climate — that would affect our GDP, now wouldn't it? Again, how do we pick the things that we decide? Would the department be willing to maybe not add these forecasts to include major mining projects that may or may not come down the pike, seeing as representatives from that industry have said they would prefer not? Foregoing that, if we're going to continue down the same path as far as our economic forecasts, has anything changed within the Department of Economic Development from last year to give Yukoners more confidence that the numbers between forecasts and actuals will be a little closer?

Now of course we're not saying that they can predict the future. That's not what we're saying. We're just trying to get these numbers a little bit closer.

**Hon. Mr. Hassard:** This is a technical document and the information is information that is received from private companies as well as input from other departments, such as Energy, Mines and Resources, and the government can never say anything that the private company hasn't already said. We have to use the information that they have provided, and we do. We recognize the fact that one large project can sway our numbers significantly. Other jurisdictions might have 10 large projects on the go, so if one falls off the radar or one comes on-line, it doesn't reflect so much in the numbers, but when we have such a small, narrow — you know, one working mine open or a hard rock mine — so it makes quite a difference and we do recognize that.

**Mr. Silver:** Again, I'll give the minister an opportunity to answer the question of whether or not he would be willing to change the way that they release those stats, maybe drawing down on more of what those percentages mean. If Selwyn goes in production for example, how much of the GDP contribution — you know, with a little expansion of the numbers, which would give the government a lot more — it's hard to say. It would definitely give it a little more stock in how those forecasts have been forecasted.

I'm going to move on. I want to talk a bit about the community development fund and the enterprise trade fund as well — the CDF and the ETF. I received a letter — and thank you to the minister for this — of the recipients of these funding pots. Thank you very much for that. But can the minister please explain why the recipients of both of these funds are not published on the website?

**Hon. Mr. Hassard:** Currently, with the CDF funds, we just do a news release outlining all the successful proponents, but, with the enterprise trade fund, because you're dealing with private businesses, we don't. The information is available, but we don't announce it. I guess we could look at putting the CDF successful proponents on-line, but it's just something that hasn't come up before.

**Mr. Silver:** I do appreciate that answer. It does make sense, if you're talking about the business sector. For us in opposition, it's always good to take an analysis of how much money goes where, and then you take a look to see some assessment of those dollar values and whether or not they're hitting the mark. But I do appreciate the answer.

I have two more questions, and hopefully we'll get to both of them before the end of the day here. We talked a bit today about red tape.

In the 2014 Budget Address, the Premier announced — and I quote: "The Department of Economic Development will also be engaging the various chambers of commerce to undertake a red tape review of the regulatory burden facing Yukon businesses and provide a report on the measures to reduce this burden."

I know that in the response in Question Period today, it was mentioned by the minister — I think it was this minister — that there is work being done. We know that there is not a review yet, but maybe the minister can have a little more time here today in Committee of the Whole to draw down on giving an update as to where the department is with this review.

**Hon. Mr. Hassard:** We recognize the impact that red tape can have on small business. As the member opposite said, in 2014 we conducted a small business red tape review. It was to assess perceptions of red tape among the business community, and the results will be used to plan for measurable actions of red tape reduction and improved government-to-business services.

There are measurable actions of red tape reduction and improved government-to-business service, currently either underway or readily available, that will address the majority of concerns of the Yukon business community.

Economic Development worked with the Yukon Chamber of Commerce to determine the current red tape perceptions among the business community. The Yukon Chamber of Commerce engaged the services of DataPath Systems market research to undertake a survey of Yukon businesses across all sectors to develop a baseline measurement of perceived issues associated with Government of Yukon red tape.

This work was completed by October 31, 2014, and the red tape reduction survey of Yukon businesses reported four key recommendations. Number one was to establish a process concierge to ensure the right person is contacted first. Number two was to improve communication between departments through more comprehensive training of front-line staff. Number three was to implement better on-line forum coordination. Number four was to conduct the study again in a year.

There are measurable actions of red tape reduction and improved government-to-business survey service currently underway. Number one was to establish a process concierge to ensure the right person is contacted first. In partnership with the Government of Canada, Yukon created an on-line registry of all necessary permit and licensing information called BizPaL. The Business and Industry Development branch within Economic Development is assuming the responsibility for and delivery of Canada-Yukon Business Service Centre activities to provide concierge-like services for businesses requiring assistance with the territory's regulatory processes, including a single-window access point for comprehensive federal and territorial government services, programs and regulations for business and non-government programs.

Two: the front-line staff service is often mistakenly related to red tape and was technically not within the scope of this report. That being said, the Government of Yukon recognizes the value of streamlined communications between departments and has been working diligently on initiatives such as SharePoint adoption, which is a web tool that provides Internet portals, document and file management and collaboration among other features. It's to establish various communities of practice to improve interdepartmental communication.

Three: the on-line forum coordination — the Department of Community Services business legislation modernization project, which will soon be completed to modernize Yukon business legislation, will make business registration in Yukon more efficient and support modern business practices including electronic service delivery.

Four: conducting the same study in one year would not appropriately gauge changes within Yukon's business community because this study was designed specifically to determine a baseline from which to proceed in addressing red tape. However, including red-tape-related questions in the biannual Yukon business survey, which is a highly effective tool with an exceptional response rate, will provide valuable information about the Yukon business community and its red-tape concerns to enable the Government of Yukon to continue to respond accordingly to those concerns.

**Mr. Silver:** Thank you to the minister for that response. I'll move on to my last question. It's based on UNESCO. Last year there was a unanimously supported motion on supporting efforts by the Tr'ondëk Hwëch'in to have the Klondike region recognized as a UNESCO World Heritage Site. As we know, all the stakeholders were at the table, including the KPMA and the City of Dawson, and also a working group with many people with many different hats in that community.

I was wondering if the minister can provide an update on what has been done since. As we all know, that money was to help facilitate a hire within Tr'ondëk Hwëch'in to oversee the conversations. I will leave it at that for the day and thank the minister and the members of his department for their time here today.

**Hon. Mr. Hassard:** We are committed to continue to provide funding to help support the works that are ongoing. This is community-pushed — it is being pushed forward by

the community. We continue to support the community in what they're doing and we continue to support all of the stakeholders in their process in undertaking this.

Seeing the time, Madam Chair, I move that you report progress.

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

*Motion agreed to*

**Mr. Elias:** I move that the Speaker do now resume the Chair.

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

*Motion agreed to*

*Speaker resumes the Chair*

**Speaker:** I will now call the House to order.

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. 18, entitled *First Appropriation Act, 2015-16*, 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.

**Mr. Elias:** I move that the House do now adjourn, and may the fourth be with us all.

**Speaker:** It has been moved by the Government House Leader that the House do now adjourn, and may the fourth be with us.

*Motion agreed to*

**Speaker:** This House now stands adjourned until 1:00 p.m. tomorrow.

*The House adjourned at 5:25 p.m.*

#### **The following document was filed May 4, 2015:**

33-1-112

Kaska Concerned About Land Protection and Good Government, letter (dated May 4, 2015) from George Morgan, Chair, to Darrell Pasloski, Premier of Yukon (Hanson)