



Yukon Legislative Assembly

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HANSARD

Tuesday, December 8, 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

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

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Jan Stick	Official Opposition House Leader Riverdale South
Kevin Barr	Mount Lorne-Southern Lakes
Lois Moorcroft	Copperbelt South
Jim Tredger	Mayo-Tatchun
Kate White	Takhini-Kopper King

Liberal Party

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Yukon Legislative Assembly
Whitehorse, Yukon
Tuesday, December 8, 2015 — 1:00 p.m.

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

Prayers

DAILY ROUTINE

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

Tributes.

Are there any visitors to be introduced?

INTRODUCTION OF VISITORS

Hon. Mr. Graham: Thank you, Mr. Speaker.

Mr. Speaker, it's my pleasure to introduce the grade 6 class from Whitehorse Elementary School who are here to join us today. Instructor Julie Bourdeau is accompanied also by a couple of parents whose names I did not get. Welcome to the Legislature and I hope all members will assist me in welcoming them.

Applause

Ms. Stick: Thank you, Mr. Speaker. I don't often get an opportunity to introduce someone I know who is in grade 6, but I would like to introduce and ask everyone to welcome Noah Marnik to the House.

Applause

TABLING RETURNS AND DOCUMENTS

Speaker: The Chair has for tabling the Yukon human rights panel of adjudicators 2014-15 annual report.

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

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

THAT this House urges the Government of Yukon to invest in improvements to the Robert Campbell Highway from Faro to Ross River to provide the residents of Ross River with the safe, reliable and consistent highway access that they require.

Speaker: Is there a statement by a minister?

This then brings us to Question Period.

QUESTION PERIOD

Question re: Internet connectivity

Ms. Moorcroft: Mr. Speaker, after 13 years in office, this government is finally taking steps to build redundancy into Yukon's Internet connectivity. The Yukon NDP welcomes this second fibre optic line, as we know that Yukon

businesses and residents use the Internet to conduct the daily business of northern life. Although the minister would not, or could not, provide a projected price tag for the new fibre optic link in this House, we later heard from the Northwestel president and CEO that the estimated cost for the link was \$32 million. That was in October. Then, in yesterday's paper, Yukoners read that Stantec is projecting the link to cost \$40 million.

Will the minister confirm what the projected cost of the second fibre optic link will be and why none of this information is coming through the government?

Hon. Mr. Hassard: Thank you, Mr. Speaker. Of course, this government understands the importance of fast, affordable and reliable broadband services for Yukoners. We spent a lot of time — two years, in fact — evaluating and determining which was the best route, which would provide the best option for Yukoners and, at the end of the day, the \$32-million link up the Dempster highway appeared to be the best option, and so that is the way that this government is going.

Ms. Moorcroft: Mr. Speaker, last week the government tabled Stantec's total cost of service and value for money assessments for the Dempster route. These reports are dated September 2015, meaning the minister did not find it necessary to share his reasoning for selecting the Dempster route publicly for the better part of three months. In the total cost-of-service report, Stantec estimates it will cost about \$40 million to build a new fibre link between Dawson City and Inuvik, assuming Northwestel covers the cost of connecting Whitehorse to Dawson. Stantec also projects annual operating costs to be \$40 million over 20 years, with an additional \$40 million in capital renewal costs.

Can the minister tell the public how much the new Dempster fibre optic link is currently expected to cost to build and to operate?

Hon. Mr. Hassard: Thank you, Mr. Speaker. Northwestel has committed to doing the link from Pelly Crossing to Dawson. We know that. Northwestel's estimates are \$32 million to go from Dawson to Inuvik.

The reason that Stantec's numbers would be different from Northwestel would be up to Stantec to tell us — I mean they did their evaluation and Northwestel has done theirs, so we can only use the information that we are given. We're confident that the numbers that were provided to us are accurate. Northwestel has a different idea or a different way of doing it, I guess, which is entirely up to them. I cannot speculate why Northwestel's numbers would be different from Stantec's.

Ms. Moorcroft: We heard yesterday from Yukon's director of Technology and Telecommunications Development that how the fibre optic link will be financed and who will own and operate it are details that still have to be worked out.

The government asked Stantec to analyze different procurement models for the Dempster route. This analysis suggested it would be better value for money if government assumes the ultimate responsibility and costs for building and

operating the fibre link. We have \$600,000 worth of reports from Stantec and a newly announced fibre optic link with no money attached to it in this year's budget. Yukoners deserve to know the amount and source of financing for such a major public infrastructure investment.

Will the minister tell the public how the new fibre optic link will be financed and who will own and operate it?

Hon. Mr. Hassard: Thank you, Mr. Speaker. Of course all of those details have not been finalized. We're still in talks with the federal government as well as in talks with the Government of the Northwest Territories. Once it has been determined how the financing structure will be broken down, we will be ready to let the people in this House know how it will work.

Until then, as I said, I can't predetermine how the financing is going to be done until we have had all the talks that we need to have with all of the interested parties, Mr. Speaker.

Question re: Child poverty elimination

Ms. Stick: Thank you, Mr. Speaker. In November 2014, this government promised to take two actions to help address child poverty in the Yukon. The first was to bring forward a proposal to stop Yukon's clawback of the national child benefit supplement for families relying on social assistance. Second, it was to set benchmarks for its 2010 social inclusion and poverty reduction indicators framework. This small step would enable this government to track its progress on addressing child poverty. Yesterday, the minister could not confirm that either of these two small steps had been taken. Mr. Speaker, it's clear that this government does not consider reducing child poverty to be a priority.

Can the minister explain why, 13 years into this government's mandate, they can't point to any evidence showing they have reduced child poverty in the Yukon?

Hon. Mr. Nixon: Thank you, Mr. Speaker. In addressing the member opposite, the national child benefit is a joint initiative of Canada's federal, provincial and territorial governments — which includes a First Nation component, I might add. The NCB initiative combines two key elements: one, federal monthly payments to low-income families with children; and benefits and services designed and delivered by the provinces and territories, as well as First Nations, to meet the needs of low-income families with children in each of those jurisdictions.

The Yukon child benefit, or YCB, is a supplement to the national child benefit for low-income families. Beginning just in July of this year, we enhanced the Yukon child benefit by raising the maximum annual benefits per child from \$690 to \$820. So the member may not have her facts clear and correct, but this government continues to make investments addressing homelessness and addressing poverty, including child poverty. We see a number of initiatives with many different departments including housing, education and so on. In addressing these issues, we'll continue that good work.

Ms. Stick: Thank you, Mr. Speaker — but we don't have indicators that tell us those numbers are going down. In

fact, we have the opposite. One tool that would measure Yukon's progress on child poverty is still in development, and those were the frameworks.

One of the other indicators we have for tracking child poverty is the number of Yukon children relying on food banks, and those numbers are rising. In 2014, the Whitehorse Food Bank saw a sharp increase in the number of children under the age of 18 accessing the food bank — 438 per month in 2014 compared to 280 in 2012.

Mr. Speaker, what explanation does the minister have for Yukon families with children who are increasingly turning to the food bank to feed their children?

Hon. Mr. Nixon: Thank you, Mr. Speaker. In fact this government was very proud to make an announcement working with the food bank to provide them with approximately \$750,000, which enabled them to purchase the building that they're in — making their operations a little easier. As I indicated in my first response, the Yukon child benefit is a supplement to the national child benefit for low-income families. We did raise that Yukon child benefit from \$690 to \$820 just in July.

Mr. Speaker, the Yukon child benefit, I might add, is not considered income when determining eligibility for social assistance, so families earning less than \$35,000 per year begin receiving \$68.33 per child per month — and that was as of July of this year. Yukon's savings associated with the NCB supplement have been reinvested in programs like the children's drug and optical program, the kids recreation program or fund, and the healthy families program. This government is making strategic investments, as I indicated earlier, with addressing poverty and homelessness. We'll continue to do that good work.

Ms. Stick: Helping the food bank might make it easier for the food bank, but it does not reduce families relying on the food bank. Mr. Speaker, food insecurity is one piece of that poverty puzzle. If the Yukon was doing enough to target the root causes of poverty and income inequality, we would see fewer visits to the food bank, not more.

Mr. Speaker, nearly 60 percent of all households using the food bank from March 2015 relied on social assistance — more than double the numbers from 2012. It's time we do better. The Yukon Anti-Poverty Coalition recently recommended living wages and community resources that enable everyone to afford good food.

Mr. Speaker, when will this government put meat on the bones of its social inclusion and poverty framework and take action to reduce the numbers of households living in poverty —

Speaker: Order, please. Minister of Health and Social Services.

Hon. Mr. Nixon: Thank you, Mr. Speaker. In addressing the member opposite, if she had listened to my first two responses, she would realize that it was this government that increased the maximum annual benefits per child from \$690 to \$820. Families earning less than \$35,000 a year begin receiving \$68.33 per child per month.

This government has invested approximately \$750,000 in our relationship with the Food Bank, which provides them the opportunity to purchase the building they're in. I might add that Yukon has some of the most generous social assistance rates in Canada. Our unemployment rate was just reported at around four percent, but this Yukon Party government continues to make investments — and in capital projects. We see a record level of capital projects happening in the territory, putting Yukoners to work.

We'll continue with this good work. We've done incredible work in addressing homelessness with the minister responsible for the Yukon Housing Corporation, as well as working with the Department of Health and Social Services — so significant investments in the territory in addressing these issues and we'll continue on with that good work.

Question re: Tagish water well pump

Mr. Barr: Mr. Speaker, yesterday I asked about ongoing problems that Tagish residents are having with the government's inability to work with them over road maintenance and upgrades. Today, I would like to discuss delays in replacing the Tagish water well pump.

The wrong pump was ordered, which meant — and I'm quoting from an e-mail forwarded to me by the minister: "Infrastructure Development branch worked with legal, another firm providing a peer review and the consultant for about 2 months in order to confirm liability for the error and plan for suitable replacement pumps."

The well pump was due to be delivered and installed by November, then December. Mr. Speaker, Tagish residents would like an update. Has the well pump been delivered to Tagish? If so, when will it be installed? If not, when is it expected to arrive and be up and running for the public?

Hon. Mr. Dixon: Thank you, Mr. Speaker. Mr. Speaker, the new Tagish Taku subdivision fill point and water treatment plant is a \$2.1-million facility in Tagish, approved under the Canada-Yukon Building Canada fund. Construction started on it last year. Community Services unfortunately experienced delays in the water treatment plant construction this summer and, due to an issue with the pumps — as the member noted — supplied for the project, there was an unfortunate issue. New pumps have been ordered and the water treatment plant is now expected to be completed by this month of this year.

We hope to have that up and running by the end of the calendar year, although there are sometimes delays in that. I know that originally we had hoped to have it done by November, so now it looks like it will be done by the end of this month. That's the most recent information I have about this project. I haven't been out to the site in a number of months to visit it, so I don't know what the update is, as of today.

The most recent information I have suggests it will be ready by the end of this month.

Mr. Barr: Mr. Speaker, this pump is only one part of a wider issue. It turns out that the Tagish Fire Department needs to use a separate fire pump that's on order to fill their trucks.

Without that pump, it will take the fire crews 45 minutes, instead of four, to fill three fire trucks using a gravity-feed system — and the new pump isn't expected to get here until January.

Mr. Speaker, this is a major safety issue. The Tagish Fire Department needs to be able to fill their trucks quickly to respond to an emergency. Mr. Speaker, when did the Department of Community Services tell the Fire Marshal's Office, the Tagish Fire Department and the Tagish Local Advisory Council about the delayed Tagish fire pump?

Hon. Mr. Dixon: Thank you, Mr. Speaker. I'm not exactly clear on what the question was. I believe he asked when the Department of Community Services informed the Fire Marshal's Office. Of course, the Fire Marshal's Office is part of the Department of Community Services, so I'm not entirely clear what the question is.

Obviously, as soon as information comes available to us, we make it available to the interested stakeholders and our partners with regard to volunteer fire organizations. Of course, the Fire Marshal's Office works very closely with volunteer organizations to ensure that Yukoners are served and covered by adequate fire protection. In this particular case, I don't know when the Fire Marshal's Office communicated something to a volunteer organization. That is something I would have to ask the fire marshal.

Question re: Renewable energy strategy

Mr. Tredger: The Premier boasts that our electrical grid is the envy of the country because it is 95-percent renewable electricity, but electricity production represents only about one-quarter of Yukon's total greenhouse gas emissions. Now the Yukon Party government is planning to add more fossil fuels to the electrical grid. Folks at a recent workshop, hosted by the Yukon Development Corporation, heard that the inclusion of liquefied natural gas and the independent power production policy was a Yukon Party Cabinet decision. As LNG starts to power more of Yukon's baseload demand, Yukon's electricity will no longer be based on a 95-percent renewable energy.

When it comes to reducing the percentage of renewable energy generating Yukon's electricity, how low will this government go?

Hon. Mr. Cathers: I think the member may be confused by the information presented, or be relying on second-hand information, because, yes, the Yukon government has invested in renewable energies, as I've mentioned to the member before. In fact, the goals set out in the 2009 energy strategy of adding 20-percent more renewable energy capacity to the grid by 2020, we have already met that target and are continuing to work on new options for adding renewable energy to the grid.

The options being considered by Yukon Energy Corporation and by Yukon Development Corporation together — YDC being focused on next generation hydro and its subsidiary, Yukon Energy Corporation, looking at the 20-year resource plan. They are considering a full range of options, including looking at the costs of various sources of energy —

including wind, including solar, including hydro, and also looking at fossil fuels — but this is all part of the planning in public and considering the various cost options of different energy sources for meeting the future needs of Yukon's businesses.

Mr. Tredger: The minister conveniently ignored the fact that liquefied natural gas has been included in the independent power production policy. When the government abandoned geothermal to heat F.H. Collins, it committed future generations to 40 years of increased, unnecessary and uneconomic greenhouse gas emissions. Now we're seeing the same approach with Yukon's electrical grid. By welcoming LNG to the mix, the Yukon Party government is clearly planning to saddle future generations with decades more of increased greenhouse gas emissions.

Mr. Speaker, is there a maximum to the amount of greenhouse gas emissions that the Yukon Party would like to see added to Yukon's electrical grid?

Hon. Mr. Kent: As part of the independent power production policy — the member opposite is correct: for unsolicited proposals, or larger proposals, we are allowing liquefied natural gas, or natural gas generation, to be considered for those parts. I think what is important for Yukoners to know is that the IPP overall — we're allowing for a target of 10 percent of new demand. The IPP isn't going to be the shift.

Obviously there is work on additional renewable generation through the next generation hydro and the other work that the Minister of Yukon Development Corporation has talked about. But this gives me another opportunity to talk about some of exciting initiatives within Energy, Mines and Resources, such as the wind energy project with Kluane First Nation that we have invested in, in partnership with that First Nation.

Mr. Speaker, we see renewable choices, including solar, as part of the microgeneration program. We're offering a subsidy to those individual Yukoners who choose to access that program of up to \$5,000 for installation of renewable energy production at their home.

Again, we will soon be releasing the biomass strategy, which is another renewable opportunity for Yukoners, not only to ensure that there are opportunities to generate electricity or to provide space heating opportunities with biomass, but also to advance the local forest industry, providing jobs and opportunities for those Yukoners who are engaged in that sector of our economy.

Mr. Speaker, the energy —

Speaker: Order, please. The member's time has elapsed.

Mr. Tredger: Thank you, Mr. Speaker. LNG produces 10 to 20 times more carbon dioxide than comparable renewables. It is clear that the world's economy must shift off oil and gas to renewable energy.

Mr. Speaker, Yukoners are experiencing cognitive dissonance. On one hand, the Yukon Party Minister of Environment says Yukon is doing its part to reduce greenhouse gas emissions. On the other hand, the Minister of

Energy, Mines and Resources says the main plan for economic diversification is to extract and burn more fossil fuels.

How does this government plan to reduce the territory's emissions while also planning to increase our dependence on one of the most carbon-intensive industries out there?

Hon. Mr. Cathers: Mr. Speaker, again, I think the Member for Mayo-Tatchun is misunderstanding what's taking place. I would encourage him to look at the Yukon Energy resource plan and information. Additional information will also be provided over the course of the winter and the member will see — if he looks at the details — that a full range of options are being considered, including Yukon Energy Corporation looking at new investments such as the potential for using pump storage as an option. They're looking at hydro projects; they're looking at solar projects; they're looking at wind and, yes, fossil fuels are also part of that consideration. So they are exploring a full range of options, but I would remind the member of our record; that we have invested heavily in renewable energies.

The members in fact have stood up on some days and supported the use of renewable energies yet also criticized the investments made in Mayo B and the investment in the third wheel at Aishihik, which have allowed us to already meet the target that we had set out for 2020 of increasing our renewable energy capacity on grid by 20 percent. In fact, we are continuing, both through Yukon Energy Corporation and Yukon Development Corporation, to look for opportunities for adding future renewable energy capacity to the grid. Also, the creation of the microgeneration program, for the first time, has allowed Yukon citizens the opportunity to have home-based renewable energy systems and to sell that energy to the grid at a slight premium.

Question re: Greenhouse gas emissions

Ms. White: Thank you, Mr. Speaker. The Yukon Party government has been talking a lot about opportunities in oil and gas for the territory. They say oil and gas is an opportunity for Yukon to become a net contributor to the country. One only needs to ask, "A net contributor of what?"

Is it this government's goal to develop Yukon's oil and gas so that Yukon can become a net contributor of GHG emissions for Canada's next generation to deal with?

Hon. Mr. Kent: Thank you, Mr. Speaker. When it comes to economic diversification and economic development in the territory, we are taking a more holistic approach to that. We want to see advances in tourism. We want to see advances in the knowledge economy. We want to see advances in responsible resource development.

We have a very small portion of the Yukon that is covered by oil and gas basins, and an even smaller portion of that is considered marketable and developable to get that resource to market. One of those areas is the Liard Basin. The existing Kotanelee fields contributed significantly to not only royalties, but to other opportunities for Yukon citizens, including Yukon First Nation citizens.

When it comes to becoming a net contributor to Canada, we have said in the past that we can't rely on the hard work of British Columbians, and Albertans and people from Saskatchewan to carry the load for us when it comes to responsible resource development. In 2003, we were given the responsibility to manage our resources on behalf of the federal government, and I think as part of that we need to focus on responsible resource extraction opportunities, whether they are in the mining sector or the oil and gas sector. Yes, we do want to become a net contributor to this country. We feel that, as proud Canadians, we do have a lifestyle up here that is very good and we need to give back to this proud country.

Ms. White: Thank you, Mr. Speaker. It sounds like this government does not care at all about saddling future generations with increased greenhouse gas emissions. Yesterday we heard about the government and its campaign against misinformation. We all want an informed debate, Mr. Speaker. Three northern First Nation chiefs wrote that the Yukon government has — and I quote: "... distorted the recommendations of the Select Committee Regarding the Risks and Benefits of Hydraulic Fracturing..." This is an invitation for the government to back its words with action. The government says they will make the baseline available, but it took three days of questions in this House just to find out how drill waste from three years ago was disposed of.

Who should Yukoners trust — First Nation chiefs or Yukon Party empty promises?

Hon. Mr. Kent: Thank you, Mr. Speaker.

Just a reminder for members opposite that two members of that party — the Official Opposition NDP — sat on the select committee. There were a number of recommendations that the select committee put forward. We have accepted all of those recommendations and are acting on them.

As I mentioned yesterday, we are one of the few jurisdictions, if not the only jurisdiction, that is collecting baseline data prior to any development happening. That is something that we should be proud of as Yukoners. We're engaging in an informed public dialogue on the oil and gas industry — something that the members opposite and other members of the select committee asked for. We are conducting an economic analysis of the oil and gas industry — something that the members opposite and other members of the select committee asked for. So Mr. Speaker, we are responding to the recommendations put forward by the select committee. We have accepted all of them and we are taking action on each and every one of them.

When it comes to developing unconventional resources, one of the key pillars that we have said and stated is that we will not proceed without First Nations' support. We are only targeting the Liard Basin for that type of oil and gas development so that would require the support of the affected First Nations — the affected Kaska First Nation as well as the Acho Dene Koe.

Ms. White: Thank you, Mr. Speaker.

This government has refused to tell Yukoners just how many millions of public dollars they are investing every year in developing oil and gas. Is it three times the amount they

invest in renewable energy or, if all of the subsidies are included, is it four times the amount? Who knows? They just won't say.

Yesterday, the minister echoed Yukon NDP's position when he said — and I quote: "Commodity prices are in a situation right now where there is not a lot of pressure on Yukon to develop our oil and gas resources." Since the government has apparently done its economic analysis, where do commodity prices, without government subsidies, need to be for oil and gas development to be viable in Yukon?

Hon. Mr. Kent: Thank you very much, Mr. Speaker.

That's a fundamental flaw of the New Democrats. They believe that the government should be making those decisions. Industry and the market will make those decisions on when the resources in the southeast Yukon or central Yukon become marketable. That's across the oil and gas industry; that's also across the mineral industry. Again, it shows a fundamental misunderstanding of the New Democrats on a market economy and what it takes to be successful.

Mr. Speaker, we invest across all sectors of the economy. We've seen significant investments in tourism; we see investments in the mining sector; we see investments in oil and gas. We've also seen over \$100 million invested in various renewable energy projects through the Yukon Energy Corporation and the Yukon Development Corporation. Again, Mr. Speaker, this is something that Yukoners should be proud of.

The members opposite take a very narrow approach to economic diversification. I really, quite frankly, don't understand what their plan is or even if they have a plan for economic diversification. It's a lot easier to list the things that they're against than the things that they're in favour of. There are so many things that they're against seeing developed here in the territory, whether it's oil and gas development, whether it's minerals, whether it's investment in infrastructure — of course, we've seen that as well. So Mr. Speaker, we'll continue to fight for Yukoners and the NDP will continue opposing.

Question re: Erik Nielsen Whitehorse International Airport maintenance

Ms. Moorcroft: Mr. Speaker, last week when I asked the minister why this government needs \$180,000 in this year's supplementary budget to conduct additional consultation to address the deficiencies with the Whitehorse airport runway apron, he had no answer. It is clear that this government doesn't want to come clean on the cost of this project, and the cost of the project is unclear. The 2014 runway apron panel project was awarded at \$3.5 million, yet the Government of Yukon multi-year capital planned project listing identified the cost at \$8 million.

Mr. Speaker, how much did the original project cost and how much did this government anticipate it will cost to remedy deficiencies?

Hon. Mr. Kent: Thank you very much, Mr. Speaker. I thank the member opposite for the question. The number that she cites is something that I'll look into. I don't believe that is

for strictly the apron panels but, again, I will contact officials and get a list for the House of exactly what projects are contemplated under that \$8-million allotment.

Again, when it comes to the apron panels — at the risk of being repetitive and being called to order for that — we are in a process with the bonding company as far as the deficiencies with respect to the panels at the Whitehorse airport. That process needs to play itself out. I'm sure members opposite can respect the fact that, as established processes are set up, they need to reach conclusions.

When it comes to the investments that the member opposite cited, I will look into the details as to what other projects are covered by those dollars, as well as the other question that she asked.

Just a reminder, Mr. Speaker — I am still waiting for the Transport Canada report that the member opposite cited in earlier questions — just a friendly reminder to the member opposite. She cited a Transport Canada report that — my understanding is that it doesn't exist. I would like to get a little bit more clarification from her on what she was referencing in earlier questions.

Ms. Moorcroft: Mr. Speaker, the minister could certainly be far more transparent in providing copies to this House of reports.

This project was funded 85 percent through the federal airports capital assistance program. If it does in fact turn out that this government was aware of the deficiencies in the project and did waive some of the liabilities of the contractor, this means the government could be on the hook for all of the repair costs. When it comes time to conduct the repairs, the question is whether Yukon can expect similar federal assistance.

Mr. Speaker, what assurances does the government have that its airport runway apron panels will receive similar amounts of federal government assistance the second time around after they mismanaged it the first time?

Hon. Mr. Kent: Thank you very much, Mr. Speaker. If that is not the definition of a "hypothetical question", I do not know what is.

I've mentioned a number of times on the floor of this House that there's a process in place. We're engaged with the bonding company to determine next steps with respect to the deficiencies. So again, the member is speculating as to outcomes, and that's something that we don't do on this side of the House. We let established processes play out. Again with respect to this report that the member opposite is citing, it's my understanding from HPW officials that the report that she cited does not exist. If she has a copy of some report out there, I would appreciate receiving it. It's something that she mentioned on the floor of the House, and in the spirit of bipartisan cooperation, I would expect her to share that with me.

Mr. Speaker, if they're going to cite something on the floor of the House — I think it's important that they back up those reports if they're citing documents on the floor.

Ms. Moorcroft: Thank you, Mr. Speaker. There will be costs associated with repairs due to the actions by this

government and it is unclear whether the contractor will be responsible for bearing any of the costs.

When the problems with the project were identified by the contractor, the government sent a letter to the contractor that would waive the contractor warranty should certain defects be identified. The letter states — quote: "Any cracking in the concrete panels will be investigated by both Norcope and the Government of Yukon. If the crack is shown to be caused by differential settlement, this will not be covered by Norcope's one-year warranty".

Mr. Speaker, is it common practice to hand out warranty waivers like the government did in this case and how much money will Yukoners be on the hook for as a result?

Hon. Mr. Kent: Thank you very much, Mr. Speaker. Again, the process that we're working through is to work with the bonding company to determine who is responsible for the deficiencies at the airport and what the costs of repairing those deficiencies will be. If there's any change to the process or if we reach some sort of mutually acceptable agreement, then at that time, of course, we will share that with the Yukon public and I'll be in a position to share that with the House.

I certainly don't want to jeopardize or compromise the process that's in place right now with respect to negotiations with the contractor. Again Mr. Speaker, we have professional public servants in the Transportation Engineering branch that looks after these projects on behalf of Yukoners. Often we hire consultants as well with particular expertise if that expertise does not exist within the Transportation Engineering branch.

I'm sure that members opposite as well as other colleagues and I are anxious to see this process play itself out. We look forward to the results so that we can determine a plan going forward, just as I look forward to receiving this report that the member opposite has referenced in the House previously and has yet to produce.

Speaker: The time for Question Period has now elapsed.

Notice of opposition private members' business

Ms. Stick: Thank you, Mr. Speaker. Pursuant to Standing Order 14.2(3), I would like to identify the items standing in the name of the Official Opposition to be called on Wednesday, December 9, 2015. They are Motion 1039, standing in the name of the Member for Mount Lorne-Southern Lakes, and Motion No. 1093, standing in the name of the Member for Copperbelt South.

Speaker: We will now proceed to Orders of the Day.

ORDERS OF THE DAY

GOVERNMENT BILLS

Bill No. 92: *Act to Amend the Travel for Medical Treatment Act* — Third Reading

Clerk: Third reading, Bill No. 92, standing in the name of the Hon. Mr. Nixon.

Hon. Mr. Nixon: Mr. Speaker, I move that Bill No. 92, entitled *Act to Amend the Travel for Medical Treatment Act*, be now read a third time and do pass.

Speaker: It has been moved by the Minister of Health and Social Services that Bill No. 92, entitled *Act to Amend the Travel for Medical Treatment Act*, be now read a third time and do pass.

Hon. Mr. Nixon: I am certainly pleased to rise today for third reading of Bill No. 92, entitled *Act to Amend the Travel for Medical Treatment Act*.

This legislation, as members in the Legislature are aware, provides the authority for emergency medical transportation of all persons, including Yukoners and visitors from other parts of Canada and the world. It also provides for preapproved travel for medical services not available in the community or in Yukon for eligible health care insurance plan beneficiaries.

This bill supports quality of life and caring for Yukoners. Access to necessary medical treatment via medical travel is essential to the delivery of quality, patient-centred health care services in the north. This bill also supports our government's priority of good governance in practising open, accountable and fiscally responsible government.

Medical travel is not a universal health care benefit. Over the past year across Canada, including our territory, we've seen cases in the media where people were not insured for medical travel outside of their home jurisdiction and, as a result, they were responsible for the payment of ground and air medevac services that can range from a few thousand to several thousand dollars.

Many will recall a recent media campaign that the Department of Health and Social Services put on to ensure Yukoners are informed of the limitations of their health care insurance coverage — in particular, ground ambulance and air medevac when leaving the territory. I know the department is also reaching Yukoners through Twitter in this regard. We want to take the opportunity to empower Yukon residents to obtain third-party insurance prior to departing the territory. This proactive approach will ensure Yukon residents have no surprises when accessing ambulance services outside of the Yukon.

Yukoners who take a quick trip to Atlin, Liard Hot Springs, Skagway or Vancouver, or anywhere else across this country, should be aware that they need to consider purchasing extra insurance to ensure they are covered for air medevac or ambulance fees when they are away.

The travel for medical treatment program is a significant cost driver in our health system and reflective for all governments in the north delivering health care services. As I indicated in my Committee of the Whole speech in 2014-15, the expense of the program was over \$10 million.

As a reminder, some medical travel statistics for Yukon during this period are as follows: there were 516 people who received emergency air medevac services, of which 208 trips were transportation to a Yukon facility and 308 trips were transportation to a facility outside of the territory; 190 people

received ground ambulance care; 2,539 people received scheduled air travel for medical treatment outside of the territory; 2,953 people received a travel subsidy; 1,436 people were provided mileage to travel in from communities for medical treatment; and 132 people were repatriated — that is, brought back home to Yukon from Outside medical care in BC or Alberta.

We know that managing this program is important. In fact, in 2012 we commissioned a review of the medical travel program to provide some options and improvement recommendations, and, of course, to implement changes. As a result, improvements were made to the referral process for medical travel from rural Yukon to Whitehorse. The capacity of the program to report on medical travel statistics was increased, and finally the medical travel program policy regime in Yukon was more clearly defined.

This bill is aimed at achieving ways to secure operational efficiencies and ensures that we do not incur losses for unrecovered travel expenses of non-Yukoners or costs that may be paid by another insurer. Our focus continues to be on providing quality patient care — patient care that recognizes the roles that health care professionals and administrators play in providing accessible, responsive medical travel services.

Again, as a reminder, some of the ways in which this bill will improve patient focus and enhance system efficiencies are as follows: a broader range of health care professionals will now be recognized in the act as being able to independently complete the application forms on behalf of the patient; non-resident emergency travel is being authorized in the act and will now be firmly anchored in legislation in addition to Yukon resident emergency travel; discretionary benefits such as travel to benefit others and compassionate travel are being brought into the act; the authorization for emergency travel and preapproved travel are being better aligned so that the people most immediately accessible are involved in providing support and making decisions around travel; recovery of outstanding debt to non-insured people will now be efficiently collected through working with the Canada Revenue Agency to pursue offsets against income tax returns for non-resident Canadians.

The proposed collection process will align Yukon with practices consistent with other jurisdictions as well as prevent Yukoners from carrying that burden of uncovered debt. Over a four-year period Yukon government wrote off nearly \$100,000 as uncollected debt for emergency medical transportation.

The act brings clarity in its provisions that Yukon government will not pay for travel that another insurer will cover. The act enhances outside travel accountability by placing the approval authority with the director of Insured Health and Hearing Services rather than a contracted party. The director of Insured Health and Hearing Services will continue to work closely with an independent physician who provides a clinical review of each of the requests.

The review committee is now being established on an as-needed basis to complement the existing system of having an independent physician clinically review all outside travel

claims submitted to the Insured Health and Hearing Services branch.

Mr. Speaker, there are a number of new definitions being added to bring clarity to the act, and some are being amended to better align with the overall legislative scheme. There are new definitions for “insured person” and “non-insured person”. This bill is now clear that emergency transportation services apply not only to Yukon people but to non-insured people who are visiting from other parts of Canada — or the world, for that matter. The act brings clarity that these valuable medical services will be delivered to all persons who need them.

Other new definitions are brought in to provide clarity to the bill, such as emergency medical transportation, which recognizes the broader means in which a patient may be transported, and medical emergency, which defines situations that are deemed as an emergency, and so forth.

Finally, some definitions are being amended to better align with the overall legislative scheme.

Mr. Speaker, it’s important to note that the provision of clear authority to collect from persons for emergency medical travel provides Yukon government with the ability to work in partnership with the Canada Revenue Agency to offset income tax refunds owing to the debtor. I spoke about that earlier, but this will help reduce any expenses that may otherwise be written off as uncollected debt and align Yukon with the practices of other Canadian jurisdictions.

Again I would like to thank everyone who was involved in the creation of this bill — this includes the collaborative work through the Department of Health and Social Services, and the Department of Community Services and the Department of Justice, which have worked with us on this bill. I commend this bill to the House.

Ms. Stick: I’m pleased to say that the NDP will be supporting these amendments to the medical travel act. They are important and they impact a lot of Yukoners.

We heard from the minister in second reading that the department will be reviewing the regulations in 2016-17, although he did say that there was no firm date at this point. I’m certainly hoping that the amendments that we are hoping to pass today will be put into the regulations sooner rather than later, as 2017, getting into that time length, is quite a ways away. If we want to see these implemented and be able to recover costs, et cetera, I think it’s important that these regulations be updated sooner rather than later.

The minister also pointed out that, in 2006, this government did raise the subsidies for individuals and for escorts, so if a person was going out as an inpatient or outpatient, or had an escort attending with them, those rates did go up. But that’s nearly 10 years ago, Mr. Speaker, and for many it’s difficult. We know that up to \$75 a day is not lucrative and is not going to afford you much if you are travelling to Vancouver or to Edmonton — or for even Whitehorse, for that matter. It’s difficult to find a place to stay where you would pay that rate.

I think at this time I just would like to thank those organizations, especially in Vancouver, that do support families and individuals going out who might need a place to stay.

That includes Easter Seals House — Ronald McDonald House for families and children, and the cancer care residences also. These are important supports to Yukoners and certainly help to bring those costs down and provide a supportive and more of a family setting, in some cases. I would like to thank those organizations for what they do for Yukoners because I know that, for many, it’s a real lifeline when they are away from family and from their supports.

With that, I would just like to thank the department for bringing these amendments forward and the officials for working on those. The NDP will be supporting this.

Speaker: Are you prepared for the question?

Some Hon. Members: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.

Mr. Elias: Agree.

Hon. Ms. Taylor: Agree.

Hon. Mr. Graham: Agree.

Hon. Mr. Kent: Agree.

Hon. Mr. Istchenko: Agree.

Hon. Mr. Dixon: Agree.

Hon. Mr. Hassard: Agree.

Hon. Mr. Cathers: Agree.

Hon. Mr. Nixon: Agree.

Ms. McLeod: Agree.

Ms. Stick: Agree.

Ms. Moorcroft: Agree.

Ms. White: Agree.

Mr. Tredger: Agree.

Mr. Barr: Agree.

Clerk: Mr. Speaker, the results are 15 yea, nil nay.

Speaker: The yeas have it. I declare the motion carried.

Motion for reading of Bill No. 92 agreed to

Speaker: I declare that Bill No. 92 has passed this House.

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): Order. Committee of the Whole will now come to order. The matter before the Committee is general debate on Bill No. 93, *Act to Amend the Oil and Gas Act*.

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. 93: *Act to Amend the Oil and Gas Act*

Chair: The matter before the Committee is general debate on Bill No. 93, *Act to Amend the Oil and Gas Act*.

Hon. Mr. Kent: I'm going to be relatively brief in my opening remarks. There was a lot of ground covered yesterday at second reading for this bill — but just, first of all, welcome to officials from the Department of Energy, Mines and Resources. Jennifer Lee has joined us here today, as well as Teri Cherkewich from Justice, the legislative drafter with respect to this bill.

Madam Chair, this is a rare situation, I think, for legislators in this House during this Sitting that we'll be proposing amendments during clause-by-clause debate. I just sort of want to provide a little bit of background on how we got to this point in the Sitting and why the amendments are going to be proposed in clause-by-clause debate — and perhaps clarify for members opposite what we've heard back from particularly our First Nation partners with respect to this bill.

Again, First Nation consultation on the act amendments occurred from July 16 to September 14 — that was the 60-day broader public and First Nation consultation period. Yukon government's consultation with First Nations involved government-to-government engagement, as well as meetings of the oil and gas memorandum of agreement working group.

The working group actually met on five occasions, I believe, in total throughout this process — once at the beginning of the consultation period, and three times since consultation has concluded, but also once toward the end of the consultation period or just upon its conclusion where some of the recommendations were discussed. Feedback that was received during the public consultation was shared with the working group members. There's actually a "what we heard" document that has been compiled and, I believe, has been posted to our website as far as the responses that we received during this act.

In response to concerns raised by First Nations, the proposed amendment to section 68 of the act, addressing the negotiation process for benefits agreements, was dropped from this current legislation and has been deferred to enable further dialogue with First Nations.

Another working group meeting occurred on November 25. First Nations' concerns regarding the proposed amendments, consultation process and the role of the working group were discussed at that meeting. Again, what we have before us now is the act that was tabled as per our Standing Orders within the first five days of this Sitting — but then a series of amendments that I'll be proposing during clause-by-clause debate to the act that reflect some of the hard work of the officials — not only Yukon government officials but First Nation officials who worked as part of the MOA working group process as well as other First Nations' involvement at that time to come up with what we believe are satisfactory amendments to address the concerns that were raised by First Nations when this bill was first tabled.

Just a few points then to consider — when we got to second reading, there were six sitting days left in this current Sitting. It's our commitment to see this legislation through during this Sitting, so there wasn't time to reach out formally or receive all of the assurances from the political levels of the various First Nation governments, but I can provide members with an update on what we've received so far and we certainly anticipate some additional responses on a government-to-government basis.

What the collaborative work of the MOA working group enabled our government to do was bring forward Bill No. 93, an *Act to Amend the Oil and Gas Act*, and the associated amendments with confidence that they represent the interests of Yukon First Nations and all Yukoners. Yukon government received a letter from Kwanlin Dün First Nation supporting the proposed amendments. The letter was signed by the deputy chief. I received that this morning. The letter said — and I quote: "KDFN appreciates the forum that the MOA working group has provided for discussing the proposed *Oil and Gas Act* amendments."

"Thank you and your departmental staff for providing KDFN with the opportunities to further comment on the draft amendments of clauses set out in Bill No. 93."

"... all amendments matters have been brought to a satisfactory conclusion."

YG also received an e-mail from a Tr'ondëk Hwëch'in MOA working group representative indicating that — in quotes: "TH is content for Bill No. 93 to move ahead."

We received an e-mail from the CYFN MOA working group representative that said — and I quote: "I would like to thank everyone involved in these discussions to address the concerns raised by the CYFN and other First Nations..." — and — "The CYFN's concerns have been addressed and we will be recommending to our members that the proposed amendments are not contentious." So two MOA working group representatives have signalled that there will be letters of support coming from their respective organizations to join in the letter that we received from Kwanlin Dün First Nation — one is from Tr'ondëk Hwëch'in and the other from CYFN. Of course our government is committed to the MOA process and we look forward to continuing this successful collaboration on the proposed amendments to the oil and gas disposition regulations that are set to occur in the new year.

I hope that provides a little bit of context around the hard work that was put in by officials — not only, as I mentioned, our government, but also the First Nation governments and CYFN in coming to a satisfactory conclusion and coming up with the amendments that I will be tabling later today. With that, Madam Chair, I will turn it over to the member opposite as we engage in Committee of the Whole on Bill No. 93.

Mr. Tredger: I thank the minister for his introduction. I would like to welcome to the Legislature the officials from EMR and Justice. I thank them for taking time out of their day to come today and help us as we work through the amendments to the *Oil and Gas Act*. I would also like to thank the representatives from EMR and Justice for their briefing that I received yesterday on the amendments to the amendments on the *Oil and Gas Act*. I will take this opportunity to thank the Energy, Mines and Resources officials and Justice officials, as well as the members of the working group for the time that they took to come together and to work out a solution to the controversy surrounding some of the amendments that were originally in the *Oil and Gas Act* amendments, as originally proposed. It is encouraging that this government realizes that they do have a requirement to consult with Yukon First Nations and it didn't take a court case to get us there, so that is encouraging.

I have been in contact with a number of First Nation members who were on the working group, as well as First Nation representatives. As well, I have been told in our briefing that Yukon First Nations are, in general, happy with the legislation after participating in proper consultation through the MOA working group. This is encouraging and we are looking forward to hearing official endorsement from the governments themselves. If anything, it shows the benefit of working together, rather than proceeding unilaterally.

I do think that there is no rush. In a jurisdiction that is most similar to ours — the Northwest Territories — the industry has packed up after making promises of jobs and revenue. In mid-November, the Premier of the Northwest Territories made strong statements about the disappearance of the oil and gas industry in the Northwest Territories Sahtu region. Just yesterday, oil reached its lowest since 1967, I believe — I am not exactly sure; it was at a very low point.

As we all know, we're at the bottom of a cycle. Premier McLeod said that the Northwest Territories is stuck in the bust of the boom-and-bust cycle when it comes to oil and gas and he doesn't expect the oil and gas industry to see any exploration for probably 10 years. I guess there isn't a rush, and proper consultation would involve the First Nation governments in a government-to-government relationship. The working group is on a technical basis.

Having said that, I will repeat my thanks to the working group and to the departments involved, working together to resolve the issue. I stop my comments there.

I will go from there and say that the process of amending the *Oil and Gas Act* has been somewhat confusing. First, the discussion document outlined some principles but did not include the actual wording of the proposed amendments. Then there was a first round of amendments. In there, there were

some changes proposed in the discussion document that were not in the amendments while other changes not proposed in the discussion document showed up in the amendments. Then there was a strongly worded letter from the three northern chiefs, and this forced the government back to the table. Yesterday we were given a second round of amendments, mere hours before the government's scheduled second reading of the bill. I do reiterate that the government should take the time to do it right.

With devolution, the government inherited successor legislation and has embarked on a process to develop a modern and locally developed regulatory regime. A successful devolution of authority will be achieved when the legislation is amended to reflect Yukon's values and goals.

This is the second time in this session that the government has asked to amend the *Oil and Gas Act* in a strategic manner, and I would highly recommend that the government take the time to sit down with the First Nations and work on successor legislation that would look at the whole Yukon *Oil and Gas Act* in its entirety so that we're not dealing with piecemeal changes to the act — and in doing so, the recent letter from the three northern Yukon First Nations chiefs reiterated the process for the government's benefit. In 1997, an MOA signed by the Yukon government recognizes Yukon First Nations as full participants with Yukon in the cooperative design, determination, development, administration and management of oil and gas regimes in the Yukon Territory.

In my role as opposition critic, I have been handed a patchwork of amendments to amendments, and it is my pleasure now to comment on them and ask questions.

In regard to the first motion, as proposed by the minister yesterday replacing section 14, regarding a call for bids or proposed disposition or a proposed permit extension on land wholly or partly in a traditional territory of a Yukon First Nation — the minister shall consult the Yukon First Nation before a call for bids, before issuing a disposition, before extending the permit — I am very happy to see this amendment, as were my colleagues.

For clarity's sake, can the officials please define "consultation"?

Hon. Mr. Kent: I just want to make a couple of comments with respect to the member opposite's opening statement about the timing of this. I think one of the key timing considerations is with respect to the impending expiration of permits for Northern Cross (Yukon). They are set to expire in 2017. Obviously, we have this current legislative session. We have a spring legislative session that is traditionally dominated by budget deliberations as well as some other act amendments, and an election scheduled for the fall of 2016. There may not be an opportunity there, and then we would see that Northern Cross (Yukon) would not have had, as the original legislation read, the opportunity to even be considered for an extension. That is one of the things we have accomplished with these amendments to the act. I don't believe we rushed things through. We did go through a 60-day consultation, as I mentioned, and I won't re-read for the third

or fourth time the process that we went through to arrive at the amendments that are before us today.

With respect to the member opposite's question, the definition of "consultation" exists within the *Oil and Gas Act*. I will just read it out: "consult" and "consultation" have the meaning given to them by the *Umbrella Final Agreement*.

Mr. Tredger: I thank the minister for his answer, and let's hope we don't have to take this issue to court to have them define what "consultation" is for clarity.

Regarding the second motion, motion 2, replacing new section 31 regarding term extensions, again I thank the working group and officials for making this improvement to this section. It is much improved.

I will express my prior concerns on this. The government's vaguely worded discussion document referred to "limited term extensions" with an aggregate of no longer than 12 years for both initial and renewable terms. Then the first amendments tabled by the Yukon Party granted the minister authority to expand both initial and renewal terms, and no cap was articulated. In other words, the Yukon Party wanted there to be no limit to the term extensions the minister can grant. With thanks to the diligence of the Yukon First Nations, there is now a second, more reasonable amendment regarding term extensions. The minister now will not be able to extend terms for an unlimited number of years without consultation and proper input. Further, there are more specific criteria governing the term extensions.

There are many reasons jurisdictions limit permit timelines. Governments typically do not want to grant permit holders the right to sit on assets without generating income from them. Also, as long as permits for one activity exist, other activities on the land may not be permitted and will certainly be affected.

In the "what we heard" document, one comment stated there should be no limit on term extension — and I quote: "There should be legislative provisions which allow the government to grant any number of extensions of any duration..." The comment did seem to inform the government's first amendment to term extension. However, in the "what we heard" document, one rationale for term extension is — and I quote: "unanticipated delays in the regulatory permitting process..."

I would like to just talk about that a little bit. I'm wondering how a delay in Yukon's regulatory process can be unanticipated to a proponent. The proponents know Yukon's laws before they apply to extract its natural resources. Companies know about the *Umbrella Final Agreement*, they know they can expect to negotiate benefits agreements and they know about YESAA. Investors who don't want delays in the regulatory process should make good and complete applications.

My question for the minister is: Will the government confirm that Yukon law, including the *Umbrella Final Agreement*, and Yukon's regulatory structure, including YESAA, are foreseeable to the permit holders? What I'm getting at, Madam Chair, is that Yukon's laws and regulatory

processes should not qualify as reasons to extend permit terms under (4)(a)(ii).

Hon. Mr. Kent: All the terms within that particular clause need to be met before we can make the extension that may be requested. I guess, with respect to the YESAA process — and maybe the best way to explain this is to turn the tables a little bit and explain it that way. YESAA obviously has timelines that are set out in the rules that govern the timelines. The interim — right now there are timelines that are set out in the legislation until, or if and when, the federal government repeals the amendments to Bill S-6. That process pauses when there's an information request to the proponent, so timelines do not include information requests.

I guess that's one of the opportunities for the YESAA process to work its way through. There may be additional information requests, but when it comes to these changes to the *Oil and Gas Act* and unforeseeable actions when it comes to our regulatory process, again, there are times when an information request or something can cause the proponent and cost them a season if there is additional baseline data that's required.

When you look at the case of Northern Cross (Yukon), they've been in the YESAA process for some time, waiting for the environmental assessment to proceed with the current work program that perhaps would have allowed them to make a decision beyond the permit phase. Again, I think it's something that is explainable — that it could cut both ways. We certainly don't want information requests to cut into the timelines that are associated with YESAA, but then again, when it comes to the length of tenure, I think it's also important that any additional and unforeseen timelines that occur as part of our environmental assessment or our regulatory process — especially given that we're a relatively frontier jurisdiction when it comes to oil and gas development — there's not a lot of experience here. The knowledge base isn't what it is in other jurisdictions that are more familiar with this type of activity when it comes to the assessment process. Sometimes there are these circumstances where we may have to extend, based on regulatory or EA delays. So again, this is one of those things but, as I mentioned, all of those conditions under number 4 need to be met before an extension is considered.

I don't know if that was helpful in explaining to the member opposite what the rationale was, but if it wasn't, I'm sure he will seek clarification in his next question.

Mr. Tredger: I thank the minister for his answer. It's my understanding that the proponent can decide how quickly to respond to an information request, and some are much quicker to respond than others. I would see those information requests as part of a package and there are timelines for YESAA. Again I would ask the minister: Is there the ability for a proponent to receive an extension by citing regulatory processes as a reason to extend permit terms?

Hon. Mr. Kent: Perhaps it's easier if I just read the two relevant clauses into the record at this point. This is the second amendment that will be presented later on today:

“31.01(1) The minister may, on application by the holder of an oil and gas permit, by order extend (a) the oil and gas permit’s initial term; (b) its renewal term; or (c) both its initial term and its renewal term.

“(2) An application for an order under this section must be made (a) at a time when the oil and gas permit is valid; and

(b) in the form and manner, if any, that the Minister requires.

“(3) For the purposes of subsections (4) and (5), the total term of an oil and gas permit is the cumulative length of its initial term and its renewal term”.

Subsection 4, which I believe the member opposite was referencing — “An order under this section may result in a total term of an oil and gas permit that is longer than 10 years if, in the opinion of the Minister (a) the holder’s action in respect of its rights under the oil and gas permit have been consistent with the objectives of this Act and the provisions of the permit; (b) the holder’s exercise of those rights has been impeded by events or circumstances (other than a shortage of funds or unfavourable market conditions) that (i) were not within the holder’s control, and (ii) were not reasonably foreseeable when the permit was issued; and (c) the holder has taken reasonable measures to remove or mitigate the impediment.”

As you can see, Madam Chair, by the way this is structured and worded, and the inclusion of the word “and”, it is necessary to meet all of those targets. It’s not just one or the other. The circumstances have to be not within the holder’s control, as well as not reasonably foreseeable when the permit was issued — as well, the holder taking reasonable measures to remove or mitigate the impediments. So those are the tests that have to be met in order for this to be considered.

Mr. Tredger: I thank the minister for that answer.

My question remains in the conditions — “(i) were not within the holder’s control” — the holder determines the length of time it takes to respond to a request for information, therefore any request for an extension on a regulatory process would not be valid because the holder controls how long it takes to respond to a request for information. I am just trying to sort that through so I get clear on what the minister is thinking, or what the interpretation of that would be. I know that YESAA now has timelines for virtually everything, as the minister stated, except for when there is a request for information. That response is in the holder’s control. It is up to the holder to determine how long it takes them to respond, so my reading of that would be that the regulatory process could then not be cited — using timelines as an example — and certainly is foreseeable. Anyone entering into it as a proponent would be familiar with our YESAA guidelines and process. Therefore, by way of extraction, would the minister agree then that the regulatory processes would not qualify for an extension?

Hon. Mr. Kent: Just to clarify for the member opposite, YESAA has always had timelines associated with the different levels of assessment. Previous to the revisions that were recently made by the federal government, those

timelines were set out in the rules and those rules were determined by the board.

The member opposite probably understands that, but I just wanted to clarify that there have always been timelines associated with the YESAA process. That’s one of the things that made it unique when it was first introduced and is one of the reasons that I think many of the proponents and others were quite pleased with the YESAA process when it was first rolled out.

We’re getting into speculating about different projects and how these terms would be met. Clearly, as I spelled out earlier, there are a number of terms that all have to be met in order for this extension to be considered.

I guess one thing that the proponent does not have control over and that may have to be factored in — again, in a hypothetical situation, they don’t determine the number of information requests that are made of them and they don’t determine the type of information requests. That’s not always within their power to respond to an information request right away, especially if that information request involves the gathering of additional baseline data. That could mean an additional year or additional season. I’m not talking about any project in particular right now, but these are the types of things that could happen. There are those tests that need to be met as part of the amendment that we’ll be proposing later on today during clause-by-clause debate, and all of those tests need to be met.

One of the important ones is 4(c) — that “the holder has taken reasonable measures to remove or mitigate the impediment”. In 4(b)(i) and 4(b)(ii), subclause 4(b)(i) is that “were not within the holder’s control”; and subclause 4(b)(ii), “were not reasonably foreseeable when the permit was issued”. So as we work through these different types of permits and the potential for extensions the permit holder must meet each of those in order for it to be considered.

Mr. Tredger: I won’t belabour the point any longer. I just would like to raise it as an issue of concern. I have heard from several people concerned that it might — but probably shouldn’t — be used as a valid reason to ask for extensions.

The third objective of the proposed amendments to Yukon’s *Oil and Gas Act* talks about improving transparency and clarity of information and processes. Madam Chair, Yukoners, especially rural and Yukon First Nation members, know their land. Yukon has been effectively stewarded with traditional knowledge of the indigenous peoples for many centuries. The Yukon NDP is a firm believer in open, transparent and publicly available information.

With respect to oil and gas development, Yukoners want to know whether the reserves are conventional or unconventional. Geologists have speculated that over 80 percent of Yukon reserves would need to be fracked if development went ahead. Will the government agree to let Yukoners know whether proposed exploration and development activity is for conventional or unconventional gas?

Hon. Mr. Kent: When we responded to the select committee report and the 21 recommendations included in

there, at that time we also announced our intentions with respect to unconventional resource development in the territory. We said at that time that we would focus solely on the Liard Basin for those opportunities but would not proceed without the support of the affected First Nations. Again, those affected First Nations would be the Kaska First Nations — Yukon Liard First Nation and Ross River Dena Council, as well as the Acho Dene Koe, which is a Northwest Territories First Nation but has asserted traditional territory that covers much, if not all, perhaps, of the Liard Basin.

Madam Chair, again, when it comes to our oil and gas resources, we have a very small footprint for basins in the territory. There are eight basins with oil and gas potential, which encompass approximately 15 percent of Yukon's total land base. That means 85 percent of the Yukon is not prospective for oil and gas exploration or development.

Of the 15 percent of Yukon land with oil and gas potential, Yukon First Nations own 1.6 percent of those lands as category A. For various reasons, 7.8 percent of the land with potential is currently not available for disposition, either permanently — such as park lands — or for an extended period of time — such as the decision we made with respect to the Whitehorse Trough.

Approximately 5.4 percent of the total area of Yukon is available for oil and gas exploration or development. The unencumbered portion of the Liard sedimentary basin, which is open to consideration for hydraulic fracturing, is approximately one percent of the Yukon land area. I know that in the past I've said two percent, but that was without the encumbrances.

Historically, Madam Chair, a total of 76 wells have been drilled in five of the eight basins. Oil and/or gas in conventional reservoirs have been discovered in two basins — Eagle Plains and Liard — and they are the only two basins with active dispositions. Assessments of conventional resource potential are available for all basins.

The unconventional resources, whether it's shale or tight oil and gas, potential has not been assessed in Yukon, although an assessment of Liard Basin is in progress. Upon the conclusion of that, we will expect an economic analysis to be conducted by the Department of Economic Development — again, this is in part a response to the select committee recommendations.

There are four basins that are geologically promising — the Liard, Eagle Plains, Peel Plateau and onshore Beaufort-Mackenzie. Again, I'll just get into some more detail — and it's important to note that this information has been provided to me by the Yukon Geological Survey and the experts there. I guess I'll ask now. I'm interested in which geologists the Member for Mayo-Tatchun is citing when he says that all of the resources, or any oil and gas resources, would have to be extracted through the process of hydraulic fracturing.

I will leave that to him when he gets a chance to get on his feet again.

As far as the Liard oil and gas basin — as I mentioned, it covers approximately 1.3 percent of Yukon's land area and one percent of this area is available for dispositions. There

have been over 25 years of gas production from conventional reservoirs. Spectra Energy Pointed Mountain pipeline delivers gas from NWT to Fort Nelson. There is an existing connector pipeline from the Kotaneelee gas plant to the Spectra pipeline.

Liard Basin in northeastern BC is a proven, world-class unconventional gas resource. That same basin extends into the Yukon. That is something that we heard from one of our scientists in the Yukon Geological Survey, now retired; that there is the potential for Liard to have significant resources as it is a world-class basin, as I mentioned.

There is an unconventional target — and I assume I am pronouncing this right — the Besa River shale, and there may be others. Approximate depths to Besa River shale based on limited drilling — and this is obviously outside of the Yukon borders — range from approximately one kilometre, or 3,300 feet, to greater than four kilometres or greater than 13,200 feet. Not much is known at this time about the groundwater conditions on the Yukon side of things, but again as part of the recommendations from the select committee, we are gathering baseline data on that.

The straight-line distance — just for perspective — from Kotaneelee to Watson Lake is 177 kilometres and it is 400 kilometres from Kotaneelee to Ross River. That gives members an idea of the distance.

When it comes to the Eagle Plains oil and gas basin, this is a basin that we have said we are not prepared to move forward with unconventional resource development; in part because it is something that the First Nation that has the largest amount of traditional territory covering the Eagle Plains basin — the Vuntut Gwitchin — are not supportive of at this time. For those reasons — again, one of the aspects that underpin our position on future oil and gas development is the support of affected First Nations.

Eagle Plains covers approximately 4.4 percent of Yukon's land area. Discoveries of oil and gas in conventional reservoirs — two unconventional targets are Ford Lake and the Canol shale formations. I think those are similar formations to what we see in the Norman Wells area that some of the larger companies have been exploring for unconventional resources. Approximate depths to Ford Lake shale based on limited drilling range from one kilometre to 3.2 kilometres. Approximate depths to Canol shale based on limited drilling range from one kilometre to 3.7 kilometres. The permafrost in that area is thick and extensive. The one company that we have talked about that is active in the Eagle Plains is Northern Cross (Yukon). They have a camp that is approximately 65 kilometres from Old Crow and 180 kilometres from Dawson City.

I won't spend any time talking about the Peel Plateau or the Beaufort-Mackenzie basin because there hasn't been any recent activity in those areas.

We have eight onshore sedimentary basins underlying 15 percent of our land area. Only five of the basins have had wells drilled, and only Liard and Eagle Plains have active dispositions. Conventional resource estimates exist for all basins. Shale resource estimates have not been completed. When it comes to shale potential — although the shale

resource potential of Yukon basins has not been rigorously estimated, available data suggests that the four basins that I mentioned — Liard, Peel, Eagle Plains and Beaufort-Mackenzie — have high potential for shale oil and/or gas, and shale gas is, as I mentioned, currently being produced from the Liard Basin in British Columbia.

If the member is comfortable or can provide me with the names of the geologists he mentioned in his initial remark — of those who said that the resources will require this — I would be interested because I hadn't heard that from any of the geologists whom I've spoken to. I'm interested to hear who is saying that so we can perhaps ground-truth that and confirm exactly what the individual or individuals were talking about.

Mr. Tredger: My question was a simple one, and I don't think I got an answer. Will the government agree to let all Yukoners know whether the proposed exploration and development activity is for conventional or unconventional gas when there is a proposal?

Hon. Mr. Kent: I don't believe I got an answer to my question either.

But with respect to any unconventional resources, I did mention in my response that, when we announced that we were accepting and acting on the 21 recommendations of the all-party committee that was provided earlier this year — at that point we indicated that the only area we would consider for unconventional resource development was the Liard Basin. Provided we get the affected First Nations to accept — and, again, there are a number of other factors that have to be considered — that would be the only area that this type of resource extraction would take place.

Again, just to repeat my question to the member opposite — hopefully, he's able to provide a response as to who the geologists were he referenced in his initial question to me with respect to unconventional resource extraction and the need for that.

Mr. Tredger: I'll respond to the minister's question first. If he had read the hydraulic fracturing report, he would note that, in several of the presentations, various geologists did make that claim — and I believe one of them was Richard Corbet. He can ground-truth it as he will. It's fairly widely known that, for the vast majority of any oil and gas plays in North America now to be economically viable, it entails some form of unconventional extraction — usually hydraulic fracturing. I don't think I'm out too far on that and it was well looked at by the hydraulic fracturing committee, and if the minister does take the time to read the report and read some of the submissions, he will find it there.

As far as answering the question — I guess I'm not going to get an answer. It was a simple question to the minister: Would he agree to let all Yukoners know whether any proposed exploration or development activity is for conventional or unconventional gas?

I realize that, right now, the only gas play that the minister is considering and that is unconventional is in the Liard Basin. However, this act, we hope, will transcend governments. Is it the intention in this act, through this act, to

ensure that all Yukoners have the opportunity to know whether any proposed development activity is for conventional or unconventional gas?

I'll leave it at that and go on to my next question.

When extractive companies are working with very narrow financial margins, Yukon businesses can end up losing millions of dollars. That's what happened this summer when Yukon Zinc elected to restructure. In the interest of clear and transparent information, will the government consider requiring regular updates on the financial viability of various projects, especially when they are looking at extensions?

Hon. Mr. Kent: I know Richard has retired from the public service here in the Yukon, but a number of my colleagues know him well so I look forward to following up with him on the claims made by the Member for Mayo-Tatchun. I'll revisit the report. I have read it, obviously, but it has been some time, so I look forward to identifying whether or not it was him or another geologist who mentioned what the member opposite was talking about.

When it comes to our government's position, the member is right — future governments may decide to take a different position. First Nation governments may also decide to take a different position with respect to allowing that practice. This is one of the most innovative sectors in the world, Madam Chair, as far as developing new and more efficient ways to conduct their activities.

Shale gas extraction and the processes are emerging as well. When we visited the GE Customer Innovation Centre in Calgary as part of a broader group — I was there with the Minister of Economic Development and the MLA for Vuntut Gwitchin, as well as First Nation and business leaders from the Yukon — we had the opportunity to see some of the advancements that are being made, as far as the use of water and other opportunities when it comes to this type of development.

That said, as I mentioned, future governments may take a different position with respect to oil and gas development and what is or isn't allowed in specific areas of the Yukon. I guess the one constant that we will have is our environmental assessment process. It will be up to the project proponent during their project proposal to identify the method of extraction that they're contemplating using so the environmental assessment and the number of permits that follow the environmental assessment can be issued to ensure that we protect the environment, as well as manage the socio-economic opportunities.

When it comes to what the member opposite was asking about with the extractive companies, I guess I will turn back to a previous answer that we had. He raised this issue as well with the Wolverine mine and at that time I mentioned — I think I mentioned in the House, but it may have been in the local media — that we believe that business needs to have the independence to conduct business with each other. Some of the businesses that I spoke to with respect to the Wolverine mine had mentioned to me that those accounts and those receivables that they held from the company were a business

choice and a business decision that they made and that they wanted to be free to make.

This is something that is not unique to oil and gas or a mining industry. It happens to businesses across many different sectors, whether its hospitality or tourism — any type of business could be exposed. We certainly don't want as a government to place an unnecessary administrative burden on those companies. If they are in business, it's normally pretty easy to find out when a company is in trouble because they will notice the days for your receivables are going up without bills being paid and then, at that point, they need to make a business decision on whether or not to continue to extend that credit to the company or to take different action. Again, we feel that business needs the freedom to make those decisions and that is our position, whether it comes to resource extraction or any of the other industries, small businesses or other businesses that exist here in the territory.

Ms. White: Just to give the minister some more background information — during the Whitehorse Trough oil and gas meetings, I went to six or seven of the meetings and it was during that meeting that the then government official talked about how more than 80 percent of Yukon's gas plays were going to require hydraulic fracturing. At the meeting at the Hootalinqua fire hall, we were also told that we didn't have to worry about the regulatory regime because he would also be able to go with his baseball bat to enforce it.

I just wanted the minister to know that I was there when these statements were said and I wish him well in his retirement, but I want it to be clear that I had heard it multiple times at multiple meetings.

Hon. Mr. Kent: Thank you very much, Madam Chair. Just to be clear, that was not part of the select committee proceedings that the Member for Mayo-Tatchun attributed the statements to Mr. Corbet — I just wanted to be clear just so that if or when I do follow-up with him, I can give him the proper information as far as what's being attributed to him.

Mr. Tredger: I don't have my select committee reports and all the briefings with me so, like the minister often does, I will have to get back to him.

I do remember Mr. Corbet, as well as several others, stating to the select committee on hydraulic fracturing in this very building that over 80 percent, if not 100 percent — over 80 percent — of Yukon's oil and gas reserves would have to be, in order to economically viable, unconventionally and hydraulically fractured given today's technology.

However, that is not what this act is about. I have no further questions in terms of the amendments and suggest that we move on to line-by-line debate. If the minister would like to get into a debate on the viability and whether or not oil and gas should be a cornerstone of Yukon's diversification process, we can get into that. However, I believe in the interest of time — we did talk about that yesterday — the minister stated his government's position very clearly and I stated, I hope, clearly the NDP position and suggest we get on to line-by-line debate, unless there are further questions from any other members of the Legislature.

Hon. Mr. Kent: I will look forward to receiving the information from the member opposite when he gets a chance to get back to me on that. No, I don't think there's any merit in discussing any further the different political positions when it comes to oil and gas development in the territory. I think that we have discussed that at length — not only during Question Period, and in the public eye and in the media, but also on other opportunities. One of the exciting things about democracy is that there are different positions and individual Yukoners will have an opportunity to choose as we present our platforms to them in 2016 — what our ideas are. I am excited to put forward our position and I'm sure the members opposite are excited to put forward theirs. For me, one of the fun things that I enjoy about politics is the opportunity to exchange ideas, even though some ideas are vastly different — such is the case with our respective positions on the value of oil and gas development and what we can accomplish here in the territory.

I thank the members opposite for their questions and, before we get into clause-by-clause debate, I would thank once again all the officials who worked on the amendments that I will be presenting when we get into clause-by-clause debate. I look forward to debating particular clauses with respect to this act.

Chair: Does any other member wish to speak in general debate?

If not, we will proceed with clause-by-clause reading of the bill.

On Clause 1

Some Hon. Member: (Inaudible)

Mr. Tredger: Madam Chair, I'm working from several different amendments to amendments. It may take me a minute to find it. I would prefer not to be interrupted by some people calling "clear". I will say "clear" as soon as I find my spot and I can move ahead. This is an important act. It means a lot to my constituents and I do not appreciate being interrupted.

Chair: Order, please. This is your opportunity, Mr. Tredger, to participate in debate on Clause No. 1.

Clause 1 agreed to

On Clause 2

Clause 2 agreed to

On Clause 3

Mr. Tredger: Can you explain why the "by order" was added to "the minister may"?

Hon. Mr. Kent: There are some significant powers that come with this particular clause. In the legislation as it exists today, there is no need for an order but, in the interest of transparency and being accountable to the individuals we represent, we inserted the "minister may, by order" in section 9(a). I think that's what the member opposite was asking about.

Mr. Tredger: Madam Chair, in clause 3, when I say "clear", is that the whole thing or do we go 3(a), 3(b)?

Chair: We are in debate on clause 3 in its entirety.

Mr. Tredger: Thank you, Madam Chair. I have a question on 3(b). What is a disposition in regard to this act, other than an oil and gas permit?

Hon. Mr. Kent: What this amendment does is clarify that the power provided in this section may not be used to extend the term of an oil and gas permit. The extension of oil and gas permits is provided for in a separate section under this act. The oil and gas disposition is defined within the act, and the extension of permits is provided for under a separate section.

Clause 3 agreed to

On Clause 4

Mr. Tredger: In subsection 4(a) — "...authorizing the Minister to make any just and reasonable order or direction that the Minister considers necessary to effect the purposes of this Act" — it seems to increase ministerial authority. Can the minister explain that? What does that accomplish and will that be in consultation with First Nations on their traditional territory?

Hon. Mr. Kent: This was done as a technical move — to place this into the regulations section. It is a replacement of paragraph 9(c) of the act and clarifies its operations. This is something that is set by regulation and that is why it has been moved into section 10(1), which is part of general regulations in the original act.

Mr. Tredger: So it is mainly a technical move. It's not giving the minister further authority or taking authority away. My final question is: Would it not be subject to consultation with the First Nations?

Hon. Mr. Kent: There is no substantive change in law from this. It is a process change. As I mentioned, it's a technical move to replace paragraph 9(c) of the act and moving that into the general regulations section of the act to section 10.

Clause 4 agreed to

Amendment proposed

Hon. Mr. Kent: Madam Chair, before you call clause 5, I have an amendment that would, if adopted, add a new clause — 4.01 — to Bill No. 93. The written version of the proposed amendment is in both English and French. Pursuant to Standing Order 14.3, I request the unanimous consent of Committee of the Whole to include the proposed amendment in Hansard in the form in which it was submitted to the Table.

I will be reading the amendment in English, but I don't want colleagues in this House or my francophone friends and relatives, which includes my niece and nephew, to make fun of their uncle for butchering their language.

Unanimous consent re including proposed amendment in Hansard

Chair: Mr. Kent has, pursuant to Standing Order 14.3, requested the unanimous consent of Committee of the Whole to include the proposed amendment in Hansard in the form in which it was submitted to the Table. Is there unanimous consent?

All Hon. Members: Agreed.

Chair: Unanimous consent has been granted.

Text of amendment to Bill No. 93 inserted

THAT Bill No. 93, entitled *Act to Amend the Oil and Gas Act*, be amended by the addition of a new clause, 4.01, at page 2. Clause 4.01, section 14, is replaced with the following:

“Consultation with Yukon First Nations

14 If a proposed call for bids or proposed disposition under section 15 or a proposed permit extension under section 31.01 relates to land that is wholly or partly in the traditional territory of a Yukon First Nation, the Minister shall consult the Yukon First Nation on a confidential basis before publishing the call for bids, issuing the disposition or extending the term of the permit, as the case may be.”

4.01 L'article 14 est remplacé par ce qui suit :

« Consultation avec les Premières nations du Yukon

14 Si un projet d'appel d'offres ou de délivrance d'un titre d'aliénation en vertu de l'article 15, ou un projet de prolongation de la durée d'un permis en vertu de l'article 31.01, vise la totalité ou une partie de terres situées sur le territoire ancestral d'une Première nation du Yukon, le ministre doit consulter la Première nation du Yukon de façon confidentielle avant de publier l'appel d'offres, de délivrer le titre d'aliénation ou de prolonger la durée du permis, selon le cas. »

Hon. Mr. Kent: Madam Chair, I am going to be brief. I think this amendment is fairly self-explanatory.

This deals with the consultation requirement on a call for bids or proposed disposition under section 15 or the proposed permit extension under section 31.01. That, of course, will be part of the next amendment that we table.

The consultation process, as we mentioned earlier in general debate today, is defined under the *Umbrella Final Agreement*, and that essentially wraps up any comments that I had with respect to this additional section.

Mr. Tredger: I thank the minister for bringing forward this amendment. I just have a couple of questions that we did discuss earlier. Can the minister explain what a “confidential basis” is — what it means, in technical terms, and why it is included?

Hon. Mr. Kent: “Confidential” in this case means what it would mean in any other case — where the discussions are not disclosed. These are government-to-government discussions, the results of which would be made, once the call for bids or the issuing of the disposition or extending the term of the permit is made public, as with a number of processes that exist on a government-to-government basis.

I guess the other thing too is that there could be proprietary information at play here as well with respect to proponents. Again that's speculative and would depend on the circumstances, but, again, I think that's why the confidential government-to-government negotiations were contemplated here, as we worked this amendment through the MOA working group with First Nations.

Mr. Tredger: So for clarity's sake, the reasons for granting the extension are not released to the public as a

matter of course — or how does the public become informed of decisions to extend tenure and the reasons for that?

Hon. Mr. Kent: It's not uncommon when the reasons are at the discretion of the minister for those not to be released for a variety of reasons, but as we will discuss and have discussed, when we come to the next proposed amendment to this bill, any extension beyond the 10-year time frame would have to meet the conditions that we discussed. All of those conditions would have to be met before the extension was granted at that stage.

Chair: Is there any further debate on the amendment?

Amendment (clause 4.01 added) agreed to

On Clause 5

Mr. Tredger: The section 20.1(3) is replaced. What is the difference from the previous text?

Hon. Mr. Kent: In the legislation as it exists, there is a fixed amount that can be assessed as a penalty. What this legislative change does is that it allows that to be at discretion, so it can be more flexible depending on the circumstances. This amendment replaces a non-discretionary penalty of a fixed amount with a penalty of a discretionary amount with a maximum penalty that will be set out in regulation. This approach is more consistent with the treatment of penalties elsewhere in the act. This is one of those housekeeping amendments that we've brought forward to ensure there is consistency throughout the act as far as the application of penalties.

Mr. Tredger: The minister mentioned that the maximum was prescribed in regulation. How is that determined? Is it determined solely by the minister or under his authority? Is that currently in regulations and is there consultation on that?

Hon. Mr. Kent: Thank you, Madam Chair. Just to clarify, with respect to this particular aspect it is currently fixed in the legislation. With this amendment we are contemplating, we are going to remove that fixed amount and make it the subject of a regulation. Cabinet, of course, sets regulations. That is who is responsible for it. Whether or not there is consultation would depend on the circumstances surrounding any regulatory changes.

Again, this would have to go through the Cabinet process; it is not at ministerial discretion to set the regulation.

Mr. Tredger: So as I understand it, in regulation now or in legislation, there is a maximum prescribed and this would give the authority to Cabinet to determine the maximum — but would there be a maximum established then, so through regulation there will be a maximum?

Hon. Mr. Kent: As I mentioned, what we're trying to correct here is that there is a fixed maximum of \$1,000 that is specific to this. We're trying to make it more consistent with the treatment of penalties elsewhere in the act and that is why we're moving that amount that can be fixed as a maximum fine to regulation.

Again, regulation is set by Cabinet, so what is currently \$1,000 — perhaps in the future it may not be deemed sufficient, so we would like the flexibility, rather than coming in — twice yearly, we have the opportunity to make

legislative changes, but regulatory changes are still subject to a Cabinet process but are more flexible, obviously, when it comes to setting the maximum amount.

This gives us flexibility and is an approach, as I mentioned, that's more consistent with the treatment of penalties elsewhere in the act.

Mr. Tredger: This may relate to section 29 as well, but my understanding then is that, currently, the maximum is set in legislation. This will give the Cabinet the authority to establish it by regulation, so it won't have to be done on a case-by-case basis. There will be a maximum established by Cabinet in regulations.

Hon. Mr. Kent: As I mentioned, this is, I believe, the only part of the act where that is fixed. This will allow the maximum to be set in regulation and will give the division head the discretion to set an amount up to that maximum. This is consistent with other areas in the act.

Clause 5 agreed to

On Clause 6

Clause 6 agreed to

On Clause 7

Mr. Tredger: Prescribing the maximum amount of a penalty under section 20.1, would that then put it in regulation, and again, subject to Cabinet, increase or decrease it, as deemed necessary?

Chair: Mr. Tredger, I believe we're discussing section 7.

Mr. Tredger: Yes, that's 7 — section 29(b).

Chair: Thank you.

Hon. Mr. Kent: The member opposite is correct — this is related to section 20.1 of the act. It does allow the regulations to provide for the penalty contemplated, and section 20.1 gives Cabinet the power to prescribe those regulations.

Mr. Tredger: That is new to this, or was it in there before? I guess I don't understand and I apologize. I don't have the original act in front of me, but it's now in regulations. Was it in regulations before, or was there no maximum amount of a penalty before?

Hon. Mr. Kent: Again, this is one of those technical additions that was added to be specific to 20.1 that we talked about earlier, rather than be a general regulation. Again, it's specific to what we discussed earlier.

Clause 7 agreed to

On Clause 8

Amendment proposed

Hon. Mr. Kent: Madam Chair, I have an amendment to propose to clause 8 of Bill No. 93, entitled *Act to Amend the Oil and Gas Act*. The proposed amendment is quite long and, its official form, is in English and French. Therefore, pursuant to Standing Order 14.3, I request the unanimous consent of Committee of the Whole to deem the proposed amendment to clause 8 as having been read into the record, and that the proposed amendment appear in Hansard in the form in which it was submitted to the Table.

Unanimous consent re including proposed amendment in Hansard

Chair: Hon. Mr. Kent has, pursuant to Standing Order 14.3, requested the unanimous consent of Committee of the Whole to deem the proposed amendment to clause 8 as having been read into the record, and that the proposed amendment appear in Hansard in the form in which it was submitted to the Table. Is there unanimous consent?

All Hon. Members: Agreed.

Chair: There is unanimous consent.

Text of amendment to Clause 8 inserted

THAT Bill No. 93, *Act to Amend the Oil and Gas Act*, be amended in clause 8 at page 3 by replacing proposed new section 31.01 of the Act with:

“Minister may extend permit terms

31.01(1) The Minister may, on application by the holder of an oil and gas permit, by order extend

- (a) the oil and gas permit’s initial term;
- (b) its renewal term; or
- (c) both its initial term and its renewal term.

(2) An application for an order under this section must be made

- (a) at a time when the oil and gas permit is valid; and
- (b) in the form and manner, if any, that the Minister requires.

(3) For the purposes of subsections (4) and (5), the total term of an oil and gas permit is the cumulative length of its initial term and its renewal term.

(4) An order under this section may result in a total term of an oil and gas permit that is longer than 10 years if, in the opinion of the Minister

(a) the holder’s actions in respect of its rights under the oil and gas permit have been consistent with the objectives of this Act and the provisions of the permit;

(b) the holder’s exercise of those rights has been impeded by events or circumstances (other than a shortage of funds or unfavourable market conditions) that

- (i) were not within the holder’s control, and
- (ii) were not reasonably foreseeable when the permit was issued; and

(c) the holder has taken reasonable measures to remove or mitigate the impediment.

(5) An order to which subsection (4) applies must not extend the total term of an oil and gas permit by longer than the lesser of

(a) the least amount of time that, in the opinion of the Minister, is necessary having regard to the events or circumstances referred to in paragraph (4)(b); and

- (b) the total of
 - (i) five years, and
 - (ii) the amount of time, if any, by which ten years exceeds the total term of the oil and gas permit before the order is made.

(6) In an order under this section, the Minister must specify

- (a) the length of each extension that the order makes; and

(b) the resulting total length of the initial term and the renewal term of the oil and gas permit.

(7) For greater certainty, an extension provided in an order under this section is a part of the initial term or renewal term to which it relates.”

« Prolongation de la durée du permis par le ministre

31.01(1) Le ministre peut, à la demande du titulaire d’un permis de pétrole et de gaz, prendre un arrêté pour prolonger ce qui suit quant au permis de pétrole et de gaz :

- a) sa durée initiale;
- b) la durée de son renouvellement;
- c) sa durée initiale et la durée de son renouvellement.

(2) La demande pour un arrêté sous le régime du présent article est présentée :

- a) d’une part, alors que le permis de pétrole et de gaz est valide;
- b) d’autre part, en la forme et de la façon que le ministre fixe, le cas échéant.

(3) Pour l’application des paragraphes (4) et (5), la durée totale d’un permis de pétrole et de gaz est la durée cumulative des durées initiale et du renouvellement.

(4) Un arrêté pris sous le régime du présent article peut faire en sorte que la durée totale d’un permis de pétrole et de gaz soit supérieure à 10 ans si le ministre estime que les conditions suivantes sont réunies :

a) les gestes posés par le titulaire quant à ses droits en vertu du permis de pétrole et de gaz ont respecté les objectifs de la présente loi et les dispositions du permis;

b) l’exercice de ces droits a été entravé par des événements ou des circonstances (à l’exception d’une insuffisance de fonds ou de conditions du marché défavorables) qui, à la fois :

- (i) échappaient au contrôle du titulaire,
- (ii) n’étaient pas raisonnablement prévisibles lors de la délivrance du permis;

c) le titulaire a pris des mesures raisonnables pour supprimer ou atténuer les entraves.

(5) Un arrêté auquel le paragraphe (4) s’applique ne peut prolonger la durée totale d’un permis de pétrole et de gaz pour une durée excédant la plus courte des périodes suivantes :

a) la plus courte période nécessaire selon le ministre compte tenu des événements ou circonstances visés à l’alinéa (4)b);

b) le total entre :

- (i) d’une part, cinq ans,
- (ii) d’autre part, la période par laquelle, le cas échéant, dix ans excède la durée totale du permis de pétrole et de gaz avant que ne soit pris l’arrêté.

(6) Dans un arrêté pris sous le régime du présent article, le ministre précise :

a) la durée de chaque prolongation;

b) la durée totale des durées initiale et du renouvellement du permis de pétrole et de gaz qui en résulte.

(7) Il est entendu qu’une prolongation permise par un arrêté en vertu du présent article fait partie de la durée initiale ou de la durée du renouvellement à laquelle elle se rapporte. »

Hon. Mr. Kent: Thank you very much, Madam Chair. This is a fairly lengthy amendment and I won't read the English into the record either. The version that is here and has been provided to members opposite yesterday at an opposition briefing as well.

Chair: The Minister of Energy, Mines and Resources has moved that Bill No. 93, entitled *Act to Amend the Oil and Gas Act*, be amended in clause 8 at page 3 by replacing proposed new section 31.1 of the act with the version already provided to the table and agreed upon to submit to Hansard. We have agreed to dispense with the reading.

Is there any debate on the amendment?

Mr. Tredger: I did want to thank the minister for making these changes. It does make the act much more in line with what was contemplated in the *Umbrella Final Agreement*. We have discussed it fairly extensively so, having said that, I have no further questions.

Hon. Mr. Kent: The member opposite is correct that we talked about this in general debate during Committee of the Whole. Again, this is one of the results of discussions between the MOA working group and the Government of Yukon — to reiterate, my thanks to those individuals.

I think a lot of this is, in part, due to the leadership shown by the Deputy Minister of Energy, Mines and Resources, the new incoming deputy minister, in his experience in working on a number of First Nation and aboriginal relations files. I would like to thank Mr. Stephen Mills for his help in getting us, in a relatively short time, to where the parties agree on an amendment moving forward on the extension of permit terms.

Chair: Is there any further debate on the amendment?
Amendment to Clause 8 agreed to

Chair: Is there any debate on clause 8, as amended?

Mr. Tredger: In section 31.01(2) — and in my thing, on the following page — where it says, “If the Minister is satisfied that it is in the public interest to do so, the Minister may, in the making of an order under this section, cause the cumulative length of the initial term and the renewal term of an oil and gas permit to exceed 10 years.”

I assume that remains in.

Hon. Mr. Kent: All of 31.01 has been replaced with this amendment, including the portion referenced by the Member for Mayo-Tatchun.

Mr. Tredger: Thank you for that clarification. I have no further questions.

Clause 8, as amended, agreed to

Chair: 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 are continuing clause-by-clause debate on Bill No. 93, entitled *Act to Amend the Oil and Gas Act*.

On Clause 9

Mr. Tredger: Section 34(1) is repealed and 34(6) is repealed. What clauses were repealed, and why?

Hon. Mr. Kent: The member opposite is correct. Section 34(1) is repealed and 34(6) is also repealed and then there is the re-numbering that is covered by 9(3) here of the remaining clauses. Those subsections were repealed because they were redundant by the amendments that we just passed to section 31 of the act.

Clause 9 agreed to

On Clause 10

Mr. Tredger: Again, there are a couple of sections there that have been repealed or changed. Again, is that because of the changes we made that it is being repealed or are there some parts of the act that the minister deemed necessary?

Hon. Mr. Kent: The member opposite is correct. Due to the amendments made to Section 31 of the act, the extension contemplated here would never be required during the initial term and accordingly these amendments removed references to that initial term. When it comes to subsection 2, Section 35(5) is replaced with the following. Just for clarification on that, it presents no change in substance, but clarifies that extension of a permit made under this provision may have the effect of extending the term of the permit.

Clause 10 agreed to

On Clause 11

Clause 11 agreed to

On Clause 12

Clause 12 agreed to

On Clause 13

Mr. Tredger: How does this compare with the language in the previous act, and why were the changes made?

Hon. Mr. Kent: The previous section referenced federal leases, so this amendment removes the provision that applied only to federal leases, which no longer occur in the Yukon. That is the change with respect to this particular section.

Clause 13 agreed to

On Clause 14

Clause 14 agreed to

On Clause 15

Clause 15 agreed to

On Clause 16

Mr. Tredger: Does this change in accordance with the regulations open new or broader powers? Again, how does it compare with what was in the previous act — with what is currently being proposed?

Hon. Mr. Kent: Essentially this takes what was a “shall” clause and converts it into a “may” clause. In the older version of the act it was the “Chief Operations Officer shall” and in this one it’s “may”. What this amendment does is addresses an ambiguity in the provision, clarifying that if a licence is to be issued in respect of an oil and gas activity, it’s generally the chief operations officer, or COO, who will be authorized to issue that licence and the COO may issue such

licence even if there is no regulation governing the issuance of that licence.

Clause 16 agreed to

On Clause 17

Clause 17 agreed to

On Clause 18

Clause 18 agreed to

On Clause 19

Mr. Tredger: Could the minister compare the powers of the COO previously with what is currently being contemplated?

If we can go on in the same section, the minister could maybe answer this at the same time — on the next page, subsection 1.02, where it says "... may include any condition that the Chief Operations Officer determines is necessary in the circumstances". What conditions, if any, do we contemplate be mandatory for the COO to order — or shall include?

Hon. Mr. Kent: What section 91(1) of the existing act — the licensee of a well shall abandon a well in accordance with the regulations when the licensee is required to do so by the regulations or by direction given by the COO pursuant to the regulations.

These two amendments, 1.01 and 1.02, are designed to accomplish — the amendment clarifies one existing power and adds another, as follows: first of all, it provides that the COO may make an order that a well be abandoned if the COO determines that the well presents an imminent threat to health, safety, the environment or property. It also clarifies that the COO may make such an order without having to rely on any further regulatory authority and provides clearly the circumstances in which such an order is authorized.

In 1.01(b) — this paragraph provides for a new power to be exercised by the COO. At any time after the well licence has been terminated, the COO may order the person who was last named as licensee to abandon a well that has not yet been abandoned. This provision ensures that the termination of a well licence will not absolve a former licensee from its obligations to abandon a well and gives the COO a tool to impose such an obligation.

With 1.02, this amendment provides that an order made by the COO may be made subject to conditions that the COO considers necessary. I'm assuming, if we take a step back to the previous response, that could be an imminent threat to health, safety, the environment or property.

Mr. Tredger: There are a couple where the chief operations officer may, at any time, order — why would that be a "may" instead of a "shall" when we're talking about a well that is subject to — is satisfied that the well poses an imminent threat to public health and safety, the environment and property. To me that would indicate that the COO "shall" order it closed, rather than "may".

Hon. Mr. Kent: Under normal circumstances and the normal practice, you want the licensee to abandon the well, but if there is an imminent threat to public health and safety, the environment or property, there may be the need for the

COO to step in. I think it's important to read the two together when making a determination.

These would be extraordinary circumstances, as the normal course of action is to encourage the licensee to abandon the well, unless, of course, one of these particular circumstances is identified — the threat to health, safety, the environment or property.

Mr. Tredger: Is there a reason why we give the COO discretion there? When there's an imminent threat, to me, that should be a "shall" rather than a "may", and I'm wondering if there's a legal reason for that or why it would not be a "shall"?

Hon. Mr. Kent: I think the "may" provision is here because we want to go with the normal course of action, which is to have the licensee abandon the well in accordance with the regulations. That said, there may be these extenuating circumstances of threat to the issues that I outlined — health and safety, environment or property — and that may be the case where the COO may need to step in. We are encouraging the licensee to abandon the well rather than making it a "shall" requirement on the COO. If there are extenuating circumstances or imminent threats, then that is where the COO may at any time step in and make the necessary changes. I guess if you take a step back to "91(1) Subject to subsection (1.01), a licensee of a well shall abandon the well in accordance with the regulations". That's part of these amendments but, in those extraordinary circumstances, that is where the COO would have a role.

Clause 19 agreed to

On Clause 20

Clause 20 agreed to

On Clause 21

Clause 21 agreed to

On Clause 22

Mr. Tredger: How significant are the replacement sections compared to the old section? Again, we have a "may" order. Could the minister explain why it is a "may" rather than a "shall" for some of those: "(a) cease any act related to the contravention or the threat to public health and safety, the environment or property; or (b) do anything required to remedy the contravention or reduce the threat to public health and safety, the environment or property." How significant are the changes between the current act and the replacement?

Again, why is that a "may" instead of a "shall"?

Hon. Mr. Kent: These amendments actually present a substantial overhaul of this section and the reason is that — where it says the "Chief Operations Officer may" — in many circumstances they need some discretion or some flexibility, depending on the type of issue that they're dealing with. I guess the main difference between the previous section, or the section that exists in the previous legislation to what we're amending here, is that the previous section was very prescriptive and listed a number of specific areas or activities that may be grounds for the COO to step in. This is more broad — when we read 97(1)(a): "The COO may order a person to '(a) cease any act related to the contravention or the threat to public health and safety, the environment or property;

or (b) do anything required to remedy the contravention or reduce the threat to public health and safety, the environment or property.”

So this is, as I mentioned, a fairly substantial overhaul of the section and it is a broadening of the section and, again, the “may” aspect is to give the chief operations officer more flexibility or discretion in dealing with issues on a case-by-case basis.

The one other thing too that we have included in here is that there is the authority for the COO to cancel a licence, if necessary, so that is part of the revisions that were identified early on in the process and have been translated into these amendments.

Mr. Tredger: I guess I understand the need for some flexibility with the chief operations officer to work with the company. My concern is that some of these incidents that are being referred to are fairly significant and sometimes we, as public servants, get caught in a situation where we’re sort of on the horns of a dilemma and having to make some pretty difficult and substantial decisions. If legislation can be put in place to make some of those decisions clearer, then both the proponent and the COO are clear about what their roles and responsibilities are.

While I understand the need for the “may,” I do think there are situations that should not be a “may” and should be a “shall,” but I see there are a number of them throughout the next page or two. I just wanted to register my concern.

Hon. Mr. Kent: Again, I think that with the changes to Section 97, it certainly highlights the fact — maybe at this point it’s a good opportunity to highlight the fact that the chief operations officer does have statutory authority to make these types of decisions. The current COO is a female, so she, in this case, has the ability to use discretion or have some flexibility, but there is that statutory authority for her to step in, where there are threats to the issues that I outlined — the health, safety, environment or property.

Clause 22 agreed to

On Clause 23

Clause 23 agreed to

On Clause 24

Clause 24 agreed to

On Clause 25

Mr. Tredger: “Each oil and gas permit that is valid immediately before the coming into force of this Act continues to be valid after the coming into force of this Act and in accordance with the terms of that permit” — do we have any permits that are now existing and that will not be affected by this act? How will they be transitioned to the act? Those that are existing — when they come up for renewal, will they be renewed under this act? I guess I’m looking for how this is going to transition.

Hon. Mr. Kent: There are existing permits. The ones that come to mind are the Northern Cross (Yukon) permits in the Eagle Plains area, so this provision means that they will be subject to the new laws. I guess that’s the easiest way to put it. They will be subject to the new laws as far as any potential activities on those permits.

Mr. Tredger: Just for clarification, there will be no grandfathering of current permits?

Hon. Mr. Kent: I thank officials as well for providing support for me here today.

I guess what this means is that a valid permit the day before this law comes into effect will still be valid the day after it comes into effect, but this law will apply to those existing permits as well on a going-forward basis.

Clause 25 agreed to

On Title

Title agreed to

Hon. Mr. Kent: Madam Chair, I move that you report Bill No. 93, entitled *Act to Amend the Oil and Gas Act*, with amendment.

Chair: It has been moved by Mr. Kent that the Chair report Bill No. 93, entitled *Act to Amend the Oil and Gas Act*, with amendment.

Motion agreed to

Chair: The matter now before the Committee is continuing general debate on Vote 55, Department of Highways and Public Works, in Bill No. 20, entitled *Second 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. 20: Second Appropriation Act, 2015-16 — continued

Chair: The matter before the Committee is continuing general debate on Vote 55, Department of Highways and Public Works, in Bill No. 20, entitled *Second Appropriation Act, 2015-16*.

Department of Highways and Public Works — continued

Hon. Mr. Kent: I would like to welcome the officials. Paul McConnell is the assistant deputy minister of Property Management and Paul Murchison is the director of the Transportation Engineering branch. I would like to welcome them to the Legislature today and thank them for providing assistance.

I have just a couple of things to touch on before we get back into questions with members opposite. I still have some outstanding information that I believe I have to provide to members from earlier debate. We are still working on compiling that and putting it together. However, there were some questions raised during Question Period that I wanted to respond to, specific to the apron panel project at Erik Nielsen Whitehorse International Airport.

Firstly, I believe the Member for Copperbelt South identified an \$8-million figure today in Question Period. It's my understanding, in further discussion with officials, that the \$8 million represented the initial estimates that we had for that project. What it did come in at was \$3.5 million, in that neighbourhood. That's what the lowest bid came in at, so the budget was adjusted accordingly to reflect that new number. Unfortunately with that particular program, we were not able to reallocate those funds to a different project at the airport but, again, our initial budget of \$8 million was reduced to match the successful bid submitted by the contractor.

The second question that the Member for Copperbelt South had asked — I think it was during Question Period — was with respect to the supplementary budget and the \$180,000 that is allotted to this project.

That covers a couple of different things. One is consultant costs associated with addressing the deficiencies. We are also covering internal costs. This is something that is attributed to our capital budget on this particular project. I don't have the breakdown between internal costs and the consultant costs, but I just wanted to provide that information for clarity for the Member for Copperbelt South. With that, I welcome additional questions from the members opposite.

Ms. Moorcroft: I would like to welcome the officials and thank the minister for that information. I just have a follow-up question related to the \$180,000 for the consultant costs for the airport runway apron project. Has the government already engaged consultants? What is the nature of the consultant — lawyers or engineers?

Hon. Mr. Kent: As I mentioned, that \$180,000 represents not only consultant costs but also internal costs. These are officials within Yukon government who have been assigned to this project and we are booking their time against this capital project accordingly. Again I don't have the breakdown between the internal costs and the consultant costs at this time, but the one consultant with whom I think we have actually extended the initial contract is to provide a more detailed analysis of what is taking place on-site. It's not for legal means; it's for expertise with respect to the deficiencies in the panels themselves. There have not been any lawyers contracted under the consultant fees. It is for geotechnical experts — a local company that is providing that service to us.

Ms. Moorcroft: I have a question relating to fleet vehicles. I would like to thank the minister for tabling the Fleet Vehicle Agency report in the Legislature a short time ago. Part of Yukon government's efforts to reduce government-wide greenhouse gas emissions is to reduce fleet vehicle emissions. That's a worthy goal to pursue because the transportation sector is responsible for a large percentage of greenhouse gas emissions in Yukon. Does the government have a policy to prohibit idling government fleet vehicles to reduce greenhouse gas emissions? We hear from constituents when they see Yukon government vehicles idling on the street or in front of government buildings or in parking lots when the temperature is mild. Can the minister tell us if there are any limits on idling Yukon government fleet vehicles or if there is a policy in effect?

Hon. Mr. Kent: I will check to see if there is an actual policy with respect to idling. I think the members did bring this up at a briefing with officials. I don't have the information with me today. Maybe what I will do is touch briefly on a couple of initiatives in Fleet Vehicles that are underway with respect to electric vehicles.

But you know, maybe what I'll do is just touch briefly on a couple of initiatives in the Fleet Vehicle Agency that are underway with respect to electric vehicles. We have seen some advances being made in the development of electric vehicles. Significant issues continue when electric vehicles are subject to the cold temperatures that Yukon routinely experiences. The Fleet Vehicle Agency has some hybrid vehicles that are in the fleet — there are two hybrid gas-over-electric vehicles in the fleet vehicles inventory. These vehicles were purchased to test if the particular cost could be offset by fuel savings. The initial test results determined that there were insufficient savings of fuel costs to offset the purchase price of the hybrid vehicle.

The Fleet Vehicle Agency also has a diesel 2006 smart car, which is assigned to the Department of Environment. We have a 2001 hybrid Honda Insight that is a gas-over-electric hybrid that runs like any other car and would need a plug-in only when it's cold. It's not used much due to its limitations, especially in the winter — as the battery runs out quickly in cold temperatures — but also, because it is a two-seat vehicle with a manual transmission, there is limited trunk space, so that restricts the number of our staff who can use it for what they're looking to use it for.

There is also a hybrid Toyota Prius that is assigned to Health and Social Services, the Continuing Care branch. As a hybrid vehicle, it meets the department's needs for travelling around the community to visit clients' homes.

Transportation Maintenance branch hybrid vehicles in the fleet — TMB has a Toyota Camry gas-over-electric hybrid that staff uses as an office runaround vehicle. It is only used in and around Whitehorse, as highway driving would call for the gas engine to engage. The vehicle charges the battery in reduced-speed city driving conditions. Some of the additional research that is being undertaken into the electric vehicle liability: the Fleet Vehicle Agency has been in contact with Tesla regarding plans to add more charging stations into Canada, as their vehicles have the ability to pre-heat the interior remotely and use lithium ion batteries, which work better than all others below zero.

The Fleet Vehicle Agency is also in contact annually with multinational corporations and North American governments, as well as the NAFA Fleet Management Association, and has reviewed information shared by others trying new technologies. It continues to research the viability of adding electric vehicles into the fleet, but we don't currently have any electric vehicles in the fleet for a number of reasons — especially climate reasons. The length of our winter and the relative unsuitability of electric vehicles for this climate make it not ideal conditions for some of them that have a short range before needing to be charged, and less, if using heaters to warm the vehicles.

Logistically and economically, it is not beneficial to include electric vehicles at this point in our fleet, because most of them are about twice the price of a conventional vehicle of the same class and Yukon does not have the charging infrastructure in place to support such a fleet.

Again, this highlights much of the activity that is taking place in fleet vehicles around electric vehicles and, to get back to the member's initial question, I will investigate whether or not there is an idling policy for government vehicles.

Ms. Moorcroft: I thank the minister for that information. I understood him to say that it did not work out that there were sufficient gas savings with the electric vehicles to expand that. I would encourage the government to continue to purchase fuel-efficient gas-powered vehicles where they're appropriate for what they're going to be used for.

I thank the minister for committing to get back on whether the government does have a policy already in place to prohibit idling government fleet vehicles. I would also like to ask the minister that, if there is not such a policy, he consider establishing a policy that government employees do not idle fleet vehicles and perhaps set a very cold temperature at which it might need to happen — minus 30 or minus 35 — but that's something I wanted to bring to the minister's attention.

This fall the government announced it would be pursuing the development of the McGowan lands at kilometre 4 on the Carcross Road. There have been concerns raised by several Mount Lorne-Southern Lakes constituents in that area. I realize that the actual land disposal is in the Energy, Mines and Resources debate, but there have also been concerns expressed about the capability of the road to handle an increase in traffic related to any development.

If the minister could speak about what the government's plans are for the McGowan lands, when he anticipates the project to go through, and whether there has been any consideration to the impact on the road that the added traffic will have — a related question is whether or not the Yukon government has developed an overall plan that includes an alternate access route for safety and emergency vehicles so there is not only one road in and back out again.

Hon. Mr. Kent: The member opposite is correct. This is a project that is being led by Energy, Mines and Resources. I can give a bit of an update. I don't have my Energy, Mines and Resources notes with me or officials to provide support, but there was a 30-day consultation with three First Nations — the Carcross/Tagish First Nation, Kwanlin Dün First Nation, Ta'an Kwäch'än Council. At the request of the First Nations, we extended that an additional 60 days so it is now due to close, I believe, in the middle of January.

What we are contemplating for the McGowan lands is turning that parcel of land over to the private sector to develop. It's a model that has been used successfully here, albeit on a limited number of occasions. Probably the largest example of private sector development of a subdivision would be the Pineridge subdivision, which I believe is in the member's riding.

So again, without the notes here with me, I don't want to get into too much detail, but that's where the McGowan lands

project stands for now. With access into and out of that property, that will be part of what the developer — if it does get to a point beyond the First Nation consultation where we proceed with private sector investment in there, it will be up to the developer to determine access in and out. The safety concerns are certainly noted by our government, which the member opposite has identified.

When it comes to additional traffic in the area, Highways and Public Works does have a surface management system that grades the degradation of the road surface, and we'll be able to identify increased traffic from that. There are other opportunities for us to assess any increase in traffic along that road. Then of course there's our work within the Whitehorse corridor of the Alaska Highway itself that we consulted on with the public earlier in the year. We released the "what we heard" document and we're working now on identifying areas where there are particular safety concerns going forward. There are certainly a number of other concerns that were raised through that public consultation process that we need to identify, so my initial task for officials was to identify some particular spots where there are safety concerns that we could address.

Again, there are upgrades planned and, if we do require additional upgrades, should the McGowan lands development go ahead or should there be additional pressure on any of our highways, we can make those determinations through our capital planning process and react accordingly with improvements.

Ms. Moorcroft: I have another question for the minister about Ten Mile Road, which is located between Tagish and Carcross. We've had some calls related to that. Some years ago, the road was upgraded. There are approximately a dozen residents there and they did fill out an application to get some help with additional snow clearing, but it was determined that it had too low of a population density for that.

There is also a wilderness lodge 13 kilometres down the road. That lodge was recently purchased and the purchaser is spending well over a million dollars to upgrade the lodge. When the department indicated that it wasn't able to support the application for snow clearing, the residents noted that there was an exception provided for if there were benefits to the Yukon economy.

The lodge owner has hired contractors and is creating employment and local jobs. The upgrading of the wilderness lodge will also bring some much-needed infrastructure to the area. It's also a firewood permit area along that road. They're not looking for weekly plowing; they're just looking for additional plowing to keep the road open so the contractor can continue to work through the winter.

This is a modest request that could have a high payback, and I would like to ask the minister if he will look into this and consider making an exception in order to have some additional snowplowing on the Ten Mile Road.

Hon. Mr. Kent: I thank the member opposite for bringing that forward. We will look into it further and get back to her as well as the MLA for the area with respect to

options as to how we can proceed with maintenance on the Ten Mile Road.

Ms. Moorcroft: Can the minister provide some information on what training the Yukon government has offered in the current year to meet its obligations under Transport Canada's safety management systems regulations governing airports, including the Whitehorse, Watson Lake and Dawson airports? Does the minister have any information with him about how many employees may have participated in that safety management system training?

Hon. Mr. Kent: This is another piece of information that we will have to pull together for the member opposite. Perhaps I do have a note, if the member will bear with me. I will just find it.

Highways and Public Works began work on a safety management system in 2006 and implemented it in 2009. All Aviation employees received SMS training — approximately 80 of them. Supervisors and managers received additional training on how to conduct investigations and create corrective action plans for identified issues. This safety management system helps us improve aviation safety by detecting and correcting safety problems before they result in incidents or accidents. I don't have the airport facility-by-facility breakdown of the training, but this is the latest information that I have on it — just with the caveat that the date on this note is August 18, 2015. If there is additional information or more current information, I will get that to the member opposite.

Ms. Moorcroft: I believe the most recent numbers that the minister had were from 2009 for 80 employees, so there should have been an update since then. As I understand, from looking at the safety management system regulations, there is a requirement for ongoing training. I appreciate that the minister has said he will get back to me on that.

Whitehorse International Airport has been in need of upgraded airport-rated snow-clearing equipment for some time. Can the minister tell us whether new, modern equipment that is designed and built to meet airport safety standards will finally be purchased this year for use at clearing the Whitehorse runway?

Hon. Mr. Kent: These types of equipment purchases, I believe, are made as part of our revolving equipment fund.

I apologize to the member opposite but I will have to seek further information from department officials — information that we don't have here with us today — and get back to her on the schedule for the replacement of existing equipment, whether it's at our airports or in our grader stations.

Ms. Moorcroft: I was looking for the minister to make a commitment that any snow-clearing equipment that is required to keep the Whitehorse runway clear would be equipment that is new and meets all appropriate airport standards.

I wanted to then follow up with the minister related to the report in Public Accounts 2014-15 of an additional \$12 million of liability for the Yukon government for the remediation of contaminated sites. The \$12 million, or 40

percent of the total of \$29 million in environmental liability, is for highway maintenance camps and airports.

Can the minister tell us if the Whitehorse airport is one of the airports at which there is environmental liability, and does he have any information related to which airports and highway maintenance camps have been identified as having environmental liabilities?

Hon. Mr. Kent: The Department of Environment will have a detailed list, but many of these camps have historically been there. Going back to the original construction of the Alaska Highway, for instance, or the original construction of these roads, they will all have some remediation that is required in various degrees.

Right now the Department of Highways and Public Works, in partnership with the Department of Environment, is conducting risk assessment at the different highway camps to determine the level of contamination that exists at them and how best to remediate that contamination on a go-forward basis.

When it comes to our airports, I would assume that in most cases the same holds true. Many of them go back to an earlier era when environmental protection wasn't perhaps taken as seriously as it is today, so there would be varying degrees of contamination, I believe, at many of the airports that we have existing in our inventory as well. I will talk to my colleague, the Minister of Environment, and get a list and be able to provide that to members at a later date.

Ms. Moorcroft: The minister has indicated that the environmental liability is largely associated with historical highway maintenance camps and that, when it comes to airports, it may be from the World War II era, perhaps when those airports were part of the lend-lease project during the time period the Alaska Highway was constructed, connecting up all those airports. I would like to ask the minister to confirm, when he does come back with that information, whether all of those environmental liabilities that are listed as being highway maintenance camps and airports are historical, and if he could provide any information about more recent environmental liabilities and contamination.

The supplementary budget has — as well as the \$108,000 to address deficiencies in the Whitehorse airport runway apron, \$370,000 to address deficiencies in the Whitehorse airport water and sewer extensions. The Yukon NDP has heard allegations that Yukon government let contractors working on the water and sewer extensions backfill sewage trenches at the airport with the fuel-contaminated soil from the White Pass tank farm.

Can the minister provide any information about where the contaminated soil from the White Pass tank farm was ultimately deposited? Can the government confirm that the contaminated soil was trucked from the tank farm to the airport and then used to backfill the sewer and pipe trenches?

Hon. Mr. Kent: With respect to the grader stations and airports, I'll endeavour to get as much information as we know as far as the levels of contamination and the historic liability versus any current liabilities.

What the member opposite is talking about with respect to the deposit of contaminated soil at the Whitehorse airport — we would not have allowed contaminated soil to be hauled and deposited there. That would not be something that we would permit, so I'm not sure of the sources that are providing this information to the Official Opposition, but it would be good to ground-truth those and follow up. I'll certainly follow up with department officials on these allegations.

Ms. Moorcroft: I would like for the minister to come back with some information on what tests were done on the soil — both the soil that was removed from the White Pass tank farm, and also what tests were done on the soil that was used for backfilling at the water and sewer extension.

Could the minister provide a little bit more detail about the allocation of \$370,000 for deficiencies? What deficiencies will be addressed and what is that money for?

Hon. Mr. Kent: The soil that was used there — it is my understanding it was deemed to be compliant by the Department of Environment. We will get that necessary documentation and provide it. With respect to the \$370,000, these were approved revotes to address minor contract deficiencies. Some of the examples: there was some work on fire hydrants, as well as a recirculation chamber, and the work has now been completed.

Chair: Does any other member wish to speak in general debate?

Ms. Moorcroft: Pursuant to Standing Order 14.3, I request the unanimous consent of Committee of the Whole to deem all lines in Vote 55, Department of Highways and Public Works, cleared or carried, as required.

Chair: Normally we would wait until we were in line-by-line debate before we move these clauses, but we'll go from here.

Unanimous consent re deeming all lines in Vote 55, Department of Highways and Public Works, cleared or carried

Chair: Ms. Moorcroft has, pursuant to Standing Order 14.3, requested the unanimous consent of Committee of the Whole to deem all lines in Vote 55, Department of Highways and Public Works, cleared or carried, as required. Is there unanimous consent?

All Hon. Members: Agreed.

Chair: There is unanimous consent.

On Operation and Maintenance Expenditures

Total Operation and Maintenance Expenditures in the amount of \$733,000 agreed to

On Capital Expenditures

Total Capital Expenditures in the amount of \$6,043,000 agreed to

Total Expenditures in the amount of \$6,776,000 agreed to

Department of Highways and Public Works agreed to

Mr. Elias: Madam Chair, I move that you report progress.

Chair: It has been moved by Mr. Elias 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. 93, entitled *Act to Amend the Oil and Gas Act*, and directed me to report the bill, with amendment. Committee of the Whole has also considered Bill No. 20, entitled *Second 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.

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

Motion agreed to

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

The House adjourned at 5:13 p.m.

The following sessional paper was tabled December 8, 2015:

33-1-181

Yukon Human Rights Panel of Adjudicators 2014-15 Annual Report (Speaker Laxton)