



Yukon Legislative Assembly

Number 131

1st Session

33rd Legislature

HANSARD

Wednesday, March 26, 2014 — 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. Darrell Pasloski	Mountainview	Premier Minister responsible for Finance; Executive Council Office
Hon. Elaine Taylor	Whitehorse West	Deputy Premier Minister responsible for Education; Women's Directorate; French Language Services Directorate
Hon. Brad Cathers	Lake Laberge	Minister responsible for Community Services; Yukon Housing Corporation; Yukon Liquor Corporation; Yukon Lottery Commission Government House Leader
Hon. Doug Graham	Porter Creek North	Minister responsible for Health and Social Services; Yukon Workers' Compensation Health and Safety Board
Hon. Scott Kent	Riverdale North	Minister responsible for Energy, Mines and Resources; Yukon Energy Corporation; Yukon Development Corporation
Hon. Currie Dixon	Copperbelt North	Minister responsible for Economic Development; Environment; Public Service Commission
Hon. Wade Istchenko	Kluane	Minister responsible for Highways and Public Works
Hon. Mike Nixon	Porter Creek South	Minister responsible for Justice; Tourism and Culture

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Stacey Hassard	Pelly-Nisutlin
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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

Sandy Silver	Leader of the Third Party Klondike
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**Yukon Legislative Assembly
Whitehorse, Yukon
Wednesday, March 26, 2014 — 1:00 p.m.**

Speaker: I will 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.

Introduction of visitors.

Are there any 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?

Is there a statement by a minister?

This then brings us to Question Period.

QUESTION PERIOD

Question re: Tourism marketing funding

Ms. Hanson: Mr. Speaker, the tourism sector is doing well, and tourism thrives despite stagnant funding and in the absence of a long-term vision and a strategy by this Yukon Party government.

Despite the fact that the core marketing budget has stagnated over the years, tourism enjoys a steady growth even while commodity prices fall and markets continue to be volatile. This is thanks in large part to the efforts of industry associations and the power of the attraction of Yukon's wilderness.

The \$2-million federal CanNor marketing funding is expiring this year.

What we saw yesterday in the budget was that all the Yukon Party could come up with is \$590,000, meaning a negative bottom line for the tourism sector. How is this acceptable for one of the strongest performing sectors of our economy? When will the government do the right thing and listen to the recommendations of experts and of local industry and make a long-term investment?

Hon. Mr. Nixon: In addressing the member opposite, I really do need to thank those who are working in industry and those who are working in the Department of Tourism and Culture — specifically marketing, because they look at return on investment for the investments they do make. They all work extremely hard and do a fantastic job — when you set our department up with other departments across Canada, looking at the increased visitation that we get to our territory with the budgets that we have. I have to tip my hat to the hard-working people in industry, in the private sector and in the Department of Tourism and Culture within government, because we saw an eight-percent increase in visitation in the 2013 calendar year and we know that that generates some \$200 million for people working in the private sector. My

hat's off to them. They are doing a fantastic job, and we look forward to working with industry and the department moving forward on this very important sector.

Ms. Hanson: The fact of the matter is that the marketing budget has remained relatively stagnant for about 10 years. Marketing dollars are a public investment. Investing in tourism marketing creates a payback to the economy and the government many times over. The return on these dollars is exceptional. In Yukon, for every marketing dollar spent, approximately 28 new dollars enter the territorial economy. We know tourism delivers an excellent return on public investment.

We know that tourism is a sustainable, renewable industry. Domestic tourism marketing delivers results in Yukon. Spending in this sector is not keeping up with our competitors, and the Yukon Party looks like it's planning to continue to see that decrease when CanNor funding ends.

So, does the government believe that a net reduction of \$1.4 million in tourism marketing will help the one sector of our economy that is consistently performing?

Hon. Mr. Nixon: The department really does take a strategic approach when they look at marketing around the globe. We know that we've seen an eight-percent increase overall in 2013. Of that, the domestic market here in Canada was increased by 17 percent. We look forward to working with companies like Air North and targeting markets within Canada especially — Vancouver, Edmonton, Calgary, Toronto and Ottawa — to increase the presence of Yukon.

Within our current marketing budget, we have increased the tourism budget by \$590,000 this year to compensate for the sunset of the CanNor funding from the federal government. I have to extend my appreciation to the federal government for coming forward and working with us on that initiative, because during that time we saw a 33-percent increase in visitation from the overseas marketing. This team on this side of the House is behind the Department of Tourism and Culture. It's strategically marketing around the globe. They are doing a fantastic job, and I would appreciate the comments coming from the member opposite maybe a little bit more if we were in a decline. Like we said, we're leading the country and, as the Premier said, they are punching above their weight.

Ms. Hanson: The point of the question is to allow us to grow even more. This industry is just beginning to thrive. The tourism industry's percentage of Yukon's GDP is one of — you're right — the highest in the country. That's with limited measuring tools available. We know that this sector represents nearly \$200 million in private sector revenue annually. These are positive statistics and they're happening when other sectors of our economy are facing challenges. The Tourism Industry Association put forward a proposal for \$2.5 million annually for domestic marketing — a television marketing campaign — to strengthen the Yukon brand. This would be a major boost to the industry and it would have significant and positive impact on all of Yukon's economy. Now is the time to get serious about diversifying and growing Yukon's economy.

When will this government commit to a multi-year marketing campaign for tourism television branding as requested by the Tourism Industry Association?

Hon. Mr. Nixon: Thank you Mr. Speaker. I don't know what it is about an eight-percent overall increase that the member opposite doesn't understand. With respect to television advertising, as I said, the Department of Tourism and Culture takes a very strategic approach when looking at TV ads. They don't just look at blanket ads. They'll look at products that are on TV that will deliver good exposure for us. I do know that, over the coming months in 2014, Destination Yukon has summer campaigns that are being set up in place on stations such as Global TV, HGTV, History Channel, Showcase, National Geographic Canada and National Geographic Wild domestic channels during Yukon themed shows like Yukon Gold and Dr. Oakley. So, I do tip my hat to industry. We have a great working relationship with TIA and other industry leaders across Yukon.

Between them and the Department of Tourism and Culture marketing, they're doing an exceptional job and I'm very proud of the work that they're doing.

Question re: Ross River suspension bridge

Mr. Barr: I would like to congratulate the community of Ross River on the incredible work they have done over the past month to come together and save the Ross River bridge. Not only is the bridge important to the people of Ross River, it is also an important connection to the Yukon's cultural and historical heritage. Though the latest development is positive, it is unfortunate that some of the residents of Ross River had to block access to the bridge for nearly two weeks to prevent it from being destroyed and to be heard from their government.

Why did the Premier wait so long before engaging with the people of Ross River and the Ross River Dena Council about the fate of this historic bridge?

Hon. Mr. Pasloski: Certainly the Department of Community Services has been involved in direct communication with the community of Ross River since last fall. As we have stated all along throughout the discussion of the bridge, our number one focus has always been safety. That has been the focus and will continue to be the focus for this government: to ensure the safety of all citizens with regard to that bridge.

We are excited with the work that's been done. I want to personally acknowledge the leadership of Chief Brian Ladue and his council on this issue. I also want to acknowledge the work of the Minister of Community Services and, of course, the representative for Pelly Nisutlin as well, for their work. I also want to acknowledge the work and the passion of the community of Ross River as well. Truly, we have seen a focal point in the entire community behind this effort.

As I mentioned, Mr. Speaker, our number one issue has been patient — has been public safety. There I'm going back to my background with "patient" safety, but we're certainly excited that we found a solution to be able to stabilize the bridge to be able to provide options at a later date.

Mr. Barr: Mr. Speaker, we all care about safety. We just believe, on this side of the House, that it's possible to protect public safety and protect the Yukon's heritage at the same time.

I definitely appreciate the step in the right direction taken yesterday by this government. In the government's press release yesterday, Chief Ladue stated, and I quote: "We feel that together our respective governments can find solutions to secure, make safe, and then restore the historic bridge."

Will the Premier meet the wishes of the chief and the people of Ross River and commit to restoring the Ross River bridge?

Hon. Mr. Pasloski: As we've heard from the member opposite, this is yet another example of this public government working together with Yukon First Nations to get things done.

I want to certainly as well acknowledge the hard work that was put in by all the staff within the Department of Community Services. As I mentioned, our number one focus has always been safety of citizens and that's where it will continue to be at this time. We will move forward with an RFP to find a solution to stabilize the bridge and that will ensure safety and allow us, once that bridge has been stabilized, to allow the ferry to continue to operate in its present location and then give us the time to be able to look at other options in the future as to what the next steps will be with this bridge. We will look forward to that time when it comes as well.

Mr. Barr: Mr. Speaker, when the people have to blockade a bridge in order for the government to work with them, it is not working with the people — it's catching up on long overdue action by this Yukon territorial government. It is my understanding that, due to the coming spring weather and the melting of the Pelly River that will accompany it, action needs to be taken immediately to secure the bridge.

What steps is the government taking to ensure that the RFP process is completed in time to secure the bridge before spring breakup?

Hon. Mr. Pasloski: As I have mentioned, the number one priority for this government with regard to the Ross River bridge is the safety of all citizens and all people who would be around that bridge.

To that end, working with the chief and council in the community of Ross River, this government is going to move forward with an RFP to stabilize the bridge as it is now to ensure safety. Once we have that done, we will then be able to ensure the safety of the ferry, which will then be able to continue to operate.

I want to acknowledge the hard work of Chief Brian Ladue and his Council and his community — in fact, the entire community of Ross River. I want to acknowledge the work of the minister and his staff in Community Services; I want to acknowledge the work of the MLA for Pelly-Nisutlin as well.

We look forward to stabilizing this bridge and look forward to working with the community and other interested organizations and individuals who would like to look at the

options that could present themselves to see how we move forward with the next steps with the bridge.

Question re: Mineral staking on settlement land

Mr. Silver: I have question for the Minister of Energy, Mines and Resources.

Last year the Government of Yukon lost another round in the courts as it continued its antagonistic approach with the First Nation relations. As a result of this court loss, the government was under a court order to find a way to work with the Ross River Dena Council on what land would be available for staking in their traditional territory.

The government was given a year to come up with a solution and spent most of that time on a fruitless appeal in the Supreme Court of Canada. Meetings with Ross River produced no agreements by the December 27 deadline just before Christmas, and the government banned staking completely in Ross River's traditional territory in order to meet the court order. Ross River area is 63,000 square kilometres and the ban is set to expire on April 30, 2014.

Mr. Speaker, has an agreement with Ross River been reached?

Hon. Mr. Kent: Just to clarify a couple of the comments made by the Member for Klondike in his question — there were, of course, two declarations with respect to the Yukon Court of Appeal. The first one dealt with notification of low-level or class 1 mining exploration activity, and that is one that we accepted. The second declaration has resulted in work in the staking ban referenced by the member opposite, and the work that is underway, being led by the Executive Council Office, the Aboriginal Relations branch, working with the Ross River Dena Council to identify areas within their traditional territory where staking will not be allowed.

As the member referenced, that staking ban is in place until April 30. I know that the Premier would have more information on this, but the sides continue to negotiate and we do have the class 1 notification provisions in the Ross River area underway right now. Obviously, the declaration with respect to the low-level mining activity has been enacted and the work continues on identifying areas within the Ross River traditional territory that won't be available for staking.

Mr. Silver: The way the government works with First Nations — or, more appropriately, doesn't work with First Nations — has consequences for the economy. Just this morning the government was served another lawsuit from Yukon First Nations over a similar issue. The Kaska now want to know why the court decision does not apply to their traditional territory as well. Thirteen percent of the territory is now off limits to mining — indefinitely, it sounds like — because this government cannot reach an agreement with Ross River over what areas will be available for staking.

Media reports in February said that negotiations between the government and the Ross River Dena had broken off completely.

Can the minister tell Yukoners when the last negotiation session was held and when the next one is scheduled?

Hon. Mr. Kent: Before Christmas, in the fall sitting when we addressed this issue on the floor of this House, I stated that I didn't think it served any real purpose to carry out the negotiations with the Ross River Dena Council on the floor of the Legislative Assembly and I still believe that. As mentioned, April 30 is the deadline for the staking ban to come off, and officials within Executive Council Office, in aboriginal relations, are working hard with the Ross River Dena Council to meet that deadline and identify those areas within that traditional territory that we feel need to be removed from staking activity to meet that other declaration of the Court of Appeal.

I find it very interesting — again, the Member for Klondike. Clearly there's a mining conference in town because he's supporting mining now when he often takes a different tack and supports environmental interests or other interests. One only has to look at his support for the recommended Peel watershed plan, which would have removed a huge region of the Yukon from staking. So a huge staking ban in the Peel but mad about the staking ban when we're working with the First Nation in Ross River. Yukoners won't be fooled by the member's approach.

Mr. Silver: Clearly there is a 100-percent ban on staking in the Peel because no one is going to go in there after the mess that these guys have decided on.

The Yukon Party can spend as much taxpayer money as it wants attending conferences to promote mining, but it won't matter if it keeps going to the courts with the First Nations. The Yukon took an extreme tumble in the Fraser Institute's mining report card this year and one of the reasons given was for uncertainty for land. The new executive director for the Chamber of Mines has said that uncertainty created by lawsuits between the Yukon government and affected First Nations is scaring away investment. It's not just me, Mr. Speaker. A lot of people are pointing the finger to the Yukon government when it comes to mining.

The Yukon Party says it's supporting mining but sabotages its own efforts by continuing to meet First Nations in front of a court. What options is the minister considering if a deal is not reached by April 30 with Ross River?

Hon. Mr. Kent: I'm not going to speculate on what's going to happen in the future. Obviously I've mentioned that the Executive Council Office, Aboriginal Relations, is working with the Ross River Dena Council to meet that April 30 timeline and we continue to work toward that.

Mr. Speaker, I had the pleasure of giving opening remarks at the First Nation resource conference held here in Whitehorse this morning, and it was great to hear a number of chiefs and the mayor of Whitehorse speak about the opportunities that exist between First Nations, industry as well as the Yukon government to advance the resource sector, be it mining, forestry, oil and gas opportunities, or even some of the land development opportunities that we have.

Mr. Speaker, I find it funny, though, that the member opposite references the Fraser Institute rankings, because it seems to me that, when I was the Minister of Education, he was outraged at the Fraser Institute for the rankings of schools

— but again, he picks and chooses what he wants to say on the floor of this House. As I mentioned, he's pro-mining some days and he's against mining other days, so Yukoners won't be fooled by his position.

Question re: Residential tenancy office

Ms. White: For well over five years, the Yukon NDP has been advocating for changes to the *Landlord and Tenant Act*. There has been some progress; however, government works slowly and this is cold comfort to tenants who still have so few protections. Most Yukon landlords are honourable business people, but we are still hearing too many bad apple stories that Yukon tenants are experiencing on a daily basis.

We are wondering when the residential tenancy office will be open to serve clients. Right now the residential tenancy office does exist but it is not easy to find and, until regulations are passed, residents are stuck with the status quo.

Mr. Speaker, can the minister tell Yukon tenants where the residential tenancy office will be located and when it will have the ability to serve clients?

Hon. Mr. Cathers: As my predecessor, Minister of Community Services, quite rightly reminded me, the legislation that this new act replaced was 50 years old. That is a major piece of legislation. The regulations themselves are also important and so the work that began with the work of a select committee, an all-party committee of the Legislative Assembly, that made recommendations on this important topic resulted in proposed changes that went out for consultation and led to the ultimate tabling and passage of the act in this Assembly. The regulations themselves — because of important areas, we sought public input on that and public input.

The Member for Takhini Kopper King's specific feedback was part of the consultation that concluded on March 11, and I look forward to reading the department report, analysis and recommendations and to taking the next step toward the development these regulations and, as far as timing goes, we do anticipate that this will be before the end of this calendar year.

Ms. White: At present, there are few clear and enforceable health and safety standards for tenants. Tenants who are being treated unfairly have no choice but to go to court. When the problem faced by tenants has to do with the heating or plumbing, for example, tenants are sometimes forced to spend hundreds of dollars up front to fix the issue. Then the tenants have to go to court where, hopefully, the legal process will ensure that they are reimbursed. This involves a lot of work on behalf of the tenant and can take months to settle, even though the tenants did not create this problem. There is no fairness in this situation.

Mr. Speaker, how long will Yukon tenants continue to have no protection and no immediate recourse, other than courts, when faced with issues caused by a negligent landlord?

Hon. Mr. Cathers: Again, as I noted in my previous response to the member, the piece of legislation that the new act replaced was 50 years old, and through the good work of my predecessor, as Minister of Community Services, as well

as staff in the department, we saw a piece of legislation tabled following the process that began with the work of an all-party committee of this Assembly. Because of the importance of these matters, we felt that it was important to consult on both the key provisions of the act and the regulations, and that is what has been done. The most recent round of public consultation concluded in March, earlier this month. I can assure the member that staff will continue to work in this area but, again, we do feel that that public input was quite important and we are proud of the fact that where previous governments — including the Liberals, the NDP and one of the member's colleagues, the Member for Copperbelt South — did not see the need to update this legislation, we saw the need to do it and we acted accordingly, and we will continue to ensure that the work is completed at the earliest possible date while providing for thorough analysis and having taken that opportunity to hear the public feedback we sought.

Ms. White: I appreciate that after 12 years as a government, they're finally acting.

Last fall, a landlord was told by a service person that the oil-fired appliance in the rental unit needed replacing. The landlord chose to ignore the service person's advice and exposed tenants to a dangerous and expensive situation. The landlord then chose to ignore several messages from tenants regarding the furnace. When the oil-fired appliance eventually failed in mid-winter, tenants were dealing with frozen pipes after the furnace broke, paying for emergency servicemen and desperately looking for alternative accommodations, all the while being told that they would need to go to court to get the landlord to reimburse them for the emergency service calls and to return them their security deposit.

Mr. Speaker, this is a true story.

Once the regulations are passed and the residential tenancy office opens to serve clients, at what point will the residential tenancy office intervene to assist tenants with the enforcement of basic health and safety standards?

Hon. Mr. Cathers: Again as I would point out, this is a piece of legislation that was 50 years old at the time of the review. The changes to it began, first of all, with the recommendations of an all-party committee of the Legislative Assembly that concluded its report, I believe, in 2010 or 2011. 2010 was the conclusion of the committee's report.

Following that, after the election in 2011, we continued with the next steps, which included public consultation on proposed changes to the new *Residential Landlord and Tenant Act*. We also have felt that it was important because of the significant effect this act and regulations have on both landlords and tenants and the general public to do public consultation, which occurred.

The most recent public consultation on the regulations concluded on March 11. We will again continue to advance this work, including establishing this office. It's important that we take the time to get it right and take the time to get feedback from landlords, tenants and the general public, and that's exactly what we've done. I appreciate the good work being done by staff. As I mentioned to the Member for Takhini-Kopper King, we do anticipate that the regulations

will be in force and the residential tenancy officer in full operation by later this year.

Question re: Mental health services

Ms. Stick: Many critical health issues and needs were overlooked by the Yukon Party in their ill-advised rush and haste to build expensive acute care hospitals. The needs assessment that was completed after the completion of these two hospitals found, and I quote: “A successful mental health strategy is a pressing need in Yukon.” Last fall, the Yukon NDP asked the Minister of Health and Social Services if there were adequate resources for Yukon’s rural mental health workers to provide meaningful help — in particular, for rural youth. The minister’s answer left little confidence that he is in touch with the real health and social service needs of Yukoners. The minister first promised a mental health strategy in May of 2012, almost two years ago.

When will the Yukon Party government release a mental health strategy and start implementing it?

Hon. Mr. Graham: I should correct a few things first of all. The first is that the needs assessment that was done as a result of the facilities in Watson Lake and Dawson City identified the very important role that collaborative care practices integration can have in terms of mental health and addiction services delivery in communities.

What we as a department have attempted to do, utilizing the recommendations from the needs assessment as well as internal evaluation of our own programs, is get our own house in order. In other words, integrate the services provided by addiction services, mental health services and by social workers across the territory to ensure that we understand what each other are doing first of all in each community, to integrate those services and provide better care.

One of the things that we have found within the community is that many of the people who require mental health services also require a number of other services. What we are attempting to do is collaborate with all health professionals within all communities to ensure that we are providing the best possible care for people with any mental health issues.

Ms. Stick: I will save my collaborative care questions for another time. What I am talking about is mental health services. Recent studies all point to this need for improved mental health services in the Yukon. It is hard to understand the inaction.

In the mandate letter of August 2012, the Premier tasked the minister with, and I quote: “Review current programs for adults and youth with substance abuse and mental health issues to determine how to better address their needs.”

Will the minister tell Yukoners how current programs for adults and youth around mental health issues have been reviewed and what concrete measures has the minister taken at this time to improve Yukon mental health services?

Hon. Mr. Graham: The Department has implemented a number of initiatives recently. We have initiated comprehensive mental health services for continuing care residents. We’ve hired a clinical psychologist who will be

providing direction for that care. We’ve also established, though policy structures, a greater focus on child and youth needs.

So we’re addressing not only the youth needs and the continuing care needs, but we’ve also established, as I said previously, a department working group to ensure that we’re really maximizing the internal delivery systems so that we’re able to identify people who not only have mental health issues now within the communities, but also to deal with them through an integrated care system. That’s integrating our own services to provide the best possible care we can for these people.

The member opposite seems to think that people with mental health issues only have mental health issues, and that’s simply not correct. She’s worked in the field long enough to realize that these people with mental health issues sometimes also have complex needs and that’s part of what we’re working on.

A strategy is a wonderful thing, but it’s not the only way to deal with the issues facing us today.

Ms. Stick: Any strategy would be a wonderful thing and that’s what we do not have. I understand mental health and its complex needs. Yes, they have a need for housing; they have a need for medical care; they have a need for a social worker. Right now, though, there are people in the Yukon who are not getting any services.

Suicide is the sixth leading cause of death in the Yukon. We’re well above the Canadian average. Too often, there’s placement in the acute care hospital bed for people with extreme mental health distress. Then they’re being discharged without a plan, without supports, and sometimes without even transportation back to their communities.

This is not right. This is what needs to be addressed in a strategy.

What is the minister doing to ensure that there is discharge planning and appropriate supports for individuals to safely return to their communities and get the support that they need?

Hon. Mr. Graham: Mr. Speaker, once again I’ll reiterate what we’re attempting to do. Mental Health Services throughout the territory are attempting to integrate all of our services, but we’re also providing funding to a number of organizations. Many Rivers Counselling and Support Services visit communities throughout the territory. We currently have two rural health workers who work in rural communities around the territory. We have counsellors, therapists, and nurses from Mental Health Services that travel to the communities as well and they do this on a regular basis to provide counselling services to all residents. We realize there are gaps in the system. We are aware of many of these gaps and we’re moving as quickly as we possibly can to fill them. But the first thing that we have to do is get our own house in order. Once we’ve done that, then we will be able to more appropriately allocate resources where they’re really required throughout the territory.

Speaker: The time for Question Period has now elapsed.

Some Hon. Member: (inaudible)

INTRODUCTION OF VISITORS

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

Hon. Mr. Cathers: Thank you, Mr. Speaker. I'd like to ask members to join me in welcoming to the gallery, former member of this Assembly, then Member for Hootalinqua, Al Falle.

Applause

ORDERS OF THE DAY

GOVERNMENT PRIVATE MEMBERS' BUSINESS

MOTIONS OTHER THAN GOVERNMENT MOTIONS

Motion No. 581

Clerk: Motion No. 581, standing in the name of Mr. Hassard.

Speaker: It is moved by the Member for Pelly-Nisutlin:

THAT this House urges the Government of Yukon to work with the Carcross-Tagish First Nation to develop remote recreational lots in the traditional territory of the Carcross-Tagish First Nation.

Mr. Hassard: I'm honoured to rise today in support of Motion No. 581 urging the Government of Yukon to work with the Carcross-Tagish First Nation to develop remote recreational lots in the traditional territory of the Carcross-Tagish First Nation. This motion addresses a government commitment — a promise to make land available to Yukoners for recreational purposes while respecting the interests of existing landholders. For this reason, I was pleased to see the joint announcement from the Yukon government and the Carcross-Tagish First Nation on a memorandum of understanding signed on December 16, 2013. This signing by the Premier and the Khà Shâde Héni of the Carcross-Tagish First Nation took place in Whitehorse, right here at the government buildings in the Yukon Cabinet offices. The Minister of Energy, Mines and Resources, Tourism and Culture and the Member for Vuntut Gwitchin and an executive council member from the Carcross-Tagish First Nation were also in attendance for this great occasion. The signing of this MOU demonstrates the government is meeting its commitment to continue to work with First Nations to make ensure they remain full partners in the economic development of the territory for the mutual benefit of all Yukoners.

Mr. Speaker, this cooperative process between the Yukon government and the Yukon First Nation is becoming the new standard for making recreation lots on waterfront property available for purchase by Yukoners. I'd like to take some time to highlight the last partnerships of recreational lots between a First Nation and the Government of Yukon as it happened in my own riding of Pelly-Nisutlin.

In 2007, the Yukon Forum identified \$255,000 to develop capacity within the Teslin Tlingit Council to allow for the completion of a project to develop recreational lots on the shores of Little Teslin Lake. This investment was part of a strategy from the Yukon Forum to assist the First Nation to build capacity in their land management governance. By working in partnership, Yukon government and the First Nation could get ready for a joint process for recreational lot development on the waterfront properties.

In 2009, the Yukon Forum identified a further \$600,000 for the Teslin Tlingit Council and the Department of Energy, Mines and Resources to develop 19 recreational lots on the shores of Little Teslin. These lots were managed by the TTC on their category A settlement land and offered as land leases.

The successful identification of these two projects shows that this government's cooperative approach to developing land is providing tangible opportunities for Yukoners to take advantage of all the things that we love about our home. Yukoners love our close connection to the wilderness and our natural resources. We love our quality of life and easy access to the great outdoors. We love to get out on the land and explore this great territory. We like camping, boating, riding our ATVs and snowmobiles, hunting, fishing, hiking and many other pursuits outside in our great wilderness areas.

By continuing to develop and make recreational lots available, this government recognizes that it is important to Yukoners and is helping them enjoy our great territory.

The MOU signed last December formalized the efforts of these two governments to work together on a number of projects. The MOU stems from the Carcross-Tagish First Nation's self-government agreement, which contains provisions calling for the Government of Yukon to cooperatively plan with the community of Carcross and the First Nation. To this end, a planning committee was struck in August of 2010 to start a planning process for the community of Carcross. This committee consisted of three Yukon government appointees and three Carcross-Tagish First Nation appointees. I'd like to take the time to recognize the hard work of the officials on the planning committee, who put in a lot of hard work and time and effort to finalize this Carcross local area plan. The planning area encompasses a large area with sensitive habitat, existing infrastructure, heritage values and community significance.

After an extensive public consultation process was undertaken, the recommended plan was presented to the Yukon government and Carcross-Tagish First Nation on June 17, 2013. This local area plan was jointly approved by the First Nation and the Yukon government, and was consistent with the MOU. This plan is a continuation of many projects and investments that have occurred in the community of Carcross over the years. The Yukon government has worked with community members and the First Nation to improve the area and provide opportunities for residents.

I'd like to take a moment to highlight some of the work done in partnership in the Carcross area.

The Government of Yukon and the Carcross-Tagish First Nation have identified community priorities and achieved

some great results. The Carcross area has been a hub of revitalization and development over the past decade. Earlier work came out of the Destination: Carcross initiative that originated from the first Carcross summit in October of 2003.

Destination: Carcross was a collaborative vision for Carcross as a vibrant, sustainable tourism destination, with a commitment to action from all stakeholders to make this vision a reality. The vision was, and continues to be, a sustainable, year-round tourism destination, where we celebrate and share the beauty and richness of our land, First Nation culture and the gold rush history.

To implement Destination: Carcross, a memorandum of understanding was signed between the Government of Yukon, the Carcross-Tagish First Nation and the White Pass & Yukon Route. The MOU's objectives were as follows: the parties share a collective vision of a sustainable economy and tourism industry in the Carcross region, which is within the Carcross-Tagish First Nation traditional territory; the parties uphold the principles of integrity, respect, equality, quality of service and the development of market-driven and market-ready products; the parties will work together to create a positive economic climate; the parties will develop a pilot project to create market-ready aboriginal tourism products and aboriginal economic development; the parties will co-host a follow-up to the successful Carcross summit to include community and industry input to enhance economic opportunities and community development.

The parties will work with strategic stakeholders to create a Destination: Carcross workplan with actionable items, roles, responsibilities, timelines and deliverables and address the necessary components to support the development of the Carcross region as a sustainable economy and tourism destination. The parties will maintain regular contact to share information and measure progress on the action items in this memorandum of understanding.

Destination: Carcross resulted in all the economic development opportunities we see in Carcross today. The return of the White Pass train to downtown Carcross, the development of the downtown core, the new visitor information centre and the carving shed are all part of this initiative.

In 2003, the Yukon government announced a \$3 million investment in the Carcross waterfront. This investment included much-needed community infrastructure and the construction of river structures. The burned-out *SS Tutshi* was restored as a memorial with a \$600,000 investment in partnership with the federal government. The Carcross boat launch was relocated, which improved lake access for recreational boaters. This improvement will prove crucial for owners to access the remote-access recreation area we are speaking to this afternoon.

These new lots will be remote-access only and the developments in Carcross will help Yukoners enjoy these lots. There are great things afoot in Carcross, and the development of the cottage lots by the Yukon government is a further example of the revitalization of the Carcross area.

To get back specifically to the clause in the MOU that we're speaking about today, to make land available for remote-access cottages, the government intends to develop and release 20 remote recreational lots for sale in the Southern Lakes region in August of this year. Fourteen of those lots will be on Bennett Lake and six on Tagish Lake. The criteria for selecting lot locations was determined by the two governments, using a number of details, including that the lots be included within one day of return travel from Whitehorse; that the locations are limited to access from water only; that the land be suitable for construction of recreational improvements; and there's minimum impact to First Nation settlement land, existing land tenures and critical environmental and heritage resources.

It's clear that the work is not complete, but I will be interested to see how the next steps progress. I have not seen details on cost or how Yukoners will be able to purchase these new lots, but already many Yukoners have approached me, expressing interest in acquiring one of these lots. The massive interest suggests that the government has hit the mark on Yukoners' priority for recreational activities and enjoying our home.

I look forward to hearing further details on the pricing, firm lottery dates and the process for the lot lottery, so that I can provide this information to the many Yukoners who have showed interest already.

This is an exciting time for me. These are the first fee simple titled waterfront recreational lots available through lottery by the Yukon government in a long time. To the best of my knowledge, the last ones were on Little Salmon Lake back in the 1990s, so I think this is definitely overdue.

I'd like to thank the Minister of Energy, Mines and Resources and the Carcross-Tagish First Nation for all of their work to make these lots available. This development will drive more economic interest in the Carcross and Southern Lakes area, and this is just another project building on the great things that have been happening there.

I hope that this success encourages other First Nations to work with the Yukon government to develop lots on other Yukon lakes so that more Yukoners can have land and water access to take full advantage of what the Yukon has to offer.

In closing, I look forward to hearing from other members of the Legislature today to see how they feel about this exciting announcement. It was a great initiative by two governments working together for Yukoners.

Ms. Hanson: I thank the Member for Pelly-Nisutlin for introducing this motion, urging the Government of Yukon to work with the Carcross-Tagish First Nation to develop remote recreational lots in the traditional territory of the CTFN. I also thank him for sharing with us this afternoon the text of the memorandum of understanding of December 13, 2013. We had heard about the MOU, but had been unable to access it. It's useful to get the context, because one of my initial thoughts when I was thinking about this motion this morning was that, on the face of it, this motion is clear and it

is straightforward. Sometimes when that happens, what's not clear nor straightforward is the context.

Having heard the MOU, it provides me and the members of the Official Opposition with more of the context for the proposal to develop these remote recreational lots in the traditional territory of the Carcross-Tagish First Nation.

I want to state at the outset that the Yukon NDP Official Opposition supports all cooperative initiatives between First Nation governments, their development corporations and the Yukon government.

One would assume that when the Member for Pelly-Nisutlin put this motion forward, he did so with an open mind to working with Carcross-Tagish First Nation and its citizens, as well as the other residents in the Carcross-Tagish traditional territory, to take into consideration, not just the views of those citizens and residents, but also that he intended that there be adequate time and resources devoted to ascertaining the suitability of the proposed location for remote recreational lots within the Carcross-Tagish First Nation traditional territory.

This determination is a logical outcome of regional land use plans and he made reference to the local area planning process, and I'll talk about that in a moment. I just want to remind members that we all, as members of this Legislative Assembly, are committed to the completion of regional land use plans contemplated by chapter 11 of the First Nation final agreements. I would hope that, in developing these remote recreational lots with the Carcross-Tagish First Nation, some of the objectives of the land use planning process set out in the agreements will be also honoured.

The ones that came to mind as I was reviewing this this morning was that we would be looking at developing a common process outside of the community boundaries, ensuring that it is common to both the First Nation and non-First Nation citizens as a whole and recognizing the importance in promoting the culture and the values of the First Nation peoples in that region — at the same time, ensuring that the social, cultural and economic environmental policies are applied to the management, protection and use of the land, and the water in this area — we're talking about Tagish and Bennett — and the resources in an integrated and coordinated manner.

These are all objectives that parties — the Yukon government and First Nations — agreed to many years ago. I'm sure the member opposite would correct me if I'm wrong, but those principals appear to be incorporated into the memorandum of understanding, and I hope they are. I will look forward to actually reviewing that myself.

Mr. Speaker, there are times when what you see is not what you get, and for the past few years the Carcross-Tagish First Nation and its development corporation have been working hard to establish the Southern Lakes area of Yukon as a tourism go-to place, not just a drive-through and stop-by for ice cream at the old Matthew Watson General Store.

I concur with the member opposite that the remarkable work that has been done in the development of the Carcross downtown area — the infrastructure developments, the wharf,

the world-class bike trails on Montana Mountain — and one would hope soon to see the reopening of the Caribou Hotel — is testament to the commitment of local area residents — First Nation and non-First Nation — to the potential of this region.

It's a region that I hold dear to my heart because I've had a cabin in the Southern Lakes region for 35 years and I have watched the evolution of this region. When I first came here, the Caribou was an exciting and kind of a wild place to hang out, with the parrots and other denizens — I've seen the struggles of the community to come forward and try to work together. The remarkable achievements of that community and all the residents over the last number of years have been a pleasure to watch.

I can recall attending one of the community planning sessions that the member opposite referenced, in terms of the development of this local area plan. It was a very dynamic community planning session that engaged old and new residents of the region, young, elders, First Nation and non-First Nation. To a person, it was a sense of having the beauty of place that resounded throughout that exercise — the importance of the Carcross region and its destination. Home for them — they knew and envisioned it as being the destination for many others.

In addition to building Carcross into a viable tourist destination, the Carcross-Tagish Development Corporation has engaged, in true Yukon fashion, a larger-than-life proposition to work with a well-known and respected eco-tourism company to establish a high-end niche market tourist resort within their traditional territory.

Mr. Speaker, I first heard about this several years ago at the Tourism Industry Association meeting in Dawson City. The presentation was compelling. Last year, at the Tourism Industry Association meeting in Haines, Alaska, one of the presenters raised the issue again and posed it as a challenge to the Yukon government. Here was a proposal that did not require Yukon government money. It would raise the tourism profile for all of Yukon. What this CEO — and incidentally chair of the Yukon Chamber of Commerce — said was needed was creativity on the side of the Yukon government — creativity and a willingness to give effect to provisions of the Carcross-Tagish First Nation land claims agreement.

You see, Mr. Speaker, the location of that niche tourism resort that they had identified as ideal, for all the reasons particular to the clientele they serve, while it is within the Carcross-Tagish First Nation's traditional territory, is not on settlement land. What was pointed out again at the Tourism Industry Association meeting was that the Yukon government has the ability to do — under the Carcross-Tagish First Nation land claim agreement under section 9.6 — what is referred to as a Crown to settlement land exchange, or essentially swap a piece of Carcross-Tagish First Nation settlement land for the location at Millhaven Bay.

Mr. Speaker, we knew that the Carcross-Tagish First Nation had been urging the Yukon government to do just that for several years. So we were happy to hear, late last fall — December 16 it turns out, I guess that's still fall — that an agreement with the Yukon government had been reached on

this, among other matters. Here is where it gets a little tricky — this is where it's not so much what you see is what you get, but it's what you see is not what you get.

A few weeks ago, I attended a public meeting to hear a presentation put on by the proponents of the lodge at Stoney Mountain Millhaven Bay on Bennett Lake. The presentation was positive, the proponents respectful and open to hearing the views of all those in attendance. Mr. Speaker, what became clear that evening is that the message that the Yukon government had put out with respect to its support for the development at Millhaven Bay came with baggage. The property at Millhaven Bay will not be, as many had assumed, settlement land. It will be made available to the First Nation on a 30-year lease. Further to what had not been clear to many before was that the Yukon government had linked the agreement of Carcross-Tagish First Nation to the development — had linked that agreement in terms of providing this Millhaven Bay land as a lease. They had linked that to the agreement to the developing of 20 remote recreational lots in the Bennett and Tagish area.

In some circles, Mr. Speaker, this would be called sharp dealing. In that room, it was met with incredulity, anger and questions. Why? “Why?” was really the basic question: why was the Yukon unwilling to give effect to a provision in the First Nation final agreement that government had agreed to? It was a provision to be used on an exceptional basis only, but it could be used. Why would the land revert to Yukon government and not to the First Nation at the end of the lease? There were lots of questions that evening, but they were raised. I'm only conveying them to the Assembly this evening because I don't think that this was — at least it wasn't general knowledge to me prior to this evening meeting.

The question — among others in terms of the questions — the lease element was a huge one for many of the people present in that meeting, particularly those who represented interests from the First Nation and had assumed, as many of the public had, that this had been an effective deal reached based on the provisions of the agreement.

To come back to the question at hand, which was the development of remote recreational lots in the traditional territory of Carcross-Tagish First Nation, the question was asked: so, what happens if the resort at Millhaven Bay does not go ahead? What happens if the resort at Millhaven Bay does not get the regulatory approval? What happens if the proponents of Millhaven Bay decide to withdraw? Are the lots off the table too? The answer was no. The question really becomes: does or did Carcross-Tagish First Nation have a choice here? Was the Yukon government using strong-arm tactics to get what it wanted: to open up prime recreational lots in a prime area of Yukon? I don't know the answer to that question. I do know that the fact is that the substance of this motion is a fait accompli. The Yukon government has announced that these lots will be made available in 2014, and I heard again from the Member for Pelly-Nisutlin that that will happen in the summer of this year.

I don't know if the citizens of the Carcross-Tagish First Nation or the surrounding area feel that this a deal that is a win-win.

Many — and I include myself in this — question why the government required the linking of approval for a lease at Millhaven Bay to develop rural recreational lots. Perhaps the minister will explain.

I want to reiterate that although the NDP Official Opposition supports initiatives where Yukon government works with First Nations to achieve mutually desired outcomes, we are concerned when there's any apprehension of pressure on a First Nation placed there by government to achieve its desired outcomes.

As a final consideration, when we reflect on this motion, it is clear we're not talking about a general concept of remote recreational lots somewhere in the Carcross-Tagish First Nation traditional territory. The Yukon government has, in conjunction with the Carcross-Tagish First Nation's lands department, clearly stated where they will be located. So with that in mind, I would ask for confirmation from the Yukon government and from the minister responsible that once these lots have been developed and sold as fee simple recreational lots, that being their purpose for zoning — being recreational — that they will in fact remain recreational.

It may sound far-fetched, but it is difficult to overstate the unease with which many people perceive how this came about, and so the what-if scenarios have been posed to me. What if the resort does not go ahead? What if a person, or persons, buys up a number or all of these lots? Could they be designated for purposes other than recreational?

Order-in-Council 2013/198 with respect to the *Area Development Act*, ministerial rezoning regulations, provides for the making of certain decisions by the minister in respect of zoning of properties. In section 3(1) — “The owner of a zoned property may apply to a development officer for a ministerial rezoning of the zoned property.”

If the requested rezoning is, in section 5(a)(iii) “to enable a use to be made of a zoned property that would otherwise not be allowed”, the development officer shall refer it to the minister for decision.

The effect of the order-in-council passed in December of last year was to grant the minister complete discretion with making these rezoning decisions.

The kicker, Mr. Speaker, is that the order-in-council also states that: “No appeal may be made under the *Zoning Appeal Board Regulations* in respect of any thing that a development officer does, or admits to do, in compliance or intended compliance with sections” of the act leading to a ministerial decision.

The concern there being — and having the experience in other areas of the territory where lands zoned as recreational and lands zoned as residential, have been impacted by designations changed to commercial — what happens — and it's not beyond the pale when we look at the attractiveness of the Yukon and its remote regions to see commercial interests developing over time.

So it's a question. It's a scenario that's out there. I throw it out and I ask the minister to confirm that that's not possible under a Yukon law under his watch.

In closing, Mr. Speaker, the Official Opposition supports the broad intent of the motion introduced by the Member for Pelly-Nisutlin, that the Government of Yukon work with the Carcross-Tagish First Nation to develop remote recreational lots in the Carcross-Tagish First Nation traditional territory. We have raised a number of issues that, in the interest of good governance and effective community relations, we would request that members opposite address when they stand to provide their input to the debate on this motion.

Hon. Mr. Kent: I too would like to thank the Member for Pelly-Nisutlin for introducing this motion and for calling it for debate here this afternoon. Like the Leader of the Official Opposition, I too am fortunate enough to have a recreational property in the Southern Lakes — waterfront property. I believe the Member for Mount Lorne-Southern Lakes actually lives at Crag Lake, and perhaps on the water. I haven't been to his place, and I know the Member for Copperbelt North's family has water-access recreational property at Marsh Lake.

As I said, many of us in this House are fortunate enough to have waterfront property. Even the Member for Pelly-Nisutlin — his home is located on the shores of Teslin Lake. We're fortunate. There are many Yukoners who join us in being fortunate and having waterfront property in the territory that they can enjoy, either recreationally or they make their homes on the waterfront. There are many Yukoners, as mentioned by the Member for Pelly-Nisutlin, who don't have that opportunity right now.

As the member mentioned — and I too have been approached by dozens of Yukoners who are anxious to see these lots developed and are anxious and looking forward to the lottery that is scheduled for this summer for the 20 lots that we'll be developing.

I think it is important, though, to respond to some of the things raised by the Leader of the Official Opposition during her time on the floor. Maybe where I'll start is with respect to the memorandum of understanding. There were a number of issues, Mr. Speaker. I know the Premier and I met with the Chief of the Carcross-Tagish First Nation and there were a number of projects and initiatives that the First Nation wanted to advance and there were some initiatives that we wanted to advance as well. So, actually, an idea that was brought forward by the Member for Vuntut Gwitchin was to formalize those projects into an MOU that we did sign in December of last year.

There were a number of different projects that were in there. It simply wasn't the Millhaven Bay wilderness tourism development or the remote access recreational properties on Yukon territorial lands. There were a number of different projects in the Carcross and Southern Lakes areas that were also included in the MOU. In fact, Mr. Speaker, at the press conference held, that the Member for Pelly-Nisutlin referenced, Chief Cresswell, his quote — and it ended up being the headline in the newspaper article — was that

Christmas came early. There was obviously an awful lot of excitement by the Carcross-Tagish First Nation in coming to this agreement. It came together very quickly. I know that meeting between the Premier, me and the chief happened in October and we were able to get the MOU done only two short months later.

Maybe it would be useful at this time for me to highlight all the projects in there, because it simply isn't a one-off deal as the Member for Whitehorse Centre — the Leader of the Official Opposition — suggested. Yes, the Millhaven Bay tourism development, Energy, Mines and Resources as well as the Department of Tourism and Culture are supporting the proponent-led expression of interest process to consider and evaluate a potential proposal for this high-end tourism development at Millhaven Bay on Bennett Lake. The proposal would provide significant investment for tourism development in Yukon and has significant potential to yield new economic growth in nearby Yukon communities, especially the community of Carcross.

Since 2009, an experienced proponent has been working with CTFN and the Carcross Tagish Development Corporation to develop a proposal to create this tourism resort at Millhaven Bay. This initiative is consistent with the Yukon government's priority to make land available to Yukoners for community, recreational and commercial purposes while respecting the interest of existing landholders.

In March of this year the Carcross-Tagish Development Corporation put out — it's called *A Vision for Our Youth — What Does the Resort of Millhaven Bay Mean to You and Yours? Cost vs. Benefits*. I believe the target for this publication was the people of Carcross, and especially the citizens of the Carcross-Tagish First Nation.

While the Carcross-Tagish Development Corporation will be taking an ownership position in the resort, the majority of the resort will be owned by private interests. We felt that it was best to make that Crown land, or YTG land, at the head of Millhaven Bay available through a lease, so that's what we choose to do.

It was accepted by the proponent, including the Carcross-Tagish First Nation, and that's where that project is moving forward. I believe the number that they suggested for the cost of the investment was close to \$45 million, not an insignificant amount of investment on a high-end tourism product that will be something that Yukoners can be proud of and that other businesses will benefit from.

Mr. Speaker, a few of the other aspects with respect to the memorandum of understanding — there are the remote access recreational properties on Yukon territorial land, and I'll talk about those in a second and give the House a bit more of an update on where we're at with respect to those 20 remote waterfront lots that we'll be looking to put out to lottery.

Also included in the MOU are remote access recreational properties on CTFN settlement lands. With respect to that, as part of our commitment to collaborate with CTFN, my department, Energy, Mines and Resources, is working in partnership with the First Nation to provide support as required for planning and project management assistance to

facilitate the potential development of recreational lots on CTFN settlement land. Those could be water access lots, or perhaps not, depending on where those First Nation settlement lands are identified within the traditional territory of Carcross-Tagish First Nation.

I know something that is very important in my discussions with officials at CTFN and others is the Bennett Beach development. We're committed to fulfilling our obligations under the CTFN final agreement and the parcel at Bennett Beach is settlement land selected specifically by CTFN for economic development purposes and is a key part of the CTFN economic development strategy.

CTFN is exploring the potential to develop a mix of low density residential and commercial leases on this property. I know the Member for Mount Lorne-Southern Lakes will be familiar with the location of this, but it is immediately down Bennett Beach toward to where I believe the Watson River flows in, and immediately adjacent to the community is the parcel. I did have the opportunity to walk the parcel with Justin Ferbey from the Carcross-Tagish Development Corporation last fall. It gave me a better sense of what they are planning and how they are moving ahead.

I believe that project has a YESAB recommendation and is awaiting a decision document from the respective governments. I look forward to having that come forward soon and seeing Carcross-Tagish First Nation develop a portion of their community for their own economic benefit, and to give opportunities for more individuals to live along the beach in a situation that won't require them to use a boat to get to that property or other things. They will be able to drive right up to the property and enjoy the beauty of the Southern Lakes, in particular the Carcross community.

There are also included in the memorandum of understanding improvements to the Nares channel. We are looking at undertaking a marina feasibility study and want to be aware of other community infrastructure priorities. This was again something the First Nation brought forward. They see this as an opportunity to increase new economic development opportunities for Carcross.

Mr. Speaker, the other aspect of this MOU, that again is something that benefits not only Carcross-Tagish First Nation but also the Yukon government, is the development of the campground at Conrad. Members will recall that in the Premier's budget speech yesterday, there was an amount identified in this year's budget for that development. I know some of the preliminary design work is completed and they're looking to move with the Department of Environment, the Minister of Environment and the Carcross-Tagish First Nation to have that campground built in this fiscal year and hopefully open for the 2015 camping season. So again this is something that is being done in partnership with the Carcross-Tagish First Nation.

Maybe it would be helpful — I know the Member for Whitehorse Centre, the Leader of the Official Opposition, wasn't able to access the memorandum of understanding. Although I don't have enough copies for members, I perhaps at this time could table a copy of this memorandum of

understanding that was signed in December just for her benefit and I will talk to department officials and make sure that it is up on the website. I was able to access it, but perhaps there's a technical glitch that made it difficult for the Member for Whitehorse Centre to access it, so thank you very much.

Now getting back to the issue at hand with respect to the 20 lots that we're looking to develop in the Southern Lakes — again, it was a long time coming to be able to get titled land on the waterfront. They are one-acre lots. We are in the process and the survey contract has been awarded.

The surveyor, I understand, is out on-site and perhaps conducting surveys today. There are 14 lots that are located on the eastern limit of Bennett Lake, and six lots located on the northern limit of Windy Arm.

I'll table an additional document for members. It's a letter from the acting lands director at CTFN and it's addressed to the manager of land availability at Energy, Mines and Resources regarding the development and dispersal of remote rec lots in CTFN traditional territory. I'll just read it into the record and then I'll give it to the Page, Mr. Speaker.

It says, "Please be advised that Yukon government's recent proposal for issuing remote recreational lots in the CTFN traditional territory has been reviewed and accepted by CTFN's land use team on January 15, 2014. It is understood that a total of 20 remote recreational lots will be released to the public via lottery in the upcoming year of 2014. The CTFN land use team reviewed maps issued by your department, and has subsequently agreed to 14 lots located on the eastern limit of Bennett Lake, as well as six lots located on the northern limit of Windy Arm." I'll table this document so that members have a copy of it as well. Again, it's a letter to Yukon government officials from CTFN officials.

The initial map that we provided to the Carcross-Tagish land team, provided by officials, had about 40 lots identified. After their review, we were able to come up with the 20 that will be put out for lottery this summer.

Mr. Speaker, it certainly is an exciting time. I know the Member for Pelly-Nisutlin outlined some of the criteria for lot selection so I won't be repetitive other than to say that those locations are limited to access from the water only and will have minimum impacts on the First Nation settlement land, existing land tenures and critical environment and heritage resources.

We still haven't set the costs for these lots as yet. I'm awaiting a final appraisal and estimate of development costs for the property and then we'll make a determination on the costs.

One of the things that we need to decide is on the eligibility for the lottery. There is an opportunity for us to give first opportunity to Yukon residents and I know that's something that's important to many of the individuals on this side of the House who I've talked to with respect to this. So the initial lottery will be open and if there are lots left over — although I highly doubt it; I think the lottery will be fully subscribed and then some — that those lots be made available to others across the country and perhaps even around the

world. But as I said, I think that these 20 lots will get gobbled up fairly quickly by Yukoners.

Again, I mentioned the market value. We do have to make determinations on zoning. The recreational zoning is something that is important.

With respect to that OIC change — perhaps the Minister of Community Services will speak to where the minister is allowed to do the zoning — it was something that was brought up in Question Period in the fall sitting by the Member for Mayo-Tatchun.

At the time, as I recall, I said that the change was made as an internal change to expedite the process. I am sure that the Minister of Community Services and Member for Lake Laberge will be able to give a little bit more background on that, as someone who represents a riding in the Whitehorse periphery. We're able to be a lot more responsive to Yukoners by making that change and allowing the minister to do the zoning amendments.

Obviously there are a number of other things we need to work out, such as payment options and recommendations for the selling of the lots. But again, as I said, to give that update for members, we are moving quickly and in partnership with the Carcross-Tagish First Nation on this and the other projects that I identified. Some of those projects are obviously for the benefit of Carcross-Tagish First Nation, some for the benefit of Yukon government and some for the benefit of both of our governments — and indeed all Yukoners.

This is an extremely exciting initiative and I do have to commend the leadership of Carcross-Tagish First Nation and my colleagues for allowing us to move so quickly on this option and this much-needed opportunity for those Yukoners not as fortunate as some to own waterfront property in our beautiful territory.

So again, I thank the Member for Pelly-Nisutlin for bringing this forward. I thank all the proponents involved with other aspects of the MOU and the people of Carcross for putting forward a vision for their youth that will last an awful long time and a very sustainable industry. We're very supportive of the tourism industry as one of the cornerstones of our economy and excited to see this go forward.

Just in closing with respect to the transfer of non-settlement land to settlement land, we did feel that the lease option was the best, as the private sector partner was the significant shareholder in this, and we were able to move a lot more expeditiously to do that option. It's an option that's based on similar agreements in British Columbia.

So with that, Mr. Speaker, I'll thank members for allowing me to provide an update on the progress of the development of these lots and an overview of the memorandum of understanding. I hope the documents that I tabled provide a little bit more clarity as to the process and that we're able to unanimously endorse this motion brought forward by the Member for Pelly-Nisutlin.

Hon. Mr. Istchenko: I rise today with great pleasure. I would first like to thank my fellow colleague, the Member for Pelly-Nisutlin, for bringing this motion forward,

that this House urges the Government of Yukon to work with the Carcross-Tagish First Nation to develop remote recreational lots in the traditional territory of the Carcross-Tagish First Nation.

Mr. Speaker, this is probably the most important motion that I'm going to get up and speak to so far, as being an elected official. I've always enjoyed the Yukon, the outdoors and the opportunity for Yukoners to be able to have a cabin by a lake.

I want to speak a little bit about these cottage lots. I want to talk about the reasons why I support this motion.

These cottage lots are basically what it says: a cottage lot. It will be by water and an opportunity for Yukoners with their families to enjoy our beautiful Yukon.

A little history — in the past, when the Yukon started developing and the Alaska Highway came through, many residents and past Yukoners wanted to live and build vibrant communities by volunteering in their communities, living within the community, building community clubs and curling rinks and hockey arenas and spending time with their youth in the community building our communities to what they are today. There were some from the south who came up during those times in the 1960s and 1970s who wound up not liking the community life and living out in the rural area by water and rivers. Eventually they wound up getting title to those lots and lands.

So some of the many Yukoners, such as my grandparents, Ron and Hilda Watson, and many other community members in my community — long-time residents, the Tomlins, the Carmens, Brewsters, MacKinnons, Bakkes, Grahams, Desjardins just to name a few — were essential in building our communities. What happened was that we had the opportunity to go out there. There were many cabins located out in the bush that we just used that were not titled. We saw some things happen. When Parks Canada came to my community in the 1970s, they expropriated a lot of cabins within the national park. They actually just burned them. They made some deals with some of the landowners around Kathleen, but a lot of them they went in there and burned. For awhile there the government was out there doing the same thing. This took away the opportunity for local Yukoners to get out and enjoy the opportunity to build a cabin. Being able to go out and find a piece of land and build a cabin wasn't an option after that.

My fellow colleagues spoke a little bit about some of the successes in cottage lots. I'm going to speak to that.

When my grandma, Hilda Watson, was the MLA for Kluane back in the 1970s — that included the Village of Carmacks, which is now in a separate riding — she fought and worked tirelessly with a lot of controversy to develop 10 lots in the Haines Junction area, and they were the Pine Lake cottage lots.

Fortunately, lots of people put in for them. A member of our family was able to get one and to this day it is a focal point for our family and our family dinners. It is a place to go and enjoy ourselves by the lake.

Something that I thought about when I was putting this together is — I thought a little about land claims and the First Nations. Through land claims they have had the right to have, basically, cottage lots — they call them site specifics.

I have spent many a time down by these lakes with my First Nation friends. I am adopted into a family and have spent a lot of time by the lakes enjoying it. The opportunity for the non-First Nations to be able to get out there and have a piece of the Yukon by the waterfront themselves, I think, is incredible.

In supporting this motion, I listened to the Leader of the Official Opposition talk a little bit about the requirements and the hope that we don't have these lots turn into big commercial properties. I am in agreement with that. The idea behind these cottage lots is that they are small lots. I'm not sure the size of the cabin — we don't know the exact requirements, but there will be building requirements and we will have to enforce the contracts that they sign for these lots.

I look forward to this because I'm hoping, with the success in supporting this motion here today, that we can work with other First Nations, other jurisdictions, such as mine — the Champagne and Aishihik First Nations, Kluane First Nation — and that we can work together on an MOU also. We can look at the success with the Carcross-Tagish First Nation and the Yukon government. The Minister of Energy, Mines and Resources spoke about the MOU and some of the great successes with the partnerships with the local First Nations and about some of the concerns.

Through the conversations and the processes, I know a lot of work went into taking into consideration the local traplines, the traditional use areas, making sure that there's access for people who purchase a property, that they can have boat access. Then in the wintertime, of course, they can access it with snowmobiles or skis or whatever mode of transportation they like.

So in supporting this motion, I really look forward to more cottage lots becoming available in the Yukon, especially in my riding. We committed to this in our platform.

Yesterday, during Question Period, somebody brought up something about the Peel watershed, that a majority of Yukoners commented and whatever. I have to tell you, Mr. Speaker, when I was running to become the MLA for Kluane, I banged on every door in my constituency more than once, and the majority of Yukoners I talked to, talked a lot more about cottage lots and the opportunity for cottage lots.

I'm happy that the Member for Pelly-Nisutlin brought this forward. I'm very thankful for the hard work and cooperation with the Carcross-Tagish First Nation, the Minister of Energy, Mines and Resources and his department, and the other affiliated departments that work with this.

I'm super excited about this, Mr. Speaker, and I look forward to any more comments in the House and I definitely support this motion.

Mr. Barr: I would like to thank the Member for Pelly-Nisutlin for bringing forward this motion. I will be supporting this motion and I do appreciate that when there is any time

when the government can work with any First Nation in the territory to move along cooperatively in their direction, that affects the Yukon as a whole. I would also like to commend our leader's remarks on the points she raised. I think they're valid and I thank the Minister of Energy, Mines and Resources for the comments and some of the clarifications. I do think there are some other things to look forward to hearing, as he wasn't able to fully express all of the clarifications, so I look forward to hearing from that side of the House on further clarification. Thank you.

Hon. Mr. Cathers: Mr. Speaker, in rising to speak to this motion, I'm pleased to see this work continuing forward. I would like to first of all thank the staff of Energy, Mines and Resources for the significant work that they put into the development of the recreational cottage lot options, both under my time as Minister of Energy, Mines and Resources, and under the current minister's watch.

There have been many months of work involved by staff. I want to acknowledge that work — acknowledge their efforts in identifying potential locations — in determining which ones would be suitable — as well as in working with the Carcross-Tagish First Nation to come up with the recreational cottage lots being part of the memorandum of understanding between Yukon government and Carcross-Tagish First Nation on various areas that the two governments wish to work together.

My colleague, the Minister of Energy, Mines and Resources, noted, the items identified in the MOU were part of a collaborative process between the Yukon government and CTFN and reflect shared priorities and shared areas of interest, and that includes both the recreational cottage lot opportunity and the Millhaven Bay development.

It's very interesting to hear the NDP's continuously shifting position on that project. The Leader of the NDP previously indicated support for it and now appears to be criticizing it. I would note, as my colleague, the Minister of Energy, Mines and Resources, mentioned, that the lease for the area was a model that is based on what the Province of British Columbia does for ski hills and ski resorts.

Following work by the staff of Energy, Mines and Resources to identify various potential options for tenure as well as a process for governments in determining whether or not that tenure should be issued, the process used for Millhaven Bay is based on the process used by the Province of British Columbia. I would again like to thank and acknowledge the work by staff in supporting me during my time in that role and the continued work in supporting the current Minister of Energy, Mines and Resources. I would also acknowledge and thank him for his continued work on this file, both with the department and with the Carcross-Tagish First Nation.

As I mentioned, the lease model is one that was based on the policy model that we saw in the Province of British Columbia that we believed worked well. The intent of the lease is that it provides security for the government and the public in ensuring that the property is used for the intended

purpose, because additional rights are conveyed once title is issued and that does reduce the ability of public government to ensure that a private company that has acquired those rights holds to specific conditions of the agreement once title has been raised. That's exactly why the Yukon government — the agricultural land policy allow those who are successful in applying for a lot and entering an agreement of sale under that process — they are required to put in development equivalent to the value of the land or greater than the value of the land — that process and that agreement for sale does not result in them receiving title to the lot until they have fulfilled the development conditions.

This is simply because one's title is raised, whatever type of tenure — whether it's commercial — in this case, for a tourist resort — or an agricultural parcel. Once title has been issued, government's ability to enforce adherence to specific conditions is reduced. The intention of this policy approach to Millhaven Bay was to ensure that, while allowing the opportunity for a large tourism project of roughly some \$45 million in expected investment to proceed, and to see the Yukon and the Carcross-Tagish First Nation see the benefits of that proposal — we also felt it important to ensure that it's used for its intended purpose.

Again, on that area as well as the recreational lots, I'd like to commend staff of Energy, Mines and Resources and particularly I'd like to acknowledge the work of the assistant deputy minister for sustainable resources for the many hours that were spent in working on these files, for the good work that was done in coming up with policy options and recommendations for Yukon government, as well as their support and advice on engaging with Carcross-Tagish First Nation on these files and the detailed work that has been done in the case of the recreational cottage lots to determine which lots would be suitable sites for small remote access titled lots for Yukon citizens.

As a few of my colleagues noted, it has been a great many years since government proceeded with development of remote sites and to do so in a way that is amenable as well for the First Nation is something that we see as a real good news story.

As one of my colleagues noted, when the Chief of the Carcross-Tagish First Nation joined Yukon government in announcing the signing of the MOU, one of his quotes was that it was like Christmas came early for them. So again, I think it's fair to say that they would also see this as a good news story and look forward to seeing these lots put out on the market for Yukoners to buy and for Yukoners to see the opportunity in the Southern Lakes area to purchase remote cottage lots that are available on those lakes.

So with that, Mr. Speaker, the only other area I should note, in fact — as the Minister of Energy, Mines and Resources indicated I would with regard to the rezoning policy — is the *Ministerial Rezoning Regulation*. The change that was put in place is one that I was very pleased to see. I commend staff as well for their work in that area and what that change — to let the minister approve minor rezoning changes — does it speeds up the process for Yukon citizens.

It is intended to address roughly 95 percent of the files that would typically in the past have gone to Cabinet for decision and approval and, as a result, because of the significant process leading up to Cabinet, which includes analysis by multiple departments and input analysis by Executive Council Office, drafting of an order-in-council in English and in French — all of that work was involved in relatively simple, straightforward files and, as a result, the typical time for those files to be processed — these are minor rezoning applications for Yukon individuals, because predominantly it is citizens rather than businesses, large or small, that were accessing and applying for these changes outside of municipalities with a typical timeline of 17 months, which was actually an improvement from where it had been about five years previously — a roughly 18-month timeline for processing these applications.

The net effect of this change to the regulation is that 95 percent of these rezoning applications are expected to be dealt with within a period of four to five months instead of 17. The public consultation processes that would be involved in considering such applications have not in any way, shape or form been changed or reduced. This was all about eliminating internal, unnecessary government review of relatively minor changes and is really in keeping with good government, reducing red tape and is similar in spirit to what has been done in other areas of government where relatively minor operational decisions are delegated, either to a minister or to staff rather than requiring small changes to receive more lengthy review through a large government process that is really better intended and better directed to large policy decisions than relatively small application issues.

So again, that is an example of good work, contrary to how the Leader of the NDP portrayed it. I know she does not like when we have good news stories of government — reducing red tape for Yukoners, speeding up processes, making positive investments in communities, and that, of course, is why, once again, we've seen very little focus on the budget from both opposition parties. Instead they prefer to invent personal attacks because it is pretty hard to criticize the budget.

Some Hon. Member: (inaudible)

Point of order

Speaker: Member for Takhini-Kopper King, on a point of order.

Ms. White: Standing Order 19(g) — imputes false or unavowed motives to another member.

Hon. Mr. Cathers: I'm not sure how the member thinks that was contrary to 19(g). I was referencing my interpretation of comments from both opposition parties and I didn't single out any member.

Ms. White: In reference to 19(g), you were imputing false motives on our behalf of the opposition members.

Speaker: Would you like to expand on that?

Ms. White: In our comments and in our choice of words. To blanket the statement in that way that he did, it was false.

Speaker's ruling

Speaker: I would say that there is no point of order at this time it is a dispute between members, but I appreciate the comments from both sides. Minister of Community Services, you have the floor.

Hon. Mr. Cathers: Again in speaking to this motion about recreational lots, it's another good news story and that, in my opinion, is why we see very little in the way of specific comments relevant to the policy topic or the budgetary investment from either the Liberals or the NDP. But instead, as we saw the Leader of the NDP do — unnecessarily creating fear in the public through her characterization and suggestion that this could be repurposed for something other than its intended purpose by virtue of this rezoning regulation.

Some Hon. Member: (inaudible)

Point of order

Speaker: Member for Takhini-Kopper King, on a point of order.

Ms. White: When you use the word “fearmongering” — Standing Order 19(i), uses abusive or insulting language, violent language, context likely to create disorder.

Speaker: Member for Vuntut Gwitchin, on the point of order.

Mr. Elias: I was listening intently to the debate and I did not hear the word “fearmongering” come from the House Leader for the government side.

Speaker: Member for Takhini-Kopper King, on the point of order.

Ms. White: I am confident that when we look at it tomorrow, the term was “create fear.”

Speaker's statement

Speaker: I am going to have a look at the Blues tomorrow to review the actual words that were said and, if necessary, I'll give a ruling at a later date. I would remind the member to try to refrain from personalizing or making accusations of the other side.

Hon. Mr. Cathers: Thank you, Mr. Speaker. I believe the Member for Takhini-Kopper King was listening to the Liberal leader, not to what I actually said.

Again, in returning to the motion, it's a good-news story. The assertions that the Leader of the NDP was attempting to make about the repurposing of the Millhaven Bay development through ministerial rezoning are absolutely completely ridiculous in their nature. As I've reminded members, that change to rezoning regulation — despite the NDP and Liberals' desperate attempts to portray it as being a bad-news story that reduces public processes — what it in fact does is maintain the existing public processes of involvement and comment on rezoning applications by citizens, companies and so on. The only thing it does is get rid of a Cabinet process specific to relatively minor changes to people's lots, and takes out over a year of delay.

That was caused by the fact that, quite simply, in those lengthy processes, when there are things such as regulatory changes and legislative changes, and so on, that fall on the desk of our legal drafters and policy staff, individual applications would not always be the most urgent priority. As a result, the average timeline was about a year and a half in process.

Through the good work of the Department of Energy, Mines and Resources and the Department of Justice in coming up with a way to effectively and appropriately reduce the burden going through the Cabinet process, 95 percent of applications will go to the minister for a rezoning decision, while all the remaining five percent that have more major potential policy implications will continue to go to Cabinet. In fact, the public processes remain unchanged and unreduced in any way, shape or form.

So I hope that has brought context to it and, counter to the assertions made by the Leader of the NDP in her comments, I pointed out what the facts are. It would be interesting to see what the Liberal position is on recreational cottage lots, or whether this is yet another area where they prefer not to take a position for fear that they might not be able to be all things to all people after the fact, depending on which crowd they're speaking to.

Speaker: If the member now speaks, he will close debate. Does any other member wish to be heard?

Mr. Hassard: It certainly was a pleasure hearing all of the other kind remarks this afternoon.

I look forward to seeing this motion go to vote and hopefully we have unanimous consent again.

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.

Hon. Mr. Pasloski: Agree.

Hon. Mr. Cathers: Agree.

Hon. Ms. Taylor: Agree.

Hon. Mr. Graham: Agree.

Hon. Mr. Kent: Agree.

Hon. Mr. Nixon: Agree.

Ms. McLeod: Agree.

Hon. Mr. Istchenko: Agree.

Hon. Mr. Dixon: Agree.

Mr. Hassard: Agree.

Mr. Elias: Agree.

Ms. Hanson: Agree.

Ms. Stick: Agree.

Ms. Moorcroft: Agree.

Ms. White: Agree.

Mr. Tredger: Agree.

Mr. Barr: Agree.

Mr. Silver: Agree.

Clerk: Mr. Speaker, the results are 18 yeas, nil nays.

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

Motion No. 581 agreed to

Motion No. 494

Clerk: Motion No. 494, standing in the name of Ms. McLeod.

Speaker: It is moved by the Member for Watson Lake:

THAT this House urges the Government of Yukon to ensure that Yukon has a competitive business tax structure and competitive business tax rates.

Ms. McLeod: I'm honoured to rise today in support of Motion No. 494, urging the Government of Yukon to ensure that Yukon has a competitive business tax structure and competitive business tax rates.

This Yukon government committed to no new taxes and maintaining Yukon's extremely favourable general tax environment that promotes investment in the territory. The Yukon Party remains the best choice for Yukon's economy and Yukon's business community.

Throughout Yukon's history, when a Yukon Party government was managing the territory, we see population growth, economic growth, new jobs and sound fiscal management. In stark contrast to this, NDP and Liberal governments have resulted in population loss, as Yukoners have to seek jobs and opportunities outside the territory. Yukon businesses and families have suffered. This Yukon government knows that the key to growing and the backbone of the economy remain, and always will be, our Yukon small businesses.

The Yukon Party has always supported the private sector and created the environment for Yukoners to have opportunities: opportunities for work, opportunities to raise families, opportunities to be successful. There are economic certainties the business community and Yukoners know about Yukon Party governments. First and foremost, they have always been and always will be champions for a vibrant and successful Yukon private sector. The Yukon Party remains the lone party in Yukon politics that has proven it can create an economic climate for Yukon businesses to succeed.

With this in mind, Mr. Speaker, I was very pleased to hear about the highlights of the Premier's speech to the Yukon Chamber of Commerce on Friday and his Budget Address yesterday in this House. In particular, the Government of Yukon has proven again that they can meet their commitments and are committed to providing the best possible climate to encourage economic growth in our territory. The announcement that the Yukon government will be cutting the small business tax rate by one quarter from four percent to three percent shows that this government is making sure that Yukon continues to remain a business-friendly jurisdiction.

Over the past decade, consecutive Yukon Party governments have been ensuring that the business community is presented with a tax regime that enables them to be successful, grow and create jobs for Yukoners. Small businesses remain the key to a growing economy and job creation. Helping small business to succeed and flourish is a key to a strong, sustainable economy and diversification.

Tax changes must be focused and they must provide the opportunity for small business to be successful, grow and invest back into the company.

Small businesses across the country recognize the need for this relief and support. The Canadian Chamber of Commerce has stated in the past that low business taxes promote better economic performance and lead to more tax revenue of all types in the long run, not less.

I would like to highlight some of the changes that have been made to the tax structure by this government since 2004. In the fall of 2004, the Yukon government tabled Bill No. 54. This bill provided Yukon government with the responsibility for setting the small business tax deduction limit. Previous governments had simply linked any changes to the rate with the federal government and mirrored the federal changes. This government recognized the strength of local governments when determining economic policy.

This government knows that the Yukon government is best suited to make decisions to improve and manage Yukon's economy. With this authority in place, the Yukon government announced that they were raising the small business tax deduction limit from \$300,000 to \$400,000 effective January 1, 2007. In addition, the small business tax rate was reduced from six percent to four percent effective January 1, 2005.

These changes continued to create the economic climate that the Yukon Party government has committed to create during elections. In 2002, again in 2006 and again in 2011, this government has always committed to create a climate that enables Yukoners and businesses to be successful.

In 2010, the Yukon government further increased the small business tax credit limit from \$400,000 to \$500,000, again providing Yukon small businesses with the freedom to reinvest capital into the economy and their companies.

That history shows a government providing relief and opportunity to Yukon businesses. I would like to note the commitment in the Budget Address and the chamber speech to create a committee to review the burden of red tape on business and set targets for reduction. This is exciting news for the business community. A quality regulatory regime is an important role for government. However, burdening small business with time-consuming policies and regulations is not good for the economy. Excessive time meeting government regulatory needs stops small business from doing what they do best. Their time is better spent building their businesses, employing Yukoners and building our Yukon economy. I look forward to hearing further from the Minister of Economic Development in the near future about how this initiative will proceed.

I'd like to recognize and thank the Minister and Department of Economic Development for the hard work the

department does to support Yukon small business. To support businesses navigating government red tape, the Yukon government made BizPaL available to all Yukoners in 2007. The goal of BizPaL continues to be to promote a more competitive and productive local economy by providing easy access to central information and reducing paperwork costs for business. The department introduced a small business incentive tax credit that benefited growing Yukon businesses such as, notably, one of the mainstays and cornerstones of our economy, Air North.

The strategic industries development fund has been developed and made available to companies to assist the development of industries and strategic projects in the Yukon with the potential for broad-based economic benefits. The Film and Sound Commission has the film development fund and film production funds, which assist filmmakers to produce films in the Yukon.

This investment has resulted in substantial growth in that sector of our economy. All these initiatives contribute to creating the economic climate that this government promised. I look forward to working with the government to continue to build on these programs.

As I get near to the end, Mr. Speaker, I would like to say again that Yukoners and business can be certain of one thing when it comes to the economy. This government has always been and will be the party that is the champion for the private sector, a strong manager of the economy and best suited to manage Yukon's finances.

Again, the most recent announcement is welcome news for the Yukon business community. Lowering the tax rate from four percent to three percent continues the historic changes to Yukon's business tax structure. These changes continue to ensure that Yukon remains a competitive favourable place to do business and invest.

I'd like to thank the Minister of Finance for his recognition of this fact and congratulate the government on a wise decision in support of Yukon's business community. I look forward to hearing from other members and hope that all members will support this motion. Thank you, Mr. Speaker.

Ms. Stick: I'd like to thank the Member for Watson Lake for bringing forward this motion. As a small business owner myself, I support competitive business tax structures and competitive tax rates. As a member of the Official Opposition, I can state pretty clearly that the NDP also supports competitive business tax structures and tax rates. The NDP believes in supporting local businesses — Yukon businesses — and many of us participate as business owners and employers ourselves.

Competitive tax rates are a great thing, and I think anyone would agree with that. But there are other areas of assistance or support that Yukon businesses need in order to thrive and to continue to contribute to the Yukon's economy.

We are lucky in the Yukon to have a strong Whitehorse Chamber of Commerce and Yukon Chamber of Commerce which do support and provide a voice for businesses

throughout the Yukon, not just Whitehorse but all the communities.

Yukon small- and medium-sized businesses are hugely important to the Yukon economy. They employ a large number of Yukoners and offer services that might not otherwise exist. I believe these days we see less people who only look Outside to do their purchasing but are finding more of the amenities and special things they are looking for available here in the Yukon. It's good to see that growth.

Many of these businesses are also part of what makes the Yukon a unique place to live and visit. Dog-mushing, wilderness tourism — these are all local businesses, Yukon businesses, that thrive because of the unique place we live in, or where people come to visit.

Cutting taxes for Yukon's businesses, even a drop from four percent to three percent, not only benefits the businesses, but benefits the Yukon as a whole. Studies have shown that when money is spent at local businesses, that money is reinvested into the economy at a greater rate than if the money was spent at a business based Outside.

There was a study completed by the University of British Columbia called *The Power of Purchasing — The Economic Impacts of Local Procurement* that found that by purchasing goods and services from local suppliers, public and private institutions could increase local jobs and economic wealth. It is important for the Yukon businesses to be able to know with some certainty that they may be able to bid and be providers of these services.

In case studies that this study looked at and conducted while doing their research, they found that the local economy can provide between 77- and 100-percent greater impact on the local economy because they're the ones purchasing goods from the local area that are based there and they're also the largest employers when put together as a group. So really, anything that benefits Yukon businesses will benefit all Yukoners.

Cutting taxes to local businesses is a good move and it does help improve the bottom line for many local businesses, but it does not always address some of the struggles that new Yukon businesses sometimes face. Statistics Canada has named or found that only 51 percent of Canadian small businesses make it out of their first five years of operation. If there were ways that we could improve upon those numbers, it would be tremendous.

Yukon businesses face a number of issues with start-up and early years of business. Often Yukon businesses are struggling to raise the necessary capital to get a business started.

They can exhaust their own personal financing and credit to do that. This can become a burden, and too much of a burden so that we see these businesses fold. Often these businesses resort to loans that are too onerous and tough to pay back. We do have help within our community, and businesses can find some of that support through examples like the Whitehorse Chamber of Commerce and Dana Naye Ventures, which offers programming and courses to assist new businesses to overcome some of these hurdles.

One of the difficulties that businesses have faced in the last year was the closure of the Revenue Canada office. For many, it didn't seem like a big deal but, speaking as a small business owner myself, this was a problem. It was disappointing to many Yukon businesses that they were no longer able to benefit from being able to go to an office, provide their remittance for employees, go and ask questions face-to-face with a person who was always going to be there and be helpful. Too often now when we call or try to get assistance, it's somewhere in B.C. We're always dealing with a different person and it can become frustrating for local businesses. Even though that office is closed, it's still having an impact on local businesses, and I know that from talking to other business owners.

Many Yukon businesses rely on tourism to help out with their bottom line and to keep their businesses afloat. They may operate year-round, but it is possibly the summer tourists who increase their businesses and help them make it through the rest of the year. Hotels and restaurants rely on tourism more than others do, and their bottom line could be improved with the increasing numbers of tourists coming in the shoulder seasons specifically. It is great to see lots of tourists up here during the summer months, but it is the October to March that businesses really struggle through. Especially if there is cold weather — you can just see your business drop when it's -40 C and nobody wants to come out.

One of the big issues for Yukon business is when they try to enroll in programs or benefits through federal or territorial programs. The amount of paperwork required can take a staff person or owner away from the actual business of what they normally do. It takes time and it can be frustrating.

I speak as a small businesses owner, where I have worked with both the federal government and the territorial government on employment programs and subsidies where eventually I just gave up. It was much easier to quit the program, keep the person on and not bother going through the frustrating process of dealing with someone who did not live here, who could not help you, but who insisted on returning your paperwork and asking more questions. It was just easier not to do it.

I note there was a reference in the budget speech to funding to assist persons with disabilities in finding successful employment, and that is a good story, but I again caution that the paperwork involved in some of these is onerous if you are a very small business or a micro-business that only hires one or two people.

When it takes hours to do the paperwork in order to have someone come work, it just isn't worth it. More often than not, I think people give up and don't proceed with those kinds of projects, so I would recommend that this be something that's looked at. Again, I've gone through these programs, I've hired people, and more often than not, it's just easier to keep that person on, pay them, and not be involved in these programs that take up so much time just to do the paperwork to be able to eventually get a cheque for something you've paid for.

I do think that competitive tax rates and business incentives are a good thing. The NDP supports this, as I mentioned. There's more than one business owner on this side of the House. Some of us employ people, others are self-employed, and we support small business. We recognize it for its importance in the Yukon and what it provides to the economy, and for the number of people and friends that it hires and gives a good paycheque to.

Hon. Mr. Dixon: It's a pleasure to rise and speak to this motion put forward by the Member for Watson Lake. I would like to start by thanking her not only for bringing forward this motion, but for her passionate advocacy for small businesses throughout the territory.

Obviously her particular focus tends to be on her riding in Watson Lake, but when it comes to any issue related to the private sector or the growth thereof, the member is always quick to jump to the defence of the private sector and to advocate on behalf of private sector growth. I'd like to thank her for bringing forward this motion and for her work to date in that respect.

As has been noted previously by both the members who have spoken so far, obviously the business community in the Yukon is a vibrant one and a healthy one, but in order for businesses to continue to thrive and prosper in Yukon, we need to have a competitive series of rates as well as a competitive business tax structure. That's something that is not unique to Yukon. It's something that is certainly the case in other provinces and territories or even other countries that we compete with, in some sense, for business.

It's easy to quickly to jump to the corporate tax rate as being the most important thing that affects businesses, but I think any business owner that you speak to will quickly point out that there are a series of other taxes that are important and relevant to their operations. In Yukon, we have a comparatively strong baseline to begin from. We have a fairly healthy tax structure as it is and a fairly competitive rate to begin with. I look to taxes like the fuel tax, which is I think the lowest in the country. It provides a significant boost to a number of those in the private sector as the cost of fuel is often one of the highest costs businesses face, especially in rural Yukon where not only shipping and transportation are significant costs, but heating with fuel is often a cost that is faced by businesses. Businesses have indicated that they appreciate the fact that we do have one of the lowest — if not the lowest — fuel tax rates in the country.

It's not so much a tax, but the other cost of business, of course, is the cost of employment and workers' compensation that goes along with it. As others have noted previously, we've seen a positive trend with regard to workers' compensation rates here in the territory. I know some businesses will always advocate that they should be lower and they ought to be lowered further, but we have seen a positive trend in decreasing the cost of workers' compensation on businesses over the past few years and I'm very excited to see that trend continue.

The other aspect of the tax load that businesses face of course is property taxes. That's one where not only the Yukon government has control, but of course municipalities play some role in, and in some cases, other levels of government as well. Sometimes they could be First Nation governments or other levels of government that levy taxes for various reasons on businesses. But as I said, when you look across the board, whether it's the small business corporate taxes, fuel taxes, workers' compensation or property taxes, Yukon is coming from a comparatively strong position, I believe. This was reinforced, I think, late last year when the Canadian Federation of Independent Businesses released their comparison of tax rates of the provinces and territories.

In that ranking, as they always do — which I find a bit annoying — they parse out the territories and don't include them in their typical ranking. They only look at the provinces and, instead, they have a secondary appendix that includes the territories.

Based on reviewing those, that ranking of provinces and the separate appendix for the territories, we can note that the overall index scores that are associated or attributed to Yukon by the Canadian Federation of Independent Business puts Yukon fourth in the country. It takes a bit of math to get there, but that's roughly where we fit into the ranking.

Alberta, Saskatchewan and New Brunswick all have a higher ranking, according to the Canadian Federation of Independent Business, but Yukon is at the top of the territories and, indeed, looking at the overall index scores provided by that institution — that organization — it appears that Yukon fits in in the upper half of Canadian jurisdictions, which is certainly very positive — but that does tell us that there is room to grow and there are steps that we can be taking to become more competitive and reduce the load on businesses.

That's why I was pleased to hear from the Premier in his speech — the budget speech yesterday — that the government intends to bring forward changes to the small business tax rate, to the tune of a reduction by a quarter of the rate, from four percent to three percent. It think this is an excellent step forward and will be one that is welcomed, not only by individual businesses, but by business organizations, like the respective chambers of commerce in the territory, as well as other groups — other industry organizations — throughout the territory. The small business tax rate applies to the first \$500,000 of profit that a company makes, and reducing the small business tax rate from four to three will simply mean that businesses will be paying less tax. That means that every dollar that they don't pay to the government in tax is one that they can re-invest into their business, they can pass it along to customers, they can invest in staff to provide training, or just simply re-inject that money back into the economy.

As we know, small business owners are significant users of local services. I think that no one knows better the importance of buying local or using local services than small business owners themselves, so oftentimes you see within the business community a willingness to share services and to purchase local from one another. Reducing that tax is important.

As I said, there are a number of other taxes and levies that are placed on business in the Yukon that are relevant and that we shouldn't forget or lose sight of. For instance, one segment of our business community is the placer mining sector. These are, without doubt, small businesses. Oftentimes those companies are either single individuals who are working or family operations or a partnership of one to three people, and some of the larger operations could have as many as a dozen employees, or even a few more.

One of the levies or taxes that is put on those businesses is the royalty rate. The royalty rates are different for hardrock mines or placer mines, but the placer mining rate is comparably competitive. It is low and it is one that creates opportunities for local businesses to thrive, like placer mines.

I should note that, in discussing royalty rates for both placer and hardrock mines, I'd be remiss if I didn't point out that the party across the way, the NDP, committed to increasing those royalty rates in the last election — something that was rejected by Yukon voters when they went to the polls and delivered a Yukon Party majority government, and something that I think was certainly on the top-of-mind for any voter who derives any benefit from the mining industry. When they see things like commitments to increase royalty rates — which is essentially increasing the taxes on these businesses — they recognized that that makes the Yukon a less competitive place to do business and a less likely place to have economic growth. It rings a bit hollow when we hear from the NDP that they support competitive tax rates when, not two years ago, they were committing to increasing the royalties on Yukon businesses and Yukon mining companies.

So that aside, I have to say that I am very pleased that we're moving forward with identifying opportunities to lower taxes. Of course in the last election, we committed to no tax increases, but we are taking that one step further and indeed lowering taxes, so that's a very positive step forward. I'm very excited to see legislation tabled this sitting that will enact that change, that reduction of the small business tax rate. I look forward to debating that bill when it's on the floor of the House and we'll have another chance to yet again discuss this very important topic of ensuring that Yukon has a competitive tax rate and a competitive business environment.

As we all know, when businesses are prosperous and thrive, the communities within which they operate prosper and thrive as well. That's an edict that I know that the folks on this side of the House certainly agree with and look forward to working with me as the Economic Development minister and working with other ministers in their respective departments to ensure that we continue to provide ample opportunity for private sector growth in the territory — and ample opportunity for businesses, small and large, to thrive in our territory and produce the jobs, wealth and opportunity that Yukoners need.

I would like to commend this motion to the House. I would like to thank the Member for Watson Lake for bringing it forward and for her eloquent words earlier about not only the need for private sector growth, but the fact that, as she correctly noted, the party that is best suited to dealing with these matters is the one sitting on this side of the House and

the one that has been managing the territory's finances for some time now. I'd like to thank her again for her kind words and for her willingness to bring forward this motion to the House. I commend it to the Legislature.

Mr. Silver: I'll be brief. I am pleased to see the government responding to a request from the Canadian Federation of Independent Business to reduce the Yukon's small business tax rate from four to three percent. I believe the anticipated impact on the bottom line is going to be roughly \$750,000. This tax reduction will allow small businesses to keep more money in their pockets and, in turn, it will create jobs. It is a good measure and it has the support of the Liberal caucus.

I'm also pleased to see that the government responded to another of the recommendations from the CFIB and also from me, and that is to undertake a red tape review.

Now, they have tried this before, about a decade ago, I believe. So I hope that this time around will be more successful in that attempt.

So again, it's good to see that this government is listening to the CFIB, and as such, I concur with this national organization's observations and therefore I can support this motion.

Mr. Tredger: The NDP has a reputation for being the party that supports small businesses. Many of our members are small-business owners. We support local businesses. We recognize the effect of innovators — that's businesses — and the contributions they make to our communities. Business owners employ Yukon people. Business owners support our soccer teams, our hockey teams. Business owners were very evident in the support of the recent Arctic Winter Games.

I'm proud to work with a small-business owner, and the insights that she brings to our caucus help us to understand some of the challenges that business owners face.

Competitive tax rates for small businesses are beneficial to all businesses in the Yukon, but they're especially beneficial to those businesses in rural Yukon, in more remote areas. Rural businesses face costs that are higher than their counterparts in Whitehorse. They face higher costs for transportation, higher costs for delivery. Many financial services like bookkeeping or banking are not available in a rural community. However, rural businesses have flourished for a number of years but there are many things that they can benefit from.

It's nice to see this motion and I do support it. After 12 years, it's time that this Yukon Party government has seen fit to develop a competitive business tax structure and competitive business tax rates. I can assure you that had the NDP government been in power, they would have been working on them long before 12 years had passed.

When the NDP was in government, we decentralized many government services to rural communities. The NDP recognized the importance of providing services in rural communities. Small businesses and community groups benefited from having those services in their community.

It's unfortunate that the Yukon Party has not seen fit to follow that example and has since removed many of the services that benefitted rural Yukoners and moved people out of the communities, putting a bigger burden on rural business owners.

I remember when I first came to the Yukon, there was a superintendent of schools in Dawson City — one position, but an important one. I was able to get a driver's licence in Mayo on a regular basis. Licensing was a highlight of rural communities. There were options. You would get your driver's licence, your business licence in the communities. Registration was available in the communities. Under the Yukon Party government, many of these services have been devolved to Whitehorse, a gradual eroding of services in rural communities.

Ask any rural Yukoner and they can tell you that the level of service is not there anymore. Why is this important to Yukon businesses? I believe that Yukon depends on the strength of its communities, and that when jobs leave the rural communities, it affects businesses, people, services, school, health care, and on and on for that community.

Rural business owners often have to travel into Whitehorse to access government services for their businesses. Often, with the services, there are communication issues that could have been provided in the community. It seems that any service that can be put into Whitehorse is. My answer would be that any services that can be decentralized to the communities would make the lives of small business owners in that community easier.

The economy in Yukon is cyclical in nature due to our dependence on the extractive industries. What does this mean to our small businesses? What does this mean in rural Yukon? In rural Yukon, what I've seen is that it makes it difficult for a business to survive. I've seen business owners in boom times having to borrow large amounts of money to be able to compete. On a territorial level, all Yukon businesses face the same thing. It's exacerbated in rural Yukon in that we need to compete in good times with Outside businesses. In order to do so, many businesses need to borrow a lot of money. When the cycle turns down, these businesses are left with a debt and business slowing down.

Keeping services and employment in rural Yukon and in our communities would help alleviate some of that. The effect each and every business has on rural communities is felt to a far greater degree than it is in larger communities. Locally owned businesses employ people living in the community and the employees and owners will then spend more money in the community.

More and more today our world is being connected. More and more services are offered only via the Internet. Many businesses are conducting an ever-increasing amount of their business on-line. Advertising, communication and banking are all being conducted on the Internet at an even greater rate. Often our businesses and our rural community members are told to do it on the Internet. However, not only in many of our communities is the Internet slow, it is expensive and coverage can be spotty. The lack of quality Internet access is holding

back many rural communities and is a detractor for many companies that may be interested in investing in our communities.

I was pleased to see that this was acknowledged by the Minister of Economic Development. I do hope that it's more than lip service and that very soon 4G will be available in all of our communities, high speed Internet will be available in our communities because it is playing an increasingly important role. I know that many of my constituents have had serious difficulties either registering for their businesses, getting aware of contracts being placed, trying to manipulate their way through some of the very convoluted webpages to get information — it does not help when the service is spotty. So, I do hope — and I will take the Minister of Economic Development at his word and look forward to the day when rural Yukoners can have the same high-speed that people in Whitehorse have and that people in Whitehorse can have the same high-speed that people in the south have. That would do wonders for businesses in the north.

The closing of the Canada Revenue Agency office in Whitehorse was a step back for both rural community business owners and business owners in Whitehorse. The clarity and ease of that office disappeared. All governments should be working toward removing the paperwork burden on business owners and I encourage the Yukon Party government to lobby the federal government to reinstate the Canada Revenue Agency office that was beneficial for business owners throughout the Yukon. That would also help build a regime that supports small businesses.

As I said earlier, money spent by small businesses and services provided by small businesses grow the community. Their innovations, their unique way of finding value in serving people, in building products and in developing tourism is a tribute to the economic ingenuity of people in the Yukon.

Tourism is increasing in my area. But I would remind the Minister of Tourism that the Silver Trail is a viable area. It is not on one of the entrances to the Yukon, but it should not be ignored, because it is a destination. Keno City, Mayo, Stewart Crossing, Pelly Crossing, Fort Selkirk and Carmacks — these are areas that are destinations for people from around the world.

I know my area and I know each MLA in this House could speak of areas, spots and tourist attractions in their area. The more we can build on that and the more we can develop tourism, the more stable the economy becomes. That is how we can support businesses. We can build a regime that encourages everyone to contribute to the economic well-being of the Yukon.

We need to build a business infrastructure. It's more than just cutting taxes. It's building an infrastructure that is responsive to the needs of all Yukon citizens.

As I said at the beginning, the NDP has always had small-business owners. We have always supported small business and entrepreneurs. We have always supported innovations in our economy. We've always supported productivity.

That's why I applaud the Member for Watson Lake for bringing forth this motion. I will be supporting it. I believe it is high time, as the Member for Watson Lake said, that we develop a tax regime, a competitive business tax structure at a competitive business tax rate that will encourage development in the Yukon.

I thank her for bringing it forward and I thank you for listening.

Hon. Mr. Nixon: I'd like to begin today with an interesting quote I read by Richard Branson, in his reply to Olivia Hill, who was a 12-year old student at Aylsham Business and Enterprise School in Norfolk. He's writing about why he set up the magazine called *Student*. He writes, "I didn't have a career in business in mind, we just wanted to make a positive difference to people's lives. I soon learned one of the best ways to do that is to become an entrepreneur."

As I thought about that quote, I was struck by how true that was. Businesses really are all about helping people. They are a means to an end. Entrepreneurship is, as Mr. Branson noted, one of the best ways to help people. That belief underpins my perspectives on taxation policy.

I'm reminded of the many constituents in my riding of Porter Creek South who are extremely hard-working entrepreneurs and, as Richard Branson said, we just want to make a difference. In fact, many of my constituents in Porter Creek South are making a difference and are helping people out in areas such as tool sales, auto body, printing, advertising, event planning, consulting, lawyers, pilot vehicles, contractors, and the list goes on, Mr. Speaker.

In preparation for today's debate, I spent some time reading what makes for a good tax policy. I want to mention the work of the Canadian Tax Foundation, which was set up in 1945 as an independent tax research organization under the joint sponsorship of the Canadian Institute of Chartered Accountants and the Canadian Bar Association. Their goal is to work together for the betterment of the Canadian tax system and the tax profession in general. They have some helpful and important insights on taxation policy.

Mr. Speaker, in preparing for today's debate, I went back and reviewed the report of the 1966 Royal Commission on Taxation, entitled *The Use of the Tax System to Achieve Economic and Social Objectives*. The opening section of volume 2 has a helpful overview of the options available to government. I won't repeat the extended discussion here of the merits and demerits of each. I simply want to note the options. They are: commandeering resources, creating money, borrowing and taxation. During my reading, I found that other sources of government revenue can include things like user fees for public services, resource royalties, Crown corporation profits, and investment income and fines.

One of the important points made in the 1966 Royal Commission report and one that has been repeated often since then is that, ultimately, the tax burden in a country is borne by its residents. While corporations can and do pay taxes, they pay on the burden of taxes to others in the form of higher

prices for goods or lower wages. At the end of the day, individuals, one way or another, end up paying the price.

In my readings I found that good tax policy is policy that maximizes economic well-being, is generally competitive, employs broad tax bases, has relatively low tax rates and is, for the most part, neutral among different types of economic activities.

Mr. Speaker, some people may ask, what difference does it really make as long as everyone pays the same tax rate? A recent *Globe and Mail* story on Minister Flaherty's legacy noted that, and I quote: "A slow and deliberate effort to broaden the corporate tax base and eliminate so-called 'loopholes' and tax preferences. These moves have allowed for a reduction in corporate tax rates that, together with other changes to the tax system, have made Canada's corporate tax system one of the most competitive in the world."

The Canadian Federation of Independent Business writes that a competitive tax system plays a key role in attracting new investment and generating economic growth. They state that small- and medium-sized businesses offer the greatest potential for new jobs.

They conclude that creating a flourishing tax climate for small- and medium-size businesses should be a priority for policy makers. For small businesses, an ideal tax system should be simple and understandable so that it minimizes administrative burden of compliance. It should be visible and transparent to help ensure accountability. It should be stable and predictable to facilitate accurate tax planning for businesses. It should be neutral and competitive by assuring efficient allocation of resources and by aiming to boost business productivity. It should be fair, having taxpayers with a similar ability to pay tax at the same or similar amounts. Conversely, taxpayers with a greater ability to pay should play more. The federation also indicated with respect to the corporate income tax that Yukon should also reduce the small business tax rate.

Having grown up on a family farm and having also spent 10 years in business for myself, this is something that I can certainly stand behind. It's something that I can relate to, and this is something that I can appreciate. In fact, reducing the small business tax rate coincides with what Yukoners have shared with us.

I believe it's a positive step forward that Yukon is reducing Yukon's small business tax rate by 25 percent. As the Premier said in his very solid budget speech: promote investment in our natural resources, market our tourism product, encourage small businesses, invest in infrastructure and put Yukoners first. We are moving Yukon forward together.

I fully support this motion and I suspect the hardworking entrepreneurs in my riding of Porter Creek South will be in support of this motion, as well. I would like to thank the Member for Watson Lake for bringing this forward.

Hon. Ms. Taylor: I would like to welcome all members back to the Assembly. It is great to see everyone again and great to be back here in this very important

Chamber talking to a very important initiative, such as the reduction of taxation in our territory.

I have heard and reflected on some of the comments made here this afternoon and I just want to touch base on a couple — one coming forth from one member of the NDP caucus in particular, saying that the Yukon Party government hasn't perhaps done much on this file over the years.

I was reflecting, and I believe the Premier did reflect on it yesterday as well, that when it comes to taxation, in fact, the Yukon Party government has campaigned and continues to campaign on a platform based on no tax increases. We have remained very true to this and, in fact, we have worked very hard to be able to secure very healthy financial resources in the bank.

As a result, we are able to afford to have tax reductions, such as the ones that we are choosing to discuss here today. I think it is very important to reflect on that success. In fact, back in November of 2004, our Premier of the day had introduced some amendments to the *Income Tax Act* that reflected the corporate small business tax rate reduction from six percent — what it was currently at that time — to four percent, effective January 2005. I recall at that time it was reflected that that was in fact the first time that rate had actually been reduced since 1983. In fact, in 1983, that is when that was introduced.

The bill at that time had also increased the small business tax reduction limit to \$400,000, which came into full effect by January 2007. At that time, it was held at approximately \$250,000.

Those two initiatives along, just back in 2004 — again, to be effective in 2005 and 2007 — would result in potentially — and has resulted in — a loss of revenue of almost \$900,000 into the revenue stream for the Yukon government. But that's not what we are talking about here today. We're actually talking about investment in Yukoners and investment in the people, the good, hard-working taxpayers and people who have chosen to invest in the territory, have chosen to invest in their employees and the success of our territory — people like my mother and father, who came to the Yukon. My father first came to the Yukon in 1959 and set up shop to work alongside his father at that time as a small business contractor/builder. He worked very hard to grow his business and to be sure, as has already been stated in rural Yukon, not always an easy time. There are unique challenges and unique realities to living in the north, let alone living in some of our smaller, remote communities, Watson Lake not being an exception.

But you know, my father — I always recall him saying that there are two things that are certain in life: death and taxes. That continues to ring through my ears to this day and it's very true. Those are certain. Hence the reminder of how very difficult it can be to operate a business in any province, any territory, any country.

Certainly we as a government over the past number of years have worked very hard to make our climate more conducive to the growth of the private sector and we have done so in a variety of ways — the taxation regime, making it more competitive and more readily available for individuals

who are looking to invest in the Yukon over Northwest Territories, over Alberta, over British Columbia. When we look at the global economy and we look at how increasingly interconnected we are and how very competitive business is because of technological advances in our country and around the globe, we have to pay attention to that at all times. We're not immune to that competition north of 60. It's something that we continue to raise at the national level and continue to raise among ourselves as colleagues and with our stakeholders as well — to be competitive and that we always have to keep our eye focused on doing better — such as doing better as a government in reducing red tape to simplify how we do business, how we administer taxation, how we administer programs — and we're very mindful of that, Mr. Speaker.

I certainly very much commend this motion before us furthering the taxation reduction of 25 percent, cutting the small business tax rate as has already been mentioned. Taxation is but one initiative that we have undertaken as a government over the years.

Other initiatives include investments in infrastructure, making us a more desirable place to invest and desirable place to raise our families — to come here and to set up shop. Investments in infrastructure in our airports, in our highways, in our road infrastructure and investments in our telecommunications — again, the extension of Internet access, 4G, is something that our government has been working on to do just that. Expanding cellular service to all 17 communities a number of years back was a priority. But that's not good enough these days, so we continue to have to be competitive again in making more available — more services by way of electronic delivery of programs and initiatives — another thing that we are continuing to do.

Another thing is investment in training and education. Skills enhancement is something that we continue to support wholeheartedly. Education is a lifelong learning path, whether it is through direct investments in Yukon College or investments in our students to obtain post-secondary education, investments in the trades or investments in the knowledge economy — the Yukon Research Centre being a case in point. These too are all very important to continue to be able to deliver so that we can remain very competitive in this day and age.

As I mentioned, this motion speaks to putting money back into the hands of the people who actually made the money in the first place, as well. It is a delivery of investment in people and, in doing so, we are able to see businesses flourish and we have seen that. When I go back through the Yellow Pages and the number of businesses available and the number of services that have expanded in the territory just over the last seven to eight years alone — it is a significant increase. We have had a significant population increase — over 22 percent. That alone speaks to how desirable the Yukon continues to be as a destination of choice when it comes to business and raising our families. That is why we continue to provide those very key and strategic investments in infrastructure, in services and in education — all of which the Premier yesterday in his Budget Address had outlined. To

be sure, we will be speaking to those individual investments department by department as the days proceed here.

I would like to just again commend my colleague, the MLA for Watson Lake, for introducing this motion and for having the opportunity for all of us to speak to the importance of small business, and what it is that we as a government and we as legislators can continue to do to ensure that our territory remains a very competitive place within the context of our confederation. Thank you.

Hon. Mr. Pasloski: I rise in support of this motion. I would like to thank the Member for Watson Lake for putting it forward. It certainly is a very timely motion. It's certainly a very important motion and one that I certainly feel connected to, having been the owner of pharmacies for a number of years, starting back in 1987 in Saskatchewan through to the end of 2009 here in Yukon.

We've heard a lot of great descriptions of the benefits, from both sides of the House, of the reduction of the small business tax by 25 percent from its existing four percent down to three percent. I did speak to this yesterday in the budget speech, and really talked about how whenever you put more money into businesses' hands, or into individuals' hands, so they don't have to pay as much tax, there are a lot of different opportunities, certainly from a small business perspective.

You can reinvest that money back into your business; you can invest that money into your employees. One that certainly is very common in the Yukon is also, as a business, to reinvest some of that money back into your community in giving back. Those are all very honourable ways and some of the realistic opportunities that exist. This reduction certainly allows our small business to be more competitive. In Yukon, small businesses are certainly big business. The majority of businesses in the Yukon are operated on a proprietorship basis — are smaller businesses — and so this supporting tax reduction is something that will be very positively accepted not just in Whitehorse, but throughout all communities as there are many small businesses — and not only in municipalities, but in many unincorporated areas as well.

What I thought I would talk a little bit about, as well, is about individuals. We are reducing the taxes right now — we are proposing — or the government has tabled a motion, a bill. In the budget, we have articulated that we would like to reduce the small business tax credit from four percent to three percent. I wanted to talk a little bit about some of the impacts that this government and the two previous Yukon Party governments have had on personal income as well.

To that extent, I would like to talk a lot about the numerous non-refundable credits that have come into place since 2002 when the Yukon Party came into power.

So the basic personal amount — the amount one can earn before tax is incurred — has increased from \$7,412 to \$11,038. The age amount credit for being 65 or older has increased from a maximum of \$3,619 to \$6,854. Income at which credit is eliminated rose from \$51,068 all the way to \$80,255. The maximum spousal amount and eligible dependant amounts each rose from \$6,923 to \$11,038. There

was added a credit for children of \$2,234. The amount for infirm dependant maximum increased from \$3,500 to \$6,530. CPP contribution maximum increased from \$1,496 to \$2,234. Of course, this government won't take credit for that, as that is through the federal government.

We added an employment amount credit against wage income of \$1,117; added a public transit credit, a credit for purchasing transit passes for the entire cost of the pass; added children's fitness credit of up to \$500 per child or \$1,000 if the child is disabled; added children's arts credit of up to \$500 per child, and again doubling to \$1,000 if the child is disabled; added a credit for adoption expenses up to \$11,669; pension income amount doubled from \$1,000 to \$2,000; caregiver credit maximum increased from \$3,500 to \$4,490. We established an enhanced caregiver tax credit for families caring for a relative with a disability, including seniors and adults and children with severe disabilities.

Disability amount for self increased from a maximum of \$9,500 to \$12,187. Some other changes to other areas of the *Income Tax Act* included: the removal of the universal child care benefit — a \$100-per-month federal payment related to young children from the determination of income subject to a clawback when calculating low-income family tax credit; modernized the Yukon dividend tax credit to prevent unintended bracket creep; raised the Yukon child benefit payments from \$37.50 per month to \$57.50 per month and changed the income clawback threshold to \$30,000 from \$25,000; lower the small business corporate tax rate from six percent to three percent. I believe that, while six percent to four percent back in, I think, 2005 — and then there was an increase in the threshold's upper limits for small business tax credits went from \$300,000 to \$400,000 back in 2007 and again an additional \$100,000 in 2010 from \$400,000 to \$500,000.

I also wanted to comment on some of the tax advantages for business that we have and I think we haven't talked about some of them yet. First off, I would like to say that again, we have the lowest fuel taxes by far in Canada — 6.2 cents per litre for gasoline, 7.2 cents per litre for diesel. Compared to the next lowest jurisdiction, Alberta, our rates are 31 percent and 20 percent lower. Compared to our neighbour in British Columbia, our rates are 71-percent and 68-percent lower, respectively, than the rates in British Columbia.

We have extensive exemptions for non-road use of fuel for commercial purposes. For example, diesel fuel used in electrical production is exempted from taxes whereas other jurisdictions, such as the Northwest Territories, do not exempt such use. These can be very significant costs for an operation that must produce its own electricity. In the 2012-13 fiscal year, this exemption was worth over \$3 million in foregone taxes.

Mr. Speaker, we do not have a payroll tax. We do not have a retail sales tax. Typical provincial sales tax is seen as a significant tax on the bottom line — i.e. a tax on investment, not profitability. Our lack of a sales tax, Mr. Speaker, is a significant savings to Yukoners. We have the lowest manufacturing processing tax in Canada at two and a half

percent. As I mentioned, our proposal is to reduce the small business tax from four percent to three percent later this year. Despite all the tax savings mentioned, our general corporate rate is still a competitive 15 percent. We have some of the lowest personal tax rates in Canada across all levels of income and family sizes and situations.

There are some specific incentives, Mr. Speaker. Yukon offers a refundable research and development tax credit of 15 percent of eligible expenses with an additional five-percent credit for research conducted at Yukon College. The Yukon small-business investment tax credit is a personal tax credit that reduces Yukon income tax for eligible investors who invest in eligible business corporations making qualified investments. The business incentive program provides rebates to contractors working on eligible government contracts as incentive to hire Yukon residents and use Yukon-manufactured products when delivering contract requirements.

Finally, various departments, such as Economic Development, Energy, Mines and Resources and Tourism and Culture, offer a host of industry-specific programs and incentives that we have in fact heard about in this House as well.

Truly, not only is the Yukon Party government looking at reducing the small-business tax credit, but we have also raised the thresholds as to how high a level of profitability you would be able to fall under, but we have also done some sizable advantages and credits for individuals at this time as well.

Yukon's lowest income tax bracket has a rate of 7.04 percent. Across Canada, tax rates in this income bracket range from four percent to 16 percent with an average being 8.52 percent. The Yukon's highest tax bracket has a tax rate of 12.76 percent. Across Canada, tax rates in this income bracket range from 10 percent to 25.75 percent with the average being 15.79 percent.

So, in 2014, a single Yukoner with earnings of \$50,000 and \$100,000, using two examples, will pay Yukon taxes net of the basic personal credit plus any surtax of roughly \$2,000 and \$7,000 respectively. Those would be the fourth lowest of all the jurisdictions in Canada.

This government firmly believes that any time you have the opportunity to leave more money in a business' pocket or in an individual's pocket and allow them to make the determination of what is most important for them, the bottom line will be a stronger economy going forward for all Yukon citizens and, of course, for our economy.

With that, again I would like to thank the Member for Watson Lake for putting forward this important motion on the competitiveness of taxes and how this will positively benefit all Yukoners.

Motion No. 494 agreed to

GOVERNMENT BILLS

Bill No. 13: *Interim Supply Appropriation Act, 2014-15* — Second Reading

Clerk: Second reading, Bill No. 13, standing in the name of the Hon. Mr. Pasloski.

Hon. Mr. Pasloski: I move that Bill No. 13, entitled *Interim Supply Appropriation Act, 2014-15*, be now read a second time.

Speaker: It has been moved by the Hon. Premier that Bill No. 13, entitled *Interim Supply Appropriation Act, 2014-15*, be now read a second time.

Hon. Mr. Pasloski: I am pleased to introduce Bill No. 13, entitled *Interim Supply Appropriation Act, 2014-15*. This act requires spending authority that, in total, is not to exceed \$344,392,000. The purpose of this spending authority is to defray the various charges and expenses of the public service of Yukon for the two-month period April 1, 2014 through May 31, 2014.

Of this total amount, \$244,565,000 is provided for operation and maintenance and \$99,827,000 is provided for capital. The full details of these expenditures are included in the main estimates and will be fully discussed and debated during the general and departmental debate on the 2014-15 main estimates.

Mr. Speaker, what we are essentially doing is voting on an interim supply to ensure that the money continues to be available for both operation and maintenance for programs and services and for capital projects during the time that there is a full debate on the entire budget for the entire fiscal year. The interim supply will allow us to advance the monies for the first two months of the next 12-month period.

Mr. Speaker, in closing, I move that Bill No. 13, entitled *Interim Supply and Appropriation Act, 2014-15*, be now read a second time.

Ms. Moorcroft: I rise to speak for the NDP Official Opposition. We will be supporting the interim supply bill. This bill allows operation and maintenance and capital funds to be released for government operations during the period from April 1 to May 31.

It also allows for lump sum transfers to corporations, municipalities and non-government organizations to be made while we are in this Assembly debating main budget estimates. Certainly departments and organizations need funds at the beginning of the fiscal year.

I would appreciate it if the Finance minister could provide some details about the interim supply and if he could outline what transfer payments will be made to non-governmental organizations, corporations and municipalities. Also, what significant capital projects will be supported during April and May?

Motion for second reading of Bill No. 13 agreed to

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

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Deputy Chair (Mr. Hassard): I will now call Committee of the Whole to order. Debate is on Bill No. 13, *Interim Supply Appropriation Act, 2014-15*, standing in the name of the Hon. Darrell Pasloski, Premier. Do members wish to take a brief recess?

All Hon. Members: Agreed.

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

Recess

Chair (Ms. McLeod): Committee of the Whole will now come to order.

Bill No. 13: *Interim Supply Appropriation Act, 2014-15*

Chair: The matter before the Committee is Bill No. 13, entitled *Interim Supply Appropriation Act 2014-15*.

Hon. Mr. Pasloski: Thank you, Madam Chair. Again, I would just say that with the interim supply bill we are requesting appropriation of the first two months of the next fiscal year. All the amounts are a basically two-twelfths essentially of the total year's budget to ensure that there is continued money for operations and maintenance for programs and services and capital for the projects to continue on, while full debate on the entire budget mains will occur during this two-month period. It is from April 1, 2014 through to March 31 — or May 31, 2014. Thank you.

Ms. Moorcroft: Thank you Madam Chair, the one question that I raised in second reading debate was to request if the Finance minister could provide some details about the transfer of funds to organizations such as non-governmental organizations. An example would be Yukon College. At one time on April 1, they would be provided with the full year's funding and then they will be able to gather interest on that.

I believe that later changed so that it was a quarterly payment. I am looking for an explanation from the Finance minister about which organizations get simply the two month's expenditures or which organizations may get a quarterly payment or a full-year payment?

Hon. Mr. Pasloski: The answer is that it is inconsistent across the board. It depends on the agreement that is made with each of those organizations. If it was, for example, an agreement that they were paid on an annual basis, then that amount would be included in the interim supply bill. If it was required for the first quarter, then the same would be the case. Essentially, for wages, it is two-twelfths because we are talking about two of twelve months of the budget.

There is the ability to have a requirement to have more than that amount on, for example, some capital projects and then that would be an enhanced amount within the interim supply bill. I would rest assured that if there was an issue for any organization, it would be something that would be dealt with properly by the department that would be affected.

Chair: Is there any member that would like to get in on general debate?

We are going to proceed with clause-by-clause.

On Clause 1

Clause 1 agreed to

On Clause 2

Clause 2 agreed to

On Schedule A

Schedule A agreed to

On Schedule B

Schedule B agreed to

On Title

Title agreed to

Hon. Mr. Pasloski: I move that Bill No. 13, entitled *Interim Supply Appropriation Act, 2014-15*, be reported without amendment.

Chair: It has been moved by Mr. Pasloski that Bill No. 13, entitled *Interim Supply Appropriation Act, 2014-15*, be reported without amendment.

Motion agreed to

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

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

Motion agreed to

Speaker resumes the Chair

Speaker: Order please.

May the House have the report from the Chair of the Committee of the Whole?

Chair's report

Ms. McLeod: Mr. Speaker, Committee of the Whole has considered Bill No. 13, entitled *Interim Supply Appropriation Act, 2014-15*, and directed me to report the bill without amendment.

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

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

Hon. Mr. Cathers: After discussion with House Leaders, 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 4:40 p.m.

The following document was filed March 26, 2014:

33-1-75

Memorandum of understanding on Various economic development projects within the Carcross/Tagish First Nation Traditional Territory between Government of Yukon and Carcross/Tagish First Nation (dated December 16, 2013) (Kent)