



Yukon Legislative Assembly

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HANSARD

Wednesday, December 2, 2015 — 1:00 p.m.

Speaker: The Honourable David Laxton

YUKON LEGISLATIVE ASSEMBLY

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

DEPUTY SPEAKER — Patti McLeod, MLA, Watson Lake

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

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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, December 2, 2015 — 1:00 p.m.**

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

Prayers

DAILY ROUTINE

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

Tributes.

TRIBUTES

In recognition of the Northwestel Festival of Trees

Hon. Mr. Nixon: Thank you, Mr. Speaker. I would like to ask this House today to join me in recognizing the tremendous event that took place in Whitehorse last week, the annual Northwestel Festival of Trees. The foyer of this building sparkled with Christmas lights last week during the event.

The Yukon is incredibly fortunate to be home to one of the best hospital systems with the most skilled and dedicated health care providers in Canada. This is due, in large part, to the spirit of giving in our communities that continues to give generously to the Yukon Hospital Foundation. This spirit lights up our territory every holiday season — the much anticipated kickoff of the seasonal community celebrations.

This year's festival began on November 19 and ran until November 28, offering everyone an opportunity to take part in a number of special fundraising events.

The Business After Hours BAH Humbug Cocktail Party kicked off the festival here at the Yukon government main administration building on November 19, followed by the Skookum Asphalt Santa Breakfast on Saturday morning, then the Seniors Soirée, culminating with the Alkan Air Grand Ball. The public was invited to view all of the festival's trees here at the main administration building and it's nice to see so many of our citizens enjoying the spectacle.

All proceeds help Yukon hospitals purchase advanced medical equipment, which puts the very best tools in the hands of our health care providers, and it ensures the very best care closer to home, often in critical, lifesaving situations.

The Yukon Hospital Foundation's efforts have made a real difference here in the territory. It raised \$2 million toward the purchase of an MRI scanner at the Whitehorse General Hospital. The MRI has had an immediate impact on the lives of Yukoners — providing quick diagnosis of serious conditions, improving access to care in our territory, and reducing stress from having to leave family, friends and work to travel Outside for medical care.

The foundation has also provided funds for equipment such as state-of-the-art monitors and high-tech IV pumps for all three Yukon hospitals. While we do not have totals for all of this year's events at this time, we know that the festival has raised over \$400,000 to date.

At the grand ball on Saturday night, they also managed to raise an additional \$9,000 to purchase an AIRVO machine and a treadmill for therapies, with our last-chance auction. The entire community has been incredibly generous.

The festival is a signature event that would not be possible without the commitment and the support of the title sponsor, Northwestel, and many other local sponsors, tireless volunteers, and the many individuals and businesses who take part and give.

The Yukon Hospital Foundation does a remarkable job organizing this event every year, which brings the community together in support and supporting a worthwhile cause.

Although not able to join us today, I would like to formally welcome Karen Forward to Yukon. Ms. Forward is the new president of the Hospital Foundation. I wish her much success in her new position at the Hospital Foundation.

Also please join me in recognizing the hard work that went into organizing the 2015 Northwestel Festival of Trees and all the Yukoners who so generously donated to the fund supporting quality health care here in our incredible territory.

I would ask all members to join me in welcoming the manager of Partnership and Engagement for the Hospital Foundation, Ms. Harmony Hunter, as well as an employee, Rebecca Fenton. Welcome to the gallery.

Applause

In recognition of International Day for the Abolition of Slavery

Ms. Moorcroft: I rise on behalf of the Yukon NDP Official Opposition and the Third Party to acknowledge today as the International Day for the Abolition of Slavery, which is held to remind people that any form of slavery in modern society is a serious human rights violation.

The International Day for the Abolition of Slavery recalls the adoption of the United Nations Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others, which was made on December 2, 1949. It is not to be confused with another United Nations day, the International Day for the Remembrance of the Slave Trade and its Abolition.

In classrooms, students may review the history of the slave trade and learn about the modern-day slave trade. Legislators take the time to raise awareness of the atrocities of slavery and to urge the public to work together in eradicating any form of slavery in modern society.

The focus of this day is on eradicating contemporary forms of slavery, such as trafficking in persons, sexual exploitation, the worst forms of child labour, forced marriage and the forced recruitment of children for use in armed conflict. These types of slavery are global problems and go against Article 4 of the *Universal Declaration of Human Rights*, which states that: "No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms."

According to the International Labour Organization — ILO — there are currently an estimated 21 million forced labour victims worldwide, creating \$150 billion USD in

illegal profits in the private economy each year. ILO has adopted a new legally binding protocol designed to strengthen global efforts to eliminate forced labour, which is set to enter into force in November 2016.

The United Nations Secretary-General Ban Ki-moon commented on the need to stamp out the root causes of slavery and free all enslaved people in our world. I will address two examples of slavery prevalent today: forced labour, using the example of the Thailand seafood industry; and Canadian examples of the global industry in sex trafficking of women.

Thomson Reuters Foundation reported last month that Nestlé, a transnational food and beverage company, has disclosed that slave labour is used to produce its seafood sourced from Thailand, setting an example for other companies who need to join forces to push the Thai government to clean up its supply chain. A year ago, Nestlé commissioned Verité, a charity fighting labour injustices, to carry out an investigation on forced labour in the seafood industry. Verité welcomed Nestlé's admission and said virtually all companies sourcing seafood in Thailand were exposed to the same risk. Workers are kept in debt bondage and degrading conditions. One Myanmar fisherman said sometimes the net is too heavy and workers get pulled into the water and just disappear.

Steve Trent, executive director of the Environmental Justice Foundation said businesses need to own up to the abuses in their supply chains and then work collectively to eradicate them. He added, "Businesses today have the ability to build the kind of transparency needed to effectively combat these human rights abuses and illegal fishing." To end human slavery in the form of forced labour, consumers and governments must keep up the pressure for corporations to be transparent about how and where their products are sourced.

Human trafficking is a modern-day form of slavery that involves the illegal trade of human beings for the purpose of forced exploitation. The United Nations Office on Drugs and Crime defines human trafficking as any form of recruiting, transferring, harbouring, or receiving a person by means of threat or use of force or other forms of coercion, abduction, fraud or deception. According to a 2013 article, "Sex Trafficking of Women and Girls", the two most common purposes for human trafficking are sexual exploitation and forced labour. Victims of sex trafficking are forced into one or more forms of sexual exploitation. Sex trafficking is an umbrella term that may include: commercial sex work such as prostitution, but also pornography, exotic dancing, stripping, live sex shows, mail-order brides, military prostitution, and what is called "sexual tourism." Although victims of sex trafficking can be of any age and of either sex, the majority are women and adolescent girls. Although many nations have outlawed the trafficking of females, it is still widely prevalent on a global scale. The global sex trade is the fastest growing form of commerce, estimated to be worth \$32 billion annually. Think about that, Mr. Speaker. In 2013, the United Nations Office on Drugs and Crime reported on human

trafficking and migrant smuggling, and estimated the global sex trade industry at \$32 billion.

Diane Redsky was in Whitehorse in 2014 to speak about and conduct cross-Canada research with the Canadian Women's Foundation national taskforce on human trafficking. When the taskforce began, little was known about how human trafficking works, where it exists, and who are the victims. The taskforce held consultations in eight different Canadian cities and met with front-line workers, police, Crown attorneys and sex trafficking survivors.

A 2014 CBC Manitoba news story quoted senior Crown attorney, Jennifer Mann, who said that there is no question that human trafficking is happening, but it's an underreported crime. Mann said that very few cases have come to their attention in prosecutions. Victims of that crime typically don't go to police and report what's happening to them.

Winnipeg Police Service Detective-Sergeant Darryl Ramkissoon said few victims come forward because, "A lot of times the girls don't want to go through the court process and it ends there."

Diane Redsky from the Canadian Women's Foundation said their task force research has found that: "We know that the majority of women and girls that are trafficked in Canada are marginalized, so they come from aboriginal, immigrant and refugee, racialized women, as well as women living in poverty." She went on to say that 50 percent of all trafficked persons in Canada are aboriginal. Redsky believes that the best way to fight sexual and forced-labour exploitation is to simultaneously work together on public education, law enforcement and services for victims.

Last month, Redsky wrote about Manitoba's leadership, as the only province in Canada with a formal strategy to address sexual exploitation, sex trafficking and forced prostitution. Tracia's Trust was named after Winnipeg teen Tracia Owen, who committed suicide after a protracted struggle with drugs and sexual exploitation. Manitoba has invested public funds to support prevention, intervention, enforcement, public education and helping victims rebuild their lives from this extreme form of violence.

I am happy to report that the Yukon Status of Women Council was recently awarded some funds from the Status of Women Canada to look at trafficking of women and girls in Yukon, which is an extremely hidden problem.

Redsky also addressed the all-too-sad and verifiable truth that with the convening of large sporting events comes a related rise in human trafficking and sexual exploitation — a rise that demands the thoughtful cooperation of many and the much-needed raising of public awareness to combat. In November, the Manitoba Sporting Events Safety Working Group launched its Buying Sex is Not a Sport campaign to do just that during the recent Grey Cup game.

Mr. Speaker, as Redsky's work has demonstrated, we must endeavour to end the crime of human trafficking by challenging and stopping the practice of buying vulnerable people for sex.

The United Nations and human rights defenders have identified the root cause of slavery as poverty, lack of housing

and inequality. These are the problems we must resolve to prevent all forms of human slavery in modern society.

While I am on my feet, I would like to ask all members of the House to welcome Charlotte Hrenchuk and Reem Girgrah from the Yukon Status of Women Council to the Assembly today. Thank you for coming.

Applause

Hon. Mr. Cathers: I would like to, on behalf of the government, also rise to acknowledge the work that is being done by many in Canada and across the globe on focusing on ending slavery, which unfortunately continues to this day. As we see through tragedies such as the situation in Syria and Iraq with ISIL — the impacts of that are not only the direct violence, but also people, particularly women and girls, forced into situations where they are exploited.

While there is much work still to do, I would like to acknowledge the work that is being done in Canada and around the globe by non-government organizations, by governments, by police organizations, including the RCMP, focused on the problems, including child pornography in our own jurisdictions, and human trafficking, including trafficking of women and children, in particular, across the globe.

In rising to acknowledge and thank those who are working dedicatedly to this very day in combatting the exploitation of children, including issues such as Canadians and other citizens who travel overseas to engage in so-called sexual tourism, which leads to the exploitation of people overseas, I would like to thank them for that and I would also, with the indulgence of the House, particularly acknowledge and thank a friend of mine, Shuvaloy Majumdar, for his work with non-government organizations focused on eradicating the exploitation of children overseas and human trafficking. I would like to also acknowledge his work in policy, working in Foreign Affairs, and the personal risks that he took while working overseas in democratic development in both Iraq and Afghanistan.

Speaker: Introduction of visitors.

Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. Kent: Thank you very much, Mr. Speaker. I have three documents for tabling. I am tabling the first two as the Minister of Highways and Public Works: the 2014-15 Fleet Vehicle Agency annual report, and the 2014-15 annual report of the Queen's Printer Agency. As Minister of Energy, Mines and Resources, I am tabling the Yukon forestry handbook.

Hon. Mr. Istchenko: Today for tabling I have the *Yukon Government Climate Change Action Plan — December 2015 — Progress Report: Taking Action on Climate Change*.

Speaker: Are there any reports of committees?

Are there any petitions to be presented?

Are there any bills to be introduced?

Are there any notices of motions?

NOTICES OF MOTIONS

Ms. McLeod: Thank you, Mr. Speaker. I rise to give notice of the following motion:

THAT this House urges the Government of Yukon to continue to campaign and educate all Yukoners on sexually transmitted infections and how to prevent their contraction and spread through campaigns such as the No Big Deal campaign, currently being conducted by the Department of Health and Social Services.

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

THAT this House urges the Government of Yukon to take responsibility for the fact Yukon led all of Canada in declining business productivity in 2014, according to Statistics Canada.

Speaker: Is there a statement by a minister?

This then brings us to Question Period.

QUESTION PERIOD

Question re: Economic outlook

Ms. Hanson: Thank you, Mr. Speaker.

Mr. Speaker, as Yukon enters a third consecutive year of economic decline and Yukoners struggle to make ends meet, the Premier has stopped talking about the economy and has tried to switch the channel, yet when this government first took office, the annual surplus was \$71 million. This year's projection is \$4.6 million — the leftovers of mismanaged federal transfer dollars.

When the Premier points to Yukon's apparent wealth, he seems to be hoping that Yukoners will pay no attention to the man behind the curtain. What is even more alarming: according to Standard & Poor's, this government has racked up a tax-supported debt of \$214 million — 2013.

Does the Premier acknowledge the legacy of debt that is being left for Yukoners by his government?

Hon. Mr. Hassard: Thank you, Mr. Speaker. Of course it is no secret that Yukon is experiencing challenging times economically. This is due in particular to a global downturn in the mineral markets. The figures that were released by Statistics Canada noted that Yukon's current challenges are due to substantial decreases in mining exploration and resource extraction as well as construction.

We have always recognized that mining — of course, it is the cornerstone of our economy, and so when mining is down, the Yukon is down. The Yukon government obviously cannot change on its own what is happening in the global economy, but there are things that we can do and we continue to do. We take action in areas where we can make the greatest effect. We are investing in infrastructure, education and training. The minister responsible for Energy, Mines and Resources continues to work on improving our regulatory system.

We do recognize the fact that the economy isn't as good as we would like it to be, and that's why we continue to work hard to improve things that we are in control of so that when

the world economic markets turn around, the Yukon will be in a great place, Mr. Speaker.

Ms. Hanson: I thank the minister opposite for stating the obvious about commodity prices, but you know what? A prudent and responsible government plans for the future. It sets aside a portion of its annual surplus to invest in future projects of strategic value.

This Yukon Party government has demonstrated that it cannot prudently manage public funds. Instead they fritter away Yukoners' savings and then go, cap in hand, to beg banks or the federal government for the finances to build the pet project of the day.

They directed the Yukon Hospital Corporation to take loans to build two new hospitals and, despite paying \$24 million against this debt in the past two years alone, Yukoners still owe about \$46 million on that one.

Why has the Yukon Premier chosen to increase the debt left to Yukoners instead of effectively planning for the future?

Hon. Mr. Pasloski: Thank you, Mr. Speaker. It is obvious that this is NDP math.

As we have stated many times in this House, soon this is going to be the only jurisdiction in the country without any net debt. Alberta was without net debt, but they have already projected that, by 2017, they will have net debt. In fact the new NDP government in Alberta is borrowing money to pay wages today, Mr. Speaker — something that we haven't seen in the territory since the last NDP and Liberal governments of the last century.

Not only have we run modest surpluses, we have money in the bank. When you look at our assets, cash and investments and subtract our liabilities, including our environmental liabilities, we have net financial resources — truly the envy of the entire country.

Ms. Hanson: Yes, it is true that this government is in an enviable position. It may be the only jurisdiction in Canada that can utterly fail to plan for the future and still rely on other Canadians to stay afloat.

The Yukon Development Corporation invests in energy-related activities designed to promote Yukon's economic development. The most recent focus has included next generation hydro. The Yukon Party government has talked about big hydro for years without taking any budgetary action to plan for it.

Unlike other jurisdictions that set aside money, this government has chosen to saddle the YDC with debt to pay for Mayo B. Mr. Speaker, that leaves the stakeholders — you and I; Yukon citizens — carrying the burden of debt. The corporation's long-term debt is currently estimated to be \$158 million. Can the Premier explain why his government has left what should be financed by —

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

Hon. Mr. Pasloski: The question for Yukoners is: Would they trust an NDP government that cannot even understand a financial statement? That is the reality. This territory has no net debt — the envy of the entire country.

We are the party that has looked at the long term. Not only are we building infrastructure for today, we believe that we need to invest and to anticipate growth. That's why we have a vision for new hydro. That is why our long-term commitment and vision is to become a net contributor to this country so we don't have to rely on the work being done in provinces like Alberta, British Columbia and Saskatchewan.

We also have a vision for education to ensure the success of our students, which will guarantee the prosperity of this territory going forward. It is quite clear as we move forward and articulate to Yukoners what our long-term commitment is — our long-term plan for the future — coupled with strong financial management, that this the party that will lead the territory for many years to come.

Question re: Campground development

Ms. White: It's no surprise there is a lot of demand for Yukon's beautiful campsites by Yukoners and visitors alike. According to media reports, demand was so great last summer that there were conflicts over camping spots. Even though reservations are not allowed and sites are supposed to be first-come, first-served, people were still trying various methods to try to save spots.

The addition of 22 sites across three campgrounds near Whitehorse should help ease some of the pressure — unless, of course, some of those sites are unavailable because they are leased for the season to RV users. Is the government considering offering season-long site rentals in existing Yukon campgrounds to RV users?

Hon. Mr. Istchenko: I do thank the member opposite for the question. Campgrounds — through the good management of the Department of Environment, our campgrounds are very, very popular, and this year, we are investing over half a million dollars in campground improvements, including new campsites and facility maintenance. This fall, approximately 22 additional campsites have been developed, the equivalent of a new Yukon campground. We also invested \$700,000 in the new Conrad campground that is opening next spring. It will have 30 vehicle access sites and five walk-in sites.

So combined with this investment of over \$1.2 million, we look forward to the government's mandate of expanding our camping opportunities, whether that be fixing up or docks or boat launches or some of the roads and outhouses, or increasing infill in some of the campgrounds.

Ms. White: I think what the minister has failed to answer is if this government is planning on competing with existing RV campgrounds. There is already high demand for Yukon's campgrounds by tourists and residents. We have obtained government documents that show this government is considering leasing season-long RV sites in Yukon campgrounds. This could make sites with high demands simply unavailable. This is no solution to some of the conflicts that were occurring in Yukon parks last summer. It will actually make matters worse.

Mr. Speaker, why does the government think that offering season-long sites to a lucky few is a good idea when site

availability for Yukoners and tourists alike is already a problem?

Hon. Mr. Kent: Thank you very much, Mr. Speaker. What this government has done in the past number of years is provide a number of different opportunities for Yukoners when it comes to recreational land opportunities. Of course the Minister of Environment spoke about the new campground at Conrad and enhanced camping opportunities throughout different campgrounds in the territory. Something else that we're very proud of is the successful lottery that released 19 recreational lots at Little Teslin Lake in 2009, the release of 19 recreational lots at Bennett Lake and Tagish Lake in September of 2014. Again, we're in discussions right now with the Kluane First Nation to provide additional weekend recreational lots for individuals on Kluane Lake, something we're very excited about and Yukoners will be very excited about as well.

We're also looking at other opportunities, Mr. Speaker — obviously just in the exploratory phase, but it's important to address different opportunities for Yukoners throughout the territory when it comes to recreational lot development. Again, we're very proud of what we've been able to achieve so far and we'll continue to look for other opportunities for Yukoners to take advantage of — or to make land available for them, no matter if it's recreational, residential or other.

Ms. White: Thank you, Mr. Speaker. What this minister has failed to answer is if this government is considering getting into the business of running RV sites against private businesses. There were conflicts at Yukon parks last summer due to high demand but there was also, in theory, a level playing field. Campgrounds bring people from all walks of life together. One reason camping in Yukon parks is so popular is that it is an affordable way for many people to access Yukon's wilderness. Yukon parks are a public asset, but this government is working on a plan to give preferential treatment in Yukon parks to a lucky few.

Mr. Speaker, how many sites will be designated for full-season use by RV owners, where are the sites and what are the terms and conditions?

Hon. Mr. Kent: Thank you very much, Mr. Speaker. The questions from the member opposite remind me of the Chicken Little story where the sky is falling and certainly they're always jumping three, four, five months ahead. We're planning for the future, Mr. Speaker. We made a platform commitment to provide land to Yukoners. We made a platform commitment to provide recreational land opportunities to Yukoners. It's a promise that we made and a promise that we kept — a number of promises made and a number of promises kept by this government.

As I mentioned, there are expansions to existing campgrounds and there's a new campground that's set to open. We have a number of cottage lots and recreational lots that are available to Yukoners already and we're looking forward to further developments at Kluane Lake. We are looking at other opportunities; nothing has been set yet but again, the NDP has shown a propensity to jump to conclusions.

As I mentioned, there are options that I've instructed the department to bring forward, but what has been accomplished are our lots on Little Teslin Lake, lots on Bennett Lake and Tagish Lake and campground improvements and the potential for additional lots on Kluane Lake.

Question re: Mental health services

Mr. Silver: Thank you, Mr. Speaker. When we met in the spring, the first question that I raised was about the Yukon's lack of a mental health strategy. Near the end of the Sitting, a motion I introduced received unanimous support for the creation of just such a plan. Unfortunately for those suffering from mental health issues, we remain one of only two jurisdictions in Canada without such a strategy.

I was optimistic, after largely being ignored from this government for over a decade, that mental health had finally made it on to a priority list for this government. Unfortunately, Mr. Speaker, another six months have passed with nothing in place.

Why has the government not acted on the unanimous motion passed in this House to create a Yukon mental health strategy?

Hon. Mr. Nixon: I'm a little disappointed in the question from the member opposite for the mere fact that, when we just debated the budget of the Department of Health and Social Services, we talked about mental health. I indicated at that time that we were engaged in meaningful discussions and work on a mental wellness or a mental health strategy.

I find it a bit perplexing that the member opposite wasn't paying attention during budget debate. Perhaps he can clarify that in his next response.

Mr. Silver: The clarification is we still do not have a mental health strategy in the Yukon and we are only one of two jurisdictions in Canada. The minister saying "We're working on it" is just not enough for Yukoners.

Before we began this Sitting, Mr. Speaker, the Premier told Yukoners that his government had virtually completed all of its platform commitments from the last election. He also referenced new letters of instructions that he sent to the ministers for the next election. The letter to the Health minister made no mention of the creation of a mental health strategy to serve all Yukoners.

Why was a mental health strategy for all Yukoners not even included in the new marching orders for the Minister of Health and Social Services?

Hon. Mr. Nixon: What the member opposite fails to reflect on is the fact that I've mentioned time and time again in this House that mental health is a key priority for this government. We continue to work with provincial and territorial governments and with the federal government. We continue to work with local stakeholders here in the territory, including the Mental Health Association.

The Department of Health and Social Services has the Mental Health Services division and they do excellent work at reaching out to Yukoners and working with non-profit organizations at providing counselling opportunities for those Yukoners who want and need it.

I will also add that this Yukon Party government has also invested more in mental health than any other government, including the NDP and Liberals when they were in government, so we will continue down this path. I'm proud of the work that is being done in the territory, both by the department and our stakeholders.

Mr. Silver: All we're hearing is: "We're working on it". I'll help the minister to answer the question to him. In the minister's new mandate letter, there was a reference to a 2014 document covering some mental health issues for youth; however it's hardly a whole suite of solutions because this was only dedicated to people 18 to 25.

At the end of the spring session, the minister hinted the strategy would be ready before the next election, but he is in no hurry to get it done. Unfortunately the government seems to be treating this as a box to be ticked off for the next election as opposed to something that actually affects people on a daily basis.

What was promised was an overall strategy — a plan to ensure programs and initiatives are actually working to provide Yukoners with what they need. The government seems to think that this was a good idea as well. Every year since the last election the government promises a mental health strategy and every year it fails to deliver.

Mr. Speaker, why is a mental health strategy not a priority for this government?

Hon. Mr. Nixon: To correct the member opposite, as I have indicated before in this House, a mental health or mental wellness strategy is a priority of this government.

As I indicated in my two previous responses, we continue to work with our provincial and territorial counterparts. We continue to work with stakeholders. We have reached out to McMaster University in Ontario to ensure that we are moving forward in a responsible and practical way, based on good decision-making and best practices. We continue to invest heavily in mental health in the territory. We continue to work with stakeholders, such as Northwestel during their mental health campaigns. Certainly we understand that this is very important to Yukoners.

We also want to ensure that we are evidence-based in decision-making and in assessing how system and delivery changes through implementation are impacting Yukoners. That is something that is important — more important than, as the member opposite talked about, checking off boxes. We can understand that is what is important to the Liberal government — or the Liberals, pardon me — but what is important to us is those services for Yukoners.

Question re: Erik Nielsen Whitehorse International Airport maintenance

Ms. Moorcroft: When it comes to the deficiencies in the airport runway apron panels, the minister has been quick to assign blame for the problems. On Monday, he blamed the contractor for the deficiencies. Yesterday, he put the focus on Yukon public servants. It wouldn't be surprising to hear today that he thinks the deficiencies are the fault of the NDP.

We know the contractor who was building the runway apron panels identified ground and sub-base problems that could result in deficiencies, but the government told him to go ahead and do the work anyway. Yesterday, the minister stated — quote: "... it is common practice for the Yukon government to work with contractors to remedy those deficiencies at the end of the project."

My question for the minister is: Why isn't it common practice for the Yukon government to work with contractors to remedy those deficiencies during the project?

Hon. Mr. Kent: Just to correct the member opposite, when I spoke yesterday about those in the Transportation Engineering branch, I said that we rely on the professional public service to provide advice and to look after contracts. That is certainly something that, as ministers, we don't do. I wasn't up at the airport — the previous minister wasn't up at the airport — looking at the ground conditions during the contract. If that is something that the NDP thinks is commonplace with ministers, they are very sadly mistaken. The member opposite should know full well — as she did spend time as a Cabinet minister — what we rely on the professional public service to do.

Again, with respect to this project, we are in negotiations with the bonding company right now to determine how best to address the deficiencies, and once those deficiencies are concluded, we will determine how best to fix them. So again, work continues on a contractual basis with the bonding company representing this contractor, and we will continue to follow that work until its conclusion, at which time we will be in a better position to talk about the best way to remedy those deficiencies.

Ms. Moorcroft: The minister has a lot to answer for when it comes to his government's mishandling of this project. The minister has said that he will work to correct the deficiencies at no cost to the taxpayers, but it seems the government's mismanagement has already cost Yukoners.

In Committee of the Whole debate on the Department of Highways and Public Works, the minister said that the government had allocated \$180,000 to address the apron panel deficiencies. He said — and I quote: "The \$180,000 for the runway apron panels is for additional consultation to address some of the deficiencies with that project." To be clear, the money is not to prepare the apron panels, but for consultation.

Why is \$180,000 needed for consultants? What type of professional services will be retained with that money and what is the ultimate goal from these consultations?

Hon. Mr. Kent: As I mentioned yesterday, the Yukon government strives to ensure that rules, practices and procedures are applied fairly and consistently in order to generate competition and obtain best value for money. When it comes to addressing these deficiencies, we're looking out for the best interests of taxpayers. As I've mentioned, we're in negotiations with the bonding company and once those discussions are concluded, we'll be able to better determine how best to fix the deficiencies that exist with the apron panels at Whitehorse Airport.

Ms. Moorcroft: The fact of the matter is that this government has mismanaged another capital project and it will cost the Yukon public. They told the contractor to go ahead with the project against recommendations, even when they knew the project could be deficient. This is not just a minor capital project. It is a major capital project that is held to high safety standards. It will need to be addressed and the government has yet to tell Yukoners what that will entail.

Mr. Speaker, what is the plan to repair the deficiencies to the Whitehorse Airport runway apron panels?

Hon. Mr. Kent: Thank you very much, Mr. Speaker. Certainly I am not going to blame the NDP for these deficiencies, as the member opposite suggested in her opening question, but the members of the New Democratic Party seem to be blaming the professional public service and Transportation Engineering for this. Again — we've seen this time and time again — the Leader of the Official Opposition calling out public servants in the Oil and Gas Resources branch of Energy, Mines and Resources. On a day-to-day basis, we hear the same old song and dance from the New Democrats.

As I've mentioned, we're in negotiations with the bonding company right now to determine how best to address those deficiencies. Once those discussions are concluded, we'll determine what the proper course of action is to fix the deficiencies.

Question re: Tree removal and brush clearing in Tagish

Mr. Barr: Yesterday, the Minister of Highways and Public Works refused to put a stop-work order on a controversial tree-clearing job in Tagish. Instead he said he is — and I quote: "... constantly looking for ways to address and improve our communications". The affected residents say that the time is now for communication, but instead of agreeing to meet with the Tagish residents over the culs-de-sac tree removals, highway workers were sent to the subdivision, where they were met by community opposition.

In this day and age, why is the government making Yukoners feel that they need to set up a blockade to send a message to their own government? Why isn't the Minister of Highways and Public Works making the time to meet with Tagish residents, who don't want to see the trees around their properties cut down?

Hon. Mr. Kent: Thank you very much, Mr. Speaker. As I mentioned yesterday, this is very much an operational issue. It's part of our ongoing road maintenance. We do annual brush clearing and tree removal. The department engages in this activity, typically taking place in the fall across the territory, to prepare for winter snowfall. The cutting and clearing is necessary to help prepare for winter, freeing up areas for snow storage and providing safe turnarounds for our snow-clearing equipment, but more importantly, it enhances the ability for emergency vehicles to have clear access to these properties throughout the year.

The Yukon government has taken a number of initiatives in rural Yukon to improve access for emergency vehicles to

properties, including numbering of properties and naming of streets. Those are some of the activities that we undertake. This is another activity.

Mr. Speaker, I would expect to have to answer to not only the opposition, but each and every one of the government caucus members as well, if there was a situation where an emergency vehicle was unable to get to a residence because of a lack of ability to clear snow.

Again, Mr. Speaker, this is a safety issue and it's an operational issue but, as I mentioned yesterday, we are always looking to improve communications with area residents on our maintenance activities. Such was the case with the *George Black* ferry in Dawson City, as well as BST work. I have instructed department officials to come forward with a plan to improve those communications on an annual basis.

Mr. Barr: Mr. Speaker, this is not a situation of emergency vehicles, although there are those situations in Tagish that this government has not addressed — Pennycook Road, for example. Mr. Speaker, the minister needs to give us some firm commitments, not empty words about operational issues. This issue could be dealt with amicably without the community resorting to the physical blockading of their subdivision road, but this government is unwilling to talk to the people of Tagish.

Mr. Speaker, Tagish residents don't want to see the trees cleared from the culs-de-sac of their country residential lots. Owls regularly perch in the area, and it's also a popular berry patch for long-time Yukoners living there. These spaces are cherished by their owners.

Can the minister at least take the time to meet with these people in order to find a solution that works? Mr. Speaker —

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

Hon. Mr. Kent: Thank you very much, Mr. Speaker. Clearly this is a very emotional issue for the Member for Mount Lorne-Southern Lakes. He's getting quite animated in his asking of questions.

Again, as I mentioned, this is very much an operational activity that takes place on an annual basis. I would note that I believe the member opposite was informed of similar activities that took place in his riding last year. Again, the cutting and clearing is necessary to help prepare for winter by freeing up areas for snow storage and providing safe turnarounds for our snow-clearing equipment but, even more importantly, Mr. Speaker, access for emergency vehicles to these lots.

As I mentioned in my previous answer, I know that all members of this House would have questions for me if an emergency vehicle was unable to access one of these lots in a high-snowfall year. It's very difficult to predict, obviously, when those snowfall years are but, again, this is an operational issue. The annual brush clearing and tree removal from our rural residential areas is something that's important. Again, it's addressing a safety issue for Yukoners who have chosen to live in these areas.

Question re: Greenhouse gas emissions

Mr. Tredger: According to the Conference Board of Canada, Canada is one of the world's largest per capita greenhouse gas emitters. Compared to OECD countries, Canada's 2010 per capita emissions were 20 tonnes per person, much higher than the average of 12 tonnes per person. We have to use figures from the Conference Board of Canada because the Yukon Party government hasn't provided a scientifically based reliable and consistent way to calculate the territory's emissions.

Mr. Speaker, will the Yukon's delegation to COP21 have a clear and detailed picture of the sources of all the territory's greenhouse gas emissions, and will the Yukon Party government commit to a verifiable, science-based method to track our emissions from this point forward?

Hon. Mr. Istchenko: Thank you, Mr. Speaker. I do thank the member for the question. It's a great time to ask the question, because the progress report has been released today to provide our delegation to Paris with the most up-to-date and best information that we have available. This will allow us to participate more effectively in COP21 events.

We're offering the opposition and Council of Yukon First Nations delegates to COP21 a technical briefing tomorrow — a lot of this stuff is very technical — so that they can get further clarification on the reports from the officials and ask questions.

We're also offering a local media and technical briefing tomorrow in order to ensure that they are as well-informed as possible, which will also help them inform Yukoners through the media. This is part of our open, transparent and non-partisan approach to this important event in Paris.

I do thank the member opposite for the question.

Mr. Tredger: Thank you, Mr. Speaker. Yukoners want to do, and are ready to do, our part for future generations. Given Yukon's per capita emissions it is a great disservice when a Yukon Party minister is dismissive — and I quote: "We are not a large contributor to climate change."

It's also disingenuous for the Yukon Party to refer to the territory getting 95 percent of its electricity from renewables when over 75 percent of Yukon's total energy usage is non-renewable fossil fuels.

Recently the Yukon Party directed that the independent power producer policy include liquefied natural gas. This is a step backwards that will only increase our dependence on fossil fuels.

How does this government justify its decision to include liquefied natural gas, a fossil fuel, in the independent power producer policy?

Hon. Mr. Kent: I thank the member opposite for the question. This gives me another opportunity to speak about some of the exciting news when it comes to energy production here in the territory.

Part of that, of course, was the recent release of the IPP policy. That, paired with our microgeneration policy, is part of our larger efforts to support strategic investments to supply electricity. We're targeting 10 percent with the IPP.

The standing offer program that is part of that is focused on all renewables. The larger program where we would have unsolicited projects or a call for power could include liquefied natural gas. We certainly think that, of the thermal options, LNG is the best one — far better than diesel and far better than the coal that Albertans have to burn to generate their electricity.

The use of liquefied natural gas was contemplated in the 2009 energy strategy, and we've included that in our IPP for larger projects.

Another exciting aspect of the IPP that I would like to mention is that we're targeting 50-percent ownership by First Nations as well, so this is something that we feel will benefit Yukoners and benefit Yukon businesses and benefit Yukon First Nations going forward.

Mr. Tredger: It is public knowledge that including fossil fuels — LNG — in the independent power producer policy was a Cabinet decision.

Liquefied natural gas is a fossil fuel and has 10 to 20 times the carbon footprint of renewable energy. All Yukoners are proud of Yukon's Research Centre and the great work being done by our Climate Change Secretariat but there is no way around the fact that climate change is demanding a total reduction in greenhouse gas emissions. Yukon's starting point is that over 75 percent of Yukon's total energy usage is non-renewable fossil fuels.

Will the Premier commit to establishing measurable, verifiable targets that will be annually reported to reduce Yukon's dependence on fossil fuels?

Hon. Mr. Istchenko: Thank you, Mr. Speaker. In 2009, the Yukon government released its climate change action plan, which included priority actions to help us better understand the challenges and to adapt to climate change.

Our four main goals are: enhancing knowledge and understanding of climate change; adapting to climate change; reducing our greenhouse gas emissions; and leading the Yukon action in response to climate change. Mr. Speaker, the progress report includes updates on existing commitments. It provides information on actions taken beyond our original commitments. It details new actions and initiatives to help achieve the government's existing goals in moving toward achieving its greenhouse gas reduction targets — and the government has, Mr. Speaker. We've reduced approximately 538 tonnes of greenhouse gas emissions resulting from energy audits and retrofits to our existing Yukon government buildings. We use an estimated 10 terajoules of renewable energy each year through their biomass heating system at the Whitehorse correctional facility.

We used approximately 28-percent less energy than a comparable standard build at the new F.H. Collins Secondary School building. Mr. Speaker, I'm really looking forward to the great robust delegation heading over to COP21 to tell Yukon's story.

Speaker: The time for Question Period has now elapsed.

We will now proceed to Orders of the Day.

ORDERS OF THE DAY

GOVERNMENT PRIVATE MEMBERS' BUSINESS

MOTIONS OTHER THAN GOVERNMENT MOTIONS

Motion No. 1054, amendment to — *adjourned debate*

Clerk: Motion No. 1054, standing in the name of Ms. McLeod; debate adjourned on the amendment.

Hon. Mr. Cathers: Thank you, Mr. Speaker. It's a pleasure to rise here this afternoon to speak on the amendment brought forward by the Leader of the NDP.

The concept that the member is floating through her amendment is worth talking about and would itself, if brought forward through a separate motion or through a factually correct amendment to the existing motion, be worth considering. If the member's amendment passed, it would read as follows:

"THAT this House urges the Government of Canada to continue the mineral exploration and the Canadian Renewable and Conservation Expense tax credit, also known as the super flow-through program, and enhance the credit for northern and remote areas from 15 percent to 25 percent in order to promote the exploration of Canada's mineral resources and increase investments in the clean energy sector, creating jobs and economic development throughout Canada".

If that amendment were to pass, the motion itself would be factually incorrect because the Canadian renewable and conservation expense tax credit is an entirely different program and it's a different structure from the mineral exploration tax credit. It's the mineral exploration tax credit that is typically referred to as super flow-through shares, not the Canadian renewable and conservation expense tax credit.

I would like to also briefly provide some information for members from Natural Resources Canada's site that explains what the Canadian renewable and conservation expense tax credit is. Again, I would like to note that the concept of urging the Government of Canada to perhaps increase incentives for investments in renewable energy or increase the deductions that are the rate of depreciation for investments in those assets are all worth considering, but they simply do not make sense in the way that the member has proposed them because the motion would become factually incorrect.

Mr. Speaker, the section again — quoting from Natural Resources Canada's website explaining tax savings for industry — I'll quote from a section that explains Class 43.1, Class 43.2 and Canadian renewable and conservation expenses. As explained under this, the Canadian renewable and conservation expenses — is primarily a program that allows for accelerated depreciation, rather than the same type of flow-through share program for investment in exploration that is the mineral exploration tax credit. Again, they are two very different programs by the federal government and different structures that are not adequately reflected by the member's proposed amendment.

"The Government of Canada makes clean energy projects, such as solar energy, wind energy and energy from

waste, more fiscally attractive for industry by providing business income tax incentives" — under Class 43.1, Class 43.2 and the Canadian renewable and conservation expenses.

"Under Classes 43.1 and 43.2 in Schedule II of the *Income Tax Regulations*, certain capital costs of systems that produce energy by using renewable energy sources or fuels from waste, or conserve energy by using fuel more efficiently are eligible for accelerated capital cost allowance. Under Class 43.1, eligible equipment may be written-off at 30 percent per year on a declining balance basis. In general, equipment that is eligible for Class 43.1 but is acquired after February 22, 2005 and before year 2020 may be written-off at 50 percent per year on a declining balance basis under Class 43.2."

Mr. Speaker, it's important to note, as it does on the Natural Resources Canada's website: "Without these accelerated write-offs, many of these assets would be depreciated for income tax purposes at annual rates between 4 and 30 percent.

"In addition to Class 43.1 or 43.2 capital cost allowance, the *Income Tax Regulations* allow certain expenses incurred during the development and start-up of renewable energy and energy conservation projects..." — and that being the Canadian renewable and conservation expenses — "... to be fully deducted in the year they are incurred, carried forward indefinitely and deducted in future years, or transferred to investors through a flow-through share agreement."

So while it does provide for the ability to transfer that benefit to investors through a flow-through share agreement, the structure of that flow-through share agreement is entirely different from the mineral exploration tax credit and the incentive rate that is currently in place of 15 percent, which the member is referring to inaccurately in the motion, because she's mixing two very different tax credits through her amendment.

"To qualify as CRCE..." — again, that's Canadian renewable and conservation expenses — "... expenses must be incurred for a project for which it is reasonable to expect at least 50 percent of the capital costs incurred for the project would be the capital costs of equipment described in Class 43.1 or 43.2."

I recognize that this is technical in nature, but I do want to provide an explanation of why the government does not have any problem with the concept of proposing to the federal government that perhaps they should increase the incentives for investing in green energy projects. The amendment brought forward by the Leader of the NDP is simply not the way to do it, because it would render the motion, if it were passed, factually incorrect and would undoubtedly be viewed by anyone looking at it as an indication that the Legislative Assembly didn't understand what it was voting for.

For that reason, we will not be supporting the amendment, but I would suggest that the member might wish to consider bringing forward a motion or a proposal that would refer to the federal government allowances for investment in green energy programs. She might wish to consider doing that separately on their motion day, but I

would encourage her to use the wording very carefully and ensure that it is not factually incorrect, as the amendment she brought forward unfortunately was. If a reasonable proposal was brought forward, certainly we would be receptive to considering supporting that because we do very much support investment in green energy.

I find it quite interesting and unfortunate that the NDP likes to stand in opposition to all types of energy projects. The Leader of the NDP and her caucus have expressed their opposition to the use of liquefied natural gas. She stood today and criticized the investments in renewable energy projects. When the member was referring to the amount that is owed — the debt that is held for projects, including Mayo B — what the member was not reflecting — and I suspect may not be aware of — is that, in fact, utilities have a regulated debt-equity ratio that they are required to maintain.

Some Hon. Member: (Inaudible)

Point of order

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

Ms. White: Mr. Speaker, the minister is referring to Question Period today. He is speaking to matters other than the question under discussion, so 19(b).

Speaker: Interesting. The Minister of Justice, on the point of order.

Hon. Mr. Cathers: On the point of order, Mr. Speaker, I believe that I was simply referring to past debate in this Assembly, which is relevant to the motion being talked about.

Speaker's ruling

Speaker: I'm inclined to agree on the point of order. I'll ask the minister to keep the discussion on the amendment and not necessarily on other discussions.

Hon. Mr. Cathers: Thank you, Mr. Speaker. I will, of course, respect your ruling. I'm just trying to figure out how to make the point, which does need to be made. The Yukon Energy Corporation does have a regulated debt-equity ratio that is set by the Yukon Utilities Board and that is something that has been in place and has remained unchanged since in fact the NDP were in office. That —

Some Hon. Member: (Inaudible)

Speaker's statement

Speaker: I remind the minister that I said you are to speak to the amendment. You're not speaking to the main motion or the motion as amended. You are speaking just to the amendment.

Hon. Mr. Cathers: Thank you, Mr. Speaker. On the amendment, I will again note the fact that the amendment proposed is simply not factually correct. It would change the structure of this in a way that would not be factual, if the government were to support its passage. The Legislative Assembly, should we pass this on to the federal government in the way it would be worded with the Leader of the NDP's

amendment passed — the motion would simply be dismissed by anyone who understands the facts.

Mr. Tredger: I would like to speak to this amendment, and I would like to thank the Member for Whitehorse Centre for bringing it forward.

Unfortunately, the member opposite is confused when he reads the regulations around that. The Department of Finance establishes the rules around taxation in Canada — they are the ones we refer to. If I can read from a tax expenditures and evaluations report from 2013 — it is about "Flow-Through Shares: A Statistical Perspective": "Flow-through shares are a financing mechanism that helps mining... and clean energy generation corporations raise capital for the exploration and development of natural resources in Canada, and also supports the deployment of clean energy technology."

"Flow-through shares occupy an important place in equity financing in Canada: from 2007 to 2012, approximately \$1.4 billion per year in public equity for the oil and gas, mining and clean energy sectors was raised via flow-through shares. While they are available to all corporations incurring eligible expenses, flow-through shares assist primarily junior exploration companies whose access to other sources of financing may be limited... during the 2007 to 2012 period, federal tax expenditures associated with public and private issuances of flow-through shares, in addition to the Mineral Exploration Tax Credit... averaged \$440 million per year.

"The first three parts provide background information, descriptions of trends in exploration and development spending, as well as descriptive statistics on the characteristics of flow-through share issuers and investors."

"Resource companies issue flow-through shares to transfer tax deductions to investors in exchange for a premium over the market price of the corporation's common shares. This paper analyzes the average flow-through share premium received by corporations.

"Investors in flow-through shares receive a common share of the issuing corporation, in addition to certain tax benefits. This paper discusses the investment performance of flow-through shares.

"The federal government forgoes tax revenues in the form of tax benefits to investors."

"The current flow-through share regime was introduced in 1986..."

I will read further where it affects renewable energies and clean energy.

"There is no tax benefit that directly accrues to the corporation as a result of issuing flow-through shares. In fact, to the extent that a corporation eventually becomes profitable, the inability to use the expenses transferred via flow-through shares to reduce taxable income implies that the tax burden would be higher once the corporation becomes profitable than it otherwise would have been."

The following expenses may be renounced to investors via flow-through shares: Canadian exploration expenses, deductible at 100 percent; Canadian renewable and conservation expenses, deductible at 100 percent; and

Canadian development expenses, deductible at a 30-percent rate on a declining-balance basis.

It's fairly obvious, Mr. Speaker, that the Canada Revenue Agency and the Department of Finance in Canada accept flow-through shares as they relate to clean energy projects.

I feel it's very important that this be included. Mining executives and lawyers, bankers and accountants believe that this unique Canadian tax innovation has generated billions from mining exploration and has in the Yukon contributed to the development of some of the territory's mines such as Kaminak, Victoria Gold and ATAC, which have all benefited, and we in the Yukon in turn have benefited from exploration dollars spent.

Mr. Speaker, our taxation system can be used to shape investment and policy. This has been an effective way to encourage investment in Yukon's junior mining sector and, in particular, the exploration phase of our mining industry. Most, if not all, of our Yukon companies have used flow-through shares to raise capital.

I thank the Member for Whitehorse Centre for bringing forth her amendment. As she has stated, "I don't think this is in any way contrary at all to what the member opposite had put forward but it certainly does expand the opportunities of a small jurisdiction, such as Yukon, where we're looking for ways to assist the clean energy sector."

The focus of flow-through shares is to encourage investment industry to explore, to innovate and to build a viable, desirable industry in the Yukon.

"As I understand it, section 1219 of the income tax regulations defines Canadian renewable and conservation expenses — CRCE — for the purposes of the *Income Tax Act* to include certain intangible costs, such as feasibility studies and pre-construction development expenses associated with renewable energy and energy efficiency projects, for which at least 50 percent of the cost of depreciable assets relates to the equipment eligible for class 43.1 or class 43.2 capital cost allowance."

Speaker's statement

Speaker: Order, please. Are you going to quote the Leader of the Official Opposition's entire speech from Hansard?

Mr. Tredger: No. I will just quote relevant parts.

Speaker: It's getting rather lengthy. We've already heard it once. I'm expecting short pieces of it that are relevant. Please carry on, sir.

Mr. Tredger: That is my intention, although much of what the Leader of the Official Opposition says is very relevant.

Speaker: You don't necessarily have to read it again from Hansard. Thank you. Carry on.

Mr. Tredger: As we are hearing from Paris, investment in renewable energies is one the fastest, if not the fastest, growing segment of international markets.

Investment in solar, wind, geothermal and storage are gathering momentum and are now in excess of trillions of

dollars per year. Yukon and Canada can and should be a part of that.

This is an opportunity for our businesses, for Yukon development corporations and an opportunity for Yukon investors. There's growing pressure on governments to take real action with respect to support for clean and renewable energy. This is one way the government can signal its support for green, renewable energy. The successful development and commercialization of clean solutions to the world's energy and environmental issues is one of the greatest challenges and opportunities facing our nations. If we want to contribute and use Yukon ingenuity, business and knowledge and creativity, this is a way to do it.

Canada and the Yukon are fortunate to possess world-class scientific and technological capabilities. The work being done at Yukon College, the Yukon Research Centre, the Cold Climate Innovation, the —

Some Hon. Member: (Inaudible)

Point of order

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

Mr. Elias: It's fairly obvious to me that the member is persisting in needless repetition. I believe we have heard this already before in the debate. If he has a document that all members do not have —

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

Ms. Stick: The member is reading from his own words and is not, at this time, quoting from Hansard at all.

Speaker's ruling

Speaker: There is no point of order. Member for Mayo-Tatchun, please continue.

Mr. Tredger: Thank you, Mr. Speaker. For the record, I have not referred to the Leader of the Official Opposition's wise words since you indicated it.

Canada is fortunate to possess — and Yukon is fortunate to possess — world-class scientific and technological capabilities. The work being done at Yukon College, the Yukon Research Centre, Cold Climate Innovation and the Northern Climate ExChange and the Arctic Institute — the work being done by our engineers and our scientists — is world-class.

We struggle to extend their discoveries into innovation and projects. Success in innovation is central to future economic success. One of the key elements in creating a climate of innovation is to put in place mechanisms that enable and promote investment in research and development.

Private sector risk capital is critical to successful innovation and commercialization of discoveries, allowing Canadian and Yukon companies to compete globally. It is risk capital — specifically the lack of that risk capital — that continually proves to be one of the biggest obstacles to renewable and clean energy entrepreneurs. The flow-through shares program, in place for almost 30 years in the mining

sectors, has been a principal factor in Canada becoming the global leader in resource financing.

Mr. Speaker, we know there is a worldwide demand for new, clean solutions to a wide range of energy, environmental, social and health issues. Canada and Yukon have a strong scientific and technological research and development base and a strong entrepreneurial culture.

While the private sector can and will deliver solutions to these issues, the complexities and costs of scientific and technological discovery and commercialization require a convergence of the resources of government, academia, hospitals, risk financiers and entrepreneurs. We need such a program to support the discovery and commercialization of these solutions. The risk capital is in short supply — competition in global, in anticipation of the significant economic benefits that will accrue to countries that bring solutions to market.

The search for scientific and technological solutions is paired with the search for resources and energy. It is an enterprise of discovery with significant demands for capital that are risky and often many years earlier than results and revenue — much like the mining industry. Flow-through shares for Canadian resource exploration and development were introduced into the *Income Tax Act* almost 30 years ago. This program has benefitted Canada in many ways. Canadian capital markets became the global leader in resource finance. Leadership in accessing capital led to industry leadership. Canada became home to more resource companies than any other country in the world. Canadian companies are engaged in more global exploration and development than companies from any other country.

Mr. Speaker, innovation in clean technology is about discovery and commercialization and is reliant on amounts of high-risk venture capital where revenues are uncertain and remote. Venture capital financing is contracting. The ability to issue flow-through shares, thereby granting an incentive to investors to make investments that would otherwise be too risky, will encourage the development of a robust public marketplace and venture financing, which will in turn attract hard equity from Canada and elsewhere and stimulate earlier stage venture and angel financing, because the potential exists in the Yukon and this is a chance to develop a market in Yukon and to become a world leader — much like Canada and Yukon have done with the resource industries.

The world is about to embark on a new journey — a journey that hopefully will combat climate change, a journey that will demand trillions of dollars in investment. It is important to our economy and to our future that Yukon takes part in that, and that is why I thank the Member for Watson Lake for her motion regarding flow-through shares and I thank the Member for Whitehorse Centre for her important amendment. I am in favour of the motion as amended, and I believe flow-through shares are an opportunity for Yukon to take a step forward.

Ms. White: Mr. Speaker, I just thought I would bring a point forward because there is often a difference of opinion in

this House about how something should be interpreted. There is actually a solar company based in Vancouver that relies on flow-through shares to build their larger projects. On their website they say that the Canadian renewable conservation expense category was invoked to place the renewable energy sector on equal footing with the non-renewable resource sector — namely, oil, gas and mining — “... by treating CRCE as a deductible pool of expenses with tax treatment similar to that of Canadian exploration expense (“CEE”) under Section 66 of the *Income Tax Act* (Canada)...”

It’s important to note that the solar start-up cost qualifying under the CRCE — so this company gets people and it does, actually, when they’re talking about the flow-through 101, so really these investments are better for people who are in the higher tax brackets, so we might not be those investors that they’re targeting. But they say: “In the case of Solar Flow-Through’s projects, funds received from the Partnership or loaned by Developers to the Subsidiary Companies will pay the start-up costs associated with the projects. These costs, which will include preliminary engineering work and feasibility studies, are expected to qualify as CRCE. Thus the common shares of the Subsidiary Companies purchased by the Partnership are expected to qualify as Flow-Through Shares. Unlike mining and oil and gas Flow-Through investments no premium is attached to the purchase price of the underlying investment.

“Certain development costs of solar projects qualify as Canadian Renewable Conservation Expenses (CRCE).

“Proposed projects funded through a combination of equity (CRCE expenditures) and debt (non-CRCE expenditures).

“Limited Partners can deduct CRCE expenses allocated to them by the partnership in the calculation of their taxable income in Canada.”

So here is a company that focuses solely on large-scale solar installations and they do it with investments of flow-through shares.

So that is an example of why I think this amendment is important to the motion.

Some Hon. Member: (Inaudible)

Speaker: They can call “question” all they want. I will ask the question.

Does any other member wish to be heard on the amendment?

Are you prepared for the question on the amendment?

Some Hon. Members: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.

Hon. Mr. Pasloski: Disagree.

Mr. Elias: Disagree.

Hon. Ms. Taylor: Disagree.

Hon. Mr. Graham: Disagree.

Hon. Mr. Kent: Disagree.

Hon. Mr. Istchenko: Disagree.

Hon. Mr. Dixon: Disagree.

Hon. Mr. Hassard: Disagree.

Hon. Mr. Cathers: Disagree.

Hon. Mr. Nixon: Disagree.

Ms. McLeod: Disagree.

Ms. Hanson: Agree.

Ms. Stick: Agree.

Ms. Moorcroft: Agree.

Ms. White: Agree.

Mr. Tredger: Agree.

Mr. Silver: Agree.

Clerk: Mr. Speaker, the results are six yea, 11 nay.

Speaker: The nays have it. I declare the amendment defeated.

Amendment to Motion No. 1054 negatived

Speaker: Minister of Energy, Mines and Resources, on the main motion.

Hon. Mr. Kent: Mr. Speaker, it's a pleasure to rise to speak to the motion put forward by the Member for Watson Lake. I wanted to touch on a few things — first of all a brief summary of the flow-through shares, the background of it and a bit of history of it. Then I want to reference a document, entitled *Levelling the Playing Field: Supporting Mineral Exploration and Mining in Remote and Northern Canada*. This was a document that was commissioned by a number of mining industry associations, including the Yukon Chamber of Mines. I wanted to read from that, because one of the policy recommendations directly affects what we're talking about. Then in conclusion, if I still have time, Mr. Speaker, I wanted to talk a little bit about some of the activities the Yukon government is taking with respect to the mining industry and supporting some of the recommendations that we've had from the industry associations — just so our federal partners don't think we're not pulling our own weight, so to speak, as far as incentivizing mineral exploration development on a go-forward basis.

As I mentioned, I'm going to start with a brief summary of the mineral exploration tax credit, or the flow-through shares. To encourage investment in mineral exploration, the Government of Canada allows companies to deduct certain exploration and development expenses — Canadian exploration expenses, or CEE, and Canadian development expenses, or CDE, respectively.

Those development companies can, in turn, issue flow-through shares by renouncing the CEE and CDE, allowing shareholders to deduct 100 percent of the expenses against their own income. It helps companies raise capital for exploration and development for projects in Canada.

Flow-through shares provide investors with 100-percent deductible credit on their federal income tax. The credit applies to all eligible exploration expenses and effectively reduces payable taxes.

In 2014-15, the Government of Canada implemented super flow-through shares. These super flow-through shares allow an additional 15-percent federal tax credit for grassroots exploration. Like regular flow-through, the super flow-through credit is deductible from federal income taxes. Some provinces allow additional tax credits to apply to the provincial portion of income tax.

The Prospectors and Developers Association of Canada — or PDAC — has been a strong advocate of this investment incentive. Based on a federal tax credit rate of 15 percent, the net cost of a \$1,000-investment in flow-through shares in Yukon is \$490. It varies across Canada from \$258 to \$519; the variation is based on different provincial tax credit rates.

An increase from 15 percent to 25 percent of the super flow-through shares would increase the net cost of investments even further, assisting exploration companies to raise the risk capital for exploration. As other members have referenced, there have been a number of Yukon projects that have benefitted from these flow-through shares. There are even active drilling programs today that are relying on flow-through share money to complete the work that they're undertaking.

Mr. Speaker, I'm going to read some excerpts from the *Levelling the Playing Field* report that I talked about. Mainly, I will quote from the executive summary some of the main findings with respect to exploration and production, and then from the policy recommendations that are being made.

Of course, everyone knows that Canada is a nation that relies on resource production. The mineral industry has helped to make it a global resource powerhouse. "The minerals industry contributed over \$71 billion in taxes and royalties to Canadian governments between 2003 and 2012, and creates significant economic opportunities for residents of remote, rural and Aboriginal communities. In addition, the mining industry sources many of its inputs from Canadian suppliers and its outputs are the source of significant value-added increases when used by Canadian manufacturers.

"There are two indicators, however, of challenges to the long-term viability of the industry: reserves for several key base metals have experienced significant declines since the 1980s, and production volumes of key commodities have also been declining. These indicators point to a twofold problem: the need to make more discoveries (to replace the declining reserves) and the need to bring new and existing discoveries into production. The alternative is the slow contraction of the Canadian mining industry over time, and a gradual decline of the social and economic benefits that it generates.

"Remote and northern parts of Canada hold the key to resolving both challenges. Exploring and mining in these areas come, however, with a hefty cost premium." The *Levelling the Playing Field* report "provides much-needed empirical data on this cost premium, and presents an analysis of the primary drivers for it.

For example, the report looks at how exploration costs rise as a function of the distance between the project and transportation infrastructure and compares the return on a typical mining project located in a northern part of Canada

with an otherwise similar project located in the southern part of the country.

“Companies operating in northern Canada face a unique set of challenges that more centrally located industries in Canada do not have to face. These challenges derive from and are inextricably linked to the characteristics that define the geographical regions themselves: remoteness, severe weather, undeveloped infrastructure, and (in many cases) sparse populations or no people for hundreds of kilometres.” Of course, Mr. Speaker, these challenges are all challenges that we have in the Yukon Territory when it comes to developing our natural resources. “These challenges combine to make exploration and mining substantially more expensive than in most of southern Canada, and can make it difficult for northern parts of the country to attract the investment necessary to sustain the economic opportunities generated by the industry.”

There were some main findings in this report — some with respect to exploration and others with respect to production. On the exploration side of things: “Expenditure and cost information was obtained from fourteen different exploration projects owned by three senior companies and five junior companies, to empirically assess how costs varied. It became clear that the primary driver of cost variation was the distance of a project from the transportation infrastructure required to service the needs of the project. In other words, ‘remoteness’ (rather than the degree of latitude) was the primary variable determining the cost faced by exploration companies.

“As a working definition for this study, a ‘remote’ project was defined as one that was more than 50 km away from a transportation route, or supply centre... capable of supporting the needs of the project. Projects were grouped into three categories: non-remote...” — which were 50 kilometres or less with respect to the distance that I outlined — “... remote (from 51 km to 500 km; and very remote” — those that exceeded 500 kilometres away from the supply route.

“Based on these groupings, an analysis of average costs... revealed the following: The average costs of the remote and very remote projects... were 2.27 times more expensive than the average costs of the non-remote projects... The average costs of the very remote projects... were, on average, 2.8 times higher than the non-remote projects. The highest cost project, obtained from a project in the Arctic, was almost six times that of the lowest cost project, which was in an established mining camp.”

Mr. Speaker, on the production side of things: “The mine development cost premium was largely due to the need to invest in infrastructure that would not be required for an otherwise equivalent southern mine.” This infrastructure included a number of things: accommodation facilities, power plants, aircrafts and airstrips, winter and permanent roads and ports. “These costs loom particularly large in the gold and base metal projects but less so for diamond projects...” Our neighbours to the east and some of the northern areas of the provinces have projects related to diamonds. “Costs for northern mine development include: Capital costs, which can

be particularly high compared to an equivalent mine in a centrally located jurisdiction: About double for gold mines; 2.5 times higher for base metal mines; 15%-20% higher for diamond mines. Operating costs are about 30%-60% higher”.

“Assuming an approximate continuation of current mineral prices, the effect of the northern cost premium significantly reduces the internal rate of return on northern gold and base metal projects... relative to their southern equivalents” — and I should note, Mr. Speaker, that this study was commissioned in May, I believe, of this year, so this gives individuals in the House an idea of a time frame they were looking at for the commodity prices. “For diamonds, a northern project remains profitable despite higher costs ... However, the before-tax returns to northern gold and base metal projects, while challenging, suggest that the projects still have social value.

“The higher cost profile of exploration in mining in remote and northern Canada is reducing the competitiveness of those regions as a destination for mineral investment. Without creative action to address these challenges, the industry may not be able to sustain the same level of economic benefits for future generations of Canadians.”

Again, Mr. Speaker, I think we’re fortunate in the Yukon, compared to our other northern neighbours, in the amount of infrastructure that we actually have. I know we’ve talked about it a number of times in this House. The major routes within the territory — those that weren’t built for military purposes — were mostly built for resource access and, of course, the ongoing benefit of that has been for Yukoners to travel them, back and forth between communities, and for our visitors to access them as well for recreational purposes and other opportunities.

As I mentioned, “Iconic Drives” is one of the themes for the Department of Tourism and Culture, and it’s an example of how mining and tourism can benefit from one another with respect to the infrastructure that is in place as a legacy from many of the mining projects that are active or were active here in the territory.

The policy recommendations made by the five associations that partnered in the study — with respect to how federal, provincial and territorial fiscal policy can help level the playing field for companies operating in northern and remote Canada. To support exploration in remote and northern areas, the first — and the policy recommendation that I will cite — is with respect to this motion that we’re debating here, and that’s to create a new and enhanced federal mineral exploration tax credit for projects in remote and northern parts of Canada at the elevated rate of 25 percent instead of 15 percent.

I think that obviously this is something that industry has recognized — and they have brought evidence forward of — with respect to some of the challenges of operating in the north and, as I mentioned and just to repeat, we’re fortunate for a northern jurisdiction to have the infrastructure and the access to all-weather or all-season ports that we do.

There are some northern priorities that I think are relevant as well to share and talk a little bit about — what the Yukon

government is doing so that we can show our federal counterparts, as I mentioned, that we are doing our share of the heavy lifting.

This was presented to me by representatives of the Mining Association of Canada. Their four key northern priorities are: regulatory, infrastructure, First Nation relations and human resources. Of course, the Yukon government is active in all four of these through a variety of initiatives that we're undertaking. On the regulatory side, there is the mine licensing improvement initiative work that is underway right now with First Nations and industry to enhance the regulatory effectiveness of what we're trying to accomplish. Obviously we don't want to lose sight of the fact that we need to be stewards of the environment and we need to protect the environmental integrity of the Yukon — again, balancing that with the socio-economic benefits that come from many of these projects.

What the Mining Association of Canada has said under regulatory is ensure that the mining industry has access to a robust, effective and efficient review and approval process with meaningful consultation. As I mentioned with the mine licensing improvement initiative, we are currently engaged with First Nations in developing options going forward.

We are also working with the YESA board and the Water Board to try to eliminate some of the overlap or duplications that exist. I'll look forward to reporting back to the House on the mine licensing improvement initiative as work progresses throughout the balance of this year and into the new year.

As I mentioned during Geoscience, we've created a Strategic Initiatives branch within the Department of Energy, Mines and Resources and hired a new assistant deputy minister to oversee that branch. The mine licensing improvement initiative will be one of the projects that the branch will be leading as we move forward.

The second northern priority identified by MAC is with respect to infrastructure. I've talked about the two key infrastructure corridors that we have here in the territory — the north and south Klondike Highway and the roads that feed into that route, as well as the port of Skagway, which is the primary port for moving minerals to market that we've historically used here in the territory and that some of the future mines are also planning to use, such as Casino. I know that Alexco shipped their product through that port when they were operating and I'm sure they have plans to do the same once they reopen.

The second major corridor is the north and south Campbell Highway and the Stewart-Cassiar Highway into the port of Stewart. This has been an emerging port for us over the past number of years. The now-closed Wolverine mine used that port to move their product to market. Other potential projects, such as the Kudze Kayah project that is now owned by a company called BMC Westralia, are contemplating the use of that port as well, once they come up with a production decision and eventual production. I know the Selwyn project hasn't entered the YESAB phase yet, but they have invested significantly over the past couple of years anyway in exploration and are looking to use the port at

Stewart and the route we've spoken of with respect to moving their product to market as well.

Again, we continue to make key investments in both of those infrastructure corridors. As I've mentioned, I think the transport division capital budget has been in the \$60- to \$70-million range for a number of years.

As we're faced with declining investments in the Shakwak project, we continue to make investments in infrastructure throughout the territory and, in these corridors, we've spoken during Question Period about investments that we've made on the Campbell Highway. Those investments have led us to — I think by the end of the 2016 and potentially the 2017 season, we'll be at the Nahanni Range Road turnoff with the improvements that we started on the Campbell Highway.

There is significant bridge work that is taking place on the Klondike corridor. On the Alaska side, I know they're replacing the bridge just on the other side of the Alaska border — I think it's the Captain William Moore bridge. I stand to be corrected on the name of that bridge, but most Yukoners who travel to Skagway will know that bridge, as you drop down into Skagway, prior to reaching the US Customs.

There are plans to do work on the Nares bridge at Carcross to replace that bridge. There are also plans in place to strengthen the bridge at Carmacks as well, which crosses the Yukon River. Again, we've invested in remediation throughout both of those corridors and across much of the infrastructure and roads.

I'm not going to get a chance, seeing the time, Mr. Speaker, to speak about our investments and our work on aboriginal relations or skills training. I'm proud of what we've been able to accomplish on the First Nation relations side of things. We're working closely with them at a mining matters table to address mine licensing improvements, as well as some of the other aspects for the mining industry that have been identified over the past number of years.

It's no secret the investment that successive Education ministers have made in skills training. We have the new facility being built at Yukon College for the Centre for Northern Innovation in Mining. There's a significant amount of research going on and, again, we have mobile trades training that has the ability to travel to the communities as well.

We're taking significant strides on the key priorities that have been identified by the industry. This is another one that I think we can support, but you'll see incentives come from this government as well, such as the Yukon mineral exploration program and other opportunities that will emerge as part of the mineral development strategy in the coming months. We're looking to be innovative and stay ahead of the curve when it comes to these types of things.

Again with that, Mr. Speaker, I will conclude my remarks. I thank the Member for Watson Lake for bringing this forward —

Speaker: Order, please.

Hon. Mr. Hassard: It's a pleasure to rise today to speak on behalf of this very important motion. I too would like to thank the Member for Watson Lake for bringing it forward.

Of course, I've said many times in this House that mining is the cornerstone of Yukon's economy and the continuation of the mineral exploration tax credit and the super flow-through shares program is especially important in today's economic reality. If I could, I would just like to talk about how the global mining sector is being affected as the result of declining current markets and how Yukon is tackling these challenges head-on and working to remain competitive in the current environment.

Starting in 2004, as members will remember, the Yukon enjoyed a prolonged period of economic growth with nine consecutive years of real GDP gains. A growing economy contributed to gains in a number of areas — steady growth in population and employment, the labour force at record levels and strong gains in retail sales as well.

During the late 2000s, activity related to Yukon's mining sector was the primary driver of that growth, with Yukon's economy benefitting from unprecedented mineral exploration spending and development, along with the addition of mineral production from new mining projects as well.

Precious metal prices, especially gold, had been on a historic run, supported in part by investors flocking to gold as a store of value in the midst of the global economic slowdown in Europe and with the US mired in recession. Yukon's mining sector benefitted from this as investors looked to explore in a region that is generally considered to be underexplored. In 2011, exploration spending reached a record-breaking high with estimates coming in at over \$300 million. Junior exploration companies accounted for roughly 90 percent of exploration spending in the Yukon and this contributed significantly to the Yukon's economic development and growth. The super flow-through shares portion of the METC has been shown to benefit these junior companies the most.

Yukon's mineral industry of course is fuelled by the remarkable endowment of significant deposits containing gold, silver, copper, tungsten, moly, nickel, lead, zinc, platinum and iron. In 2011, as members can remember, the Yukon was smack in the middle of its second gold rush. The uncertainty about the global economy at the time and the possibility of another downturn helped support high gold prices and encouraged interest in Yukon's gold resources. It resulted in several million ounces of new gold, silver, and platinum group metal discoveries, adding to the previously indicated reserves.

In 2014, the total dollar value of Yukon gold produced was estimated at approximately \$130 million Canadian, representing 30 percent of total Yukon mineral production. The total dollar value of gold produced so far for this year — 2015 — was estimated at about \$100 million Canadian. During every boom cycle, Yukon's resource data continues to expand, adding to estimates and defining new discoveries.

Presently, Canada's mining industry is feeling the effects of the shadow that was cast on global markets in 2013. Concern about weakening economic growth in China has made a significant impact on global investment and, here in the Yukon, it is certainly no different.

In early 2010, interest in exploration and development of mining resources in the Pacific Northwest region in general as well as globally stemmed in part from demand by emerging economies such as China and India. Near-term global growth prospects and stock markets were significantly impacted and, although growth is returning in emerging markets such as Asia, the effects are still being felt in advancing markets such as North America and Europe. Of course as you know, we are all feeling the effects in our respective regions.

However, Mr. Speaker, recently a Chinese government economic development strategy for integrating trade and investment in Eurasia — or the Silk Road Economic Belt — has resulted in a shift in investment away from North America by state-owned enterprises. Investors have lately turned away from gold, which is currently around \$1,080 or \$1,100 — somewhere in that neighbourhood — and that's a loss of over \$600 per ounce since the beginning of 2013. Similarly, silver too has suffered with prices somewhere in the \$14 range, which is about half of what it was in the beginning of 2013.

Mr. Speaker, Yukon's recent economic performance is primarily defined by these very struggles — softening mineral prices and challenges accessing financing have contributed to local mine closures, layoffs and lower mineral-related spending. Even in light of recent challenges, though, we remain in a good situation for future growth, particularly in the event of a rebound in the global mining sector.

I know I've talked in this House before about the Fraser Institute's most recent report, which named Yukon the world's greatest geological potential. Of course, many of us have known about Yukon's potential for a long, long time and this remains one of our key marketing messages.

With Yukon's wealth of natural resources and its comparative advantages as a tourism destination, we're still positioned very well going forward to benefit from the continued growth in emerging markets. This growth should continue to fuel demand for many commodities, keeping interest in Yukon's mineral resources elevated.

Mr. Speaker, following the recent period of economic growth, the decline in 2013 marked the first time in 10 years that Yukon's economy did not post annual growth. Of course, 2014 was also challenging for everyone in the mineral industry. The good news for the Yukon is that a return to growth is expected with our current forecast for 2016.

Today we know of more than 2,700 existing mineral occurrences in the Yukon, and these cover only 12 percent of the Yukon's total land mass, so we do have an incredible endowment that has yet to be fully utilized. The Tintina Trench is one of the most prominent geological features in the Yukon, and it extends into Alaska as well. It holds notable gold deposits such as Donlin Creek, Fort Knox, Pogo, Casino and Eagle Gold as well, Mr. Speaker.

In relative terms, the Yukon portion of the Tintina gold belt remains largely underexplored, compared to other gold mining districts in North America. As well, we have the Selwyn Basin, which is one of the world's largest undeveloped lead-zinc districts, and the Mactung deposit and Cantung mine hold about 15 percent of the world's known tungsten reserves.

In Yukon, investors have access to a region with both high exploration potential and solid producing opportunities. Although our mining sector continues to feel the impacts of this global economic shift, we are taking steps to ensure that we're in an even better position when the markets rebound. We are focusing on making our territory even more competitive as we move forward. We're focusing on putting in place the tools to make Yukon the next big development play for decades to come.

In the north, we are very sensitive to price fluctuations, so this begs the question: What is government's role?

Governments put in place supports for industry: infrastructure, strong policy frameworks, regulations, workforce capacity building, innovation and promotion. The mineral exploration tax credit is an important example of one of these supports from government.

The Government of Yukon continues to make strategic investments to strengthen infrastructure and to encourage diversification of the economy. This past spring, we announced the largest capital budget in Yukon history — at \$312 million. This investment will ease some of the downward pull on Yukon's economy and position the territory well to benefit from the next economic upswing. We're putting that budget toward infrastructure, Mr. Speaker. We're investing in roads. Our road network is already strong, but we're extending it and improving it to enable access to our vast resources.

We're also investing in power generation. Keeping our commitment to clean energy, we're in the planning stages of a large-scale hydro project, as well as the completion of the LNG plant as backup power supply for the grid. We're improving our permitting and regulatory processes. We have several initiatives currently underway, and one of our jobs as government is to provide opportunity and create the conditions for private sector growth.

We believe that growth happens when industry is able to get on with its work and entrepreneurs are empowered for success. This is why our focus has been on laying the foundations of a strong economy and improving the mining regulatory framework. Whether it's in our licensing and permitting regime, in our infrastructure, our training and our investment climate, or with our relationship with First Nations, we want to ensure that we are well-positioned for future growth.

We are working on a mine licensing improvement initiative, which has brought together the Yukon Water Board, the Yukon Environmental and Socio-economic Assessment Board and numerous government departments. These agencies are working together to develop ways to better coordinate the regulatory process to improve the timelines, clarity,

transparency and effectiveness of the mine licensing system in Yukon. Our underlying goal with permitting is to reduce the time and cost it takes without forgoing the checks and balances that ensure projects are economically and environmentally responsible.

The strategy covers a range of issues like First Nation engagement, environmental stewardship and workforce training. We are engaging with First Nations to discuss how they want to be involved in decisions regarding mining activity and on how they derive benefits from mining. A working group that includes First Nations has been established to move forward on the agenda for the mine licensing improvement initiative as well as other mining-related items of mutual interest.

Mr. Speaker, this includes work on Yukon's first mineral development strategy to guide long-term industry development. A successful strategy will guide mineral exploration and development while preserving First Nation values and culture. This means collaborating with Yukon First Nation governments to develop a greater understanding of each of our priorities through discussion about our goals and objectives.

We have a shared desire for a mining regime in the Yukon that protects the environment, promotes economic prosperity, provides sustainable social and fiscal benefits, and preserves First Nation culture. When this work is complete, there will be more certainty for companies wanting to do business here in the Yukon.

Of course, Mr. Speaker, we are also investing in our people. We have a strong workforce. It is especially skilled in the fields related to mining. We're constantly building that corporate skillset with things such as the launch of the Centre for Northern Innovation in Mining at Yukon College. The Centre for Northern Innovation in Mining undertakes applied mining and exploration research to support innovation and efficiencies in northern mining. It identifies gaps in the labour force and supports the training of Yukoners to undertake skilled jobs in the industry.

Courses are presently being offered in the main Yukon College facility, and construction of the new centre is expected to be completed and fully operational by August 2016.

We're also concentrating on research and innovation. As in any industry, the mining sector requires new, more effective and efficient ways to explore and produce, to make projects more economically viable and prosperous. The government of the Yukon supports these types of innovative research projects.

For example, recently the KPMA, or the Klondike Placer Miners' Association, developed a method of removing fine gold particles from concentrates previously thought to be too difficult to extract from. Approaches like this provide the opportunities that the mining sector needs to share research findings with our peers and to learn from our regional partners who have undertaken similar innovative research projects.

We have also made education a major policy focus. Among other things, we're ramping up vocational training for

our youth to start training the skilled workers for the future. Beyond our workforce, there are exceptional people at every step ready to help move projects forward. We have experts in place to help navigate the permitting and regulatory process. Along with our mining industry partners, we are taking and creating the opportunities to promote Yukon's potential, both in-house as well as around the world. We're doing this through our Yukon investment attraction strategy, which was created to guide our work with the mining industry. The strategy is rooted in industry partnerships and its success depends on the strengthening and continuation of that collaboration.

Our role and our objectives are to ensure that there is an effective and consistent means to deliver the message investors need to hear. This means developing new partnerships and strengthening those that already exist, building stable networks among industry, government and investors — and provide support to those very meaningful partnerships.

The relationship with our First Nation partners is a key element on the road to success. We continue to seek their input, as we modify and improve our investment attraction strategy to meet our partners' needs and to stay ahead of investment trends as we continue to seek out opportunities.

For a number of years now, our Premier and a number of Cabinet ministers have showcased Yukon on the global stage by making presentations to investors at several trade shows and conferences. Some of these include the PDAC in Toronto, the Cambridge House in Vancouver, the Colorado Precious Metals Summit and the Yukon Gold Mining Alliance Yukon investment tour hosted right here in Yukon, showcasing many of our junior mining companies, resulting in significant investment gains.

This government continues to work very diligently to improve the mining sector. We do understand that it is the cornerstone of our economy and I believe that the motion brought forward by the Member for Watson Lake is just another example of this. This just shows some of the importance of the continuation of the mineral exploration tax credit and the super flow-through shares program. It is so important to the Yukon, Mr. Speaker.

Mr. Silver: Thanks to the Member for Watson Lake for her motion on the floor of the Legislative Assembly today. Mr. Speaker, I'll just begin by saying I will be supporting the motion. The mineral exploration tax credit is a tried and true tax measure that Canada's mining industry relies on from year to year.

There are two specific questions before us today on this motion. The first is quite straightforward, in that it urges the Government of Canada to keep the mineral exploration tax credit in place. During the recent federal election campaign, the *Northern Miner* asked where the Liberal Party of Canada stood on this issue. This is from their survey, where the *Northern Miner* asked — and I quote: “Do you support maintaining current corporate tax rates and personal tax rates relating to mining investments, and extending the 15%

Mineral Exploration Tax Credit (i.e. flow-through tax credit)?”

The Liberals' response to that — and I quote: “The 15% Mineral Exploration Tax Credit for flow-through share investors was first introduced in 2000 by the previous Liberal government and we continue to support this important tax measure to encourage increased investment in the mining industry.”

I think that answers the question. If the government thinks this commitment is in jeopardy, I am certainly prepared to lobby for it to continue. I would suggest that the best person positioned to do that would be our new Member of Parliament. Even the Premier acknowledged that, when he talked to local media.

The quote here from the Premier, “So when we have our Member of Parliament who sits on the same side of the House with the government that always is a benefit because he has the ability to be able to advocate for those things that are important at the table where they make the decisions.”

The second part basically asks if we will lobby the Government of Canada to implement the Conservative Party's pledge, federally, to increase the credit from 15 percent to 25 percent in places such as the Yukon. It's interesting how the Conservative Party of Canada thought that it was a good idea during the election campaign, but did not get around to doing that in its decade of power. This is, however, something that I can support and I have already spoken to our new Member of Parliament about it.

It is an interesting, but not unexpected choice for the government today in respect to what motions it chooses to debate on the floor of this Legislative Assembly. It is not surprising that it is about mining, of course. However, the government, despite its narrow focus on mining during its term in office in many ways has done more harm than good to the industry with its mishandling of so many issues that make a difference to miners.

We're talking about mining — that's fine. The Liberal caucus likes and supports mining and believes it can play a large role in our economy Mr. Speaker. We're talking about something federally though. We're not talking about something that the Yukon Party can do, with their impact in mining. We're talking about something the new Liberal government in Ottawa can do to help mining. Why is that? Is it because the government doesn't want to talk about its slide down the Fraser Institute list of places that are good for mining; or that the government doesn't want to talk about the regulatory problems that it has ignored, or failed to solve, since it came into power in 2011? Or that the government doesn't want to talk about the regulatory problems? Or that it doesn't want to talk about the fact that exploration has dropped steadily since this government has come into office? Or that the government does not want to talk about the two mines that have closed since this government has come into office?

Is it because the government does not want to talk about the fact that our economy has shrunk for three years in a row; or that the government doesn't want to talk about the fact that

13 percent of Yukon is under a staking ban because it can't get along with the Ross River Dena Council? Is it because the government doesn't want to talk about the fact that the entire Peel region has been under a staking ban for many years because this government would rather litigate than negotiate with the Vuntut Gwitchin, Tr'ondëk Hwëch'in and Na Cho Nyäk Dun First Nations; or that the government does not want to talk about the fact that it coasted on high mineral prices for several years and didn't prepare for a lull that everyone knew would eventually arrive?

They don't want to talk about the mineral development strategy being introduced at the tail-end of their mandate and delayed already. The government doesn't want to talk about the mine licence initiative beginning at the tail-end of its mandate and not having any product. Is it because the government doesn't want to talk about its botched attempt to amend Bill S-6 and the four last-minute amendments championed by this government that ended up derailing the entire process and resulted in yet another court case?

Mr. Speaker, there are plenty of Yukon-specific mining topics this government could have chosen to debate today, but it didn't. Instead, the focus is on the new federal government. Part of the Yukon Party's strategy for the next 12 months has been coming into focus in the last few days and few weeks of this session, and it's simply this: anything that it has failed to accomplish in its nearly 14 years of office, well, that's the new federal government's fault.

We saw examples of this in Question Period in recent weeks. The Dawson City runway hasn't been paved by this government and now its Transportation Canada's fault. The Ross River suspension bridge hasn't been fixed in the last three years because the new federal government has not given them the money to fix it. I can almost hear the Yukon Party candidates during the next election campaign, explaining why the new fibre optic line isn't ready after being in office for 14 years; because the new Liberal government won't give us the money fast enough. It's going to be an interesting year, Mr. Speaker. I will be supporting this motion. Thank you very much.

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

Ms. McLeod: Mr. Speaker, I thank all members for their contribution to this discussion, but I especially thank my colleagues on this side of the House for maintaining the original intention of the motion. Frankly, most of what I heard from the other side of the House had little to do with the motion itself and was all about a litany of other ailments that they have.

In any case, Mr. Speaker, I trust that we can all get behind the motion as it was originally presented and I'll be in support of it. Thank you.

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.

Mr. Elias: Agree.

Hon. Mr. Graham: Agree.

Hon. Mr. Kent: Agree.

Hon. Mr. Istchenko: Agree.

Hon. Mr. Dixon: Agree.

Hon. Mr. Hassard: Agree.

Hon. Mr. Cathers: Agree.

Hon. Mr. Nixon: Agree.

Ms. McLeod: Agree.

Ms. Hanson: Agree.

Ms. Stick: Agree.

Ms. Moorcroft: Agree.

Ms. White: Agree.

Mr. Tredger: Agree.

Mr. Silver: Agree.

Clerk: Mr. Speaker, the results are 16 yea, nil nay.

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

Motion No. 1054 agreed to

Motion No. 1099

Clerk: Motion No. 1099, standing in the name of Ms. McLeod.

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

THAT this House urges the Government of Canada to support the infrastructure needs of the north by providing new federal infrastructure funding that builds on the success of the Building Canada fund and meets the unique needs of Yukon communities by:

(1) maintaining recognition of the challenges of delivering infrastructure in the north with the base-plus funding model and 75 percent federal, 25 percent territorial cost sharing;

(2) ensuring streamlined, predictable approval timelines that establish clear criteria for project review and approval to ensure that projects are not delayed and can be implemented sooner;

(3) increasing the flexibility of the funds to ensure that budget amendments during the life of the project are possible in recognition of the variables involved in developing northern civil infrastructure; and

(4) adopting a flexible approach to infrastructure categories.

Ms. McLeod: I'm very pleased today to rise in support of this motion of course. I probably could speak all afternoon on this, but I think I will be sure to leave time for other folks.

We all know the infrastructure costs in the Yukon and they can be especially high in the north. We have a small population spread out across a huge geographic area. Our communities are remote and require millions of dollars in

water and waste-water infrastructure to ensure populations that often have less than 1,000 people. As our roads, bridges and other core community infrastructures age, governments are faced with funding large and costly projects.

The Building Canada fund — I'm going to call it the BCF from here on in — since its creation in 2007 has helped fund or commit over \$265 million in infrastructure projects in Yukon. With \$183 million from the Government of Canada, \$57 million from the Government of Yukon and almost \$25 million in contributions from other partners, the BCF has had a big impact on Yukon infrastructure and Yukon jobs.

Drinking-water and waste-water infrastructures have been key priorities under BCF in Yukon. BCF has also been used for other core infrastructure priorities such as solid-waste management, green infrastructure, bridges and roads. Municipal and First Nation governments, as well as various unincorporated communities throughout the territory, have benefitted from this fund.

Over the past eight years, Yukon has collaborated to deliver the fund, with various recipients including all eight of our municipalities — Whitehorse, Faro, Mayo, Watson Lake, Haines Junction, Dawson City, Carmacks and Teslin. The Government of Yukon has also administered BCF projects in the unincorporated communities of Beaver Creek, Burwash Landing, Carcross, Deep Creek, Marsh Lake, Mendenhall, Old Crow, Pelly Crossing, Rock Creek, Ross River, Tagish, Takhini River subdivision and Ibex Valley.

We've collaborated with the Champagne and Aishihik First Nations, Carcross/Tagish First Nation, Kluane First Nation, Little Salmon Carmacks First Nation, Ross River Dena Council, Selkirk First Nation, Teslin Tlingit Council and Vuntut Gwitchin First Nation. Highways and Public Works has also led BCF funding in highways and bridge upgrades throughout the territory.

There's no part of the Yukon that has not benefitted from the Building Canada fund. Yukon's rural communities have been the largest recipients of projects coming out of the BCF. Of the approximately \$168 million spent on specific communities — and not territory-wide infrastructure such as highways and bridges — \$152 million has been spent outside of Whitehorse in municipalities and unincorporated communities.

This includes \$37 million in Dawson City, \$13 million in Watson Lake, \$11 million in Carmacks, Ross River and Teslin, \$10 million in Old Crow, almost \$9 million in the communities of Faro and Haines Junction, and the list goes on.

As you have all heard, these infrastructure projects are very important to rural Yukon. Rural Yukon has hugely benefitted from the Building Canada fund in terms of water, waste-water treatment and solid-waste infrastructure. We hear of cases in Canada where remote northern communities have not had access to safe drinking water for extended periods of time. It's partly thanks to funding such as this that we know the same fate will not befall Yukon communities.

I would like to specifically mention a few of these important projects. Over \$3 million has been spent on the

water treatment plant that opened at Army Beach at Marsh Lake in 2010. That facility provides residents and commercial water delivery businesses with access to drinking water that meets national standards. There has been almost \$6 million invested in a new water treatment system fill point and public works building in Ross River. Over \$5.5 million was provided to build the Carcross/Tagish First Nation water treatment plant and fill point for nearby Tagish residents. Additional water system upgrades have been provided under the BCF as well.

Almost \$9 million was invested in the community of Haines Junction for water treatment in order to replace their aging 1970s drinking-water infrastructure. Finished in 2013, the Building Canada fund contributed to a new \$4.9-million sewage treatment facility in Carmacks, as well as another \$5.1 million for waste-water collection system improvements compatible with the new mechanical facility. This work included the design and construction of a new sewer main, lift station, secondary connection lines, and upgrades to the septic disposal pit.

The Dawson City sewage treatment plant was also funded through BCF. The project cost was \$30.4 million and the facility is now operational. The Government of Yukon is working with the City of Dawson to determine municipal involvement from here out. Other projects that are underway or have been recently completed include replacing Watson Lake's aging drinking-water and waste-water infrastructure. This multi-phase, multi-year, \$7.5-million project will provide the town with 800 metres of new water mains, 50 new sewer manholes, seven fire hydrants, and 3,000 metres of new sewer lines to replace infrastructure that predates 1980. Most of the project was completed in 2013. There is also a \$5.7-million project underway to build a new water treatment facility in Watson Lake.

A \$6.5-million upgrade for phase 1 of water and sewer system upgrades in Whitehorse's Marwell area was completed in the summer of 2015. Faro's wooden water pipes and aging sewer system built in 1969 are being updated; \$3.5 million was spent to replace water and sewer lines around that community. In Mayo, an \$8.2-million project began work in 2013 to upgrade some of the water and waste-water services and local roads to accommodate lot development. This project is currently under construction and expected to be completed shortly. In Teslin, the village is managing a \$2.5-million project to rehabilitate and replace local waste-water infrastructure, and that's expected to be completed soon. In Dawson, a new sewer force main is being installed to replace an aging line that is now failing. This \$900,000 project is also expected to be completed soon.

There have been road upgrades, both completed and in progress, in many Yukon communities, including Beaver Creek, Burwash Landing, Carcross, Mayo, Old Crow, Pelly Crossing, Ross River, Teslin, Whitehorse, and throughout the Yukon on multiple highways. There have even been power projects funded through the green energy category of this funding. The largest and most notable of these is the building of the Carmacks-Stewart Crossing transmission line. This line joined two major but separate portions of Yukon's electrical

grid together. The Carmacks-Stewart transmission line was a joint project between the governments of Canada and Yukon along with Yukon Energy Corporation and the Yukon Development Corporation. The total price tag for this new line came in at \$160 million, with almost \$35 million of that administered through the Building Canada fund. This line has served to cut diesel use and emissions through various Yukon communities. It enables the Yukon Energy Corporation to manage its assets as one integrated system, creating greater efficiencies and allowing for better use of our hydro resources.

These projects do not only add value to communities in terms of infrastructure and safety, but they provide jobs to locals. The jobs provided by these infrastructure projects inject money into local economies. The Building Canada fund is integral to these upgrades and replacements in order to address our communities' needs for both today and future generations.

Our ongoing partnership with Canada, municipalities and First Nations is helping us build healthy, vibrant and sustainable communities, while we address core infrastructure priorities of roads, clean drinking water, green energy, solid waste and waste-water management at both the territorial and local levels.

The cost-sharing arrangement of past Building Canada agreements is one that works well and I'm hopeful that the Government of Canada will maintain a minimum of the 75:25 ratio. Of course, there would be nothing wrong with going to 100 percent. I won't be too hopeful of that, mind you. I just want to get that out there.

Program enhancements, as outlined in the motion, would be most welcome to provide a greater measure of surety for planning and delivery of completed projects and you know, really, it is difficult for some communities to have to wait for an extended period of time before we hear from Canada whether or not a project is going to proceed.

Mr. Speaker, in closing, I hope that the Government of Canada will consider adopting the measures identified in this motion when creating and implementing any new infrastructure funding programs. I urge all members of the House to support this motion that asks the Government of Yukon to continue funding these important projects that allow us to invest in core infrastructure in all of Yukon's communities.

Ms. Moorcroft: I rise to speak to the motion from the Member for Watson Lake, urging the Government of Canada to support infrastructure needs in the north by providing new federal infrastructure funding, meeting the needs of Yukon communities and maintaining recognition of the challenges that there are in delivering infrastructure in the north. The motion also speaks to retaining the base-plus funding model of 75-percent federal and 25-percent territorial cost sharing.

The motion refers to the approval timelines and the criteria for review and adopting a flexible approach to infrastructure categories and increasing the flexibility of the fund. That is what I'll be speaking to this afternoon.

I would like to state at the outset that, when investing in any infrastructure funding, what is critical is that the public is getting value for money, and that the government is accountable for its spending. Capital projects need to reflect public priorities. This motion refers to the Building Canada fund structure of a 75-percent federal contribution and a 25-percent territorial cost sharing.

Regardless of where the money is coming from, governments need to be prudent in how they spend that money and projects need to be well planned and we need to be responsible in the spending of all public monies. In fact, there is also a parallel with Government of Yukon revenues, which are over 80 percent from the Government of Canada. It behooves us to be responsible and accountable for the expenditure of public funds. Before entering into infrastructure projects there needs to be a business case analysis and the projects need to be done well.

The announcement of Canada's economic action plan 2013 included the New Building Canada fund which provided for up to \$14 billion in federal funding for provincial and territorial infrastructure investment over a 10-year period. The NBCF was divided into components: the \$4-billion national infrastructure component, which was the application-driven nationally available funding program; and the \$10-billion provincial-territorial infrastructure component that provided set allocations for each province and territory.

As the member opposite said, Yukon's allocation from the provincial-territorial infrastructure component was \$256,284,172 in federal funding over 10 years. That fund was administered in two portions: 90 percent under the national and regional projects fund aimed at projects of national or regional significance; and the remaining 10 percent through the small communities fund aimed at communities with populations of less than 100,000.

In the original Building Canada fund, approximately 25 percent of the available Yukon funds were spent on highway and bridge projects and 75 percent was dedicated to water, waste water, local roads, solid waste and green energy. Infrastructure needs in the north are widespread throughout all sectors.

The New Building Canada fund provides Yukon with significant access to federal funds for infrastructure development upon application and approval of individual projects or bundles of similar projects. The fund maintains the practice of the previous fund and recognizes the special circumstances in the north by allowing the 75 percent of costs to be eligible for funding under the program.

Like all federal funding programs, the NBCF has a sunset date and is due to expire in 2024. While we appreciate the desire for some end date for the funds, we believe that a long-term commitment to infrastructure funding is needed. This will allow better long-term planning and will assist individual jurisdictions like the Yukon to achieve their asset-management objectives.

The rollout of the NBCF was long and protracted, with the federal government unwilling or unable to provide any significant level of detail as to what the fund would look like

and to how it would be ministered until the month before the fund was expected to launch. There was still confusion after the launch about the application processes and yearly funding levels, which complicated Yukon's planning and application process.

Part of the challenge of being able to deliver needed projects under the NBCF is that it has a significantly higher administrative burden and project-approval processes than previous funds. The approval process requires significant upfront work and expenditure with no certainty a project will be approved. Although to be fair, if Yukon manages to satisfy the information requirements in the application, we can see no reason that the projects the Yukon submitted would not be approved.

One of the challenges of the Building Canada fund, as it was set up, was that the administrative processes were changed and became more onerous than the original fund. That included additional upfront documentation requirements and a staged approval process, which increases the administrative costs and timelines associated with both approving the project and delivery of the project.

We've also had challenges that the Yukon government has faced with the disappearance of Shakwak funding. The Yukon government had been the beneficiary of federal US funding for highway reconstruction through the Shakwak agreement, signed by Canada and the US in 1977. This funding was dedicated to the reconstruction of the Haines Road in Yukon and the Alaska Highway between Haines Junction and the Canada-US border in northwest Yukon, a total distance of approximately 520 kilometres.

The agreement was signed in recognition of the strategic and economic importance of the route to the State of Alaska, as well as the fact that the majority of traffic on these highways is American. To date, approximately \$460 million has been funded by the United States. Due mainly to permafrost degradation on the northwestern portion of the Alaska Highway, it is estimated an additional \$340 million will be required to complete the terms of the agreement.

In July 2012, the US Congress passed the new transportation bill MAP-21, which removed all reference to the Shakwak project. As a result, the project is currently not funded and the reserve funds available for reconstruction will run out in 2017. This will leave the Yukon government with an annual \$8-million to \$10-million gap in its current capital program for transportation. Lobbying efforts need to be ongoing to see funding reinstated and the project completed, as per the terms of the agreement.

So Mr. Speaker, there are many infrastructure needs here in Yukon. Schools, hospitals, care facilities, highways, airports, recreation facilities, waste-water treatment facilities, local roads, solid waste facilities and green energy projects will all need funding.

I would like to identify the critical need for planning though. There needs to be support from the local community before entering into infrastructure investments, and these investments need to be not only well-planned, but good for the public. They need to be economically and financially viable.

Where infrastructure projects support private sector industrial development, they need to produce, over the long term, revenues that are adequate to repay investments that have been made through bonds or leases. Not all the funds can come from the federal coffers, Mr. Speaker. That model of looking to the feasibility — both economically and financially — of infrastructure projects is one that is a model of the Alaska Industrial Development and Export Authority.

So infrastructure projects must be done, but they must be done with oversight and smart decision making. When I spoke about the need to plan with the communities in advance of infrastructure investments — Yukon government needs to be talking with communities, with municipalities and the Association of Yukon Communities. It needs to be talking with First Nations.

There are a couple of very recent and disturbing examples of this government mispending the new Building Canada fund money: the Mayo B expansion, and the improvements to the Robert Campbell Highway made necessary by a single mining project.

So I want to start with Mayo B. We are in support of this motion and we are in support of federal infrastructure funds, but it is important to learn from the mistakes of the past. The Member for Watson Lake spoke about the transmission line in the Mayo and Stewart area and said that the total cost was \$160 million. But \$120 million for a 10-megawatt dam at Mayo B cannot be considered a success; \$12 million per megawatt is not value for money in this day and age.

It's important to note that Mayo B was not shovel-ready. The purpose and the criteria for the NBCF was that the projects needed to be shovel-ready, but Mayo B was not shovel-ready. This is evident by the fact that even today, the Department of Community Services has an application before YESAB — the Yukon Environmental and Socio-economic Assessment Board — to alter the lower Mayo River to — quote: “increase the hydraulic capacity of this portion of the river”. The application refers to the need for periodic sediment removal; anticipating this will be needed up to five times in the future.

Federal infrastructure funds should be used wisely. Yukon has benefitted enormously from public funds transferred from the federal government. Let's take the time necessary to make sure that projects truly are shovel-ready. Language like “streamlined, predictable approval timelines” must not compromise Yukon's regulatory regime, the *Yukon Environmental and Socio-economic Assessment Act*, in any way. The use of the word “flexibility” should not be a code word to compromise fiscal responsibility.

We have spoken in this House about concerns the Auditor General has raised in relation to mismanaged infrastructure projects — the Dawson City hospital had a \$900,000-construction cost overrun; the Watson Lake hospital had a \$500,000-construction cost overrun. Good planning in advance and responsible management of public funds are absolutely essential.

The Building Canada fund also put in significant financial resources to the Robert Campbell Highway. So the actuals for

the Robert Campbell Highway were: in 2009-10, \$8,284,000; in 2010-11, \$8,093,000; in 2011-12, \$4,968,000; in 2012-13, \$3,820,000; and in 2013-14, \$7,045,000. So a total of \$32,210,000 was spent on the Robert Campbell project with Canada funding through the Building Canada fund.

A Department of Highways and Public Works feasibility study shed some light on how government came to this decision. It pointed out that existing highway traffic was no different and that the upgrades were required to support year-round industrial trucking. The study states that “all of the expenditures identified above are made necessary by the development of a single mining project. Before the Yukon Government commits to make a major investment in highway improvements, there must be a clear commitment for the development of the mine.”

At the time, the feasibility study projected \$45.8 million in capital needs. The report is clear that the improvements were solely based on the construction of the Wolverine mine. The feasibility study shows no indication that the government conducted any analysis on the return on investment for these capital improvements. Infrastructure spending is essential for development, but it must be done in an evidence-based manner. When the government spends public money, it should be able to demonstrate a tangible benefit and return to the public.

The member opposite spoke about the Building Canada fund and Keno and about water treatment. Residents of Keno City have been vocal about the lack of adequate water quality inspections over the past year. What is online is posted in an inaccessible format. The government does not appear to have invested in ensuring that Keno’s water source is of high quality. In fact, we don’t know if the government is testing that water source for heavy metals or metal load. At the moment, water from the Keno community well is not potable. Water is being trucked down the deteriorating Silver Trail winter road. If the member was correct in her assertion about the Building Canada fund having supported the Keno water, the government needs to ensure that Keno residents have access to clean drinking water. That remains an outstanding infrastructure need.

We also must not lose sight of other potential new economy investments. Just this week, there’s a conference of the circumpolar north taking place in Whitehorse, and we heard Ken Coates speaking about working across the circumpolar countries to look at the economic development possible through the new economy — to look at markets across the north — so infrastructure is not the only form of investment that we need to look at here.

Mr. Speaker, we will be supporting this motion, but we do want to see the government making sure that when it begins infrastructure projects, they will be able to complete them properly and that the planning has been done in advance. We only need to look at the most recent example of the runway apron panels at Whitehorse airport and that had significant federal funding through the airport capital assistance program. I know we’re speaking of the Building Canada fund, but there are examples in both the ACAP fund

and the Building Canada fund of the government not doing its due diligence planning in advance of the project, not properly completing those projects and having cost overruns.

Again, Mr. Speaker, we support the motion and look forward to seeing productive and successful infrastructure investments into the future.

Hon. Mr. Dixon: Mr. Speaker, it’s a pleasure to rise today and speak to this motion put forward by the Member for Watson Lake. I’m pleased to hear that the NDP will be supporting the motion. I know that members on this side of the House certainly will be supporting this motion.

I think it’s an important one for us, Mr. Speaker, as we move forward, because of the fact that infrastructure funding is very important, obviously to me, as Minister of Community Services, but it’s very important to our government as well. Over the last number of years, we’ve been very successful in implementing the funding that has been available to us through the federal Building Canada fund that came into effect in 2008-09. To date, we’ve invested considerably in Yukon’s infrastructure.

My colleague, the Member for Watson Lake, listed some of the successful projects that have occurred in Yukon, but obviously there’s much more work to be done. We only need to look around our communities throughout the Yukon to realize that there is needed additional investment in a variety of types of infrastructure in our communities, not the least of which is drinking water, waste water and solid waste infrastructure for our communities.

The intent of this motion, as I can tell from the wording of it, is to encourage the federal government to build on the success of the previous fund. I don’t mean to say that there were no challenges we faced in implementing that former fund, but I think we want to build on the successes that we did achieve throughout the past number of years in implementing the previous fund.

As members will recall, that fund is coming to a close next year, in March 2016, at which point there is a certain degree of uncertainty about what will happen. The former federal government, prior to the October election, had committed to what they called a New Building Canada fund, which was structured in a certain way, but in the campaign and the federal election that occurred, there were significant commitments made toward infrastructure from the Liberal Party, and they of course have been successful in winning and forming government, so we’ll be looking forward to seeing what that new infrastructure funding looks like.

However, what we have here in this motion, put forward by the Member for Watson Lake, is a bit of guidance that we can take forward to these discussions with our federal counterparts, and allows us as legislators to speak with one voice, hopefully, if we are all in agreement in passing this motion, to set out some of the parameters of what are some of the attributes we want to see in a new federal funding.

The New Building Canada fund put forward by the federal Conservatives prior to the election had, in my opinion, some real problems with it, and there were some challenges

that I think need to be addressed. I know that we raised them with the government prior to the election. Part of those challenges was related to some of the changes that had taken place between the first Building Canada fund and the New Building Canada fund.

What we see reflected in these four points in this motion is some of the general positioning we've taken with regard to those federal funds. The first one I'll discuss is an important one. It relates to the base-plus funding model and the 75:25 federal-territorial funding split. For context, there was some discussion about federal infrastructure funding a number of years ago being on a strictly per capita basis. That would benefit greatly the large metropolitan centres like Toronto and Vancouver, but it would not do a great service at all to those of us living in rural and remote areas like the Yukon.

We were, of course, advocates of and supportive of the fact that the decision was taken in the first Building Canada fund to adopt a base-plus funding model. That means that there is a base amount of money that is allocated for Yukon and then the per capita funding is attached on top of that as well. Obviously, in Yukon's case, the base amount is the most significant portion of the fund.

As well, as members may be aware, the way the Building Canada fund worked in the rest of Canada was on a one-third federal, one-third provincial, one-third municipal system and that was not the case here in Yukon. The territories were afforded a different model, which saw the funding breakdown — 75 percent done by the federal government, 25 percent done by the territorial government.

That consideration was put into place because of the fact that our municipalities in the north, in all three territories, simply don't have the capacity to provide that level of funding that is necessary to invest in the types of infrastructure that was contemplated in the Building Canada fund.

So the previous Building Canada fund allowed Yukon a unique model of 75-percent federal contribution and 25-percent territorial contribution. That has worked very well for us over the number of years and we've been able to deploy a significant amount of infrastructure in collaboration with our partners — the municipalities, as well as First Nations and other groups around the territory.

In the Yukon, the primary manager of these funds is the Yukon government — and, more specifically, when it comes to civil infrastructure at least, the Department of Community Services — although that doesn't mean that communities can't take on a leadership role in delivering these programs for themselves either. I would note that in communities like Teslin, we have seen the municipality take on a management role in managing projects in their community. I know that's the case with the infrastructure projects that are going on in Teslin as we speak. There are a number of projects in that community — the lift stations and some of the more recent roadwork — that is being managed by the municipality and by all accounts, so far, seems to have been very successful.

I know that other communities — Mayo, for instance — are thinking about adopting that model as well and taking on a greater role in managing some of the projects in their

communities, and we'll be looking forward to working with Mayo or any other community that wants to see a greater municipal role in the management of these types of projects.

So the base-plus and 75:25 are important considerations for any new federal funding, when it comes to the unique needs of Yukon.

The next item relates to the approval process by which we make requests, then they are approved and money is flowed to the Yukon government for projects. The wording that the Member for Watson Lake has chosen to use is, "ensuring streamlined, predictable timelines that establish clear criteria for project review and approval, to ensure that projects are not delayed and can be implemented sooner."

What this speaks to, Mr. Speaker, is that we as the territorial government have a clear understanding of what is expected of us, when we apply for this funding, and what sort of information and assessments we need to provide to the federal government in order to receive the funding that is contemplated in the fund.

As I noted, there were changes that occurred between the original Building Canada fund and the more recent New Building Canada fund. In some cases we felt that the New Building Canada fund had a more difficult approval process and we would like to see that remedied. It's our hope — and clearly the hope of the Member for Watson Lake in putting this motion forward — that we would see an improved process for approvals of projects.

To respond to the Member for Copperbelt South's questions about this, this isn't anything to do with YESAA or any of our development or assessment processes here in the territory. This is the approval process from the federal government's side to flow the money. Nothing in this bullet is meant to abrogate our responsibilities under any Yukon legislation or any Yukon process like YESAA, like the Water Board process or any other process where we might need to seek a local permit.

The third bullet speaks to increasing the flexibility of the funds to ensure that budget amendments during the life of the project are possible in recognition of the variables involved in developing northern civil infrastructure. This is important, Mr. Speaker. That aspect was most certainly present in the first Building Canada fund, and it allowed us a great degree of latitude to get the money out the door and to spend it on a variety of projects appropriately.

What can happen with infrastructure projects, especially in the north where we have a great degree of variability in some of our infrastructure developments, is that additional money will be needed or we will come in underbudget. That means that we can either have too much money or need extra money for any given project, but, when we're able to group projects together, it allows us to have some flexibility to use extra money from one project on another project that may have gone a little bit over. That sort of flexibility is very useful to us here in the territory. It has allowed us to group together like projects so that we can effectively use all the money that's been provided to us.

One good example of that was when there was some additional money available to us for some leased water projects and we were able to switch that project to meet an emerging demand in the City of Dawson where there was a new force main needed. That's a real world example of the necessity of that flexibility in the funding to meet an emerging need as it arose and use what was otherwise extra money from another project for an emerging need.

That's an excellent inclusion in this motion — the third bullet, that is.

The fourth bullet speaks to the funding categories. As we know, and as members have noted previously, there are a variety of funding categories that are available for the previous Building Canada fund. I know that the intent of the federal government is to continue with a generally fairly broad list of categories, but I think the inclusion of this bullet in the motion was important because it's very important to Yukon that we have some flexibility with what we're spending this money on. Members previously — including the Member for Watson Lake — have noted a variety of the projects. I won't go into too many of them, but the flexibility in categories is important for us to fund a variety of projects in a variety of ways and deploy the infrastructure that our communities in the north need.

As I've noted, we are very keen to look to work with our new federal partners in developing infrastructure through the north. I know that this is a priority for the new government. I noted that, in the Prime Minister's mandate letters to the new Minister of Infrastructure and Communities, there was a clear commitment to — and I'll quote from that letter, Mr. Speaker: "Develop a 10-year plan to deliver significant new funding to provinces, territories and municipalities. This plan should ensure both immediate increased investments in infrastructure and long-term, predictable funding should support provincial, territorial and municipal priorities..."

I know that this is a priority for the federal government and this is certainly a priority for our government as well. I'm thankful that the Member for Watson Lake has brought forward this motion because it will help us provide our collective thoughts about infrastructure development from the Yukon Legislature to our federal counterparts, and it will help us in making the argument that there are certain unique aspects to federal funding in the north that ought to be considered and that we will advocate for with our new federal government.

As well, among other things, the Prime Minister advises that the plan referenced in the mandate letter should focus on a number of key initiatives, including making changes to the Building Canada fund so that it is more transparent and approval processes are sped up. The Government of Yukon is most certainly looking forward to working with the Government of Canada on improving the process for obtaining infrastructure funding, and this government will work to ensure that our voice and the voice of the north is heard.

At this time, Mr. Speaker, I know that I'm running short on time so I won't get into some of the specific examples of

successful projects we've done, but I would note that in our past dealings with the federal government — the previous government — we've certainly found the old Building Canada model to be much more appropriate and much more usable for Yukon government. We're hopeful, to sum it all up, Mr. Speaker, that new federal infrastructure funding looks more like the original Building Canada fund than what the previous federal government — the Conservative government — had in place entitled the New Building Canada fund. That's fairly brief and fairly succinct, I think.

I'm in support of this motion. I will certainly be keen to forward on this information to our colleagues. I know I've met with our Member of Parliament and our senator about these issues and have conveyed these sentiments to them, but I'll pass on this motion to them as well. I think it's important that Yukoners — whether they be our Member of Parliament, our senator, our territorial government, or all members of the territorial Legislature — speak together and speak with some unity around some of the unique demands that we have here in the north. I'm hopeful that we'll be successful in having our voice heard and that any federal infrastructure funding that comes our way is structured in a way that meets our needs. This motion does a good job of outlining what those needs are and what our desires are for new federal infrastructure funding. I know that infrastructure funding was a key plank in the federal government's platform and I'm very excited about that. I certainly welcome the new government and the new priorities that they have brought with them and look forward to implementing the increased level of infrastructure funding that they've committed to.

With that, Mr. Speaker, I would thank the Member for Watson Lake for bringing this forward, for outlining, in my opinion, what Yukon's concerns and thoughts are on federal infrastructure funding. I'm very happy to advance the discussions with the federal government as needed, in the future, with regard to this motion.

Mr. Speaker, I commend this motion to the House.

Mr. Silver: I want to start by thanking the MLA for Watson Lake for bringing forth this motion today. It is a complex issue that certainly impacts all corners of the Yukon. The new federal government has committed, as the minister responsible for Community Services said, to providing significant increases to infrastructure spending as part of its platform, and even in the new minister's mandate letters. As for the design of the program, the government is currently meeting with stakeholders. I believe this includes meetings with the Premier and also with the Minister of Highways and Public Works, among others.

Our new Member of Parliament, I'm sure, will also be involved in the design of the new infrastructure programs. I'm not anticipating any changes, for example, to the 25:75 split currently in place. The new federal government has also committed to streamlining the application process, which is another part of today's motion.

I want to talk a little bit about the old program. The original Building Canada fund, BCF, signed in 2008 is set to

wrap up in March 2016. The former Conservative government introduced the New Building Canada fund that was set to kick in after March 2016.

The Yukon Party government and many other provincial governments are not happy with the new arrangement put in by the Harper Conservatives, and today's motion is a request for the new federal government to fix the mess that Harper left. This is a common theme that we're hearing here in the Yukon — and the Yukon Party government these days asking Ottawa to help out.

The first Building Canada program from 2008 to 2016 was great for the Yukon and for other jurisdictions, as it provided them with an opportunity to pick whatever infrastructure projects they wanted, proceed with them and recover funding from the federal government. Provinces and territories were given an annual funding envelope and managed within that.

The new Harper Building Canada fund, rolled out at the tail end of the Harper mandate, is a complete contrast, Mr. Speaker. It was incredibly restrictive and required Ottawa to approve each and every single project in order for the project to become eligible for Building Canada funding.

This front-end-loaded design enabled the Harper government to announce funding programs, but it also managed when the funds would actually flow, which in turn helped them to manage their own deficit issues on a federal basis.

It's my understanding that the federal Conservatives didn't approve any of the Yukon Building Canada funding projects prior to losing the last election. This is a question that I would like to get an answer to today. I'm looking for the government to confirm whether or not that's true, but I believe it is true.

This is a huge problem for the Yukon Party government — if it is in fact correct. This would mean that historical Building Canada funding amounts won't appear in the 2016-17 capital budgets, which will have a big impact on the government's expenditure levels. The problem is compounded for this government because this is an election year and this has put the government in a bind and it is looking for — shall I say — someone to share in the criticisms.

The details on the new government's infrastructure investment program — well, they aren't available yet and are unlikely to become available in time for the government to include them in this year's budget, which brings us to the motion before us here today.

There is no doubt that infrastructure spending is sorely needed. There was a Yukon-wide infrastructure assessment done several years ago by the Yukon Party. It was never released to the public, but it came up with close to a \$1-billion infrastructure deficit in Yukon communities.

Despite the list of projects that we heard today and hear from the Yukon Party government as far as commitments to the communities, a decade of Conservatives being in office here and in Ottawa hasn't come even close to meeting all of our infrastructure needs. We don't have to have a report to tell us about that — from the rec centre in Dawson, a new skating

rink in Carmacks, to waste-water lagoon upgrades in Faro, and to the Nisutlin bridge in Teslin. The infrastructure needs are obvious as you travel the territory.

In the past, this government has gone to all the communities and asked: "What do you need?" This is how the Yukon infrastructure plan to apply for Building Canada funding was put together. There were no discussions, necessarily, about asset management or reports on what shape the buildings were in, just: "What do you need? Give us your priority. Give us your list." In the end, the Yukon Party government often didn't address priorities for municipalities at the top of their lists — instead picking ones that the Government of Yukon wanted to address. I'll give an example in Teslin. Teslin wanted to revamp their heating systems to reduce O&M. They also wanted to fix roads. Instead the Government of Yukon prioritized a water treatment facility — a project that actually increased their O&M.

There are plenty of examples of this government not necessarily responding to the priorities of the municipal governments. Requests come in from municipal governments; they hit the Management Board and come back with the Government of Yukon priorities instead, which doesn't necessarily build a trust or belief from the municipalities that they actually know what's best for themselves.

The recent announcement of the asset management workshop and the \$40,000 to each municipality is much appreciated, but it comes with administrative strings, which makes it difficult to implement.

Before this government starts casting stones at the new federal government to fix a mess that is created by the outgoing Conservatives, it's obvious that there is a lot of work that this government needs to do with the municipal governments, and also with First Nation governments.

Were they, for example, consulted on this motion? Were there any conversations as far as putting this motion forth to the Legislative Assembly today? Do they support it? What would they like to see happen if this isn't necessarily the direction that they would like to go in?

I'm sure that they are not necessarily totally happy with the government picking their priorities, or with the time it takes government to approve projects that are selected.

The government hasn't necessarily demonstrated it is working well with our municipal governments. Until that happens, it's hard to — discussing this motion on the floor today, there are a lot of questions being begged.

So Mr. Speaker, I'm not sure whether or not the government took the time to talk to other levels of government before the motion debate today. This is important, as the federal funds we're speaking of have drastic effects on their ability to manage their own projects and provide their own leadership on capital investments. So let's at least ensure that they are part of the conversation, moving forward.

With that in mind, I do have a small amendment to propose to this motion, and I have copies here for consideration.

Amendment proposed

Mr. Silver: I move:

THAT Motion No. 1099 be amended by

(1) adding the words “and the Government of Yukon” after the word “Canada”; and

(2) adding the following after the word “categories” “; and (5) ensuring Yukon municipalities and Yukon First Nation governments are consulted as part of the decision-making process.”

Speaker: The amendment is in order with one slight change.

It has been moved by the Leader of the Third Party:

THAT Motion No. 1099 be amended by

(1) adding the words “and the Government of Yukon” after the phrase “Government of Canada”; and

(2) adding the following after the word “categories” “; and (5) ensuring Yukon municipalities and Yukon First Nation government are consulted as part of the decision-making process.”

Mr. Silver: Mr. Speaker, I will be very brief. It is a friendly amendment.

Mr. Speaker, you have to understand that when we're working on amendments to motions that come forth, it's not a big turnaround time. We find out which motion is being debated the day before and we start speaking with all of our constituency friends and our friends in the municipalities, and this is the result of those phone calls.

Basically a lot of this money, like I said, has a lot to do with how the municipalities get to show their own leadership.

This amendment is pretty straightforward. I believe that the Government of Yukon has a lot of work to do in its own backyard as well, before we start talking about the Government of Canada and how we want to work with the Government of Canada, especially when we're talking about new infrastructure programs.

I'm hopeful that the government can support this amendment. It's hard to support the original motion as it stands without the amendment because it simply puts 100 percent of the onus on the Government of Canada to solve some of this government's problems.

The government knows there is hard work to do and this would be a great way of communicating to those other levels of government that they are earnest in their approach.

Hon. Mr. Dixon: At first blush, I think in general I can say that I have no problem supporting the amendment, although I would note that it does make the motion a bit odd, when you think about it, because by adding the Government of Yukon to this, we're asking the Government of Yukon to provide federal funding and to change a federal process. That's obviously something we can't do, but I think the intent is to ask the Government of Yukon to be involved with that process. So while it isn't entirely clear, I think the addition of the Government of Yukon piece is okay, because we will

obviously be working with the federal government to try to encourage them to change some of their processes.

The second piece of the amendment is about adding a contemplation of ensuring Yukon municipalities and Yukon First Nation governments are consulted as a part of the decision-making process. Again, the decision-making process we're talking about here is the federal government's decision-making process, so again, we can't necessarily say the Government of Yukon is going to change that decision-making process.

In general, I think the intent is fine and I think the motion isn't problematic, if amended as such, so I don't see why we wouldn't support it. However, I would note that, with regard to the newly added fifth bullet in this amendment, the Yukon government has been very much engaged with Yukon municipalities and Yukon First Nations. We consult them on a regular basis. We have community advisors out in the communities on a regular basis. I myself, as Minister of Community Services, meet with councils and mayors as regularly as possible. We also engage with communities through the AYC. As well, we work with Yukon First Nation governments in a number of ways.

Also, beyond just consulting them about the process and the funding, in some cases we take it even a step further and have municipalities manage these projects on our behalf. As I mentioned, the example of what's going on, as we speak, in Teslin with the roadwork being undertaken there and the lift stations that are underway in that community, those projects are being managed by the municipality.

So not only do we work with them on the application and the project process, but they are actually managing the project for us.

To wrap it up, Mr. Speaker, I guess I would say, while noting some of the oddities of the amendment and the fact that it isn't entirely consistent with the rest of the motion, in general I appreciate the intent behind it and, as the member noted, he was rushed in coming up with the amendment, and perhaps that's why it isn't entirely consistent.

Nonetheless I think the intent is sound. I think the wording, while odd, is still acceptable, so I will be supporting the amendment.

Ms. Stick: I would like to thank the Member for Klondike for this amendment. I think it's an important one. It's clear that, in order for us to move ahead in planning what's best for all Yukoners, there need to be partnerships with all levels of government. We need to see leadership from those different levels, not just asking the federal government to come up with the answers or to be the leaders on this. This is something also that the territorial government needs to be showing.

I thank the Member for Klondike for his amendment to this, and we will be supporting it.

Speaker: Does any other member wish to be heard on the amendment?

Amendment to Motion No. 1099 agreed to

Speaker: Does any other member wish to speak to the motion as amended?

Motion No. 1099, as amended, agreed to

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

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

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

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

Do members wish to take a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Bill No. 20: *Second Appropriation Act, 2015-16* — continued

Chair: Contrary to what I said just before the break, the matter before Committee of the Whole will be continuing debate on Vote 51, Department of Community Services, in Bill No. 20, entitled *Second Appropriation Act, 2015-16*.

Mr. Dixon has the floor.

Department of Community Services — *continued*

Hon. Mr. Dixon: I had to go back to Hansard to recall where we had left off debate. Based on my quick read of Hansard, there was a general question about sport and recreation support in funding and some specific questions about Beaver Creek.

In response to the Member for Mount Lorne-Southern Lakes, my understanding from the MLA is that the library has been moved to the community centre successfully and that things are going fine. If there are additional questions about that, I would be happy to provide answers.

When I left off, I was talking about some of the ways we support sport and recreation. I just wanted to conclude. I know we'll have questions this afternoon from the Member for Klondike, but I just wanted to conclude where I was. I was mid-sentence, sort of, when we stopped a few weeks ago.

One of the things that's going on as we speak — or perhaps not now that it's dark. Mount Sima has some exciting things going on these days, and there are some fantastic athletes in town, some members of Team Canada's Paralympic team, as well as a number of provincial-level teams visiting here over the month of November and now into December, to undertake some early season training at our Mount Sima facility.

Earlier this year we had the chance to provide some additional funding for Mount Sima to purchase, among other things, some new and advanced snow-making equipment that allowed them to begin snow-making en masse earlier in the year. As it turns out, Yukon was the first major hill open in North America. That allowed these teams to come from around the country up to Yukon to train in the early season, so I did want to highlight that.

I should also note that, since 2013, we have provided support to the Friends of Mount Sima Society, whose tremendous efforts took over the operation of Mount Sima in 2013-14. As we all know, this facility plays an important role as a home to three of our territorial sport governing bodies that provide both recreational and competitive opportunities for youth in the Yukon. The hill is being supported by business, community and other sport organizations for the benefit of Yukon. As a future hosting destination for both summer and winter sports, it will continue to provide recreational, health, social and economic benefits for all Yukoners.

Yukon community members supported the hill in the winter of 2013-14 by purchasing over 900 season passes, and in 2014-15, 850 season passes were sold — much more than the average annual past sales of approximately 250. We are proud to be a part of the solution in ensuring the hill remained open for the past two seasons. As well, we are investing significantly in hill operations that will ensure our athletes have a facility for training and alpine skiing, snowboarding and freestyle skiing, and we look forward to the sustainable future of those sports.

That initiative that was undertaken by the Friends of Mount Sima Society and supported by our government, from what I can tell, at first blush, is a tremendous success. We've had dozens, even hundreds of athletes — I think the total number is 135 — in town in the month of November and now into December. Typically that is not a peak season for our tourism industry, so it's a nice thing to have all these visitors come to the territory, come to Whitehorse, stay in the hotels and eat meals out in local restaurants, and purchase groceries at the local grocery stores.

It is also a wonderful development opportunity for our young athletes who get the chance to train alongside these national and provincial athletes. These provincial teams from around the country pay to use the facilities, so it's another financial stream available to the hill to support its operations. Anecdotally, I've heard from a number of those team members — they love their experience here. Many of them are looking forward to coming back here next winter, so it's very likely that the momentum that has been created with this

will continue to build and will continue to provide both Yukoners and visitors alike a tremendous opportunity at Mount Sima.

With that, Madam Chair, I just wanted to finish that little piece that I didn't get the chance to finish when we spoke about this budget a few weeks ago. With that, I'll turn it over to members opposite and look forward to answering questions.

Mr. Silver: Thank you to the officials from the department for their time here today. I'm going to go from Sima to sewer, Madam Chair — force water main in Dawson. I'm very pleased to see \$900,000 in this budget to replace the force water main. I was wondering if I could get a status update on that project.

Hon. Mr. Dixon: My understanding is that the project is complete substantively and that things are flowing. I don't know the update as of today, but the last I had heard is that things were going well and, if it's not concluded, it's very close to being concluded. Again, not to repeat the debate we had earlier today on the motion, but that was an example of some of the flexibility that existed in the Building Canada fund that allowed us to shift funding that was available from one project to another if it's similarly grouped. We had some excess funding on another waste-water project and we were able to find close to \$1 million for the force main project in Dawson to meet the emerging demand identified by the community.

That was one of my first meetings with the Mayor of Dawson. He highlighted that particular project, and a few months later we were able to find the money and proceed with undertaking that project. My understanding is that it has been successful but I don't have up-to-date information as of today, but I understand it has been successful and it is complete.

Mr. Silver: I had made the same assumption. We just hadn't had a commitment here on the floor, so thank you for that.

Staying in Dawson City, the waste-water treatment facility has yet to be passed on to the City of Dawson. I'm looking for an update on this facility. Can the minister confirm that the Dawson sewer treatment plant has not been signed off, and is Corix no longer responsible for the facility? I'll start there.

Hon. Mr. Dixon: There is not a whole lot new from when we spoke about this last. We're in negotiations with the City of Dawson still on the potential transfer and a timeline of transferring that asset. In the near term, we have no plans to pass that to the town of Dawson until they are ready — however long that may be. We previously contemplated an agreement that was five years in scope, but those negotiations are underway now.

To answer the member's question, Corix is still operating the plant. It's under their warranty period so Corix has some responsibility for the operations of the plant. I believe the warranty period runs out in February 2017.

Yukon government owns the asset substantively, and Corix is operating it on our behalf. There is a possibility that we may have the town of Dawson operate the plant at a future

date but that hasn't been determined yet. As I said, there are no plans to transfer ownership to the community until they're ready.

Mr. Silver: Just a question on the boiler system being built as part of the waste-water treatment facility. As I understand it, that only heats the facility itself. Can the minister confirm that?

Is part of the solution to the problems that plague the facility an upgrade to this system?

Hon. Mr. Dixon: It's my understanding that the biomass boiler system that heats that plant not only heats the plant — the structure itself — but it also heats the town's water supply as well. That's a requirement of any community in the north. It is, to my knowledge, working presently.

In terms of future phases or future considerations, it had previously been contemplated that the boiler system could be hooked up to other infrastructure or future infrastructure, and that could be considered in a future Building Canada ask. At present time, it's only heating the building, the facility and the town's water.

Mr. Silver: Just the other part of that is: Are upgrades to that boiler system and how it heats that water part of the fix for the system? Can the minister speak to that? I can appreciate if he cannot, but that was part of the question that wasn't answered.

Hon. Mr. Dixon: To my knowledge, upgrades or changes to the boiler system aren't being contemplated. My understanding is that it's working okay. There are a few deficiencies in the plant otherwise, and those are well-known to the town and to us. Some relate to the HVAC and some relate to some of the liners, but those are deficiencies that we're dealing with Corix on. The boiler system was not one of those deficiencies to my knowledge and, as far as I know, it was working okay, but I would be happy to look into that further.

Mr. Silver: I'm going to move on to a search and rescue update. In November 2013, a report, entitled *Yukon Search and Rescue Capability-Based Risk Assessment*, was prepared by the Yukon government Emergency Measures Organization. The report concluded by making recommendations based on 14 areas.

I asked a question in Question Period on May 14, 2014, for some updates on these recommendations, and the minister said that he would not — and I quote: "... speak to specific actions here today in the House... I can assure the member that government will be taking action, based on the good advice and solid input we've heard from our volunteers."

He did not go on to say whether the recommendations in the report were actually going to be implemented or not. So to start, is the government still looking at this report?

Hon. Mr. Dixon: Ground search and rescue in Yukon is a shared responsibility involving the Yukon Emergency Measures Organization, the Search and Rescue society and the RCMP. Implementation of the search and rescue risk assessment recommendations is being carried out collaboratively by the Yukon search and rescue advisory group, made up of these three search and rescue partners. The

majority of the recommendations referenced by the member opposite have been addressed either fully or through ongoing actions. Outstanding items will be prioritized and addressed by the advisory group in due course.

The assessment itself — the *Yukon Search and Rescue Capability-Based Risk Assessment* — which was completed in 2013-14, provided 55 recommendations to improve search and rescue in Yukon. The three partners — as I mentioned, EMO, RCMP and the Yukon Search and Rescue society — in response to that report formed an advisory group to provide a comprehensive and collaborative approach for implementing the recommendations. The mandate of the advisory group is to improve search and rescue effectiveness in Yukon through inter-agency collaboration and to improve interoperability and capability.

The advisory group received the risk assessment recommendations in January of 2015 and has been meeting every two months since then. To date, 17 recommendations have been completed and implemented; 34 are ongoing recommendations; and four could not be addressed specifically, in most cases, because they fell beyond the scope of the search and rescue program or were the responsibility of other groups and agencies that are outside of our control. We've acted on all of those recommendations except for those four that we will have to work with other agencies on. As I noted, 17 have been completed and implemented and 13 are ongoing and are consistently being dealt with.

I also should note that numerous agencies in Yukon have a mandate to assist with prevention, preparedness or response to incidents. Ground search and rescue in Yukon, except for in national parks, is a shared responsibility among the YEMS organization — the Yukon Emergency Measures Organization — the RCMP and the society that I mentioned. Ground search and rescue in Yukon operates in a vast and remote landscape with many diverse natural hazards. While volunteers are highly skilled and extremely passionate, recruitment, retention and avoidance of burnout are difficult challenges to address. Much work remains to produce a self-sustaining search and rescue program that meets recognized best practices for safety and operational practices, but a lot of work has been done so far and we're certainly very proud of the work that's occurred to date.

But with regard to that report, more work is needed of course to continue to implement those ongoing recommendations and it will take the work of all those partners as well as other agencies to ensure that we move forward on those.

Mr. Silver: Specifically, the first recommendation of the report recommended that EMO works with its partners to increase safety through public prevention — taking steps to educate the public in order to reduce hardship, injury or loss. Has this happened? If so, what specifically has been done to promote public prevention?

Hon. Mr. Dixon: I don't have a list of what action has been taken on all 55 recommendations. I only have the overview that indicates that, as I said, 17 of the recommendations have been completed and implemented, 34

are ongoing and four cannot be addressed because they are outside the scope of our program, but if the member has a specific question about a recommendation, I would be happy to follow up after. I don't have a list of all 55 recommendations and the actions that were commensurate to those recommendations with me today.

Mr. Silver: So if the minister can get back to me with that specific question and also get back to me on if EMO formed a training working group. If so, who does it include? Has EMO provided any findings for curriculum development as well. Very specific questions, I know, but pertinent.

I'm going to move on to Keno. Has the government considered putting in a new well in Keno? Their well has not been working properly since July, I believe. The well was put in there in 1989. I'll start there.

Hon. Mr. Dixon: So work has been done on the Keno well over the years. The most recent work was to upgrade the well. Unfortunately, that was as a result of some of the work that has been done on the Keno well over the past years. There was some disturbance in the well and that has caused some turbidity and some other challenges with that particular well, so currently we're trucking water from Mayo to Keno. It is obviously a cost to the Yukon government that we provide that service.

I think the question was: Have we considered doing a new well? We've thought about it. We haven't advanced any plans yet. We haven't developed plans that have examined what the challenges are. One of things that have been raised is that there are questions about the general area and whether or not the high mineralization in the area, which has made it such an attractive place to do mining over the years, is ever going to produce really good water. I know that there are some questions about that. I don't have an answer today on whether or not that is a "yes" or a "no", but for now we're going to continue trucking water to Keno from Mayo.

We're going to continue to try to make the existing well work. If we can make it work, we will. If it needs a little more upgrade work, we will probably consider doing that, but if it's a whole brand new system that we need to develop, we'll have to look at the cost and make a decision on whether it's appropriate to invest in a whole new well for that area, if indeed the water isn't going to be potable anyway.

It's a question that we don't have an answer to at this point, but we're working on it. We're looking at options for getting the current well working again and trying to get the turbidity level of the water down and try to ensure that there's drinking water available locally for those residents. I should note that the provision of trucked water service is somewhat costly, but we're stepping in to provide that because of the challenges that community is facing with its well.

Mr. Silver: This next question may be better served with Highways and Public Works, but I'll ask Community Services. We're told that the road in Keno to the transfer station isn't being plowed. Why is this service not being provided? I would appreciate if it's not his ministry, but I'll give it my best shot.

Hon. Mr. Dixon: I'm not sure of the status of whether or not that road has been plowed. We have an arrangement with Highways and Public Works to have that road plowed, but I'm not sure of the status today. It's something that we can certainly look into between Community Services and Highways and Public Works to get the road plowed. We do operate the transfer station though, I believe, and our community operations folks deal with that facility.

Mr. Silver: Thank you to the commitment by the minister to look into that. I did have one other question with the Dawson City waste-water treatment facility. There have been lots of conversations between the municipality and the territorial government on operation and maintenance and the numbers therein. I guess it's time for an update on that.

Does the minister know if the O&M numbers line up with expectations?

Hon. Mr. Dixon: I don't have today's O&M numbers for that plant, but I think it's generally agreed that they are higher than originally expected and we are doing our best to bring those costs down by working with Corix. Ultimately, if the Yukon government is going to continue to own that plant for some time, we'll need to bring operating costs down. I think there are things that can be done; there are things we can try to bring the operating costs down. For instance, some of the operating costs right now include Corix operating the plant on our behalf, and there are costs associated with that.

If we have one day that perhaps Yukon government employees do that or the Town of Dawson does that, it is anticipated the costs will come down, but as a general statement, I would say yes, the operating costs are higher than what was originally anticipated.

Mr. Silver: Yes, I am absolutely looking forward to more information as far as solid numbers on O&M for that plant.

Moving on — there's \$290,000 in the budget before us for the outdoor soccer field here in Whitehorse. If the minister can let us know what the status is of that project and what that specific amount of money is for — is the project still being advanced?

Hon. Mr. Dixon: The money identified was for some initial planning, design and site work, but, as I think members know, the project hit a hiccup earlier in the year when the City of Whitehorse council didn't approve the rezoning application. So the project has been stalled since then. It's being led primarily by the Yukon Outdoor Sports Complex Association, which has an agreement with our government — with our department.

The project hasn't changed in scope or hasn't changed in nature and there's no new update on that since earlier this year, but I look forward to meeting with YOSCA — the Yukon Outdoor Sports Complex Association — in the near future, as I understand the new council in Whitehorse is considering revisiting the issue. If that's the case, we'll have to meet with YOSCA and determine how to move forward.

Mr. Silver: Sorry, I don't think I heard necessarily what the close to \$300,000 in this budget before us is earmarked specifically for.

Hon. Mr. Dixon: The money that we identified was for detail design, but that was if zoning had gone through. We'll re-engage with YOSCA to spend that money on the detail design if the zoning proceeds.

Mr. Silver: Thank you to the minister for the clarification. I'm going to move on to Destruction Bay. It's my understanding that, because of the small population in Destruction Bay, their fire truck was moved to Burwash Landing recently, leaving the community without adequate protection, the nearest fire truck being now 20 kilometres down the road.

What is being done to ensure that Destruction Bay has adequate fire protection services?

Hon. Mr. Dixon: I have to admit I don't know the details myself, so I had to rely on some advice from colleagues. My understanding is that Destruction Bay is served by Burwash, and that's the current situation. If there's more information — sorry, I think I missed the second part of the question, so maybe I can turn it back over to the member opposite to get the second piece of that question.

Mr. Silver: Like I said, it's just my understanding that there was a fire truck in Destruction Bay and that has been moved to Burwash Landing recently. With that change, can the minister give us an update on the fire protection services in that small community just to assure us that Destruction Bay has adequate fire protection services?

Hon. Mr. Dixon: It's my understanding that Destruction Bay does have adequate fire protection services. As I said, I'm not sure of the exact status today, but if Destruction Bay is covered by the Burwash fire hall, that wouldn't be a range that would be inappropriate. I know fire halls in other parts of the territory service large areas like that. I'm sure that folks in Destruction Bay would like to have something closer. If there is a desire to and if there is a volunteer organization that wants to discuss that, I would be happy to meet with them.

My understanding is they are covered right now for fire service out of Burwash. If there is a desire to change that, I would be interested to hear.

Mr. Silver: As I understand it, there was a change. They had the truck; now they don't. A change happened and, I guess, the justification for that — if the minister is confident that is enough service coming out of the community 20 kilometres away.

I will move on. I just have one further question. It was mentioned earlier today about the Building Canada fund. I got a visual confirmation about a question but I would like to get it on the record. Did the former federal government approve Building Canada projects for the Yukon for this next year coming up or not?

Hon. Mr. Dixon: No, I don't believe that any of the projects that were submitted to the previous government were approved. I'm not sure that any in Canada were. There may have been one or two. I heard that Manitoba had a project or two in but they hadn't had approval. I think Ontario had one or two, but I don't know that any province or territory

received approval on the New Building Canada fund applications — none from Yukon, at least.

Mr. Tredger: I have a number of questions. I will start with Carmacks. Carmacks is, I believe, the only incorporated community in Yukon without a central water system. That means that, while there is some water collection in downtown Carmacks, the rest of the residents are on a well system and a septic system. Obviously it's time to address that issue.

Does the minister have any plans to work with the Village of Carmacks to install a central water system so that the community can be on a central system? As more people move into the community, individual wells obviously are a less-than-ideal way to go about providing safe and secure drinking water.

Hon. Mr. Dixon: I don't know if there are any immediate plans to change the way the Village of Carmacks delivers their water and waste-water services, although we certainly work with them on a range of issues all the time.

I appreciate the member's comment that wells aren't always ideal, but wells are not that bad either. They can work okay, but if we're moving forward with larger-scale projects, those are the types of projects that we certainly prioritize in our Building Canada process — projects that provide things like safe drinking water or waste-water treatment are priorities.

I know that there has been work done in Carmacks around the sewage treatment and collection in that community. It was almost a \$5-million project that was substantially completed in 2010. That included the construction of the new waste-water treatment plant. Along with Dawson, it's one of the only mechanical treatment plants in the territory. It's having its challenges but we're working with Carmacks closely on that to try to get that facility working optimally.

I also should note that I think Carmacks has expressed a desire to implement some Building Canada projects in the community related to that system.

As well, there was the additional \$5.1-million Building Canada fund project in that community that was completed in the fall of 2012. That included upgrades to the waste-water collection system, which included pipes, lift stations and connections, so there was some work that was done on that. If there is further interest in the development of additional infrastructure, we would be happy to consider it.

We went through a process recently of identifying communities' priorities and discussing the development of an infrastructure plan for the territory that included meetings with Carmacks and, in our Yukon infrastructure plan, there are a number of projects that have been submitted or put forward for Carmacks.

We'll continue to work with the Village of Carmacks in implementing and developing those infrastructure projects and, if there are priorities that are identified by the community, we're happy to consider them. I should also note that we've made further improvements to the waste-water system this year. We had a \$1-million Building Canada fund project that provided additional upgrades to Carmacks' waste-

water collection system that was just completed this fall, in the fall of 2015.

Those are just some of the projects that we've done in Carmacks. There is also a long list of projects that we've worked together with Carmacks on. The Tantalus sewer line replacement and a number of other projects were developed to improve the sewer lines in that community.

With regard to a new drinking-water system, Madam Chair — every community in the territory would like to see improvements to their systems and we work with all of them to try to identify the priorities and get applications in, whenever appropriate, to Canada.

As I noted before, in some cases that means that the community will manage the project themselves, but that hasn't happened, to my knowledge, in Carmacks yet, so we'll consider that going forward.

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

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

Motion agreed to

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

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

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

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

Chair's report

Ms. McLeod: Mr. Speaker, Committee of the Whole has considered Bill No. 20, entitled *Second Appropriation Act, 2015-16*, and directed me to report progress.

Speaker: You have heard the report from the Chair of Committee of the Whole.

Are you agreed?

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

Mr. Elias: I move that the House do now adjourn.

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

Motion agreed to

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

The House adjourned at 5:27 p.m.

The following documents were filed December 2, 2015:

33-1-119

Fleet Vehicle Agency 2014-2015 Annual Report (Kent)

33-1-120

Queen's Printer Agency 2014/2015 Annual Report (Kent)

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