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HANSARD

Monday, June 12, 2017 — 1:00 p.m.

Speaker: The Honourable Nils Clarke

YUKON LEGISLATIVE ASSEMBLY

2017 Spring Sitting

SPEAKER — Hon. Nils Clarke, MLA, Riverdale North
 DEPUTY SPEAKER and CHAIR OF COMMITTEE OF THE WHOLE — Don Hutton, MLA, Mayo-Tatchun
 DEPUTY CHAIR OF COMMITTEE OF THE WHOLE — Ted Adel, MLA, Copperbelt North

CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
Hon. Sandy Silver	Klondike	Premier Minister of the Executive Council Office; Finance
Hon. Ranj Pillai	Porter Creek South	Deputy Premier Minister of Energy, Mines and Resources; Economic Development; Minister responsible for the Yukon Development Corporation and the Yukon Energy Corporation
Hon. Tracy-Anne McPhee	Riverdale South	Government House Leader Minister of Education; Justice
Hon. John Streicker	Mount Lorne-Southern Lakes	Minister of Community Services; Minister responsible for the French Language Services Directorate; Yukon Liquor Corporation and the Yukon Lottery Commission
Hon. Pauline Frost	Vuntut Gwitchin	Minister of Health and Social Services; Environment; Minister responsible for the Yukon Housing Corporation
Hon. Richard Mostyn	Whitehorse West	Minister of Highways and Public Works; the Public Service Commission
Hon. Jeanie Dendys	Mountainview	Minister of Tourism and Culture; Minister responsible for the Workers' Compensation Health and Safety Board; Women's Directorate

GOVERNMENT PRIVATE MEMBERS

Yukon Liberal Party

Ted Adel	Copperbelt North
Paolo Gallina	Porter Creek Centre
Don Hutton	Mayo-Tatchun

OFFICIAL OPPOSITION

Yukon Party

Stacey Hassard	Leader of the Official Opposition Pelly-Nisutlin	Scott Kent	Official Opposition House Leader Copperbelt South
Brad Cathers	Lake Laberge	Patti McLeod	Watson Lake
Wade Istchenko	Kluane	Geraldine Van Bibber	Porter Creek North

THIRD PARTY

New Democratic Party

Liz Hanson	Leader of the Third Party Whitehorse Centre
Kate White	Third Party House Leader Takhini-Kopper King

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**Yukon Legislative Assembly
Whitehorse, Yukon
Monday, June 12, 2017 — 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 remembrance of William Yaxkasei Callaghan

Hon. Mr. Silver: Thank you, Mr. Speaker. We don't have everybody in the gallery quite yet for this tribute. I'm not sure if there are people waiting down below who are coming in as well — but if I can get folks to usher some people in for this important tribute.

Mr. Speaker, I'm honoured to rise on behalf of all Members of the Legislative Assembly to pay tribute to William Yaxkasei Callaghan.

William was born in Whitehorse and into the Dakhl'awèdi clan, which is the killer whale/eagle clan of the Teslin Tlingit First Nation. His Tlingit name, Yaxkasei, means "can see a long way". William was an exceptional young man, a gifted visual artist, dancer, a kind and truly generous individual who inspired many. He was a very respected person wherever his travels and his studies carried him.

His carving career was supported and nurtured by established and respected Yukon artists and teachers, as well as the Northern Cultural Expressions Society, formerly known as the Sundog carving studio. It was there that William developed his deep love and his passion for carving and for the arts. It was also there that his extended carving family grew. There are many individuals to be thanked for their support in William's healing journey.

Among his many achievements were national and international recognition for his work, which has been displaying in galleries in Vancouver, Toronto, Alaska and also the United Nations in New York.

William carved the totem pole displayed at the Northwest Company in Toronto, Ontario and was invited to paint a drum made by Bengie Clethero that was given to the London University in England. Also, at the 2010 Olympic Games in Vancouver, William participated as an Olympic torch-bearer and a dancer with the Dakhká Khwáan Dancers at the Olympic Victory Ceremony and as a visual artist with the display of the bentwood box he created for the occasion. It warms my heart to hear the drums today in the Legislative Assembly.

Closer to home, Mr. Speaker, William presented a beautiful beaver mask to former Governor General of Canada Michaëlle Jean during her visit to Yukon as a gift on behalf of the Yukon government.

His work can also be found in many collaborative projects, including the healing totem on the Whitehorse waterfront and the dugout canoe at the Kwanlin Dün Cultural Centre. The solo works that he created, from carvings and other projects completed during his time at the Northern Cultural Expressions Society, all the way to the various artistic media created during his studies at Emily Carr University of Art and Design, are a testimony to his boundless talents and passions.

In April 2016, William unexpectedly passed away, having just completed his third year of a bachelor of fine arts degree at Emily Carr University of Art and Design.

Yaxkasei touched many, many people in his short 33 years. He was a proud son, brother, grandson, nephew, cousin and uncle to the four nephews who loved and admired him deeply. Mike and Pearl Callaghan, William's parents, along with his sisters, Alexandria and Heather, and his four nephews, have recently returned from Emily Carr where they attended the convocation and received William's bachelor of fine arts degree. This was awarded posthumously by the university and it's truly an incredible honour, which William wholly deserved.

One of William's carvings, a door panel entitled "Yeil" — which is "raven" in Tlingit — bearing a raven in red cedar, was displayed at the arts students' graduation show. This was a piece created during the Open Doors project in the summer of 2015, which was a collaboration of the Freda Diesing School of Northwest Coast Art and the Emily Carr University.

In September, a new campus of the university will be opened on Great Northern Way in Vancouver. Two copies of William's "Yeil" door panel will be used at the entranceway of the university's Aboriginal Gathering Place. In honour of William, long-time Emily Carr community members Gaye Fowler and John Wertschek have established an award in honour of their friendship and their respect for William Yaxkasei Callaghan.

Gaye and John contributed \$10,000 and the university matched that amount to create a \$20,000 endowment fund. William's fund can be added to at any time, helping it grow and to allow for greater awards to be made possible. A portion of the interest earned from the fund will provide an award to an Emily Carr student of aboriginal ancestry wishing to enrol in a credit summer program course. The award shall directly cover the cost of the student's tuition. The remaining interest will be reinvested into the fund to protect its value over time. Aboriginal students will apply for the award through the aboriginal program manager.

William is a mentor to many people of all cultures, and many were blessed to have felt the kindness and the gentleness of the vision Yaxkasei. William was a member of the Tagish Nation Dancers, the Dakhká Khwáan Dancers and the Git Hayetsk dancers. This reflected William's love of dancing and performing his Tlingit ancestry. He will be remembered for his tremendous body of creative work, his sense of humour, his strength of character, and as a cultural ambassador. William has left an outstanding legacy and is missed by many.

Günilschish. Thank you, Mr. Speaker.

Hon. Ms. Dendys: I rise today to acknowledge all of these wonderful people who have gathered here. You only have to look up into this gallery to know how loved William was and is. I'm going to acknowledge the family members who have come here today and their friends and all who are connected with William — as I am connected with him: Pearl and Mike Callaghan, William's parents; Alex McKenna, Heather Callaghan, his sisters; his wonderful nephews Malachi and Ethan LaVallee; Peter Fox Johns, his nephew; Rocco Rondeau, the newest little member of the family; aunts Marie Davies, Brenda Bosely, Liz Bosely; Shari-Lynn Bosely and her family; Judy Carson who is also an auntie; Gus Morberg and his family; Calvin Morberg and his family; the Northern Cultural Expressions Society, which is also his family; Sundog Retreat, Andrew and Heather Finton; the Dakhká Khwáan Dancers — who are, again, so many families — led by Marilyn Jensen; I would like to acknowledge master carver, Wayne Price who was a mentor; Bill Bennett; Chief Eric Morris; Chief Carl Sidney; Grand Chief Peter Johnston; Nancy Huston and Marsha Flood.

I know that there are other people who have gathered here today. Thank you so much for coming. This has been an incredible tribute to William. We absolutely loved him too and he is so missed.

Thank you all for coming today. Mēduh.

Applause

In recognition of Special Olympics Yukon

Hon. Mr. Streicker: I rise today to recognize Special Olympics Yukon and all of the Special Olympics athletes in the Yukon.

It's an honour to rise in the Legislature on behalf of the Yukon Liberal government to pay tribute to a special group that brings so much courage, joy and inspiration to this territory. I think it's very fitting that it follows the tribute to William Yaxkasei Callaghan.

At face value, Special Olympics provides year-round sport training and athletic competition for children and adults with intellectual disabilities, yet they provide so much more. Special Olympics Yukon began in Whitehorse in 1978 and today Special Olympics Yukon supports more than 90 Yukoners training and competing in sports they love. Yukon Special Olympics athletes have competed on our local rinks, at national tournaments, and even at world championships.

In March of this year, Tijana McCarthy, Michael Sumner and Ernest Chua travelled to Special Olympics World Winter Games in Austria. Figure skaters Tijana and Michael returned with a silver medal each, while Ernest won a gold medal and a bronze medal as well as a fourth-place finish in cross-country skiing. I remember Ernest and Darby McIntyre when they were competing in the Marsh Lake Ski Loppet and they were very fast.

These athletes are the latest of many Yukon Special Olympics athletes who have achieved excellence.

Congratulations Tijana, Michael and Ernest. Not all of the children, youth and adults participating in Special Olympics Yukon programs are training to compete on the national or international stage, but all of these athletes are improving their physical fitness, enhancing physical literacy, and increasing their self-confidence and social skills.

We are proud to support Special Olympics Yukon and the work they do. This year, in 2017-18, the Yukon government is providing over \$100,000 to support Special Olympics Yukon. This includes support for the Active Start initiative, support for athletes attending national games in the winter and summer and operational funding for the organization.

The Special Olympics Yukon Active Start initiative encourages children from ages two to seven and their families to engage in sport. We had a great presentation. Serge came into the office and was sharing with us all about the role of Active Start and what an important piece it is in starting our athletes young.

From Active Start, young children get support from Special Olympics to grow as athletes and individuals and, we hope, one day compete in national or international games. The athletes are now training hard to compete in the 2018 Special Olympics games in Nova Scotia from July 31 to August 4, 2018. I'm looking forward to those games and I hope to see several of us from this Legislature there, cheering on.

Darby McIntyre is another athlete I mentioned earlier, who lives and trains in the Yukon and has represented Canada at the World Special Olympics Games in athletics. I remember Darby as a young boy. I met him playing on the beach when he was about five or six years old, and he reminded me of my own nephew. I watched a couple of years ago as he and Ernest blew the field away at our ski loppet. They set a record. It was amazing.

In 2015, Darby won a gold medal in the five-kilometre run in a blistering 18 minutes and 32 seconds at the summer Special Olympic games in Los Angeles. Other athletes to achieve international success have been Katherine Hall, Garry Chaplin and Owen Munroe.

Operational funding for Special Olympics Yukon allows the organization to continue to support the Special Olympics Yukon's ambassador program. This program allows athletes to develop skills to prepare and deliver speeches and conduct themselves professionally at all Special Olympics events. Duncan McRae is a graduate of the program and now sits on the board of Special Olympics as an athlete representative.

Many of these athlete ambassadors become spokespeople at press conferences and sport and recreation workshops and events. These athletes grow as individuals and inspire others to train, compete, or just get active and try something new. They are not just inspiring each other; they are inspiring all of us, including the MLAs in this Legislature. Many of us were at the Special Olympics banquet in April.

We heard Dr. Frank Hayden, creator of the Special Olympics movement, speaking and he was a powerful speaker. However, it was Owen Munroe, 2016 Special Olympics Yukon male athlete of the year, who really impressed us all and left us stunned, reminding that we create

a better community, territory and world when we are determined, respectful, courageous and full of joy.

Today, I would like us all to recognize the hard work and dedication of the athletes in Special Olympics Yukon and the hard work and dedication of the coaches, the board members, the volunteers and the families who make Special Olympics Yukon such an inspiration for us all.

Mr. Speaker, I would like to welcome several Special Olympics athletes here: Alanna Dene, Albert Bill, Edward Kaye and, from Special Olympics Yukon, Thomas Gibbs, chairperson; Serge Michaud, the CEO and Brettanie Dale-Porter, the program director — if we could just welcome them all please.

Applause

Mr. Kent: I rise today on behalf of the Yukon Party Official Opposition to pay tribute to Special Olympics Yukon and the accomplishments of its athletes.

Special Olympics Yukon offers four program streams beginning with Active Start, as the minister mentioned, which allows children to become engaged in sport and play from an early age. From two years old, children can participate and work their way through activities and programs dealing with the fundamentals of sport and physical activity.

Children continue through different programs based on their age groups and have the opportunity to continue right into the community-based program, which offers competitive programming for all ages. It is through this program that athletes have the opportunity to compete at regional, provincial, territorial, national, and even international games.

Summer sports programming includes bocce, five-pin bowling, golf, rhythmic gymnastics, seven-a-side soccer and swimming. Winter sports include cross-country skiing, curling, figure skating and floor hockey.

Again, as the minister mentioned, this March, the three Yukon athletes who headed to Austria for the Special Olympics World Winter Games all returned with podium wins. To Ernest, Mike and Tijana: We certainly congratulate all of you for doing your best and making the Yukon very proud. Between these three athletes, there is no shortage of talent and success when it comes to competition. We are very fortunate that they call Yukon home. Congratulations to all of them and all of the other successful athletes with this program.

Special Olympics relies on the help of staff and volunteers who have spent countless hours, if not years, of their lives to ensure the success of not only Special Olympics but each individual athlete who trains and competes.

I would like to give a special mention to Serge Michaud. He is a friend of mine and he is also, of course, the executive director of Special Olympics Yukon.

Serge's unwavering dedication to the athletes and the fundraising efforts and to ensuring that Special Olympics Yukon remains an important part of our community has led to years of advancement and achievements for Special Olympics Yukon. Thank you very much, Serge. Thank you to your committed and enthusiastic staff and board of directors.

Without you, Special Olympics Yukon would not be the success that it is today.

I would encourage all Yukoners to give their support to Special Olympics Yukon and their incredible group of athletes. Whether you show support through attending events, volunteering with athletes or with fundraising events, or donating money or other goods and services, you will be helping to ensure that the incredible programming of Special O reaches our community members who benefit so significantly from it.

A great opportunity to show your support is by attending the annual Special Olympics festival and dinner auction or the Special Olympics golf gala. Each event is not only well attended and a successful fundraising opportunity but a fun and interactive way to get involved and show your support. Whichever way you decide to help will allow our Yukon athletes to continue to participate in competitions around the world. Thank you again to all who work toward the success of Special Olympics Yukon and its athletes.

Applause

Ms. White: I rise on behalf of the Yukon NDP caucus to pay tribute to Special Olympics Yukon. We joined the organization near the very end of the 1970s when a group of enthusiastic individuals saw an opportunity to organize and form Special Olympics Yukon and provide students with special needs a chance to participate in competitive sports.

This group of volunteers, workshop staff, special education teachers, group home staff and parents quickly organized. With the support of local businesses and government, they were soon winging their way in an Air North DC-3 to Juneau and then Anchorage for their very first international competition — the Alaska Special Olympics Summer Games. I was told that was in 1982.

Since that time, Special Olympics has continued to grow and flourish. Teams have travelled across Canada to participate in summer and winter games. Athletes, coaches and volunteers have continued to represent the Yukon very well. More recently, Yukon Special Olympics athletes have travelled around the world, not only to represent Yukon but to represent Canada. Many have returned home with medals. More importantly, they have all come home with fabulous memories.

So a big thank you and congratulations to volunteer coaches and athletes, to the businesses and individual donors who support these athletes, to the parents and caregivers of the athletes, to the Special Olympics staff and, most importantly, to the athletes who, over the last 36 years, have represented so well and have made us all so very proud. Thank you so very much for what you have all done.

Applause

Speaker: Are there any further tributes?
Introduction of visitors.

INTRODUCTION OF VISITORS

Hon. Mr. Silver: It gives me great pleasure to honour and hold up Grand Chief Peter Johnston in the Legislative Assembly today. Thank you very much for your guidance. Not my words, but I will agree with these words: You are an inspiration to young indigenous leaders, not only here in the Yukon, but across Canada.

Please help me in welcoming Grand Chief Johnston.

Applause

Mr. Hassard: I would ask all members to join me in welcoming a couple of people who were missed during the tribute to Will Callaghan. The first is his aunt, Blanche, who is in the Assembly today, as well as Isabelle McClements and Francis, her daughter. Thank you very much for being here.

Applause

Hon. Mr. Streicker: It is my privilege to introduce my lovely wife, Susan Walton, who is here visiting us today.

Speaker: Are there any further introductions of visitors?

Tabling returns and documents.

TABLING RETURNS AND DOCUMENTS

Speaker: Under tabling returns and documents, the Chair has for tabling a report entitled *Contributions to Candidates and Political Parties in the 2016 Calendar Year*. This report is submitted by the Chief Electoral Officer of Yukon in accordance with section 398 of the *Elections Act*. I'll be filing that document right now.

Hon. Ms. McPhee: I have for tabling the Department of Education 2016 annual report, which is tabled pursuant to section 5(h) of the *Education Act*.

Hon. Mr. Streicker: I have for tabling a response to questions from the Leader of the Third Party regarding homeowner protection.

Hon. Mr. Mostyn: I have for tabling 12 legislative returns in response to questions from the Official Opposition and Third Party.

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

Are there any reports of committees?

Are there any petitions?

Are there any bills to be introduced?

Are there any notices of motions?

NOTICES OF MOTIONS

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

THAT this House urges the Government of Yukon to allocate the necessary funding to the replacement and upgrading of those bridges along the North Canol Road that:

(1) have had their weight restrictions decreased due to aging infrastructure; and

(2) are crucial crossings for local businesses to carry out their daily activities.

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

THAT this House urges the Government of Yukon to review the medical travel regulations and medical travel rates.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to review the social assistance regulations and social assistance rates.

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

THAT this House urges the Government of Yukon to work with RCMP, First Nations, the Yukon Police Council and communities to identify ongoing policing priorities and the funding required to implement them.

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

THAT this House urges the Government of Yukon to work in partnership with the francophone community to find practical, short- and long-term solutions to provide more services in French.

Speaker: Are there any further notices of motions? Is there a statement by a minister?

MINISTERIAL STATEMENT

Council of the Federation meetings in Washington

Hon. Mr. Silver: This afternoon, I rise to report on my recent travels to Washington, DC. I travelled there as the chair of the Council of the Federation and was joined by seven other premiers. In our meetings with a number of senators and congresspeople, we discussed shared US and Canadian issues and reiterated the importance of a solid working relationship between our countries, one that is a vital part of the comfortable lifestyles that so many Canadians and Americans enjoy today.

Here in Yukon, we have an important relationship with Alaska. In our meetings with Senator Murkowski of Alaska, the chair of the Senate Committee on Energy and Natural Resources, she confirmed that the United States would like to continue to remain and to improve relations with Canada.

All of my meetings in Washington left me reassured that our American counterparts want to work together for mutual benefit to our nations and to continue to foster this long-standing relationship. On our trip, the other premiers and I emphasized to United States representatives the importance of trade between our countries. We met with the Canadian Ambassador and received reassurances that their hopes are to move quickly to resolve outstanding bilateral issues including NAFTA renewal. The Ambassador confirmed that the federal

government will continue to work closely with provinces and territories as NAFTA negotiations continue.

We continued our conversation about trade with Stephen Vaughn and John Melle, who were both closely involved as United States trade representatives. They confirmed the desire to have a North American trade agreement where improvements are made so that everybody benefits, economies improve and jobs for the middle class are created.

Our trip allowed us to give a voice to Canadian concerns as we met with members of the new administration in the United States. As the chair of the council, I had the opportunity to speak to the Western Caucus. Dozens of congresspeople together to talk about key partnerships and opportunities in all areas from trade, agriculture, energy, regulations, border security, immigration, mining and investment, wildlife management and more.

The Council of the Federation also met the Secretary of Agriculture and chair of the President's Strategic Policy Forum. Both of these meetings were opportunities to, again, address and discuss the important trade relationships with Canada.

While in Washington, I also enjoyed the opportunity to discuss Yukon-specific issues. I met with environmental NGOs about their efforts to continue to preserve the Arctic National Wildlife Refuge and offered them any support that we can give. We spoke about our shared concern for this important region and I reiterated how valuable this region is, both environmentally and culturally. They are familiar with the concerns of the Vuntut Gwitchin and are encouraged to know that our government supports efforts to preserve this land.

Shared infrastructure, especially the Shakwak highway, was another area of local concern that I voiced in Washington. I met with three representatives from Alaska — Senator Murkowski, Congressman Young, and Congressman Sullivan. I brought up our concerns about the lack of American funding for this highway. They acknowledge it is an important piece of shared infrastructure, but are not able to make formal commitments to support the necessary upgrade costs at this time.

I explained that we would like to work with them on this piece of shared infrastructure but, without a financial commitment, we would not be able to maintain Shakwak to the current standards. The American funding for Shakwak was discontinued in 2012 and I was surprised at how far off the radar this important issue has fallen with our American neighbours. Very little has been done to further this issue and now it has fallen to this government to find an alternative for the future.

This travel to Washington was a valuable and important exercise. It is a time of change for the United States as they have yet to pass a budget bill, as they have a very new government.

Again, chairing the Council of the Federation was extremely valuable for Yukon and for me personally. It helped our territory advance its position in the federation and lead

national initiatives that are important to Canadians and Yukoners.

Speaker: Order, please.

Mr. Hassard: It's interesting that the Premier has chosen to do a ministerial statement in regard to his recent trip to Washington. When in opposition, the Premier was the first to criticize lobbying trips that were unsuccessful in securing funding for projects such as Shakwak. In fact, he referred to them as producing nothing more than hotel bills.

Well, as the Premier has said in the past, the view is different over there on the government side of the House. From his remarks today, you would think that his trip to Washington was a successful trip. However, the facts seem to tell a different story. Unfortunately, in terms of tangible results for Yukoners, it looks like the only thing the Premier's trip produced was hotel bills and Twitter photos of him attending fancy receptions. It sounds like the Premier's efforts to raise environmental protection with Alaska fell on deaf ears. The same can be said with his efforts to raise Shakwak funding.

We take the Premier at his word that he wanted the Americans to give Yukon more funding for Shakwak, and I think that all parties in the House would agree that would be a good thing. By the Premier's own standards of success, his trip was a failure. We wish it wasn't, but at the end of the day, the Premier returned home empty-handed and he has to be accountable for that.

In the Premier's remarks, he mentions he met with the senator and congressmen of Alaska and certainly no one can begrudge this. The relationship between Yukon and Alaska is a very important one, as we all know. However, I wonder how much taxpayers' money the Premier could have saved by meeting with them just next door here in Alaska instead of travelling all the way to Washington to do so.

Also, on this trip, the Premier said the issue of NAFTA was discussed. This is very interesting indeed. Prior to the Premier's departure, the Official Opposition had asked the Premier to let this Legislative Assembly know what Yukon's position in NAFTA renegotiations was. However, at the time, the Premier did not provide an answer to us. This is an important issue that Yukoners deserve to know about. Are there areas of NAFTA that the government wants renegotiated? Are there areas that they want to see protected? In the Premier's remarks, he indicated that NAFTA renegotiations are an important issue. So we really hope that he does have a position on these issues and that he will share them with the Legislative Assembly sooner than later.

I will also note that we are still waiting to hear from the government on their offer to provide all of the opposition parties with a briefing on their NAFTA position.

Mr. Speaker, I would like to just reiterate that we are disappointed that the Premier's trip was unsuccessful and that he failed to get money for Shakwak. We do look forward to seeing how this government will approach this file moving forward. Thank you, Mr. Speaker.

Ms. White: I rise on behalf of the Yukon NDP caucus to respond to the Premier's ministerial statement.

I'll speak briefly about the Yukon-specific issues the Premier has mentioned. The first one is the Arctic National Wildlife Refuge. We all know how important this is for all Yukoners and, specifically, the Gwich'in people. The North Slope, which is the calving ground for the Porcupine caribou herd, is now being considered for oil and gas drilling and that would obviously be extremely damaging to both the herd and the Gwich'in people. We are happy that the government went with environmental NGOs about this issue, but we do hope that these same discussions took place with elected officials. We know that oil and gas exploration in Alaska is high on the agenda of both the American president and of Senator Murkowski and this should be of great concern to Yukoners. We certainly hope that, even if this was not an easy conversation, Yukon's message got through to elected officials. It's easy to talk about things we agree on but this issue is too important to be left out of the formal exchanges between elected officials.

On the issue of Shakwak funding, I've heard about Yukon's lobbying efforts ever since being elected to this House, Mr. Speaker. We've sent the letters, we've had the meetings and we've even hired lobbyists in Washington, yet there seems to be very little progress on this issue. I would be interested to know how the Premier sees this important issue moving forward now that he has met with his American counterparts.

Mr. Speaker, whatever we're doing at the moment doesn't seem to be working, so what are the creative ways to go about this? Do we get enough support from our federal counterparts in advancing the file in our bilateral relationships with the US? We know that there's going to be a lot of give and take between Canada and the United States on several files in the months to come, so how do we be sure that issues dear to Yukon are high on that list? On this, I want to thank the Premier for his statement and for his recent trip to Washington.

Hon. Mr. Silver: I do thank the members opposite for their perspectives. As mentioned in my statement, our trip allowed the Council of the Federation to give a strong, united voice for Canada on a wide range of concerns of national importance.

I was required to travel to Washington in my capacity as the chair of the Council of the Federation and as leader of a group of premiers to meet with American officials. It was a privilege and an honour; however, my travel to Washington in my capacity as the Premier of the Yukon and to represent the interests, concerns and voices of all Yukoners in the United States capital was extremely important.

In my response, I would like to focus on the issues most important to Yukoners. We are, of course, impacted by Canada's overall relationship with the United States, as are all Canadians, but it is Yukoners who we are here to represent as their elected officials and it is their issues that are of primary importance to this House.

As the members of this House will recall, last month, the Member for Mayo-Tatchun put forth a motion that this House support the efforts of the Vuntut Gwitchin people and the Gwich'in people of the Northwest Territories and Alaska in lobbying for the protection of the sacred calving grounds for the Porcupine caribou herd in order to preserve the health of the herd and the well-being of northern communities. That motion received unanimous support, and I was proud to carry the message to Washington and to share it with environmental NGOs and to elected officials. We offer our support in their efforts to preserve the Arctic National Wildlife Refuge — the NGOs, obviously. This important region has immense environmental and cultural value and it is integral to the way of life for the Vuntut Gwitchin and we owe it to them to defend its integrity at every opportunity.

The Shakwak road is another area of great concern to Yukoners, especially to those in the Kluane region who live along the stretch of the northern highway that falls under the Shakwak agreement. Last month, this House also unanimously supported a motion that was put forward by the Member for Porter Creek Centre, urging the government to continue discussions with the federal government and the State of Alaska to lobby the United States Congress to restore funding to the Shakway highway project. Again, I carried through by meeting with Senator Murkowski, Congressman Young and Congressman Sullivan of Alaska to discuss this shared piece of infrastructure. The unanimous support of that motion was good to see and perhaps signalled a realization on the part of the Official Opposition that action was needed. It was, after all, the previous Yukon Party government that was in power in 2012 when the US Congress did not include any funding for Shakwak in its transportation bill. My American colleagues were clear that they value the road but that there's no spending on Shakwak to be guaranteed. After years of inattention, it now falls on this government to offer an alternative to the future if no American funding is forthcoming.

In addition to ANWR and Shakwak, I had productive discussions about border crossings and security, as well as energy on my trip to Washington. These are issues that are important to Yukoners and to our Alaskan neighbours in light of our close ties when it comes to tourism, business and recreation pursuits.

As I said, Mr. Speaker, it was a privilege and honour to represent the voices of Yukoners in Washington, DC, and I will continue to represent the voices of Yukoners moving forward.

Speaker: This then brings us to Question Period.

QUESTION PERIOD

Question re: Shakwak project funding

Mr. Hassard: This past week, we've seen the Premier take an all-inclusive vacation to Washington, paid for by taxpayers. Before he departed, he told Yukoners he was going to push the Americans to provide more money for Shakwak. Yet, other than some hotel bills and some Twitter pictures of

him attending fancy receptions, he appears to have come back empty-handed.

Can the Premier confirm that he just spent thousands of dollars of taxpayers' money to travel to Washington to lobby US politicians with no success?

Hon. Mr. Silver: What I can say is that our federal counterparts and our counterparts in Alaska all agree about the importance of the Shakwak project. Again, as I mentioned earlier on in my ministerial comments, there is no guarantee on the funding moving forward. The Yukon Party knew that in their negotiations and lobbying efforts. What I was critical of is the results. What is the plan, Mr. Speaker? That was what I asked the previous government. That is what I expect to be asked by the opposition right now.

What is the plan? Well, we are saying that if there is no funding for Shakwak coming forth from Alaska — and this is what the Yukon Party refused to say — we have to look at alternatives. Those alternatives are gravel or chipseal.

Mr. Hassard: Of course, we understand that we need to lobby but, in opposition, the Premier set a bar of success for trips to Washington — that anything short of getting funding reinstated is a failure. So the Premier has failed his own self-imposed standard of success.

Now, we know that Twitter is important to the Premier, and we're happy for him that he got to take a bunch of photos of himself at fancy receptions but, unfortunately for Yukoners, his Twitter pictures won't pave this highway. The Premier's failure to deliver on this trip means that this valuable source of revenue has all but dried up.

So let's talk about plan B, Mr. Speaker. The Premier has now said that he is looking at — in his own words — alternatives for this stretch of road.

As we just heard from the Premier, is his alternative going back to a gravel road?

Hon. Mr. Silver: The conversations that we have had with the federal government, whether it be the transportation industry themselves or the transportation department, or the congress folks or the senators, they are all saying the exact same thing. There is no more earmarked funding. You can't just get the federal government to earmark — like the previous fund that actually dried up under the previous Yukon Party government — so it falls to Alaska to make the decisions as to where they are going to put their money for highways.

Again, we need to have that conversation, and for me to bring to the Legislative Assembly the real truth, which the Yukon Party failed to when we asked questions in the Legislative Assembly about what is plan B — well, yes, the plan B is either chipseal or gravel. The Yukon government — as far as a whole-of-government approach to all of our highways — has to take into consideration the importance of roads if the Alaskan government decides not to move forward with funding.

To say that my meetings would end with one of the congresspeople standing up and saying, "Here is the money" — it's interesting to hear that the Yukon Party thinks that is how it works. Clearly it doesn't. It is going to be in the budget

bills or it is not going to be in the budget bills. We'll find out in very short order whether or not Alaska would like to continue the funding that actually stopped under the Yukon Party government.

Question re: Business incentive program

Mr. Kent: During the 2016 election campaign, the Yukon Contractors Association issued a press release regarding the business incentive program, or BIP. The association wanted all parties to commit to a meeting within 90 days of the election with the intent of expanding and improving the BIP.

Did the government meet with the Yukon Contractors Association on this topic on or before February 7 of this year, and if so, when can we expect a review to be undertaken or changes to be made?

Hon. Mr. Pillai: I would like to thank the Yukon Contractors Association for pulling together so quickly in multiple meetings that I have had with them. Certainly in the run-up to the election, we sat with them and they laid out a litany of challenges that they saw over the last number of years. We made a commitment to work with them on this. Right after being elected, we had an opportunity to sit down with them. I don't have the date in front of me right now, but we met our commitments and sat with the contractors. We're actually meeting with them again in the next two weeks.

Certainly we have made a commitment to use the tools that we have in the toolboxes as well as we can, as we announced last week — but also really looking at some innovation I think that we can do within that program and listening to them on what is going to work best for them to maximize their opportunities in the Yukon, to grow the construction sector and to really put Yukoners to work through Yukon projects.

That is a commitment we're making to them, and I look forward to the conversation with them in the very near future as we wrap up here in the Assembly.

Mr. Kent: We look forward to hearing whether or not upgrades to BIP have been initiated, or when we can expect them to be done.

Last Friday, the Yukon government announced that the BIP will be applied to the City of Whitehorse's new municipal services building. One of the Yukon Contractors Association's recommendations that they made during the campaign was to require Outside firms to participate in BIP. They felt that this would make them more aware of local resources and opportunities.

Again, for the minister, will the promised upgrades to BIP be in place prior to the tender being awarded for the city's municipal services building and has the Yukon government instituted the recommendation that I spoke of as part of its review?

Hon. Mr. Pillai: The announcement last week was really to take into consideration BIP as it is under the current circumstances — under the current toolbox, assuming that — I think I heard this correctly — a set of Outside firms were well aware of the opportunities. I think that was the comment.

I think the Contractors Association tends to do the external communications. Certainly I can talk to the city about that.

We're in a really interesting time period this week, today of course being June 12. As of the 15th of this month, through the CETA agreement now coming into play — the European trade agreement — actually any projects over \$8.5 million will now be excluded from BIP, so it's very important that the city rolls out their tender documents this week so that there is an opportunity to take advantage of the BIP.

Is there a commitment to look at innovation when it comes to BIP as we move forward? Absolutely, there is. Do we think that the Yukon Party might have missed some things? Absolutely, we do. Certainly we are excited about some innovation in that program as we committed to during the election.

Question re: Procurement policy

Ms. White: It's no secret that many contractors have had a hard time working with Yukon government's procurement and tendering process over the past few years. Most recently, concerns have been raised over the bidding process for phase 4 of the Whistle Bend subdivision. The government is using an RFP, or a request for proposal tendering system, to determine who is qualified to bid on the project. This project is typically more time-consuming for bidders and not commonly used for this type of contract.

Mr. Speaker, can the minister explain why a request for proposal was used as part of the Whistle Bend phase 4 tendering process?

Hon. Mr. Streicker: I thank the member opposite for her question. The reason that we're moving to a request for proposal process is because it allows us to ensure more value, rather than a bid price through the tender process. The whole point is to ensure that we get the best value. We recognize that we want to have land available for development here in the City of Whitehorse and in other communities and that's essential to manage the growth and do it in a responsible way. Issuing the land development as a request for proposal will allow us to assess more value.

We've heard from the contracting community that they were appreciative of that move.

Ms. White: It's interesting because I've heard the opposite from the contracting community.

Pre-qualification can be assessed without a full RFP process and preference to local hire can also be integrated in a bidding process without requiring bidders to go through a request for proposal. In fact, the contracts for Whistle Bend phases 1, 2 and 3 were awarded through an item unit rate process without requiring a request for proposal. This is the case for most of the government's utility-type contracts.

Why is the tendering process for Whistle Bend phase 4 different from the preceding phases? Is this project somehow different or is the government changing its policies?

Hon. Mr. Streicker: I will acknowledge for the member opposite that we have heard some mixed responses and some were favourable and some were not — especially

people who work on a price basis would see this as not a favourable move.

Is this a difference? Yes, it is. The attempt here is to ensure that we get the best value in land development in Whistle Bend, so it is a direction that we've taken. I thank the member opposite for her question.

Ms. White: Mr. Speaker, one important thing I've learned is that Yukon contractors want to do good work when given the opportunity. As one would imagine, there can be challenges between contractors and the department that come up throughout the completion of a project. These need quick resolution for the work to be carried out in a timely fashion. Mediation or arbitration often allow for a much quicker resolution than costly and timely court proceedings. In fact, most government contracts include a clause to address mediation or arbitration issues. Unfortunately, it doesn't appear to be the case with the Whistle Bend phase 4 contract.

Mr. Speaker, can the minister explain why this contract doesn't contain provisions for mediation or arbitration?

Hon. Mr. Streicker: I will try to get back to the member opposite. I mean, I don't have the contract right in front of me to understand, but as the member opposite has noted, it's a standard thing to allow for mediation and arbitration within the contract and typically it's built in. It's not normal to try to go to the courts and in fact, that's why we build this into the contracts. It's in this way that we understand that when there are differences of opinion between the successful bidder and us as the client — that there are ways in which to resolve those differences. They're pretty standard. I think that the Minister of Highways and Public Works could speak more to it if the members opposite request it.

Question re: Off-road vehicle use, select committee recommendations

Ms. White: An all-party committee that studied off-road vehicle use in the Yukon released its final report in 2011. Since then, there has been more public consultation, followed by a discussion paper, more public consultation, and finally, a few minor legislative changes during the 33rd Legislative Assembly. Out of the 14 recommendations that were made by the select committee, to date, most recommendations are still outstanding.

Mr. Speaker, we've been asking for the protection of environmentally sensitive areas from ORVs for a great number of years. We've been told by this government that a territory-wide plan to protect sensitive areas will take time and we understand that. But Mr. Speaker, when will this government take concrete steps toward the interim protection of environmentally sensitive areas until a territory-wide plan exists?

Hon. Mr. Streicker: I don't have a response to the timing of the question. I will work to get back to the member opposite with a sense of timing. I have heard on this topic that this is of concern to us and we are interested in moving forward to ensure that how off-road vehicle traffic takes place

does so in a way that will protect our environment. So I'll get a response to the member opposite.

Ms. White: I appreciate the effort by the minister, but I think he would find it would be underneath the Department of Energy, Mines and Resources where lands would be protected.

Mr. Speaker, in the 33rd Legislature, amendments were brought forward and passed in the *Motor Vehicles Act* and one of those amendments was to make helmet use mandatory for minors 16 and under and for adults only when travelling on highways as identified in the act. There was a fair bit of discussion in this Legislature, including from the Member for Klondike — now the Premier — who rightly pointed out the fact that people don't stop getting hurt once they turn 17.

Mr. Speaker, will this government be bringing forward amendments to make helmet use mandatory for all ORV users in Yukon?

Hon. Mr. Streicker: Again, I thank the member opposite for her question. We are concerned about safety. I concur with the Member for Klondike who says that safety doesn't stop at the age of 17. We recognize that these issues are of concern. I will get a response back to the member opposite.

Ms. White: I appreciate that effort by the minister and I think you would find that it would be underneath Department of Highways and Public Works, where you would find the *Motor Vehicles Act*.

Another recommendation of the all-party committee was a call for licensing of all off-road vehicles. This very Minister of Energy, Mines and Resources was clear in this House when he identified the need for licensing in order to be able to identify individuals who rode in restricted areas and broke laws. Sorry, Mr. Speaker — to correct myself — that was the Minister of Highways and Public Works who said that. It's clear that there are still many outstanding recommendations that need action items from the select committee's report.

When is this government going to make ORV regulations a priority by bringing forward stronger helmet laws, the licensing and registration of ATVs and the protection of environmentally sensitive areas?

Hon. Mr. Pillai: I'll touch on the ORV conversation, which the member opposite and I have had before in this Chamber. I'll leave the regulations and licensing to others.

In the last opportunity to have a conversation on this in the Legislative Assembly, the Department of Energy, Mines and Resources and our team have committed to work, first and foremost, with the lands committees through the Council of Yukon First Nations. Our perspective is that not just segments of the population, but the population as a whole has to understand the sensitivity and some of the damage that is done. We have begun those conversations, looking at a full strategy on moving forward to look at how we deal with ORVs.

We're still looking at, of course — some of the first steps are having a dialogue with them. I think we're going to be in a position as we come back in the fall to bring some news forward as I work with other departments on ways to deal

with this specific issue. So we're committed to it. The member has reminded me over and over again that during the election process, we stood behind many of the recommendations from TOYA. We still stand behind those recommendations. It's going to take us a bit of time just to pull together all the parties to get this done right, taking into consideration that, to date, we haven't had a real strategy on this.

Question re: Liberal Party ethical standards

Mr. Hassard: During the 2016 territorial election, a candidate for the Liberal Party was discovered to have been using inappropriate tactics to get vulnerable people to vote. Last week, this candidate pleaded not guilty and their lawyer said that they expect the court case to last for five days.

My question is simple: Has the Premier been summoned to provide evidence or testimony? If so, will the Premier be cooperating fully?

Hon. Mr. Silver: No, I have not been asked.

Mr. Hassard: So my question was: If the Premier is summoned, will he be cooperating fully?

Hon. Mr. Silver: It's not my job to speculate in the Legislative Assembly. I have not been asked so far.

Question re: Liberal Party ethical standards

Ms. McLeod: Regarding the Liberal candidate who is now before the courts for improper use of proxy voting, there are questions remaining as to why this activity would have been undertaken. Did the Premier or anyone from the campaign review the rules with the candidate prior to or during the election?

Hon. Mr. Silver: We're seeing this play out in the courts. To be asked to answer questions lawyer-style here in the Legislative Assembly from the members opposite is not what I'm going to do. So again, we'll wait until this concludes in the courts before we weigh into what may or may not have happened.

Ms. McLeod: What we asked the Premier was if he or anyone from the Liberal campaign — his team — reviewed the rules with the candidate in question prior to or during the election. It is interesting that the Premier is now saying that he can't answer this question because it is before the courts.

Is the Premier saying that the investigation and the courts have been looking at his and his party's involvement in this very serious charge?

Hon. Mr. Silver: The member opposite is trying to put some words in my mouth. Again, until this concludes in the courts, we are not prepared to make any statements.

Question re: Fiscal management

Mr. Cathers: Thanks to this government's financial mismanagement, we see \$216 million in red ink planned about halfway through the Liberal mandate. This is a bill that the Premier appears to plan to leave for future generations to pay for, and it works out to roughly \$5,640 of new debt for every single Yukoner.

That is not to mention increased taxes planned by this government and the federal counterpart, including the carbon

tax scheme that this government signed on to, which will also increase the amount we all pay in goods and services tax.

Thanks to this Premier, by the end of the day, Yukoners will be drowning in debt and paying more in taxes unless he changes course.

Will the Premier abandon his plans to drive the Yukon deep into debt?

Hon. Mr. Silver: Boy — someone should have asked that of the Yukon Party five years ago.

Mr. Speaker, we're very excited moving forward as far as trying to get this financial ship back on course. The member opposite can continue to make allegations that, all of a sudden because the Liberals are in, we're now currently in some kind of financial dire straits. It turns out that the business community, other governments in Yukon, and pretty much everybody but the Yukon Party all agree it's time to make sure that the financial responsibility of government is laid with the elected officials of this Legislative Assembly and that is what we're prepared to do.

The member opposite can continue on with his dialogue — which I think only he is actually paying attention to — but most people who I talk to outside in the business community are so thankful that we are moving through this new process where we will get the financial stewardship piece, which is a requirement of the elected officials of this Legislative Assembly, back on track.

Mr. Cathers: This Premier conveniently forgets that they inherited roughly \$100 million in the bank — the rosier financial situation that any party has ever seen on taking office.

We have encouraged the Premier several times to reconsider his high-spending plan. We have asked him repeatedly if he will commit to it not going any further than \$216 million in the hole, which we see in his current financial plans. So far, the Premier has refused to, which suggests to us that the Liberals may be hiding the full extent of the damage they intend to do to the Yukon's finances.

The Premier told a parliamentary committee that he wants changes to the debt cap to free up the ability to borrow more money. If the Premier will not commit to not going further into debt than he is currently planning, will he at least let Yukoners know how deep in debt he intends to take this territory?

Hon. Mr. Silver: On the contrary, Mr. Speaker, our intent is to, within the mandate of the next five years of this Yukon Liberal Party government, get us out of the financial crisis in which we were left by the Yukon Party.

When the member opposite says that it was either us or them who created the situation, I want to know where his numbers are. Did he include the operation and maintenance requirements for Whistle Bend that were not in any previous budget? Did he include the forecast of spending for all of these assets that were not forecasted, as far as manning and putting people in these buildings? I don't think so.

Again, we have had this conversation in the Legislative Assembly ad nauseam, and we're not hearing from the member opposite what specifically it is about the Liberals'

Financial Advisory Panel or our attempts to get our ship back on course that he particularly doesn't like. I don't know which programs and services the member opposite is talking about.

He keeps on trying to put words in my mouth as far as increasing the debt, but to the contrary — and we've said this ad nauseam in the Legislative Assembly — our job and our course is to get us into a financial situation that is back on track so we're not mortgaging the bad decisions of a previous administration on to our next generation.

We're very happy that we've budgeted the \$250,000 to cover the Financial Advisory Panel. To answer a previous question as well, no panelist has been paid for their contributions on this work to date. I'm not sure where they get their questions, but maybe sometime they should change them up a little bit for the last week of the Legislative Assembly.

Mr. Cathers: The Premier is trying desperately to answer these questions, but Yukoners know that for 14 years, the Auditor General gave the Yukon Party government a clean bill of financial health, and I think Yukoners know very well that they can trust the Auditor General's assessment of the situation more than the Liberal washing machine and their spin cycle.

The Premier is in the House when the previous minister told him the costs that were budgeted for the Whistle Bend continuing care facility despite his claims, and the Premier knows that they inherited roughly \$100 million in the bank. So again, the question the Premier didn't answer is: If he plans to take the territory deeper into debt than the \$216 million in red ink we see by halfway through this mandate, how deep does he intend to go?

Hon. Mr. Silver: Again, the member opposite should listen to the answers. I said that we're not intending to take us deeper into debt. Our intention is to get this ship back on course again.

The member opposite can cherry-pick individual statements and try to make it seem like there wasn't a disaster on the horizon, but I don't know who he is necessarily trying to convince because Yukoners are paying attention. The Yukon business community, over and over again, has commented how they're happy with the new hires that we've done in the finance office, the 10.6 FTEs, to make sure that we actually do more financial scrutiny when we make decisions politically. That's something that we should have learned from the previous administration.

Hearing in the Legislative Assembly, for the first time, about projects like a 300-bed Whistle Bend facility, hearing in the Legislative Assembly for the first time about made-in-Yukon curriculum decisions for K to 12 — these are the things that are going to cause turmoil in the economy when we don't know where the money is coming from. Commitments that weren't made in a campaign cycle but out of the blue in the Legislative Assembly — that's what we're trying to get away from.

It's these types of decisions that cause pandemonium in the departments, and so we are working with the departments on a whole-of-government approach when it comes to the financial stability of Yukon, because this is Yukon taxpayers'

money and we have a critical role in making sure that the money is spent with the highest degree of financial stability.

Question re: Municipal building project

Ms. Van Bibber: Last week, the government announced that it would be providing funding to go toward the construction of a new municipal building. I'm wondering if the minister is in a position to tell us how much funding is going toward this project, and is this funding accounted for in this year's budget?

Hon. Mr. Pillai: I would just like to help the member opposite out. The announcement last week actually talked about the business incentive program. How that program works, actually, is — it's a program that provides a grant back to local manufacturers and contractors, so it doesn't go directly to the municipality. The announcement was that we would support and use that program for the project.

So it's within our projected budgets within our Economic Development department, and it's certainly not something that we did out of the budget.

Ms. Van Bibber: If that's the case, I'm wondering if the cost of the municipal building is higher than current estimates, and will the Government of Yukon's contribution to the project increase?

Hon. Mr. Pillai: I think the member opposite is kind of confused within this particular program. Is there an opportunity to affect the pricing? Certainly our local contractors and manufacturers with this grant can look at more optimal pricing, which is great for our local municipality. It's good for local contractors. I think I'll just leave it at that. There needs to be some clarity from the opposition on maybe some of their questions on this one.

Thank you, Mr. Speaker.

Question re: Government e-services

Mr. Adel: My question for my colleague, the Minister of Highways and Public Works, is: Does the government have a plan to expand e-services?

Hon. Mr. Mostyn: I thank my colleague for the question.

This government does have a plan for e-services. Digital services give people access to government services when they want them. They can get those services from their home, their work or on the go. We know how important this is when Yukoners are working in rural Yukon or down in Vancouver. They don't want to wait in line; they don't have to wait in line; they can actually get the service from this government that they need from the comfort of their own homes. These services are fast and they're secure.

It should be an option for Yukoners to access these services. This government is going to do its best to provide that convenience and service to the people of the territory.

Mr. Adel: What are the services that are being planned?

Some Hon. Member: (Inaudible)

Speaker: Yes, Mr. Clerk, I get it. I'm just unaccustomed to this questioning, but there's a first time for everything.

Hon. Mr. Mostyn: Thank you, Mr. Speaker. This is a new world for all of us, I think. This doesn't happen very often.

There are a lot of e-services contemplated. We already have angling licences and camping permits available, and we're seeing an enormous uptake in these services. I think, in some cases, 60 percent of these licences are being handed out online so it's something the public is clearly hungry for. It's something that has been neglected, and not a lot of resources have been put into this over recent history. We want to change that and make sure that the people are served by their government.

We want to make information available to the people of the territory. We want to make sure of services. Drivers' licences are something that we want to start to make more accessible to people — registering their vehicles and that type of thing online. We have e-hunting services, a civic-engagement platform, open-data repository — we've spoken about that in this House — a Yukon corporate online registry and a new website platform. As well, as of this spring, permit-hunt authorization — a part of e-hunting — is online.

Speaker: The time for Question Period has now elapsed.

We will now proceed to Orders of the Day.

ORDERS OF THE DAY

Hon. Ms. McPhee: 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 (Mr. Hutton): Order, please. Committee of the Whole will now come to order.

The matter before the Committee is general debate on Vote 27, French Language Services Directorate, in Bill No. 201, entitled *First Appropriation Act, 2017-18*.

Do members wish to take a brief recess?

All Hon. Members: Agreed.

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

Recess

Chair: I will now call Committee of the Whole to order.

Bill No. 201: *First Appropriation Act, 2017-18* — continued

Chair: The matter before the Committee is general debate on Vote 27, French Language Services Directorate, in Bill No. 201, entitled *First Appropriation Act, 2017-18*.

French Language Services Directorate

Hon. Mr. Streicker: Thanks, Mr. Chair, and I would like to — on behalf of all of us in the Legislative Assembly — welcome here the department official, Monsieur Patrice Tremblay, director for the French Language Services Directorate.

Before I do my not-very-long budget introduction for the French Language Services Directorate, I would just like to mention that a former colleague of Patrice's, who has just recently retired from the French Language Services Directorate — Jeanne Beaudoin — received the Boreal Award last Thursday from the Fédération des communautés francophones et acadienne du Canada. Every year the Fédération des communautés francophones et acadienne has awarded the prix Boréal to a noteworthy individual or group in recognition of contributions made to the development of francophone and acadian communities.

I'm very pleased that it was Jeanne. For those of you who know her, she was a real force and a great dancer as well.

J'aimerais mentionner qu'une ancienne employée de la DSF, Jeanne Beaudoin, a reçu le prix Boréal de la Fédération des communautés francophones et acadiennes jeudi dernier. La FCFA remet à chaque année le prix Boréal à un individu ou à un groupe qui s'est démarqué par sa contribution au développement et à l'épanouissement des communautés francophones et acadiennes.

Mr. Chair, Monsieur le Président,

I'm pleased to present the French Language Services Directorate budget for 2017-28.

J'ai le plaisir de vous présenter le budget de la Direction des services en français pour 2017-2018.

The French Language Services Directorate budget forecasts operation and maintenance spending of \$5,054,000 to support the directorate's operations as well as French language service delivery in all departments. This represents a substantial increase from previous years. It is in fact twice the amount budgeted last year. The increase is driven by a substantially larger federal contribution to the Yukon toward a sustainable implementation of the Yukon *Languages Act*.

We are thankful to Canada for their 2017-18 funding envelope of \$4 million.

Nous remercions le gouvernement du Canada pour leur contribution.

This represents a \$2,250,000-increase that will help to offer more and better services in French and is fully aligned with our government's commitment to enhance French language services, with a strong focus on Health and Social Services. Yukon government's contribution remains stable at about \$1 million. The increase in budget will be allocated mainly toward the implementation of active offer across all departments, including the designation of bilingual positions within departments and strengthening the French Language

Services Directorate's capacity to provide support to departments.

Personnel budgets total \$3,666,000 in this budget. Over 40 percent of the salary budget will go to funding new designated bilingual positions in departments.

Other costs account for \$1,351,000. This funding will be used toward active offer material and training, enhanced French presence on the web and social media, French language training, recruitment and staffing costs, including language proficiency assessment for designated bilingual positions, professional contracts, lease costs, travel, advertising, program materials, communication costs and other small costs.

Over 60 percent of this amount will be invested in other departments — \$810,000 toward, among others, community outreach and enhanced communications, bilingual signage, forms, translation of publications, advertising, program materials and staff training, and \$37,000 will cover transfer payments related to our cooperation and exchange agreement with the Government of Québec. I'm happy to answer further questions on this. This is a way in which the Government of Québec has decided to try to enhance the French language across the whole of the country and we are recipients of some of that — our membership to the Ministerial Conference on the Canadian Francophonie, which I will be co-chairing later this month, and a contribution to the celebration of Canadian Francophonie in June of 2017. Capital spending remains at \$4,000. I look forward to several questions on that topic. It will provide for computer replacement.

These brief comments highlight the key components for the directorate expenditures and activities planned for 2017-18.

Monsieur le Président, ces quelques commentaires permettent de mettre en lumière les principaux éléments des dépenses de la DSF et du plan d'activités pour l'exercice 2017-2018.

I look forward to answering any questions the members may have on the 2017-18 budget for the French Language Services Directorate.

Mr. Hassard: I would just like to thank Patrice for being here with us today and I would like to thank him and all of the employees at the French Language Services Directorate for all of the work that they do.

Of course the francophone community here in Yukon is very significant and that's why the services provided by the directorate are so important. Many Yukoners rely on them every day. Even though they are a small directorate, I have to certainly give them kudos for all that they are able to accomplish.

I would also like to thank the minister for his opening remarks as he definitely did answer some of my questions, which weren't many to begin with. I promised Patrice outside before we came in today that I would not try my hand at French. I commend the minister for his French language speaking here today, but I'll pass, thank you.

The first question I had — and I know that a large part of this question falls under the responsibility of the Minister of

Education, but I'm curious if the minister or officials could provide us with an update, however brief that may be, on the planning, consultations and preparations for the French language school.

Hon. Mr. Streicker: I will give a modest update as I can and I'm able, and I will deflect any deeper questions to the Minister of Education.

I know that the work is ongoing. I know that we have budgeted \$8 million in this budget. I know that there are meetings going on with Highways and Public Works because of their role in public works — in buildings. I know that we are still in conversation with the federal government regarding support that they might contribute toward the building. That's through Heritage Canada and we've had good meetings. I will be sitting down again. As I mentioned in my opening remarks, Mr. Chair, I think it's on June 22 that I'll be in meetings where Minister Joly and I are co-chairing national meetings on French. I will have an opportunity to have a bit of a conversation with her on behalf of my colleague, the Minister of Education.

We are still closely working with the CSFY — Commission scolaire francophone du Yukon. I was present at some of the early meetings before the legislative Sitting with CSFY and they were very productive meetings. They were what led to decisions in the budget that we see before us. I don't have any specific dates or things to be able to contribute at this point, but if there are further questions, I will try to get the Minister of Education to respond directly.

Mr. Hassard: With respect to programming for the school, what role does the French Language Services Directorate play in that regard?

Hon. Mr. Streicker: By the way, I would like to thank the Leader of the Official Opposition for his kind words to the department. I'm not sure — maybe it was two weeks ago now — but when the Department of Community Services was here in Committee of the Whole and there were comments that came from both the Official Opposition and the Third Party, I shared those back with the departments. I specifically pulled them out of the Blues. Thank you very much for those compliments. I know that it goes a long way when department officials hear it from all sides of this Legislature. It is well-received.

The role of the French Language Services Directorate is services to students. Those students are like other French language citizens, so we work to provide services as much as possible across various departments. When it comes to the education and the classroom planning, that falls most squarely with the Department of Education. I happen to have sat in on some of those early conversations and they were very good conversations about the coursework planning. Some of it depends, for example, on the size of the classes and things like that. But the co-location next to the F.H. Collins school — we will do our best to ensure that the French school is vibrant and used to increase French language as much as possible here in the territory and that's an ongoing conversation.

Again, this department — our role is just to ensure that in providing services for students, like all of the francophone community, are as broad as possible.

Here is an example that is just coming out of the ether for me. We have officers within the department who are responsible for student financial aid. That's an example of where we might be providing services for those students.

Mr. Hassard: My final question before handing it over to the much-more-fluent-in-her-French Member for Takhini-Kopper King. My last question for the minister is: When this new school is operational, does the directorate feel that they will need more staff allocated, or will it have any affect at all in terms of staffing?

Hon. Mr. Streicker: We don't anticipate within the department that we will see an increase as a result of the school. Our job would be to maximize French language service capacity, and that is ongoing. In fact, our primary focus under this growth that we're seeing from the increase in federal funding — we've identified that mostly this will go toward health and wellness, so more toward the Department of Health and Social Services.

I think we will be doing a pilot project on a bilingual clinic, and that's where we will try to seek to provide more French language service. There will be some that goes to Education, and we have identified that already, but it wasn't specifically because of the school itself. That school is a French school and it will work and be in French, so we're not sure how much service from us will be required.

On the other hand, when we think about our citizens and going to seek health care, sometimes they will be in stressful situations and sometimes they really want to be able to clearly understand what's going on and be able to express themselves clearly. That sort of situation is why we have prioritized health and wellness as the next place where we would put emphasis on additional French language services.

In answer to the Leader of the Official Opposition, the answer is that we don't anticipate that there will be more services required than we have already been providing.

Ms. White: Merci Monsieur le Président. Je remercie le Directeur de la direction des services d'être venu en chambre, c'est toujours un plaisir, et un grand merci à tout le département.

Instead of going on — because at this point Hansard will not be able to translate — I just said thanks and it's always nice to see the official from the French language — I have the words in English now — thank you for coming.

The fascinating thing about this budget is that it has grown substantially over time, and the really fascinating thing is, as I was telling the director, that I don't often give this department a hard time anymore because the first time it was ever debated was in 2012 when I asked during Highways and Public Works to speak about the French Language Services Directorate.

There have been really big changes. I appreciate the work that the department has done and the growth that continues to happen, because we know that our francophone population —

our self-identified francophone population — in the territory continues to grow. That is absolutely fantastic.

I would like to offer my congratulations for the lobbying to the federal government to increase our funding, because that has been a huge thing. To know that the base funding has increased by \$2.25 million is incredible, because up to the point where I started asking questions in 2012, it had been stagnating with the transfer amount. A big congratulations to the Yukon government as well, which has now been adding its own money to the department funding, which also didn't happen before.

At this point, all I have is congratulations and my thanks. I appreciate that we have active offer throughout government services, including in my office. I appreciate that we have translation services available 24 hours a day at the hospital at critical times. Those big changes have meant a lot for the francophone population.

Alors je vous remercie. Thank you very much. J'ai hâte de voir ce qui va arriver l'année prochaine, si on continue toujours de changer. I look forward to changes next year and to see what kinds of growth and things can happen. So I thank the department. I thank the minister. Hopefully, next year, there are more exciting announcements.

Hon. Mr. Streicker: I thank the member opposite for her comments. I sense that we're going to be running out of questions very quickly. There are just a couple things that I wish to add.

We are the third largest per capita population of French in the country — after Québec and New Brunswick. It's sort of surprising. Some people don't know that. It is with a sense of pride that I get to stand up and say that.

One of the things that has been changing is that a lot of our students are studying French. That is great. I think that one of the things I will say — and when I've gone to national meetings in my capacity as the Minister responsible for the French Language Services Directorate — we've been talking with the federal government about indigenous languages and how important they are to Canada, but to the Yukon in particular.

I was very happy to see that — it's no longer part of the Yukon government's negotiation mandate, but I know that the Council of Yukon First Nations has been negotiating for more funding for indigenous languages. They have had some success as well.

In particular here, it isn't just the money that we are getting this year, because it will be growing next year and the year after that. It is \$14 million over the next three years. It begins at an increase of \$2.25 million but, by year 3, it's an increase of \$3.5 million. So we are very excited to continue. It dovetails very well with the growth of French in the young people of the territory. I look forward to the day when we're a strong destination for our francophone immigrants and our francophone visitors. It's nice to see the work that our community partners are doing around the front of tourism. It is a strong story and we expect it to continue along that path for the next two years. Then we'll see where we land.

I appreciate the comments and questions from the member opposite.

Chair: Is there any further general debate on Vote 27, French Language Services Directorate?

Seeing none, we will proceed to line-by-line debate, starting at page 12-7.

Ms. White: Pursuant to Standing Order 14.3, I request the unanimous consent of Committee of the Whole to deem all lines in Vote 27, French Language Services Directorate, cleared or carried, as required.

Unanimous consent re deeming all lines in Vote 27, French Language Services Directorate, cleared or carried

Chair: Ms. White has, pursuant to Standing Order 14.3, requested the unanimous consent of Committee of the Whole to deem all lines in Vote 27, French Language Services Directorate, cleared or carried, as required.

Is there unanimous consent?

All Hon. Members: Agreed.

Chair: Unanimous consent has been granted.

On Operation and Maintenance Expenditures

Total Operation and Maintenance Expenditures in the amount of \$5,054,000 agreed to

On Capital Expenditures

Total Capital Expenditures in the amount of \$4,000 agreed to

Total Expenditures in the amount of \$5,058,000 agreed to

French Language Services Directorate agreed to

Chair: We will proceed to Vote 53, Department of Energy, Mines and Resources, at page 9-7.

Do members wish to take a brief recess?

All Hon. Members: Agreed.

Chair: Committee of the Whole will recess for 10 minutes.

Recess

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

The matter before the Committee is continuing general debate on Vote 53, Department of Energy, Mines and Resources, in Bill No. 201, entitled *First Appropriation Act, 2017-18*.

Department of Energy, Mines and Resources — continued

Hon. Mr. Pillai: I believe that, when we finished off in our last session, the Member for Copperbelt South was just getting us some questions on abandoned mines. I think we want to maximize our time today for questions from the Official Opposition and the Third Party, so at this point, I'll just hand it over so we can continue on with our questions.

Mr. Kent: Just to conclude my line of questioning on Assessment and Abandoned Mines, obviously we touched on

Clinton Creek, Mount Nansen and Ketzka River, and I believe we talked a little bit about Keno Hill as well and what is going on there. I should welcome back Deputy Minister Mills and ADM Abercrombie as well. Thank you for returning and supporting your minister today.

I will just conclude my questions on Assessment and Abandoned Mines with some specific questions related to the Faro mine site.

The federal government, during my time as minister, changed up the model for how the Faro mine site was managed. I believe the Yukon government — and if this has changed back, or changed in any other way, perhaps the minister can clarify — was looking after the care and maintenance side. The federal government had chosen a new contractor to manage the remediation design at the site.

There were some discussions about perhaps even going further than that, so I'm just wondering if there are ongoing discussions with the federal government on how the Faro mine site is going to be managed going forward, and whether or not there are also discussions going on to move to the model that we're now seeing instituted at Mount Nansen, where there is a role for the private sector in the final remediation and perhaps looking at some of the economic opportunities that exist there.

I'll turn the floor back to the minister and we can start there on Faro. I have a few more questions with respect to Rose Creek, but we'll just start with that.

Hon. Mr. Pillai: I am going to take this opportunity, if the member opposite would be so obliged — there are a couple of areas that we touched on in our last conversation on abandoned mines, and I would just like to touch on some things for the record so that we are clear here in the Assembly.

On Mount Nansen, the member has just sort of asked — the premise of the question was as it pertains to a water licence and, with the water licence in place, if the water licence will transfer. I think that, during those conversations, I touched upon — some of my notes from the department, which are always very well put together — the fact that we have to go through the process. If I misspoke — at this particular time, we're using — so it's section 37 of the *Waters Act*. It's the same thing that is in place right now in Faro, and it's basically an emergency measure. The member opposite knows what the situation was over the last number of years.

Certainly we are, again, moving toward the YESAA process and then looking to move through application for a water licence to formalize that. Our intention is that, as we also look to find an individual, corporation, company, entity or partnership that will begin the reclamation project and take the ownership position in that particular project, we will be looking to transfer the water licence, so I just wanted to touch on that.

Secondly — and this is something that was touched upon as well — before I get into the questions on Faro. We talked about Bill C-17, and I think I was confused or I misinterpreted the question from the member opposite. We were talking about an MOU in general, and I think I spoke to sort of a longer dialogue on the MOU between First Nations and

Bill C-17. I believe that the member opposite — my esteemed colleagues here from the department quickly saw — was really trying to get an update about what's happening with Bill C-17, but the MOU that exists — it is an MOU focusing on this, but it's really between Canada and Yukon government. It's a conversation piece looking at Bill C-17. I just wanted to give some updates. I think that's what the member opposite was looking for.

First Nations have indicated that they would like to conclude the YESAA reset MOU as soon as possible, so that's still underway. The parties met on May 12, 2017 and have reached agreement on the reset MOU, so a final version will be prepared and provided to the respective parties for review and approval in the near future.

The other part of this, of course, is that the federal government — as we've talked a lot about in the House and as we had unanimous support on the Bill C-17 piece, some of the key questions — especially from industry and from municipalities and others who are affected, and the Yukon government as well — continue to be: What does the transition look like?

Just a couple of key points — the parties are in preliminary discussions about the bill's transition and implementation — Canada and Yukon First Nations — and, given the legal implications, it's important that the parties have a common understanding of the next steps, which we're all looking for and we know that's a big priority, and what this will mean to the parties. Yukon is engaged with Canada on this topic and has also invited CYFN to join in these discussions in advance of this bill. Certainly everybody does understand that this is a priority and we have to take a look at what the future situation will be.

Over and above that, Canada will provide legal interpretation and communications on some of this key work as they move toward the passing of the bill, but Yukon has voiced its expectation to Canada. We'll be communicating this as well, and certainly they're the driving force behind this. It's in response, of course, with the support of all of us now — but certainly it's a federal process. In anticipation of Canada's legal interpretation, YG has begun preliminary work on an internal transition plan here and has identified the implementation guidelines that will be amended once it is clear how Canada is interpreting its legislation.

I just wanted to put that on the record. I just want to commend the departments for their work on this.

I have just a couple other points — and it has been identified here because of our unanimous support on the motion to support Bill C-17 on May 17, so a letter to the federal minister is being drafted so we can communicate the desire for this bill to advance in the parliamentary process. I think that, on this particular topic, I do truly believe that we have to work together.

I think there are some good points the Member for Lake Laberge — we haven't had a chance to have a conversation on this, but I know he had identified some things that he had thought about during the implementation of Bill S-6. I know that my critic here today, the former minister, may also have

some strategies that we have to look at. Certainly I do believe it's time for us to, as we go into the summer, put some of the partisan politics aside because truly the solution that comes after Bill C-17 is going to be important for everyone.

On the Faro piece, certainly — yes, the member opposite was correct — it's under the same governance structure. We still have the responsibility of care and maintenance — the contractor who won the tender when the previous government was still in place. Now we work toward a series of strategies, but of course one of the things that we have to do is to look at doing a comprehensive consultation, which is part of our obligation and certainly you would have seen that this has just rolled out as of last week.

Once again, when it comes to how we're dealing with water — it's the same situation as Nansen, so it's section 37 under our *Waters Act* that we're using. Here at the government, we want to go through a process where we formalize our plan. We want to make sure that we go through our environmental process and, using the *Waters Act*, we go through an application as well to ensure that we're not using section 37, but we have the water licence. We think that is the right thing to do. It's the appropriate thing to do. That is what many Yukoners want to see us do. Part of that is undertaking this consultation.

The Faro mine remediation project — we have commenced a six-month consultation process last Friday to seek and incorporate input on the remediation plan for the Faro mine site. The public consultation is part of the development of a project proposal to be submitted to the Yukon Environmental and Socio-economic Assessment Board and is legally required under the *Yukon Environmental and Socio-economic Assessment Act*. I think the scope is quite robust. I think we are going to have an opportunity to hear from many, many Yukoners, organizations, affected parties, governments and communities.

The consultation process is being led by the Faro mine remediation project team, which are the Government of Yukon's Department of Energy, Mines and Resources and the Government of Canada's Department of Indigenous and Northern Affairs. These two organizations are the co-proponents for the project proposal for the project to be submitted to YESAB. While the engagement activity with the affected First Nations was extensive between 2006 and 2009, and culminated in an agreement on project objectives in the selection of a remediation approach, this would form part of the remediation plan. Engagement activity on the Faro mine remediation project has been intermittent since 2009 and this will be considered a major activity here in the Yukon. We think we are going to generate a lot of interest as we move forward on this.

I think the last question from the member opposite was: Are we looking to a different model at this point? I think the member opposite would know that it is a billion-dollar-plus reclamation clean-up. I can remember watching a documentary with the largest engineering project in southeast Asia at some point and it was a series of dams in Kuala Lumpur. The funny part was that when they finished and they

talked about how big it was, it was half the size of Faro. That gives you an idea of just the magnitude of what we're dealing with here.

As we move forward on this project, there are a lot of different players. I'm not and I think our government is personally not privy to them, but I think there is still an ongoing conversation between the Kaska nations and Canada. Certainly people are coming to the table with many different models that could work, whether it's the Government of Yukon continuing to do the care and maintenance or we walk through with a project proposal — we have the quick works, the urgent works that have to be done and then a long-term plan. Certainly, although our government has had very positive conversations in Ross River with leadership on a series of projects, I have not personally had an opportunity to sit down and get a complete understanding of where they want to see this project go.

Of course, in the Liard First Nation, we now have a change in leadership. I'm looking forward to those discussions, I think, over the next week with the new leadership, so there are lots of things to be looked at. What I will state is that, as minister, I'm open to all the conversations as long as: we're taking into consideration the health and safety of Yukoners first and foremost; we're having respectful dialogue with our affected parties, partners and governments; and we're — I think all of us here would like to see how we maximize the benefits, and those benefits are not just economic. Many benefits can come from this project because we know in many ways how horrible the site can be, but now I think we all look at it as an opportunity. So how do we maximize the opportunities?

Dollars spent to date — \$303,541,529 is what we've spent to date on this. It is quite a bit of money and we need to move on and make progress on this. I hope that answers the questions.

Mr. Kent: Of that \$303 million and change — I guess it's not change — but of the \$303 million approximately that the minister identified, perhaps he would be able to provide the House with a split on how much of that has gone into care and maintenance and how much of it has gone into remediation design.

The question with respect to the mediation design, can the minister just identify for us who the new contractor is for that design work that Canada has engaged with at the Faro mine? Again, just to follow up on a question that I asked earlier, is there consideration being given to looking at a model similar to Mount Nansen or what happens at Keno Hill with respect to Faro where the private sector assumes a larger role perhaps in the remediation design and construction side of things for the cleanup of that site?

Hon. Mr. Pillai: To go back to that, as I've stated, under the current circumstances we have a governance model that is in place that certainly we have inherited.

I think that the consultation process, as extensive as it is, is going to lead to not just dialogue about the perspective from Yukoners — but because it's such a broad undertaking, I think that we will have a series of options tabled. Truly, I think

we're going to see a more calibrated delivery. I would think that out in Kaska country on this one — I think it's going to be interesting to see what is tabled. There are other self-governing First Nations that are affected by this project.

I think the question, very clearly, is: Are we going to change everything that is in place right now and go out and look to see if somebody wants to acquire this? At this point, that's not something that the department — we're essentially going down the exact same road that the member opposite was going down in this row. We're looking at things the same way — at least from what I'm seeing off the documentation that I've been provided. But that doesn't mean that, after we go through a consultation period, we won't see a series of other individuals tabling different concepts. I'm looking at how things were handled over the last few years, and certainly challenges — I think some tough challenges, especially when you are trying to oversee a project of this size and within the governance structure.

So once again — really not trying to stickhandle around the answer. I think we're going to be in a scenario where we certainly see a bunch of different options. I think what we're supposed to do with this design — the options throughout. It's really a consultation on design and the process, but I think we're going to have a lot of different types of feedback that occur.

When we look at the care and maintenance, we're looking at about \$12 million to \$14 million annually right now. I don't have an exact breakdown of the costs to date. Look at this — and then all of a sudden, you do. These guys are quick, as my friend, the member opposite, knows. So a few things — so Parsons, of course, was the contractor who was in place to look at care and maintenance when we came into this job. Parsons spent — it's about \$13,683,000 to date. A few subcontractors locally have been involved in some of that work: A1 Delivery; C McLeod Contracting, equipment service; Finning, local, Yukon; Grey Mountain has been the lime supplier; Laberge as well, in Yukon; Pilgrims Landscaping, a Yukon company; RCL Transport; Ruskin; Small's as well; TREXX, for delivery; Trimac, doing some lime storage, supply and delivery as well; Tu Lidlini —

Some Hon. Member: (Inaudible)

Hon. Mr. Pillai: Tu Lidlini? Okay. Perfect. Thanks to the member for helping me out with that.

That is the Kaska fuel distribution company — John Etzel. Veolia as well — those are some of the companies that have been working with Parsons to date on the Faro site.

We're looking at about \$13 million. Just for the record, as we've seen, it's between \$12 million and \$14 million annually that we're looking at. We'll provide the breakdown as well to the member opposite.

We'll see who the federal government has now engaged for some of that design work. I think CH2M Hill — I think they were working with them previously. I could be mistaken, but certainly we'll reach out. We will get a better breakdown — we had a pretty good breakdown there — and just get back on the design piece for the member opposite.

Mr. Kent: So with respect to the care and maintenance contract that is in place, the minister mentioned the contractor that won that bid recently, Parsons, and I understand that they almost had 100-percent retention of employees from Faro with respect to the previous contractor that they inherited. I think they did a good job. The minister mentioned some of the subcontractors who are working on that as well.

When that tender was advertised and then eventually awarded, I think it's fair to say there was some criticism of the government at the time. I think there was some disappointment as well from some of the local companies that had submitted bids but weren't ultimately successful.

Are there steps that the government is taking right now to give local contractors a better opportunity to be successful? Perhaps this is a better question for the minister when he has his Economic Development officials there, but he did mention today that when the CETA agreement comes into place — I think the number he mentioned in Question Period was \$8 million, and any projects over that won't be eligible for the BIP. Perhaps this project isn't BIP eligible because it's federal dollars anyway, but if he can provide that update now or perhaps when we're in Economic Development — and would the *Canadian Free Trade Agreement* have any impact on this contract going forward as well?

So just to summarize, have there been — or what steps are being taken to give local contractors a better opportunity to be successful the next time the care and maintenance contract comes up? Will it be subject to any of the trade agreements, whether it's the European trade agreement or *Canadian Free Trade Agreement*?

Hon. Mr. Pillai: I guess we'll straddle two departments on that question.

I think it started off by just some sort of preamble by the member opposite talking about the criticisms that the previous government took on the contract. My experience has been that there have only been one or two interactions for me with Parsons leadership here — very positive. They're very supportive in Faro — I think we saw during the Association of Yukon Communities. I think that has been a good story in that case.

Part of the challenge — I mean, having been in the private-business sector when this occurred, the challenge was, yes, there was a retention of individuals who were working there, and I think that is great. I mean there is a retention because, in many cases, that is the most efficient transition — getting people over who are already in a community and working on a project. What I'm trying to take into consideration as minister, and also with an Economic Development hat on, is — I want to be in a situation where we work with other departments to ensure that there are opportunities for the individuals who are here to work — the work force. That's key.

Secondly, I do want to ensure, though, that we're continuously working in collaboration with CNIM to build capacity, because we know that this project will long outlast any of us here in the Assembly. The opportunities are immense and very long term, so that is key.

I also want to see Yukon companies, per se — companies that are here, that are listed as Yukon companies — taking these opportunities. I think that there certainly was some concern out there, and I take that concern to heart.

So how do we move forward — well, to move in to the realm of Economic Development — and the member opposite is correct. What my statement was today — we talked about the CETA — the European trade agreement. Within CETA, what we're seeing is that the implementation dates are focused on June 15, for most of it. I don't have the whole schematic here — if all will be implemented on the 15th, but certainly some key elements of the agreement will be put in place at that time. One of the key elements is that for programs over the value of \$8.5 million, you do not have ability to use the current BIP program, which we spoke about today. The BIP program is not eligible for programs over \$8.5 million.

Once again, we have had this discussion here. We have had this discussion — the member opposite knows from his work at Highways and Public Works. How do you look at strategically tendering? What's the length of tender? Does this governance structure with Canada provide challenges to be more creative — yet playing within the boundaries and the rules to do this? I have requested right from the start in the department — I think you have heard the assistant deputy minister who is not with us today publicly state, during the procurement workshops that we had in the fall, my undeniable focus on ensuring that we try to maximize benefits. I think, to be fair, the member opposite felt the exact same way.

That is where we want to go and that is what we have said. I have actually been able to work across party lines — just sharing prerogative on this one — with the Leader of the Official Opposition on this very file in Faro, just making sure that I even understand and our team understands all the capacity that exists in the surrounding communities and how we maximize this.

How do we at least improve the situation moving forward? The contracting community has certainly said that the business incentive program — some changes to that would be advantageous. We have begun to continue to review the tools that we have. The member opposite is correct that we do have to take into consideration things like the *Canadian Free Trade Agreement* — how that plays out and how that affects our decisions. As a bureaucracy and as a government, are our hands tied or what can we do?

I think that our team in Economic Development has continued to look at a different set of strategies. Taking into consideration the recommendations from the Procurement Support Centre and taking into consideration the work of my colleague, I think those series of strategies will bring us to a place where we can maybe be a little more strategic when we look at tendering. That is my hope. That is what we're setting out to do.

Certainly, this existing care and maintenance contract has a bit of highway in front of it. We are not going to see this go back out for awhile, but that gives us time to ensure that — really, the focus has to be capacity building. It has to be local opportunities. The Leader of the Official Opposition, in our

conversation, certainly makes sure that communities such as Ross River and Faro, as well as Whitehorse and the local individuals here have a chance to make sure that they are competing for those dollars. I think that's what everybody wants to see.

I'll leave it at that. I think, as we go into the fall, we'll either come up with some good strategies on how to look at BIP, or the member opposite can criticize me for not getting it done. So I'll leave it at that.

Mr. Kent: I will explore the BIP stuff a little bit further when the minister has Economic Development officials here with him because I know that's where the program resides — in Economic Development.

Just to conclude on Faro, I have some questions with respect to the north fork of Rose Creek. Again, when I was in office as the Minister of Energy, Mines and Resources, there were some elevated zinc levels that came up in the north fork of Rose Creek. At the time, the schedule was for construction on a permanent solution to the water-quality issues that were being experienced on that part of Rose Creek to begin in late 2017. I'm just looking for a schedule update from the minister with respect to that type of work.

I think the minister mentioned earlier that at the end of this consultation period that's currently underway, they announced — I believe last week with respect to work at Faro — that they would be looking to move away from section 37 of the *Waters Act* and get a water licence in place. I certainly don't want to put words in his mouth, but I just want to get him to confirm whether or not that's the case with respect to Faro — or maybe he was talking about Mount Nansen at the time.

Again, if he can give us an update on the construction of a permanent solution to the water-quality issues at Rose Creek — it was my understanding they were to begin later this year. If there's an update in that schedule, I would appreciate it.

With respect to the budget that we're debating, I know officials at the briefing mentioned there was an amount for interim works. If we could get an update from the minister for what other works are taking place at Faro — I don't need exact amounts, but maybe just some of the type of opportunities that will come forward — or perhaps at a later date, he could either table or send opposition parties a schedule of the type of work that is being contemplated for this year, so that we can talk to our constituents who happen to be contractors on what they can expect to see come up at Faro, and indeed, the other type 2 sites as far as the tender management system goes this summer.

Hon. Mr. Pillai: Mr. Chair, I want to answer this in a fulsome manner. There was one quick point that the member opposite said. Maybe he thought I was speaking to Mount Nansen. Can I just get clarity about exactly — and then I'll go into answering all of those questions.

Mr. Kent: This is with respect to the Rose Creek work. I know when we were doing some of the interim works when I was minister and looking for some of the solutions to the elevated zinc levels there, those activities were being carried out under section 37 of the *Waters Act*. Is the current

government still in discussions with the federal government about pursuing a water licence for remediation of Rose Creek and that broader Rose Creek? Perhaps that's something that's going to come out at the end of this consultation period that the department is undertaking.

Hon. Mr. Pillai: I'll just give a bit of background. In October 2013, an increase in zinc levels was detected in Rose Creek. So 2013, I guess, was the first period when that happened and that's immediately downstream from the Faro mine site. Further investigations done in November and December of 2013 identified the source as a contaminated seep from the Faro waste rock dump that was surfacing. That process is also known as "daylighting". That was in the north fork of Rose Creek.

Then between January and March of 2014, zinc concentrations in the upper reaches of Rose Creek continued to increase. Just for the record here, this is years and years of this occurring in the upper reaches. Then in some areas, it exceeded acutely toxic levels for fish — pretty significant. In the fall of 2014, Environment Canada issued an inspector's direction to Energy, Mines and Resources and INAC — both YG and the federal government.

The Assessment and Abandoned Mines branch implemented two separate interim mitigations there, both designed to collect the contaminated water that they identified, prior to it reaching the environment. These solutions included — the first strategy was a drill program designed to install interception wells that would pump the contaminated water from the source, prior to reaching Rose Creek.

The second development off the seepage interception system, which pumped a portion from Rose Creek to the Faro pit — now what has changed I believe, and my officials can help me here if I'm wrong — is the fact that with Rose Creek — at the time when the member opposite was in this role, both Canada and Yukon were working on the design work. Now, what we have seen is that the federal government is solely leading the conversation on this work.

Moreover, as the member opposite asked if I was just talking about the water licence — no, this was extremely alarming for me to see what was happening on the Faro site. I appreciate the help of the officials and the abandoned mines team, so certainly as soon as I was made aware of the fact that we were seeing these increases in zinc levels, I had asked my officials to begin the conversation with Canada about going through the proper steps. As the member opposite as minister might have had at the time, certainly I have had experience where extremely well-versed Yukoners in this subject matter — and other Yukoners — came and talked to me and said, "Your government has to do the right thing".

You're right. What we're doing is we're going through the consultation piece and there has been — I guess I would say it's in section 37 under the *Waters Act*. I think you're aware of that. This was raised, I think, to my friend across the way when he was in this role and we believe that we have to respect the Yukon assessment and regulatory regime.

As I stated here today, we have informed Canada that it is the right thing to do. My colleagues would be very concerned with me if I didn't. Yukoners would say that we have to play this out — there are no shortcuts. We have reached out and informed Canada that the Yukon government requires and intends to seek a full assessment through this project and we have to go through the water licensing process.

Mr. Kent: I just have one final question with respect to — I guess it's not really with respect to Assessment and Abandoned Mines because it is not an abandoned mine. It's under temporary closure, I believe. Perhaps the minister can update the House if it's not. It's with respect to the Wolverine mine. Can the minister tell the House whether it still is under temporary closure? Are they moving toward abandonment? Are there any updates on the plans for the Wolverine mine that the minister can share with the House?

I guess, the final part about Wolverine that I would like the minister to update us on is whether or not Yukon Zinc is still paying for the temporary closure activities required through the — I believe they had a secure line of credit that they were using at the time. Perhaps there is something different now. Can the minister give us an update with respect to what is happening at Wolverine?

Hon. Mr. Pillai: Background for the members: Since Yukon Zinc Corporation announced the temporary closure of the Wolverine mine in January 2015, we have been working with the company officials to make certain that requirements are met to safeguard the public and ensure environmental protection.

The Leader of the Official Opposition has asked me probably only a few weeks ago — it feels like months ago, but at some point — about our discussions with China. We did have opportunities as well to speak with the chargé d'affaires at the Embassy in Ottawa. Certainly, when you think about Wolverine, this comes to mind because a lot of Yukon companies didn't have the best experience on that project. I think that the Leader of the Third Party has done a fantastic job of touching on a lot of good ideas on this particular topic. I look forward to working with the Leader of the Third Party on this particular topic. There are some really good concepts that I wasn't aware of.

Wolverine mine continues to be in temporary closure. Under the current requirements, Yukon Zinc Corporation is fully secured, Mr. Chair. The Government of Yukon holds about \$10,588,000 in financial security under the corporation's mine and water licences. Our Compliance Monitoring and Inspections branch continues to monitor the mine site to ensure the potential risks to the environment and people who work and live in the area are minimized.

Through this work, branch inspectors and officials from the Workers' Compensation Health and Safety Board identified concerns early in my tenure with the storage of chemicals and reagents that were on-site. At that time, we directed that these be appropriately removed. We worked toward a strategy in the department ourselves, but luckily the company took it upon themselves to take on that responsibility. Our follow-up inspections as recently as

January showed that the reagents — some of them remained on-site. But then, I guess it was Yukon Zinc — there was a bit of work they didn't get done but then, at that point, KBL was identified as a local company that was completely authorized to move some of these hazardous materials. Then we lucked out again. So I was happy to see that Yukon Zinc, of course, contracted a separate company and removed pretty much all of the concerned items on-site, except for, I think it was quicklime.

That's a product that is commonly used for water treatment and is not covered under the current water licence for the mine site. I'm happy that they've responded.

In my role, I would like to see some of the robust numbers that we've seen in zinc. I would rather us not be concerned about closure, but I guess at this time, I will just check with our officials. So at this point, the company has submitted an updated reclamation and closure plan and that was done on December 30, 2016. The review of appropriate security is in progress right now. I'm comfortable with what's happening on the site — I think our team is, it's fair to say — and then waiting to see what's going to happen. There seems to have been some activity. We always hear different ideas and concepts about them moving forward.

I think we've been made aware through some of our staff and I've had some interest voiced to me in meetings with different larger mining companies — I have also been informed — that there are some challenges with the site and the structure. I have requested that the Energy, Mines and Resources team continue to have dialogue. We have. There have been quite a few conversations between our staff and them and we will see what will happen within the plan. So far, security is covered and the site is secure and safe and we're still in dialogue with them.

Mr. Kent: I have a number of questions on the Compliance Monitoring and Inspections branch and the Energy branch as well, but I want to make sure that we have an opportunity for the member of the Third Party as well as my colleague from Lake Laberge to ask some of the sustainable questions as well, so I will submit those in written form.

I do have a couple of quick questions on the energy side of things though. The first is with respect to the biomass strategy. I know this came up in Question Period a couple of times, or perhaps only once, but last fall there were four pilot projects proposed — one in Haines Junction, one in Watson Lake, one in Teslin and one at Yukon College. There were requests for qualifications issued. Can the minister give us a status update on these proposed projects? I think we've heard some information with respect to Teslin and the TTC's involvement in that project, but perhaps the minister can specifically give us updates on what's happening in Haines Junction and Watson Lake with respect to the biomass pilot projects.

Hon. Mr. Pillai: On the biomass piece, part of what we have tried to do — when it comes to biomass, there is a tremendous amount of interest and activity that is taking

place. Some of the work has been done under the department — some of this work.

The Member for Watson Lake has asked me about this process. I can't remember if it was just by correspondence or maybe here in the Legislature.

We're moving toward a request for proposal in Watson Lake. What we've tried to do throughout that process is that we've tried to talk to some of the teams in the early stages before we've gone through this process. There's a real concern about maximizing the envelope of opportunity to make sure that it is feasible. So that's some of the early work that we've done. So we're going forward on that. I'll just check — it is a request for a proposal that, I believe, we'll be rolling out. I think it would have been done even quicker, but we were actually asked by at least one proponent before it went out to at least get some feedback from the industry. So that's something we've done to ensure that we understand as a government what the needs of the private sector are when it comes to these sort of projects.

Secondly, Haines Junction — we're at this point just considering next steps for Haines Junction. There is some other activity in Haines Junction. I believe that the Energy Solutions Centre and the contract — they worked with the federal government. I'm trying to remember which company and I think I was in a previous role at that time. Anyway, that's really what's happening — it's an evaluation of feasibility for microgeneration for a heat and power system in the area. It's really looking at taking into consideration biomass and looking at a business plan for the development, potentially, of a commercial-scale district heating system serving the Da Kų Cultural Centre and a proposed daycare that I think they're looking to build right now. So that's part of the work.

Really, you have the two projects in the communities and you have what's happening in Haines Junction as well and, secondary to that, conversation with Cold Climate Innovation continues and they're looking to integrate. That's work I'll be doing with my colleague from Highways and Public Works because of the connection, of course, between the Property Management Division and the college.

The Cold Climate Innovation centre is looking at the work that they're doing. I believe it's pretty innovative technology. Then, of course, there are always conversations and interest that even comes to the Yukon Development Corporation. So that's another piece of it. Then, from time to time, certainly within the IRP — the integrated resource plan at Yukon Energy — although you don't see a lot of biomass reflected in the plan, certainly in the consultation that has been done by the Energy Corporation, it has come up.

So I guess it leads me to have a responsibility now, because I have the opportunity to look into all of these different areas. Then, of course, the member opposite touched upon, Teslin — so Teslin as well, on that particular project. The Teslin Tlingit Council is moving forward on their project as well. They have a series of units that they have acquired — really trying to make sure that we support them from both

Economic Development as well as Energy, Mines and Resources.

So we have those three communities that are kind of going at a different pace and in a different model. I think where we have to be as a government — in my conversations with my different associates from each department and the leadership in each department — we have to really have a clear and collaborative, but yet effective approach on this, because when I walked into government, one department is funding the purchase of a unit and another department is working with a community or an organization to look at the technology. We have at least three different types of technologies that are being used from community to community.

This territory has had this conversation before. In my years working at the college, certainly there was infrastructure in place for biomass. Maybe it wasn't as efficient at the time and there are challenges with it, but certainly, we need to get it right. Then on top of all that, what I came to learn was that a lot of those departments — not EMR but the other departments — are not even reaching out to speak with our forestry director, who happens to be in charge of dealing with the local supply, if that's where we're going to go. I mean, you're still looking at shipping pellets up. There has been some discussion as well in the Watson Lake area about pellet manufacturing in that jurisdiction and then providing it. There are a lot of moving pieces. People are excited about it, but we have to get everybody to the same table, so that's part of the work we're doing.

Shane Andre within our Energy branch is doing a great job sitting on multiple national working groups when it comes to energy and diesel reduction. He is sort of really at a point where he is — excuse the sports analogy — kind of quarterbacking what's happening between a series of departments. My conversations with Economic Development are to plug into Energy, Mines and Resources, both from the Energy branch but also on the forestry side, and then ensure Cold Climate Innovation continues to have their dialogue, reaching out in our dialogue as well between some of our senior leadership — the assistant deputy minister at Economic Development — and ensuring that they're having a dialogue with CanNor, which tends to be also funding things, and trying to get all of these different parties talking together so that we have appropriate infrastructure that works in the north, that's efficient, that meets the needs. At the same time, over time, I think the reason everybody seems to like this is that it can be a real social enterprise. If we're going to make it a social enterprise, then you're going to have to actually be able to produce the mass of biomass locally. So we have to have a strategy for that.

That's where we're going with this. There's lots of work. Many of the horses have left the stable, but we're going to try to get everybody running together here quickly as we look at some of these potential projects. That's what is happening. The questions the member opposite is going to submit in written form — if you would like further information on the

biomass work, we can provide that when we respond to your written questions on the other items.

I thank you for your questions last week and today.

Mr. Kent: A quick question on the IPP — I think it's still working its way through the YESAA process — but that's the proposed windfarm on Haeckel Hill. I'm just curious — at the time, one of the minister's officials said that the IPP wasn't complete yet but felt it would be in time to meet their timing requirements of, I believe, early next year.

Can the minister just give us an update on how much work is still required to complete the IPP? Work was started and signed off by the previous government. Maybe there are some changes that they're contemplating.

I know that, during the election campaign, they did mention that liquefied natural gas would no longer be considered for the IPP policy. I'm just looking for the minister to confirm that this is the case, and I'm looking for him to confirm that the IPP will be ready if the Haeckel Hill wind farm project proposal receives a favourable recommendation from YESAB and a favourable decision document from the appropriate decision bodies.

Hon. Mr. Pillai: There are a couple pieces there. I think the member opposite said “just quickly” and then in the same sentence said “IPP”, and I don't know if those things — “quickly” and “IPP” — as he knows, go anywhere together.

This is a challenging one. I need to know who that official is who said that — I'm joking.

There is some work that has been done, and certainly the member opposite knows that there is some work that has been done. Our officials have met with the proponent of the Haeckel Hill project.

Once again we're in a scenario — it's good. This is good theme-wise when you look at what happened with biomass and all of those different players. IPP is the same way. Some key people — so the president of the Yukon Development Corporation — which essentially is charged with setting a direction under the current OIC but working with Yukon Energy — wasn't even part of the discussion, so that's something that I have changed because I think that it's key that leadership needs to be at the table with Energy, Mines and Resources as we work toward this.

I'm not sure exactly when they are ready to press “go”. I have seen some numbers on the hill — when they are ready to press “go” on the project on Haeckel Hill — and how long YESAA is going to take, but what I will say is that I think the key part of this discussion right now, as I understand it, is getting all the players together when it comes to pricing. I have had good opportunity to speak with the leadership at ATCO. This discussion is big for them. It's not just how we deal with the wind project in Burwash, but in our early days in government, the First Nation in Old Crow has done extensive work on their energy projects. We need to be able to have IPP in place on all of these.

I have tasked our officials with moving as quickly as possible. This is a major priority. We thought we were going to be a little farther out on the wind project — still working there. They have already begun dialogue — the community

corporation in Kluane with their leadership. Their CEO has begun to have those discussions.

Part of our challenge is going to be able to figure out, at this point, the differential between where people are on pricing and what it is going to take to make it feasible, and then take into consideration the social side of it and try to figure out what government's role is. It is certainly a task that we are committed to. We want to see these pieces in place.

I had a meeting this morning at 9:00 a.m. with all the energy ministers in the country. Part of our discussions were about where we're going to go forward, but I think the theme that we're all seeing in Ottawa is that there is some real significant funding available — primarily for the north — as it is directed to reducing the use of diesel. That is good news but, in many of the case in the Yukon communities, the challenge becomes — as you provide funding to look at wind, solar, different types of production other than diesel, you then have to have an agreement in place — this what we speak about today — with these companies. The companies such as ATCO — that is where the hard work has to be done. They are committed. Their leadership locally says, and has communicated to me, that they are committed to make this work and so those are some of the key points.

Everybody has been waiting for this for a long time. We're reviewing the independent power production policy and, really, the focus right now is the pricing mechanism.

Are we going to be ready for this project on Haeckel Hill? I don't have the timeline on exactly when they are going to be ready to sell power. I have seen some potential timelines. That would be our goal. Whether we are going to be able to meet the goal of the project on Haeckel Hill, I'm not sure. I would hope we can, but we have to have some very significant work done that hasn't been completed yet. That is where I want to be. Our key really is for me — unless the member opposite knows, from when he was minister, about that project. I think it came out of the blue for all of us. It's good news — this potential project on Haeckel — but when I walked into this job, my focus was certainly the Burwash project — because financially it was on the books — and looking at the Old Crow project.

This one is a pleasant surprise. We are going to work as hard as we can to come up with some solutions for that project, but I'm not going to commit in the House today, in the Legislative Assembly, without having strong timelines — especially while somebody is still going through an environmental process — that we'll be able to meet this.

I will leave my comments at that on this particular project, Mr. Chair.

Mr. Kent: While the minister was speaking, I did text him a link to the story in the local media. I don't want to get anybody in trouble, but that is where we found out from one of his officials that he felt those timelines could be met — of early next year.

Just to circle back, I did ask the minister in the previous question whether or not the government was going to exclude liquefied natural gas from IPP, which was something we had

included as an option for people. I just wanted to get clarification from the minister.

Hon. Mr. Pillai: On that particular topic, during the campaign we made a commitment we would exclude LNG from the IPP conversation. I stick by that. At this juncture, we have no interest, we have stated that, and that's where we are.

Part of that question becomes that there's a concept out there that you're going to, first of all, see a mine that is built. You're going to see this — whether it's in western Yukon or north Yukon or central Yukon. At least, I think that's where the other party was going, the opposition, while in government. The concept was that you would invest in this — or maybe coming out of the mining sector, maybe coming from industry in some way, maybe from north Yukon on development there, on the oil and gas side of things. But we have heard members from the opposition talk about it directly — not my colleague who is asking questions today, but I think it was the Member for Kluane. They really talked about: Are we losing opportunities here? Is this going to stop the project from going forward?

I'll leave you with a couple of things. If you build power infrastructure in a remote area, likely you're building your own infrastructure because you are in a remote area. The leadership at the Yukon Energy Corporation, Andrew Hall, took this conversation and best communicated it to the Legislative Assembly when asked. What we have talked about is — first of all, you have to think about transmission. It's kind of in conflict. One is that you have a remote area where you're going to build infrastructure, but, at the same time, you're going to have to build transmission at some point. If you can build transmission, then the only reason you're probably not doing it is because there's a lack of capacity in the overall grid that you're connected to, or you're going to build new transmission just from there to help another sector.

Where the real challenges lie — as you move forward, the next challenge is that, at some point, there's an end-of-mine life, or the commodities swing, or whatever causes it, and then you're going to be into a reclamation time. The real challenge for the Yukon Energy Corporation, or whatever in the territory would deliver the energy, is how you sustain that going forward.

At this point, without getting into a conversation about north Yukon, I'll just state that at this point we don't have an interest. Our focus right now is on renewables. There might be some more LNG infrastructure discussed — there will be, actually — with Yukon Energy Corporation, but not for the IPP and we stand by that.

I do appreciate the e-mail, the text. But in all seriousness, when it does come to the wind project on Haeckel Hill, I do want to see the environment process completed.

I know that the focus of your e-mail was to say that a local or one of our officials spoke to this. I think we're all trying to make sure that we're pivoting to make this work and I appreciate that, but certainly we'll take a look at what the true timelines are on that project — not to discount what they're doing. I think it's great. I think energy entrepreneurs coming into the community on the side of renewables are

most welcome, but we do need to make sure that we have the appropriate mechanisms in place to sustain that type of infrastructure.

Back again, just for clarity, absolutely at this point, no interest on the IPP solution working with LNG — just for clarification on the record.

Mr. Kent: Just with respect to excluding LNG from the IPP program, maybe the minister can give the House a sense of the Liberal Party's thinking on that commitment because obviously the Energy Corporation is operating existing LNG plants, ATCO energy was exploring options for a biofuel project, I believe, in Watson Lake to get that community off of diesel that they currently use — or a portion of diesel that they currently use — so I'm just curious what the thinking is with respect to why it's okay for the utilities to have liquefied natural gas as a power source, but the party decided during the campaign that the IPP wouldn't be allowed to burn natural gas. I don't mean to be flippant, but obviously one's not — the natural gas burned by the Energy Corporation or ATCO wouldn't be cleaner than the natural gas burned by an IPP, so I'm just curious as to the thinking on that.

We did hear during the — I attended a meeting in Haines Junction with the Member for Kluane put on by the Energy Corporation when they were talking about their 20-year plan and they did have LNG as part of their plans going forward. I'm just curious as to what seems like a double standard — if the minister can explain to the House why the two sets of rules — one for the utilities but then a different set for anybody who is interested in the IPP.

Hon. Mr. Pillai: Thank you for the question. The member opposite and I are probably in a unique situation to have this dialogue because we have both had the opportunity to work with Energy, Mines and Resources and the Yukon Development Corporation.

With that in mind, I think what we've seen on the LNG file here is that the LNG infrastructure that is in place tends to be a solution that is used only to fill particular gaps. We don't see the use of LNG throughout the summer. It's something that was worked on over the last number of years, so to be clear, we're looking at an additional turbine, but something that was worked on and built over the last number of years — and to be open, this was in conjunction with Kwanlin Dün First Nation, which played a key role on that project in partnership.

Our goal as a government is to look at greening the grid as much as possible. I think that's pretty standard across North America. The member opposite is kind of — I don't know what she's doing over there — gasping.

Anyway, I think it's pretty standard what is going on across the country in provinces and territories and in North America — really trying to get to a point where people are reducing, if possible, the amount of fuels that they're using.

Is it a double standard with Yukon Energy? No, I think that we're looking to, first and foremost — the focus is to be able to use IPP policy to enhance the amount of clean energy on the grid. That's first and foremost. Am I going to sit here and get into a philosophical debate on LNG? I think it's a

budget discussion. I certainly will have that any time with the member opposite. We can have it here at the Legislative Assembly, but really, the conversation is that our focus and our priority is to expand the amount of energy about renewables that we have in the territory.

I think that part of the challenge that you would see is if you began to provide the sort of policy — you would probably end up undermining your overall strategy to enhance the renewables on your grid. It also might bring some really significant challenges. Maybe I'm going out to the end of the diving board on this, but I would think you could have some really significant challenges from a financial perspective because there have been other jurisdictions that have put IPP out and have got into a tough scenario. First of all, we have to make sure we have a policy that works and a mechanism that works to move through this.

We're going to continue to work. Most of the First Nation governments and development corporations who are big drivers on this work don't have an interest. They want to see renewables. The Energy Corporation would love to, from my conversations with leadership there, maximize the amount of renewables, but there does come a time where the reality of cost, taken into consideration with reliability and efficiency, leads you to have to look at some more thermal.

I think, at this point, I would just leave it as the belief that we want to see the development of locally sourced renewable energy. That's what we want to use to meet our growing needs. Certainly that fits. We want to use a clean solution when it comes to enhancing our grid — and not just our grid, but it's really about the communities as well. Other than that, maybe there were some other conversations that the member opposite had with specific parties. I've reached out to other organizations. I spoke with leadership at Casino mine today. I've spoken with the new leadership at Wellgreen. I want to ensure that these projects still don't have certain challenges. Certainly that's not what I've heard from any of these projects if that's where this was going.

I'm not sure and I'm getting my information from some of the statements that were made by the Member for Kluane.

Mr. Kent: Yes, certainly I have a number of other questions with respect to IPP and some more detailed questions. I guess we do have an ideological difference with respect to liquefied natural gas and using that to generate power and why it's okay for the utilities and not for the IPP, but again, we'll move on to other topics. As I said, we'll get a letter or perhaps written questions off to the minister with some of the more specific questions about targets and the policy and see if there have been any changes contemplated for the policy, since it was signed off prior to the election.

I wanted to talk a little bit about mineral resources and again I have quite a few questions here, but in the interest of moving through quickly, I will just ask a couple of them and submit the rest in written form.

When we talked during Question Period last week — it was either a question from the Member for Watson Lake or me — with respect to the free-entry system, and it might have even been during debate on EMR, but the minister mentioned

that he had talked to individuals who preferred a different system. I just wanted to clarify — because I did send out that e-mail with that transcript to a number of contacts that I have in the mining industry and it certainly started an interesting e-mail discussion.

I just wanted the minister to confirm whether that was the free-entry system he was talking about or was that map staking and e-staking. He may have clarified that, but I will just give him an opportunity to clarify it, so that I can get back to those people who have been engaged with me on e-mail for the past number of days.

Hon. Mr. Pillai: No, what I was referring to was either electronic staking versus our traditional staking methods. That was the point I was making. I spent the weekend on the road, mostly in different meetings, but certainly, I had the opportunity to sit with some very long-time prospectors. We had the discussion this weekend as well and we talked again about the fact that there has been, from time to time, interest in a more modern system when it comes to staking.

When it comes to free-entry staking, it has been interesting. The member opposite knows these files very well, very well — whether it be IPP or where IPP is today and how much work has been done on it and what the challenges are. Whether it is class 1 notification — the first thing I had to do was work with my officials to deal with the legal challenge that was going on. When it comes to free-entry staking — once again, we walked into a scenario where we're trying to work due to a legal mess that I have had to deal with and how that plays out when it comes to the entry system. Then we have talked about class 1 notification in here as well. That is, again, another real challenge and once again our team is making sure that we sit down and have discussions with affected parties.

I would love to talk budget, but if the next 20 minutes is going to be, "Let's get all the touchy subjects that didn't get fixed dealt with now", and you want me to go on the record, then let's go through them. Let's take them one by one and we'll have the discussion, but we're going to go into every other issue that led us to there if that's how we're getting into that discussion.

Mr. Kent: I'm glad EMR didn't come up on Thursday when it was about 150 degrees in here. We're a little hot under the collar. These are just policy questions. Obviously, we're in general debate. There are some specific budget questions, but past practice — my experience in the House and others' — is that this is where there is the opportunity to ask specific policy questions.

I'll move on to the staking bans that are in place in Ross River and the Liard area. The Ross River one has been in place for a number of years now. That came out of a Yukon Court of Appeal decision. I'm hoping to get an update from the minister on whether or not EMR is the lead on this or if it's being done through Executive Council Office.

I think, during my time, it was done through Executive Council Office — on the Ross River one in particular. Obviously the Liard one has been added recently. So just some clarification from the minister on whether or not I

should direct my questions to the Premier on this — if it is Energy, Mines and Resources that is leading the staking ban and trying to determine what areas in Ross River and Liard will remain off-limits for staking, it would be great to get an update from the minister with respect to those two areas and the status of the staking bans in both of them.

Perhaps he could also provide an update with respect to the White River area. I'm not sure if that was included in the recent withdrawals. I don't believe it was, but if there's an update, that would also be appreciated.

Hon. Mr. Pillai: The member opposite knows how the government got to where they did on the staking bans. So where are we at now?

To clarify and answer the question when it comes to which is the lead, the Executive Council Office is the lead negotiator with Ross River on this particular file, but the Department of Energy, Mines and Resources still feeds advisement information into Executive Council Office and there's dialogue.

We're in a unique situation. We have Mr. Mills' capacity — formerly he was with Aboriginal Relations, now with Energy, Mines and Resources, so he is there to support the rest of our team at EMR.

What are we doing? We are building trust back. Really, that is what is happening. We have had some great conversations in the short term with the Ross River Dena Council. I was there the weekend of the Association of Yukon Communities meeting. Some of the key players working for the Ross River Dena Council focused on, at least, that particular area and have spoken with us about some of the work they're undertaking. The member opposite would probably remember that part of the dialogue was to see if the Ross River Dena Council would identify some areas that potentially could be opened for staking.

We still have the challenge of dealing with the processes and the mechanics of staking, based on what we've seen. I know that, I think, under the leadership of the member opposite there was some other work that was undertaken from time to time with the Kaska but during this staking prohibition.

Some of that, I am digging into — just looking at it, seeing how the mechanics are and seeing if that type of activity stands up and how that works, because we also have had the Ross River Dena Council reach out and have a lot of interest in what's happening in the area, and they have a formation of a corporation there that also has some interest. I think that there is some good dialogue.

I don't believe we will have a solution during the summer or the fall — during the season — in the Ross River area, but I think the way to do it — and I think our Cabinet and our Premier feel that you have to build some really appropriate and respectful relationships here. I understand. I was in Ross River during the last big staking rush when there were 1.5 full-time positions and 44 companies active in staking, and then I think things just broke down over the last couple years. Certainly we're going to try to make sure that we build a good foundation and a good relationship. We as government, when

I'm wearing my Economic Development hat, are just as concerned essentially about a full approach here, but I think that building an appropriate, respectful relationship with the Ross River Dena Council — and also not just focused on the mineral development, but also how we can help the area diversify a bit when it comes to their economy, whether it be a bit tourism, mountain biking or you name it — that's going to be key.

The Minister of Health and Social Services and of Environment has continued to work. We have been invited to have meetings in the month of July with other levels of government and with the Ross River Dena Council. I think that, like I said — I used the analogy the other day — we can either take the long, bumpy road and get to where we need to go — because I don't feel like taking a strategy that gets us stuck in the mud — or we will have to back up and then lose all that time — because I'm dealing with that on a series of files.

That's what's happening there. I don't have the exact point but that's how we're dealing with the file.

When it comes to Liard First Nation and the Kaska Dena Council, we have those dates we're working toward, which is early 2018, I believe, on both scenarios. Part of my obligation and the obligation of our government is to ensure that we have dialogue as quickly as possible, from my perspective, with the new leadership in Liard First Nation. They have a lot; I can't imagine. I think everybody could take that into consideration and respect the fact that they probably have a lot on their plate, so I'm hoping that we can get to a place with Liard First Nation and Kaska Dena Council so we can see that area open up.

When it comes to White River, there has been no dialogue on a staking ban. The member opposite knows very well that there is no staking ban in that particular area. Our Executive Council Office and Aboriginal Relations department continues to work with the White River First Nation.

Chair: Would the 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.

The matter before the Committee is general debate on Vote 53, Department of Energy, Mines and Resources, in Bill No. 201, entitled *First Appropriation Act, 2017-18*.

Mr. Kent: As I mentioned with some of the other branches, I do have a number of questions I'll submit in written form. We talked a little bit about the staking bans. I do just wish to inform the minister that I clearly wasn't aware of anything going on in the White River, so I thank him for clarifying that there is no staking ban there. It wasn't a question I was asking that I already knew the answer to, by any stretch.

Some of the written questions that I'll be submitting to the minister with respect to mineral resources — I know we have talked in Question Period about successor resource legislation and the government's plans. I'll just look for some clarification, as well as what Strategic Initiatives is doing on the mine licensing improvement initiative and the mineral development strategy.

I'll also be looking for some comments from the minister on compensation. I know we've talked in the House in the past while about compensation for the Tr'ondëk Hwëch'in residential — for the placer miners affected by the TH subdivision in Dawson City. The minister did reference that — I believe that was also a Question Period question I asked him about. With the written question, I'll be looking for some additional information there.

We'll wait until the fall or the next time we're up in debate on EMR to talk about the action plan that he has spoken in the media about with respect to mining within municipalities. We'll look for an update from the minister on that. I believe he mentioned they were still waiting for some of the legal action to conclude with respect to some Whitehorse area claims, so we'll look to see what the minister has to say about that at a future date.

I'll again ask in a written question to the minister about the Mactung property. The Government of the Northwest Territories assumed ownership of that during some creditor proceedings, so we would be looking to get a sense of where the Yukon government is at with respect to the Mactung property and working with the GNWT. Obviously it's in everybody's interest to get those claims back out into private ownership, if they aren't, and just get a sense of where the GNWT is at on that file.

Moving into oil and gas, I have a number of questions with respect to this file, but maybe just for some of the highlights there, he mentioned there is a reduction in this budget with respect to the oil and gas action plan. We'll be curious what this government's response is with respect to the 21 recommendations of the Select Committee on the Risks and Benefits of Hydraulic Fracturing. I know the economic report on oil and gas in the Liard Basin was done by Economic Development, I believe, so I'll follow up with minister on that file.

One of his officials during the briefing mentioned that the First Nation consultation with respect to the Kandik Basin will be concluding at the end of June, and that's when they expect the public consultation to be initiated — the 60-day public consultation.

We're curious — obviously, there is some secrecy that surrounds the potential proponent or whoever has expressed some interest there. There are a limited number of officials within Yukon government that know who the individual would be and I'm just kind of trying to get a sense of if there has been any back and forth between that small group of officials and this potential proponent who has expressed some interest in the Kandik Basin. The election timing was a challenge for that particular expression, so they got caught up

in that a little bit. I want to make sure there is still some interest there.

At some point in the future, I'm sure we'll get into some discussion around the Peel watershed and we'll wait for the Supreme Court to render their decision with respect to the Peel watershed and what is happening there. From a mining perspective, we're certainly interested in what the government's plans are or if they are budgeting dollars for potential compensation for existing claim holders in the Peel watershed should any government decisions be made that would adversely affect their interests there.

Those are some of the other items that I would like to explore during this mandate and during the next time we have a chance to talk to the minister, but I do thank him for his responses and I thank the officials for providing the support. That will conclude my remarks here today. I will turn the floor over to the Member for Takhini-Kopper King and, again, thank you to the minister and the officials and we'll look forward to lots more interesting conversations over the next number of years.

Hon. Mr. Pillai: I thank the member opposite for the closing remarks. I appreciate that we're going to have some opportunity to have some questions submitted in written form. I knew there were lots of questions. I know that publicly the member opposite stated there were hundreds of questions coming, so I know that there will be a lot that we have to look at in written form. Our team will reply to those, but I also think it's important that we have an open dialogue here in the Legislative Assembly, so I do look forward to questions from the member opposite over the next number of years concerning a lot of these topics. I think we should have that dialogue, especially when it comes to the oil and gas conversation. I would love to report on why we're going through this, talking about maybe the consultation piece on the Kandik and some of the things that happened in the fall. I think we need to talk about the Kotaneelee. I think we need to talk once we see what the conclusion is with Northern Cross — some pieces such as that.

I think the Third Party is going to talk about security, which is going to be another conversation.

I welcome a multitude of questions on the mineral development strategy, MLII — the challenges on that — with mine licensing improvement, the MOU and other topics. I look forward to the written questions, but certainly I would urge the member opposite, it would be great to have some of this dialogue here in the Legislative Assembly for the Hansard record.

Thank you, Mr. Chair. I look forward to the questions.

Ms. White: Thank you, Mr. Chair and I thank the officials for being here. It's always a pleasure and it's very informative to have you in the Chamber. I thank the Member for Copperbelt South for starting us off in the questions.

Just being aware of the time, Mr. Chair, I am actually going to start out with the securities for oil and gas remediation. I want to thank the minister for the answers he provided during Question Period. It was definitely a refreshing change for us.

Knowing that currently we hold \$1.1 million for financial security from Northern Cross for the Eagle Plains area and understanding that the single well that we are now responsible for in the Kotaneelee has an estimated cost of \$2.4 million to abandon it, can the minister just expand on what would be happening for that area in north Yukon and how we can be sure that if something goes sour, we won't be on the hook for tens of millions of dollars?

Hon. Mr. Pillai: If the Member for Takhini-Kopper King doesn't mind, I'm going to go back so we have a fulsome conversation here. The cost for the Kotaneelee site that the Yukon government is responsible for abandoning — we've touched on this a little bit, but it's well L-38 — is really due to the insolvency of the licensee, EFLO. The current estimate for that well abandonment is up to \$2.44 million. To be fair, a lot of that has to do as well — although north Yukon is also an extremely rural area, where these sites are, but there are definitely some logistical challenges when you take into consideration the Kotaneelee, such as barging in and the water crossings and all of those different things that you have to take into consideration. So there are a bunch of different elements that add cost — not to say that it's not going to be quite expensive in north Yukon. The estimated cost to the Yukon government is about \$1.8 million. The government is in possession right now — the security that's in place is about \$625,000. That's what's held.

We hold security essentially on all of the abandoned wells. That is, of course, in accordance with the *Oil and Gas Act*. Security is required to be filed at the time a well is licensed. Security is also reviewed regularly and is required under the *Oil and Gas Act* to ensure it is adequate. Under the *Oil and Gas Act*, this summer is really going to give us an opportunity to take a look at what the costing is on that and then take into consideration what is happening.

I can speak broadly about the security that is in place with Northern Cross. The Yukon government holds security — Chance Oil and Gas is how it's branded now, formerly known as Northern Cross — of about \$1.1 million. The security amounts were last reviewed on this one in 2014 and determined to be adequate at the time. In accordance with the *Oil and Gas Act*, security for Chance oil and gas wells is currently under review. After the review is complete, if necessary, the minister may require the company to file for additional security.

This is something we will probably be having a dialogue on here in the Assembly about, but we are working with our officials to take a look at some of the costing on the current work we have. The following factors are considered in determining the amount of security required: well location accessibility; well type, whether it be natural gas or oil; well depth and well status, whether it's producing or suspended. There's no refund if well security has been provided to Chance Oil and Gas to date. A refund of security would only occur after a well has been abandoned in accordance with the requirements under the *Oil and Gas Act*.

I will also add that, in the Kotaneelee, the wells have been completed and equipped for production and therefore require

the removal of downhole equipment — there's a lot more infrastructure there — and the setting of the number of plugs in the well to isolate the producing zones from the rest of the wellbore. A number of Kotaneelee wells also require cement squeezes to ensure the isolation of porous zone and long-term protection of the groundwater that's there. The Kotaneelee wells are deeper than the wells in Eagle Plains, and, therefore, you need a larger service rig and equipment that can withstand higher pressure. All of these items cost more.

So it takes longer to complete each step in the downhole abandonment with a deeper well, and it's expensive. The cost of the service rigging and associated equipment for Kotaneelee is \$25,000 a day for that rig. It takes an entire day to pull a string of steel tubing over four kilometres long out of that well. You can see the costs are pretty spectacular on that.

The wells at Eagle Plains have either not been completed for production, or are suspended and are essentially partially abandoned. This significantly reduces the amount of work required to complete the abandonment. That's the reason the officials have that differential in place. That doesn't mean we're not in a position to work with our oil and gas specialists to take into consideration where we stand after this first job is done.

Ms. White: I thank the minister for that. We've had lots of discussions in this Chamber — the Member for Copperbelt South referenced Yukon Zinc, which is actually a mine site that I spent quite a bit of time at. If people haven't had a chance to see what that mine site looked like by the time it was abandoned, it is a large project — not the largest, of course, but it was definitely a large project.

One of the things we talked about was the importance, when that happened, of the number of small Yukon companies that were owed money. I did go to the creditor meeting when that happened to see the looks of disbelief on people's faces when they were offered pennies on the dollar up to a certain amount and, over that, there was the maximum payout amount, which was also pennies on the dollar.

When we talk about — even in the gas field — if that's enough money to take care of the cleanup if that's the problem, we know that, in the case of Yukon Zinc, they had been given a pass by the previous government on some of their cleanup payments, and it's not enough to do the work that has to be done. We know that. That's factual information.

When the minister mentioned the review is ongoing for the Northern Cross project, can he give us a timeline when he expects that review to be done?

Hon. Mr. Pillai: I think, for the record, the statement was based on the fact that I wanted to make sure that, once we completed the Kotaneelee work, we could review. I mean, where my role stands now when it comes to the Northern Cross piece is that I'm not even in a position to have dialogue on the topic because of the legal situation. I apologize. I do. I'm hoping that we can come up with a solution on this, and I know that the Minister of Justice and the team, EMR people — everybody is sort of working away, and I think the officials have had correspondence, but, certainly in my case, I'm sort of in a firewall position.

At this time, I cannot get into, per se, the status, but I think that understanding the values that you've championed here — a couple pieces that you touched on include — on the Economic Development side, I have actually worked with officials because it was a good learning experience really. That day when the Leader of the Third Party talked about some of the other tools that we have — I have worked a bit with my deputy minister on that.

When it comes to Northern Cross, we're just going to see how this plays out. Part of the challenge, as well, is that in the last set of questions — I walked into a scenario with the 15 areas of interest where, in the first conversation I had, I was in trouble. I was in trouble because the affected First Nations were like: Well, we have a north Yukon plan in place; this is the dialogue we have been having with the government; why are these areas even out for interest, because the dialogue we're having on special management zones overlap, planning — all of these things — are already going to put it into some sort of legal challenge but yet we're here.

What I've stated to the northern chiefs — once we conclude our work here tomorrow, right away we're into a tremendous amount of work this summer and are really focused on the fact that, working with the northern chiefs on — just having a dialogue about what vision there is for oil and gas in the north. But certainly there is a consultation that's happening with them.

Also, there are a couple pieces that I will touch on. Just for the record, we are in possession of about \$1.13 million for wild abandonment deposits as security for the abandonment of the eight wells licensed to Northern Cross, and the Oil and Gas Resources branch is conducting a review of Northern Cross's well-abandonment deposits as per subsection 90(3) of the act to determine that the deposit amount is adequate. That piece is still there and it will be done in the next three months. Probably by the time we get back here, I hope, in the Fall Sitting, we can have that discussion.

I will leave it at that.

Ms. White: So I am just going to affirm that I believe that land use planning is incredibly important, and I look forward to having the seven other plans completed. That would be a fantastic way to move forward into economic development in the territory.

The minister mentioned the abandonment of well deposits and the process that is ongoing, so we're currently looking at the Kotaneelee. One of the questions I have is: What has the department learned? During the election — the Member for Copperbelt South mentioned the Liberal government's position. From the NDP perspective, we were not interested in oil and gas development, period.

The Liberal government has said that they were interested in oil and gas development only in the conventional fashion, but that would still involve cleanups and remediation. So what exactly is the department learning from this experience? We can look at the mistakes and the reason I made the sound I did when you talked about the learning experience — before you said what you had learned from the Third Party — is I was just thinking you meant the experience that was learned by the

business owners and the contractors, because that was horrible. Learning that lesson based on their experience is unfortunate, so I appreciate that is not what the minister meant.

Looking at this, what is the department learning from this experience? How does the department plan on going forward on a go-forward basis because you have the ability to figure out what rules you are going to ask for in your sandbox? You can lay out your expectations and what you expect to happen, so what lessons has the minister taken away from this process of the Kotaneelee abandonment and the fact that this government has talked about oil and gas development in a conventional fashion?

Hon. Mr. Pillai: In some cases, I think that our government departments learn all the time. They certainly learned from these interactions with the oil and gas industry. Although the Kotaneelee strategy and work there was done over a fairly significant amount of time and there has been interest and activity in north Yukon, all this is still pretty new as compared to what we have seen in the mineral sector and other sectors.

I guess one of the big lessons really would have to be with security. The policy of the staff — our oil and gas specialists — is really driven by government. It has probably been quite challenging with the change because, as you stated, there is a different set of principles. There is a different set of ideals. We walked into a scenario where I think that the Third Party and us — our group — certainly were focused on making a stand on the fracking conversation and respecting the moratorium.

I think I can talk about what at least in this role my Cabinet colleagues and our team in government and I — what we have learned, which we certainly did know, moving into government. Then, in turn, I think the question really talks about what our staff has learned, but also where do we go.

There's an interesting history when you talk about it. I think it's fair to say, on the Kotaneelee gas royalties, there was \$45 million in royalties that was paid out and \$10 million was distributed to settled First Nations under chapter 23 resource revenues and royalty payments. With some of the history when it comes to oil and gas development, there are some positive feelings about some of the revenue that was allocated. Within the department, the challenge has been that all the work that was done in this Assembly when it came to the action plan — what I have come to learn is that there was a fairly significant budget that was put toward the scope of work on the oil and gas action plan, but some of the things that were being worked on were in contravention to what we were looking at as a party and as a government.

We heard it at the door — I have to make that statement. I heard it over and over again in the riding that I represent of Porter Creek South and I'm sure the Member for Takhini-Kopper King heard it. There was a significant fear about what was going to happen and the stance on fracking. People who are very supportive of resource development and mineral resource development were the same individuals who drew a line when it comes to fracking — the case of the Member for

Takhini-Kopper King, for example, who has worked in the mining sector but, at the same time, has specific feelings when it comes to this sort of resource development. First and foremost, we have been very clear that there's no interest at all in pursuing that.

Secondly, we look at the Kotaneelee. In this role, I've learned a lot about what's happening with the Kotaneelee — stuff I didn't know before taking on this role. Although we have a great story of revenues over the years, the story now is that we have a cleanup and it's going to cost us significant money. That is underway.

Out of the recommendations I did, I was being sincere with the member opposite. I want to talk about oil and gas, and I hope there are lots of questions in the fall because there's a lot of stuff that has happened. Part of it was that there was work done, first by the — it was the benefits. When it came to hydraulic fracturing and some of the role of it — my notes here — it talked about essentially the risks and benefits. One of the first things I found when I walked into this role was that there's a report. I was asked in the Legislative Assembly, and it was the report as per the recommendations. It's about how this needs to roll out. I'm like, okay, but I think the recommendation talked about risks and benefits — but how did the risk part get dropped between the recommendation and the report?

As we go through, we'll talk a little bit about that. I went back and said let's do it right. It was about risks and benefits, so we should add the risk part in because this one is all about benefits. We should add the risk part in because this one is all about benefits.

There is other work that was underway. We can talk about it, and hopefully we will talk about it in the fall. As a government, we made the commitment that we would not look for exploration in the Whitehorse Trough, and certainly there was work being done on that topic by the previous government. If we get a chance, the Member for Lake Laberge can maybe speak to it before the end of the day, but certainly it's the potential of development in the Whitehorse Trough north of Laberge. Although there was a moratorium on it, certainly that work was done and that, of course, is not again something.

Where does that leave us? I don't want to take up any more of your question time, but I would say that reassessing the whole Yukon — and really pretty messy. Cleanup in Kotaneelee, legal challenge in north Yukon, 15 areas of interest that went out with absolutely no support out the door, people astounded that they even went out for interest — you're absolutely correct. We're working to complete the consultation when it comes to the First Nations as the affected areas. We have to do that. We've committed to the Whitehorse Trough. Our feeling is that Yukoners really don't have an interest in that. Some of the areas that would have strong deposit — it seems to me from the conversation with Little Salmon Carmacks First Nation that there is not any interest in development at this time — and the fact that it could be conventional but it might be a frack play also leads us to challenges.

We continue to listen to the ideas of the Yukon chambers' energy committee. They've pivoted a bit — continue to work with us. I don't stand here not ready to listen to all concepts and ideas that's part of the role — but certainly I want to try to figure out how our oil and gas branch can continue to do the good work that a lot of those members have done over the years. There is a tremendous amount of knowledge in that room, and certainly some of the unilateral decisions about the federal government over the last year on the offshore piece have also hindered the people working in that department. I'm looking to hopefully get some good conversations with the northern chiefs. We were going to meet on June 20. I think we're now looking at early July — but certainly looking to have a dialogue with them on where they see things moving in north Yukon and hopefully continuing to sincerely come up with a resolution with Northern Cross so that we can move forward there as well.

Ms. White: There was a lot of information in that last answer. I think that when we talk about the amount of royalties from the Kotaneelee, it's disingenuous to not talk about the span of nearly a generation of that money coming in. To say the amount of \$45 million sounds fantastic if we're talking in one or two calendar years — but if we're talking in the long term, the number certainly does not look quite so attractive at that point.

The last comment that the minister just made when he referenced the unilateral decision by the federal government to ban offshore drilling — where does this Liberal Yukon government stand on the idea of offshore drilling? Do they support offshore drilling off the north coast of Yukon? Where does he stand, the minister, on that issue?

Hon. Mr. Pillai: I think when it comes to offshore, at this point — there was work done over the last number of years. There was work done throughout the years, whether the NDP government or the Yukon Party government or Liberal government. At this point, as we look at the strategy, for me, essentially, I wanted to be in a situation at least to have the conversation with our counterparts. There is still — as I understand it, but maybe the officials can correct me — a grandfather clause when it comes to the offshore activity. It was really about new activity off of the north.

When I took on the job, we didn't send a message in to our oil and gas people to say, hey, stop everything within the offshore from Yukon. This is work that has been going on under all governments. Certainly we have some people who are key. We have, I think, one individual who has spent a large portion of his career on this topic. To say where we stand is that — I think that all governments for the last 20 years have been supportive of offshore development. At least they have funded the position and the work has been done. I think the feeling from the Premier was essentially: You want to make sure that these decisions that affect Yukoners — that Yukoners have a say in those discussions.

It was interesting, I was able to go to an infrastructure conversation during the PDAC conference this year — Prospectors and Developers Association of Canada in Toronto — and it was really about infrastructure in the north and the

other territories. One thing that happened during that discussion was that there were a couple of federal MPs who were there. They were from Alberta and British Columbia and they were stating how upsetting it was that the offshore and this unilateral decision that was made — how horrible it was and how things like that should never happen and so we agreed. The intriguing part was that both of them were part of the team that came here and implemented Bill S-6. It is kind of funny when you think back. Certainly they didn't have a problem with unilateral decisions at that point, but on this one, felt that there were some challenges. Interesting how times change sometimes.

Anyway, within that, the feeling is that I am still going to support the position. If our Cabinet feels differently, or our team feels differently on that one, but as far as I know we still have a position that is being filled — it has been there for many, many years and focuses on offshore oil development and in conjunction with the Vuntut Gwitchin and further conversations with affected areas there — just not a lot of interest at this time for the people who are in a position to have licensing.

Ms. White: One of the questions we have been asking is around the Ketzá mine project.

One of the things with the mine licensing being re-issued, the question we have had is whether or not the assessment was done previous to that re-issue of that licence, because understanding that it was viewed as a type 2 mine site, it meant that the federal government was on the hook for that cleanup and anything that happened after that would be the responsibility of the territorial government.

What we haven't been able to find out at this point in time is whether or not that assessment was completed prior to that new licence being issued. Do we know at this point in time what responsibility will fall to the federal government and what responsibility of the new mining will fall to the territorial government?

Hon. Mr. Pillai: There are a couple of pieces on the Ketzá mine that we can touch on. The Government of Yukon has been responsible for the care, maintenance and remediation planning for the Ketzá River mine site since it was abandoned in 2015. Through the care and maintenance activities, the Government of Yukon manages the mine site with a focus on health and safety.

The responsibility of the Government of Yukon is to really look at the activities — making sure that we hold the security for the activities. An example would be that we do hold security when it comes to exploration. We're granted the right to do that and we hold that security, but activities that occurred under the federal government become the responsibility of the federal government.

It has definitely been a challenging file. I'm going to go through it a bit. Hopefully I can answer these questions. I want to make sure there's a clear understanding.

As part of the remediation plan for the site, there's a memorandum of understanding that has been developed to add detail on the provisions that really focus on the DTA, which is the devolution transfer agreement. The MOU details the

relationship between the Yukon government and the federal government for remediation planning and implementation, because it is a bit of a challenge. The MOU purpose is using it. Part of what has happened is that there is an independent assessor who has been brought in. I believe that both parties have come to an understanding, at least, that this is an appropriate way forward.

The independent assessor is brought in to determine the approach for the remediation, and then it outlines how the cost will be divided between the governments, and specifically follows the devolution transfer agreement remediation provisions that are in place.

That's one thing you have seen before — there has been money on the books in security that has not been touched — about \$800,000 — but the sole focus of those dollars is remediating exploration activity. That work is not underway at this time. The process, as defined in the devolution transfer agreement and detailed in the MOU, provides for the following, Mr. Chair.

The independent assessor will be procured by Yukon government and selected by YG and INAC in consultation with the affected First Nations. I know we have a series of First Nations. The First Nations who would be involved in this work — the Ross River Dena Council, Liard First Nation, Kaska Dena Council and the Teslin Tlingit Council are all privy to these conversations that are happening on this site.

The independent assessor's work — and this is where we get into what plan forward is. Then, of course, at that point — I believe once we are at a point where the plan is agreed upon, we can get into the federal government taking on that responsibility.

They will delineate the pre- and post-devolution liabilities and assign responsibility to each of the governments. That's one thing that's going to give us some clarity. We'll look at those activities. INAC is responsible for the pre-devolution, as we stated, and YG is responsible for the post-devolution.

Next they'll develop a remediation plan for the site to about a 30-percent design and a class 3 cost estimate, as per the AACE, which is the international organizational authority on cost estimation — and the review on care and maintenance costs and determine eligibility for the Yukon government to be reimbursed by Canada.

To get down to the bucks here for the member opposite, the Yukon government will be responsible for payment of the independent assessor. That's something we have undertaken, making sure we have the funds to do that in accordance with the devolution transfer agreement. It is currently estimated to cost approximately \$5 million to \$6 million for a preliminary level of design, a 30-percent design. INAC has agreed to contribute up to \$750,000 toward the advancement of the design, as a result of the negotiations completed over the last 18 months.

INAC will be responsible for the costs associated with the finalization of the remediation plan, the completion of an environmental assessment and permitting, and the implementation of the remediation works for those liabilities identified as pre-devolution. YG is tracking care and

maintenance expenditures as a reimbursable expense from INAC. YG may have liabilities associated with the post-devolution advanced exploration activities, but we have the \$800,000 there.

In closing, we have the \$800,000 that may be for those activities and we have the care and maintenance that we can bill back, but I think we're probably looking at these amounts over three years. We're looking at a \$5-million to \$6-million cost on this project over the next three years.

Ms. White: I thank the minister for those comments. Just being aware of the time, I wanted to make sure that I said my thank yous to the Energy Solutions Centre, which I would really like to talk more about, but I'm going to run out of time.

In the last number of years, I have undertaken quite a few energy retrofit steps on my 1958 duplex, including the most recent installation of an air-source heat pump for which the Energy Solutions Centre is tracking its full usage. It will be exciting to be able to give people real-world numbers of an entire heating system, because that is the one heating system that they do not have that information for.

There are many other things to touch on, including funding the microgeneration projects in urban centres, similar to the rural domestic well program — so it can be funded over long terms — mapping wind sources and geothermal sources — similar to how we map oil and gas reserves as well as minerals.

There are plenty of things to talk about; I imagine we'll be having a conversation again in the fall.

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

Chair: It has been moved by Ms. White that the Chair report progress.

Motion agreed to

Hon. Ms. McPhee: I move that the Speaker do now resume the Chair.

Chair: It has been moved by Ms. McPhee 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

Mr. Hutton: Mr. Speaker, Committee of the Whole has considered Bill No. 201, entitled *First Appropriation Act, 2017-18*, and directed me to report progress.

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

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

Hon. Ms. McPhee: 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 Sessional Papers were tabled June 12, 2017:

34-2-20

Contributions to Candidates and Political Parties in the 2016 Calendar Year — Elections Yukon (Speaker Clarke)

34-2-21

Annual Report 2016 — Yukon Department of Education (McPhee)

The following legislative returns were tabled June 12, 2017:

34-2-30

Response to oral question from Ms. Hanson re: Home-warranty programs (Streicker)

34-2-31

Response to matter outstanding from discussion with Mr. Hassard re: budget for producing and stockpiling of aggregate (Mostyn)

34-2-32

Response to matter outstanding from discussion with Mr. Hassard re: money set aside for Dawson City airport projects (Mostyn)

34-2-33

Response to matter outstanding from discussion with Ms. McLeod re: aging infrastructure in Watson Lake (Mostyn)

34-2-34

Response to matter outstanding from discussion with Mr. Istchenko re: highway repair and maintenance between Whitehorse and Haines Junction (Mostyn)

34-2-35

Response to matter outstanding from discussion with Mr. Hassard re: decrease for Project Management Services (Mostyn)

34-2-36

Response to oral question from Mr. Cathers re: highway safety (Mostyn)

34-2-37

Response to matter outstanding from discussion with Mr. Hassard re: button activation at the crosswalks at Birch Street and Dogwood Street intersections on the Alaska Highway (Mostyn)

34-2-38

Response to matter outstanding from discussion with Mr. Hassard re: fuel station choice in Teslin (Mostyn)

34-2-39

Response to matter outstanding from discussion with Ms. Hanson re: journeypersons within Department of Highways and Public Works (Mostyn)

34-2-40

Response to matter outstanding from discussion with Mr. Istchenko re: turning lanes in the Mendenhall, Canyon and Takhini subdivisions (Mostyn)

34-2-41

Response to matter outstanding from discussion with Ms. Hanson re: device used to determine snow depths at the Pelly Crossing aerodrome (Mostyn)

34-2-42

Response to matter outstanding from discussion with Mr. Hassard re: pedestrian counts on the Campbell Highway between Watson Lake and Two and One-Half Mile Village (Mostyn)