



# Yukon Legislative Assembly

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Number 61

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34<sup>th</sup> Legislature

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## HANSARD

Thursday, March 1, 2018 — 1:00 p.m.

Speaker: The Honourable Nils Clarke

# YUKON LEGISLATIVE ASSEMBLY

## 2018 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
<b>Hon. Sandy Silver</b>	Klondike	Premier Minister of the Executive Council Office; Finance
<b>Hon. Ranj Pillai</b>	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
<b>Hon. Tracy-Anne McPhee</b>	Riverdale South	Government House Leader Minister of Education; Justice
<b>Hon. John Streicker</b>	Mount Lorne-Southern Lakes	Minister of Community Services; Minister responsible for the French Language Services Directorate; Yukon Liquor Corporation and the Yukon Lottery Commission
<b>Hon. Pauline Frost</b>	Vuntut Gwitchin	Minister of Health and Social Services; Environment; Minister responsible for the Yukon Housing Corporation
<b>Hon. Richard Mostyn</b>	Whitehorse West	Minister of Highways and Public Works; the Public Service Commission
<b>Hon. Jeanie Dendys</b>	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

<b>Ted Adel</b>	Copperbelt North
<b>Paolo Gallina</b>	Porter Creek Centre
<b>Don Hutton</b>	Mayo-Tatchun

### OFFICIAL OPPOSITION

#### Yukon Party

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

### THIRD PARTY

#### New Democratic Party

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

### LEGISLATIVE STAFF

Clerk of the Assembly	Floyd McCormick
Deputy Clerk	Linda Kolody
Clerk of Committees	Allison Lloyd
Sergeant-at-Arms	Karina Watson
Deputy Sergeant-at-Arms	Harris Cox
Hansard Administrator	Deana Lemke

**Yukon Legislative Assembly  
Whitehorse, Yukon  
Thursday, March 1, 2018 — 1:00 p.m.**

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

*Prayers*

**INTRODUCTION OF SERGEANT-AT-ARMS AND  
DEPUTY SERGEANT-AT-ARMS**

**Speaker:** As members are aware, our Sergeant-at-Arms, Doris McLean, passed away in January of this year. As of today, Karina Watson, our former Deputy Sergeant-at-Arms, is now Sergeant-at-Arms.

Today we have Harris Cox present, who is now our Deputy Sergeant-at-Arms. I would ask all members to welcome Mr. Cox to the House.

*Applause*

**INTRODUCTION OF TABLE OFFICER**

**Speaker:** Also today, Sarah Edwards, the Assembly's Acting Clerk of Committees, is at the table today for the first time. I would ask members to welcome Ms. Edwards to the House as well.

*Applause*

**INTRODUCTION OF PAGES**

**Speaker:** It also gives me great pleasure to announce that the following students will be serving the House as legislative pages for the 2018 Spring Sitting. They are Morgan Yuill, YoHanna Falle, Ljubica Tokić, and Tessa Moore from F.H. Collins Secondary School; and Emily Robbins, Orin Gladwin, Arya Khodakarami and Gareth Morgan-Lester from Vanier Catholic Secondary School. Today, we have Tessa Moore, who is just behind me here, and Ljubica Tokić, to my right.

I would ask members to welcome them to the House at this time.

*Applause*

**Speaker:** Finally, on a lighter note, I would like to wish everyone — and specifically all Yukoners of Welsh descent, which includes me — a very happy St. David's Day. Take a moment today to hug your favourite dragon and give your significant others a beautiful bunch of daffodils. Really, just go find a dragon and hug it.

**Withdrawal of motions**

**Speaker:** The Chair wishes to inform the House of changes made to the Order Paper. The following motions have been removed from the Order Paper as they are now outdated: Motion No. 2 and Motion No. 12, standing in the name of the Leader of the Third Party, and Motion No. 31, standing in the name of the Member for Copperbelt North.

Further, the following motions have been removed from the Order Paper as they relate to Bill No. 6, the *Public Airports Act*, which has now passed this House. They are:

Motion No. 151, standing in the name of the Member for Copperbelt South; Motion No. 154, standing in the name of the Member for Lake Laberge; and Motion No. 175, standing in the name of the Leader of the Official Opposition.

As well, Motion No. 180, standing in the name of the Member for Takhini-Kopper King, has been removed from the Order Paper as it relates to Bill No. 12, *Act to Amend the Hospital Act (2017)*, which has now passed this House.

The following motions have been removed from the Order Paper as the actions requested in the motions have been taken in whole or in part: Motion No. 30 and Motion No. 198, standing in the name of the Member for Lake Laberge.

Finally, Motion No. 141, standing in the name of the Member for Lake Laberge, has been removed from the Order Paper at the request of that member.

**DAILY ROUTINE**

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

Tributes.

**TRIBUTES**

**In recognition of the 45<sup>th</sup> anniversary of *Together Today for Our Children Tomorrow***

**Hon. Mr. Silver:** I stand today to acknowledge the recent anniversary of one of the most important documents in Yukon's history. In 1973, a delegation of Yukon chiefs travelled to Ottawa with a document in hand to present to Prime Minister Pierre Elliott Trudeau. It was entitled *Together Today for Our Children Tomorrow*. It argued that Yukon First Nations were not being treated fairly or equitably and that their traditional way of life had been profoundly impacted by newcomers to Yukon. It was a reminder to the federal government of the time that none of Yukon First Nations have ever signed a treaty.

The questions that it posed to the Canadian leadership of the day were profound and, 45 years later, we are still being carried forward on the momentum that was set in motion on that winter day in 1973. In writing this document, the Yukon First Nations came together to express their distinct identity and vision.

Remember, this was a time when there was no formal recognition of aboriginal rights; that came almost 10 years later. The leaders demonstrated an incredible level of encouragement, engagement and trust, given that they had only recently been included in the federal system, when status Indians were given the right to vote 13 years earlier.

They also showed courage in seeking the acknowledgement and recognition for the values and rights of First Nations. We can look back now with clear sight to see the path from *Together Today for Our Children Tomorrow* to the *Umbrella Final Agreement* and the 11 final and self-governing agreements — four of which are celebrating 25-year anniversaries this year. That path was uncharted, but the first steps taken by those leaders were conducted with hope and with determination and remarkable foresight.

The document says, “History is to be learned from, and not lived in.” In that spirit, I look to the future, Mr. Speaker, to the work that lies ahead, to the closer relationships that we are striving to build and to the vision for Yukon’s future that we are crafting each and every day.

Yukoners are grateful to those elders who laid the foundation, and who laid the groundwork with *Together Today for Our Children Tomorrow*. With each passing year and with each agreement and new cooperative effort, this is forging together with our government’s new cooperation. With this, the legacy of those elders becomes more visible and more powerful.

As leaders — and for all the leaders to come in the next generations, I hope that we continue to be inspired by the dedication of those leaders who came before us and that we are unceasing in our effort to work together for a better future for our youth and for all of our communities.

Thank you very much, Mr. Speaker. Mahsi’ cho.

**Ms. Van Bibber:** I rise on behalf of the Yukon Party Official Opposition to pay tribute to the 45<sup>th</sup> anniversary of the delivery of a well-known Yukon document, *Together Today for Our Children Tomorrow*.

Forty-five years ago, on February 14, 1973, a brave group of Yukon Indians made their way to Ottawa to present this paper to the Prime Minister of the day, Pierre Elliott Trudeau. The signature page reads: “A Statement of Grievances and an Approach to Settlement by the Yukon Indian People is respectfully submitted by”: Elijah Smith, Yukon Native Brotherhood; Percy Henry, Dawson Band; Roy Sam and Johnnie Smith, Whitehorse Band; Charlie Abel, Old Crow Band; Jimmy Enoch, Kluane Band; Danny Joe, Selkirk Band; Dan Johnson, Carcross Band; Dixon Lutz, Liard River Band; Raymond Jackson, Champagne-Aishihik Band; Sam Johnston, Teslin Band; Peter Lucas, Mayo Band; Clifford McLeod, Ross River Band; George Billy, Carmacks Band; and Willie Joe and Judy Gingell, Yukon Native Brotherhood councillors.

Forty-five years later, on February 14, 2018, many of these Yukon band leaders have left their earthly home, and those who remain are now First Nation elders who share their memories and stories. The acceptance by the federal government to enter into negotiations with Yukon Indians was a marked turning point for our small territory and for Canada.

I believe it was because of a passionate presentation by Chief Elijah Smith, who showed that it was a visionary piece. He spoke for the ancestors who witnessed the hardships that came with colonialism, and he spoke for the generations yet to come.

Expressing the frustrations that resided within our First Nation people, the paper spoke to the communication gap, the social gap, the economic gap between Indian and “Whiteman”, and how each of those gaps were widening. *Together Today for Our Children Tomorrow* was a way for Yukon First Nations to receive the right to plan their own futures rather than having them planned by the federal government.

During these many years, much has transpired and much has been accomplished. Yukon is a frontrunner in Canadian land claims or modern treaties. We have much to be proud of as we move forward. A line in the document caught my eye: We must have both the right to be different and the right to be accepted as fellow citizens and as fellow humans.

For all levels of government, it is daunting at times, it is exhilarating at times, but, despite the challenges, it is rewarding as we are cutting edge in modern treaties. Let’s all continue to be part of the change as we celebrate each decade and each anniversary.

For their immeasurable service to Yukon, a heartfelt thank you to the original signatories and their vision. To the families and to those who have contributed over the decades since the original document was signed, thank you. It would take hours to name everyone, but you know how you made a difference. Thank you. Mahsi’ cho.

**Ms. Hanson:** As Leader of the Yukon New Democratic Party, I am very happy to join honourable members today in paying tribute to the February 14, 45<sup>th</sup> anniversary of the presentation of the historic *Together Today for our Children Tomorrow*.

When this House paid tribute five years ago to the May 29, 1993, 20<sup>th</sup> anniversary of the signing of the *Umbrella Final Agreement* and the first four final and self-government agreements, I noted then the deeply rooted patience and persistence of Yukon First Nations and their leaders — a patience and a resilience stemming from first contact through to the Klondike Gold Rush that brought thousands of gold seekers to the Yukon, and then a Second World War and the Alaska Highway at a time when there were no socio-economic benefits or impact assessments. History tells a grim tale of how Yukon Indian people were treated and ignored.

I have a poster on the wall of my office called, “Sharing the land”. It depicts Chief Jim Boss from the Lake Laberge area, and it quotes from his 1902 letter, in which he said: “Tell the King very hard we want something for our Indians, because they take our land and our game”. Not only was that message ignored, the government of the day responded by saying that there is no Indian title to be extinguished in the Yukon. For many years afterwards, First Nations, including Yukon First Nations, were forbidden by law to raise issues related to treaty or land claims. Despite this, in 1968, Elijah Smith, then the Chief of the Whitehorse Indian Band, petitioned the then-Minister of Indian Affairs Jean Chrétien to enter into a treaty. This too was ignored.

However, as was to be repeated many times over the next 45 years, Ottawa did not realize the connections among northern First Nations. Frank Calder, the Nisga’a MLA for the BC riding that includes Atlin, was a frequent visitor to the Yukon. As we all know, you can’t get to Atlin without going through Yukon, and so it should have been no surprise that Elijah Smith would be quick to recognize the significance of the opportunity presented by the Supreme Court of Canada’s Nisga’a decision, better known as the “Calder decision”, after

Frank. Quick was Elijah Smith to gather First Nation leaders to get to Ottawa, hot on the heels of that Nisga'a decision.

Mr. Speaker, if we reflect back on the actual words in *Together Today for our Children Tomorrow*, we find in those plain-spoken words the true core of the spirit and intent of the hundreds of pages of legal documents that, in the 45 years since that historic meeting in Ottawa, have become the basis for our shared future in Yukon. In setting out the blueprint for the future, they did not shy away from the truth. As the leaders said: "The land has always been home to us and this is where we intend to stay. The "Whiteman" has always come to the Yukon for money and left without really ever having experienced her quiet brown people or the majestic reaches of her land. But the Indian people have always been there through all the major invasions caused by the fur trade, gold rush, highway construction and now, the people who want to build pipelines across our land.

They went on: "Many Indians look at what the Whiteman has done to destroy and pollute lakes and rivers and wonder what will happen to the birds, fish and game. We wonder how anyone will be able to know what effect... industrial projects will have on the birds, fish and game before they are built... We wonder how the Whiteman can be so concerned about the future by putting money in the bank, and still he pays no attention to the future of the land if he can make a quick dollar from selling it to foreigners."

Despite all this, the Ottawa delegation said to the Prime Minister: With a just settlement of our claims, we feel we can participate as equals and then we will be able to live together as neighbours.

So today, Mr. Speaker, we would do well to pay tribute to the visionary leaders who, 45 years ago, set Yukon on a path built of patience and resilience — one that continues to remind us all of our obligations to work together in good faith for our children tomorrow.

## INTRODUCTION OF VISITORS

**Hon. Mr. Silver:** I would like to ask all of my colleagues here in the Legislative Assembly to help me in welcoming to the gallery today a couple of visitors: Grand Chief Peter Johnston of the Council of Yukon First Nations; also, we have His Worship Mayor Dan Curtis here, Councillor Roslyn Woodcock, and David Sloan, a former Member of the Legislative Assembly and former Cabinet minister, Devin Bailey, president of the Yukon Liberal Association, and also, from the Yukon Chamber of Commerce, we have Peter Turner.

*Applause*

**Ms. McLeod:** I invite all members to help me to welcome Mr. John Devries to the Legislature today, a former member of this House and Speaker.

*Applause*

**Hon. Mr. Pillai:** I would also like to ask my colleagues here in the Assembly today to welcome to the Assembly first of all Mr. Hector Campbell, who served with the Yukon

Chamber and also the chair of the energy committee, and also Mr. Ranjit Sarin from the Vimy Heritage Housing Society. It's good to see you.

Mr. Jonas Smith, executive director from the Klondike Placer Miners' Association and also Mr. Samson Hartland from the Yukon Chamber of Mines are here today.

*Applause*

**Hon. Mr. Streicker:** Mr. Speaker, in welcoming Mr. Hartland, I would also like to acknowledge that he is a councillor with the City of Whitehorse. It's always great to have municipal folks here in the Legislature. Interim city manager Linda Rapp is here as well.

Yesterday, I had the opportunity to go out and participate in a field school led by a Yukoner, Dr. Suzanne de la Barre, regarding tourism, experiential learning and entrepreneurial community development. She has her field school students with her — and we got to do a "kickspedition" together — and they include Erin, Anna, Jan, Nobia, Lydia, and Amy who are from Victoria Island University and the Arctic University of Norway.

*Applause*

**Hon. Mr. Mostyn:** Today I would like to recognize a constituent, neighbour and friend, Tjitske van der Eide. She joins us in the house today. Please help me in welcoming her to this House.

*Applause*

**Mr. Gallina:** I would like members to help me welcome two constituents, Elke and Gerard Tremblay, members of our deaf community, with interpretive services being provided by Amanda Smith. Welcome.

*Applause*

**Hon. Ms. McPhee:** Mr. Speaker, I would like to take the opportunity to ask my colleagues to help me welcome Annette King, who is the Child and Youth Advocate for the Yukon Territory, and who is here with us today, and my mother, Myke McPhee.

*Applause*

**Ms. Hanson:** I would ask members to join me in welcoming Bonnie Dalziel sitting way up in the corner, a long-time Yukoner and friend of this House; Lillian Nakamura Maguire, from the Seniors Action Yukon association; and Frank Bachmeier, another dedicated senior in this territory. It is really good to see Rudy Couture back, our former Sergeant-at-Arms, and sitting beside him is Val Royle and Mary Ann Lewis, a long-time citizen participant from the gallery; and, of course, Dave Laxton, a former member of the Legislative Assembly.

*Applause*

**Hon. Mr. Silver:** Thank you for your indulgence, Mr. Speaker. I would like to wish Rudy Couture a happy birthday.

*Applause*

**Speaker:** Are there any further introductions of visitors?

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

#### Point of personal privilege

**Speaker:** The Minister of Community Services, on a point of personal privilege.

**Hon. Mr. Streicker:** I rise today on a point of personal privilege to correct the record. It has come to my attention that there is a discrepancy regarding a remark I made in the House this past fall. On November 23, I rose to speak to a question from the Member for Kluane regarding a Housing First project at the corner of Fifth Avenue and Wood Street. In rising to respond to the question, I stated that my mother-in-law and I had received a letter from the Yukon Housing Corporation and I was mistaken. I was aware of the letter that was being prepared for outreach to neighbours of the project and had already had a conversation with my mother-in-law regarding that letter; however, the letter had not yet arrived.

**Speaker:** Tabling returns and documents.

#### TABLING RETURNS AND DOCUMENTS

**Hon. Ms. McPhee:** I have for tabling a letter from Mr. David Loukidelis dated February 5, 2018, requesting an extension of the inspection at Whitehorse Correctional Centre, as well as my response dated February 19, 2018 approving this extension.

I also have for tabling a legislative return, which is a response to a question asked by the Member for Whitehorse Centre on November 23, 2017.

**Hon. Mr. Pillai:** I have for tabling a legislative return in response to a question asked by the Member for Copperbelt South on October 26, 2017, regarding microgeneration program reimbursements.

**Speaker:** As Chair, I have for tabling the report of the Auditor General of Canada to the Yukon Legislative Assembly on climate change in Yukon, dated December 2017. The Auditor General's report is submitted to the Legislative Assembly pursuant to section 35 of the *Yukon Act* and was made public on December 5, 2017.

Further, the Chair also has for tabling the *Report from the Clerk of the Legislative Assembly on the Absence of Members from Sittings of the Legislative Assembly and its Committees*, dated March 1, 2018. This report is tabled pursuant to the direction of the Members' Services Board.

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?

#### INTRODUCTION OF BILLS

##### Bill No. 206: *First Appropriation Act 2018-19* — Introduction and First Reading

**Hon. Mr. Silver:** I move that Bill No. 206, entitled *First Appropriation Act 2018-19*, be now introduced and read a first time.

**Speaker:** It has been moved by the Hon. Premier that Bill No. 206, entitled *First Appropriation Act 2018-19*, be now introduced and read a first time.

*Motion for introduction and first reading of Bill No. 206 agreed to*

**Speaker:** Are there any further bills to be introduced?

##### Bill No. 204: *Third Appropriation Act 2017-18* — Introduction and First Reading

**Hon. Mr. Silver:** Mr. Speaker, I move that Bill No. 204, entitled *Third Appropriation Act 2017-18*, be now introduced and read a first time.

**Speaker:** It has been moved by the Hon. Premier that Bill No. 204, entitled *Third Appropriation Act 2017-18*, be now introduced and read a first time.

*Motion for introduction and first reading of Bill No. 204 agreed to*

**Speaker:** Are there any further bills to be introduced?

##### Bill No. 205: *Interim Supply Appropriation Act 2018-19* — Introduction and First Reading

**Hon. Mr. Silver:** Mr. Speaker, I move that Bill No. 205, entitled *Interim Supply Appropriation Act 2018-19*, be now introduced and read a first time.

**Speaker:** It has been moved by the Hon. Premier that Bill No. 205, entitled *Interim Supply Appropriation Act 2018-19*, be now introduced and read a first time.

*Motion for introduction and first reading of Bill No. 205 agreed to*

**Speaker:** Are there any further bills to be introduced?  
 Are there any notices of motions?

#### NOTICES OF MOTIONS

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

THAT this House urges the Government of Yukon to use the parameters of the *Multilateral Early Learning Child Care Framework* announced by the federal government in June 2017 to develop a Yukon childcare system based on the principles of universality, high quality and comprehensiveness, and which includes the following elements:

- (1) Public plans for developing integrated systems of early learning and childcare that meet the care and early education needs of children and parents;
- (2) Public funding delivered directly to early learning and childcare services and systems rather than through individual parent payment measures to ensure that high-quality services

employing a decently remunerated workforce are accessible to all families through predictable, sustained and dedicated funding; and

(3) Public management of the expansion of public and not-for-profit early learning and childcare under public authorities, including integration of existing community services into publicly managed systems.

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

THAT this House urges the Government of Yukon to reduce the number of individuals and families on the current Yukon Housing Corporation wait-list by expanding the private sector accommodation rent supplement program.

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

This then brings us to Question Period.

## QUESTION PERIOD

### Question re: Budget estimates and spending

**Mr. Hassard:** Mr. Speaker, the Premier campaigned under a slogan of “Be Heard” but unfortunately, he has been governing under the mantra of “be told”. The list of consultations that this government has botched seems to grow every day, but today is the Premier’s budget. While in opposition, he talked a big game about the need to consult on the budget, but we have not heard of any public consultations on this year’s budget, and I even looked on the Premier’s website, [engageyukon.ca](http://engageyukon.ca), and I didn’t see any advertised consultations in the lead-up to the budget there either.

Can the Premier confirm whether or not he held any public consultations on this budget?

**Hon. Mr. Silver:** Mr. Speaker, I find it interesting that the Yukon Party has a newfound interest in the subject of engagement and consultation. It’s very interesting, specifically because we have just ended an eight-year court battle when it comes to the Peel watershed because of their refusal to consult, not to mention Bill S-6 as well.

Mr. Speaker, we are committed to asking the public for input on issues and the decisions that affect them. We know that we don’t always get public engagement right, and we do want to do better. We believe strongly that through meaningful engagement we can avoid costly legal battles that were ever-so-common with the last government.

**Mr. Hassard:** I didn’t hear anything there about who was consulted on the budget. Again, I’ll ask: Can the Premier tell us about anyone he consulted with on this budget and why those particular people were chosen and why the public was not?

**Hon. Mr. Silver:** With the budget process, of course, we were consulting all the time with every department — that’s how a budget is made. Of course the member opposite knows that to be true.

We believe strongly that, again, meaningful engagement helps us to avoid those costly legal battles, and we believe that we have done a good job on this side of the House with our

public engagement throughout the first year. Actually, we broke a record in our first year for the most public engagement in Yukon history.

We remain committed to making sure that every time we do consultation we do it better. When you take a look at our new ability to do surveys online, our new website and our new public engagement for stakeholders, we believe this government is doing better in consultation in our first year than the previous government, and we will continue to look forward to making sure we dial it in and make sure our consultation processes work for Yukoners.

**Mr. Hassard:** Mr. Speaker, I think it’s important that the Premier remembers that the budget is the most important thing that he brings to this Legislature. We know he campaigned on this slogan of “Be Heard”, so I’m curious: Why did he not want to hear what Yukoners had to say about the budget before bringing it forward?

**Hon. Mr. Silver:** As the member opposite knows, we’re constantly speaking with public servants; we’re publicly always talking with stakeholders and NGOs. That’s how a budget gets made — by all the dialogue that happens in this Legislative Assembly, and by the great questions that are brought forth by the opposition members as well. We know they’re standing up for Yukoners when they bring these questions into the Legislative Assembly.

Mr. Speaker, we know that some important groups and stakeholders have felt that they’ve been improperly engaged by this government over the years and we are committed to continuously improving how we can get better to make sure that their voices are heard.

### Question re: Cannabis regulation in Yukon

**Mr. Cathers:** Mr. Speaker, we were happy to see, in the *Whitehorse Star*, the Premier announcing that a big theme of this year’s budget was going to be getting government “out of the business of doing business”. He went on to say, “We have a comprehensive network of private sector businesses that can do more, as long as we just do less.” Unfortunately, as with a number of things the Premier says, the words don’t line up with his actions. The Premier’s plans to regulate the new emerging industry of cannabis include expanding government, hiring more employees, and creating a new government retail store warehouse. Not only is this going to increase costs to taxpayers, it is locking the local private sector out of an emerging business opportunity.

Mr. Speaker, will the Premier abandon his plans to expand government and have the government focus on regulations and enforcement of cannabis rather than having the government expand into the areas of retail sales and distribution.

**Hon. Mr. Silver:** Thank you very much, Mr. Speaker. I would like to thank the member opposite for that scattershot of topics. He did mention getting out of the business of doing business, so I guess in my first response, I’ll start there.

Yukon’s private sector has grown very much in the last few decades, and a vibrant business sector is very important. There are opportunities to consider about how the government

can get out of the work that is elsewhere done by private sectors in other parts of Canada. It is a very important piece of the Financial Advisory Panel's recommendations that we are working on this year. This is an important issue. We believe that we need to do more when we are developing budgets to engage with the private sector and we have done that this year and we are going to continue with that work moving forward.

Getting out of the business of doing business is just one of three prongs that we are looking at this year in addressing the excellent work that the Yukon Financial Advisory Panel has done. The other two — we are going to do a comprehensive review of the Health and Social Services department, and we are also going to take a look at efficiencies and effectiveness of delivering services to Yukoners.

**Mr. Cathers:** It's unfortunate that the Premier doesn't understand the relevance of a point that he shouldn't be expanding government when the private sector can do the work. Through effective regulation, the local private sector can deliver this service just as safely as government and at a far cheaper cost to taxpayers. We know that government expansion into new areas such as cannabis sales and distribution is likely to be permanent. The responsible thing to do for Yukon taxpayers is to implement legalization in a way that favours growing the private sector instead of growing government. The Premier's plans will grow government instead of allow the private sector to take advantage of the new opportunities and also assume the costs and risks of retail and distribution. Can the Premier tell us how many employees he intends on hiring to manage the new government-run cannabis corporation?

**Hon. Ms. McPhee:** I appreciate the question from the member opposite. The new cannabis act and regulations will be introduced in this House, as the member well knows. The purpose of drafting Yukon legislation is to respond to Yukoners and their concerns about the legalization of cannabis here in Canada, and, as a result, the draft legislation, which we will soon see in the form of a bill here before this House, has been drafted as broadly as possible to allow all future options for the distribution and sale of cannabis as responded to when Yukoners told us what they needed.

**Mr. Cathers:** Unfortunately, Mr. Speaker, the government's approach is just going to grow the cost to taxpayers. The Premier likes to talk the talk when he says he wants to get the government out of the business of doing business — those were his words, Mr. Speaker — but when it comes to an emerging new sector that offers opportunities for local business and the Premier has the opportunity to set the rules from day one, what does he do? He comes up with a plan that will grow government and expand its reach into more businesses and pass the cost of that on to taxpayers.

Since the Premier seems focused on expanding government rather than on growing the private sector and regulating it, will he at least tell us today how much he plans on spending on infrastructure to house the new government-run retail store for cannabis, and how much the annual operations will cost for this new enterprise?

**Hon. Mr. Silver:** I'll avoid the fact that the member is heading into budgetary considerations in the conversation here, and I will say that he should listen to the responses, as opposed to just reading what he has on the paper from his staff. The Minister of Justice clearly said that the regulations that we're putting forward are going to allow us to have the flexibility to be a hybrid, public or private. That's what we're working on right now. We're catching up with the legislation from the federal government.

The member opposite is just not listening to the answers to the questions in the Legislative Assembly. We do believe that we need to get out of the business of doing business, Mr. Speaker, and we are going to commit to Yukoners that we will make sure that the decisions we make are part and parcel with the private sector.

### Question re: Financial Advisory Panel recommendations

**Ms. Hanson:** In response to this government's dire predictions of revenue shortfalls, Yukoners contributed extensively to the independent Financial Advisory Panel consultation process. This government was given a comprehensive list of options for consideration last November. After having listened to this government campaign on and continue to praise their own listening abilities and how everything was on the table, it was surprising to hear the Premier immediately take off that very same table some of the recommendations that the panel made.

Although the Premier was quick to dismiss some of the options presented, we have heard little about what this government actually plans to do. Can the Premier tell Yukoners which revenue-generating recommendations made by the Financial Advisory Panel his government will implement?

**Hon. Mr. Silver:** I really appreciate the question from the member opposite. Again, as far as engagement, we had amazing engagement with the Yukon Financial Advisory Panel. We had to expand the number of community visits we did because of the interest from Yukoners in making sure that we can get ourselves back on the sustainable financial path.

The three-prong approach, as I mentioned in the answers to one of the Official Opposition's questions, was that we are going to take a review of Health and Social Services. A key focus of the coming year will be that comprehensive review, and this makes sense as an early action. One dollar in three of our government spending is there. You're talking about fiscal responsibilities. One dollar in three — sorry, Mr. Speaker — the member opposite is talking about financial commitments. One dollar in three is spent in Health and Social Services. In the last five years, these costs have grown by more than five percent per year.

An aging population will create more pressures to expand spending and meet those needs of a growing population. A review of Health and Social Services is an opportunity to make sure that the services delivered have value for the investment made. That system of cost efficiency and effectiveness is very important to this government.



I don't have a lot of time in between these questions, so I will save the other two prongs of the Financial Advisory Panel recommendations that we're moving forward on for my second and third.

**Ms. Hanson:** Been there, done that — 10 years ago, 2008-09. We're talking about listening and what we're hearing is process. Yukoners contributed to this report through written submissions and through public meetings. They rose to the challenge of identifying how to raise more revenue in Yukon — not what the Premier is talking about.

The government predicts an increase in mining activity, which is welcome news. With this, an increase in the number of fly-in/fly-out workers who use Yukon's roads and services is expected. The Financial Advisory Panel recommended that Yukon consider a payroll tax on out-of-territory workers to increase the local benefits to Yukon of industries that rely on fly-in/fly-out workers. The panel also recommended a reduction in the number of fuel tax exemptions for commercial activities. The lead economist on the panel was quite clear in saying that there are no equity grounds for such exemptions that essentially incentivize fossil fuels.

Will the Premier be implementing these recommendations?

**Hon. Mr. Silver:** It is so good to hear two things. One, that the member opposite has been listening to the Yukon Financial Advisory Panel and is putting forth what she believes are great ideas from that panel, and also that the NDP support mining in the Yukon. It's good to hear that, Mr. Speaker.

I will continue with the other two parts of the Yukon Financial Advisory Panel that we are working on in this budget. The secondary system here is increasing the efficiencies and the effectiveness of delivering programs and services to Yukoners. In their commitment to the Yukon Financial Advisory Panel, Yukoners prefer to focus on ensuring that the government is spending money more effectively and more efficiently, as opposed to raising those taxes like the HST.

The Yukon government is responding by looking at ways to ensure that its services provide greater value for money spent. I will say that on this one initiative, I have to thank the public service because, in the first year, to be able to take the forecast deficits down to the deficits you see today is part and parcel of the public service buying in to a third party's — the Yukon Financial Advisory Panel — recommendations. More to come — this year we are focusing in on these.

Again, the third one — we have already mentioned it — is getting out of the business of doing business. It's very important as we mature as a territory that we take into consideration the partners, and not only the private sector, but also taking a look at chapter 22, taking a look at the economic development branches of First Nation governments and the municipalities to make sure that we have an efficient system of working with all stakeholders when we are spending the taxpayers' money.

**Ms. Hanson:** This government was given some real options to consider that could increase revenues or offset

spending. In the field of health care, the panel made suggestions that we could get behind. One suggestion was the reallocation of tax dollars from health care spending to social spending — spending that has a positive effect on key indicators of health and wellness. Study after study has shown that dollars in programming spent on young children and families pay off in the long term with better health and wellness outcomes. This could be accomplished through ensuring quality universal daycare, appropriate rates for social assistance and increased spending on home care.

Will this budget see an increase in social spending in order to decrease long-term health care costs and to improve Yukoners' well-being?

**Hon. Mr. Silver:** Again, I will keep it to the Financial Advisory Panel recommendations that we're working on. There will be plenty of opportunities for the Minister of Health and Social Services to get to her feet to talk about all of the good work that she has done with her partners, with the federal government and the great work that she has done when it comes to the health and wellness of our most important asset — our youth — but I still want to reiterate what we are doing from the Yukon Financial Advisory Panel today with this budget, from the Finance department and from all the departments. We are conducting a comprehensive review of Health and Social Services programs and service delivery. We are increasing the efficiency and the effectiveness of delivering programs and services to Yukoners, and we are considering how the government can stop doing work that elsewhere in Canada is done by the private sector.

#### **Question re: Energy retrofits**

**Ms. White:** Thank you, Mr. Speaker. During the last election, the Liberals promised to invest \$30 million per year in new money for energy retrofits. Energy retrofits create good local jobs, they help curb our energy consumption, help mitigate climate change and that all saves money in the long run. This promise was somehow left out of the government's last budget with only \$250,000 of new money invested. That's less than one percent of the promised \$30 million.

Yukoners are hoping that we won't see a redo of this broken promise, so can the Premier tell us if the \$30 million in new money that was promised for energy retrofits is in this afternoon's budget or has he again broken the promise?

**Hon. Mr. Mostyn:** I appreciate the question on energy retrofits from the member opposite. This is an important issue to this government and we are going to increase the energy efficiency of our building portfolio to reduce the emissions of greenhouse gases and to reduce the cost of operating buildings in the long run.

Highways and Public Works has established a new energy unit to integrate energy efficiency planning into current and future building projects. Highways and Public Works has also identified design solutions that would reduce energy consumption and greenhouse gas emissions. Through these actions, we are going to get a much better result when it comes to reducing our greenhouse gases.

**Ms. White:** I was looking for the \$30-million answer. Energy retrofits create jobs and they save money and they mitigate climate change — and that's on top of energy benefits. This is exactly the kind of program that a government with limited resources should prioritize. Public buildings could be upgraded, homeowners and landlords could see better incentives to renovate their homes and make them more energy efficient. This would create good local jobs, reduce energy demand and reduce costs. It's a win-win-win and there is no reason not to do it.

Last year, the government tried to say that they were investing in retrofits by accounting for already existing programs like the rebate program through the Energy Solutions Centre, but this is not what they promised in the 2016 election. Mr. Speaker, will the minister confirm that this afternoon's budget contains the full \$30 million in new money promised for energy retrofits?

**Hon. Mr. Mostyn:** I thank the member opposite for the question, but I will say I am not in the frame of mind to give any spoilers this afternoon.

We are working together with Energy, Mines and Resources on a federal low carbon economy fund application, and that fund will support projects that improve energy efficiency and greenhouse gas reductions in government buildings. This proposal will include building envelope retrofits, heating equipment upgrades and renewable energy technology. Highways and Public Works is also working with Energy, Mines and Resources to introduce more biomass heating sources into the government's building portfolio.

All of these things will help us improve our energy use and save this government some money as well.

**Ms. White:** Yukon has an energy problem. This past December, Yukon Energy's LNG generators were on every single day. Just last year, Yukon Energy would ask Yukoners to limit their power consumption when they had to turn on the generators, but we're not talking about peak demand anymore. We're burning fossil fuels to keep the lights on, on a daily basis. You would think that this would be a wake-up call to the government.

Investing in new money for energy retrofits is not a luxury at this point, it's a necessity. So what is it going to take for this government to take action and make significant investments in new money for energy retrofits?

**Hon. Mr. Silver:** We will be talking about the energy retrofit money in the scrum after Question Period — again, conversations about embargoed material just being tabled in the Legislative Assembly — so more to come on that and we're excited about the initiatives that this government has, not only for the environment, but also for the economy.

#### **Question re: Designated materials regulation**

**Ms. Van Bibber:** I have some questions for the Minister of Community Services on his proposed tax on tires and e-waste. Earlier, there were two public forums held in Whitehorse to talk about these increases. We know that tonight we will have a follow-up meeting, but not everyone who attended the previous meetings is invited, nor do these

meetings appear to be open to the public. Further, they were not advertised on the government's consultation website, Engage Yukon.

Why is the minister not making these meetings public, and will he agree to hold public meetings where the same information from tonight will be presented?

**Hon. Mr. Streicker:** I thank the member opposite for the question. Indeed, recycling is important to all of us as Yukoners. In the system where we move to a user-pay system, where tires and e-waste are paid for up front when they're purchased, not using taxes after the fact, is supported by all.

When we had that engagement on January 9 and 10 — I thank the members opposite who attended as well — there was, over the two nights, between 100 and 150 people, and dozens were from industry and retail. That evening, in the follow-up, we said we would get back out to all those who were there about what we heard. We also said that we would follow up with industry directly. So we will do that work in order to try to improve the system. It's great. The industry is bringing us great suggestions and I think there is room for improvement. That is what we're going to do.

Then, once we develop new designated material regulations, the Minister of Environment and I will go out — because there is an obligation to engage the public about those regulations before they ever come into force. So yes, I can say for sure that we will talk with the public about that as well.

I thank the member for the question.

**Ms. Van Bibber:** On July 8, 2016, in a news release, the Premier said with respect to these recycling fees — quote: "While we support the goal of the regulations and the concept of extended producer responsibility we want to see a more equitable system, one that is in line with other jurisdictions."

This is essentially what the industry members in attendance said. So my question is simple: Why didn't the minister simply follow what the Premier said while in opposition and adopt a system that is in line with other jurisdictions?

**Hon. Mr. Streicker:** When we first had those draft regulations — which I think have been on the books since 2013, and which haven't been implemented to date — and when we first took office and we went out to the public — for example, we invited the tire industry to speak to us about it — we had one person attend a public meeting, so we didn't get a lot of input. There was some input to some questions that we posed to the industry, although it wasn't uniform in nature. So we didn't get some of the great feedback that we got on those evenings.

It was when the regulations came close that we heard from the industry and the public. That is the great news here. By going out and talking with the public, and the industry in particular, we're going to refine the system and make it better.

We're going to refine the system and make it better. I'm looking forward to those refinements and I'm looking forward to bringing them back to the public as new regulations for their input.

**Question re: Yukon Resource Gateway project**

**Mr. Kent:** Last September, the Premier and the Prime Minister gathered here in Whitehorse to announce over \$360 million for the resource roads gateway project. The construction industry and of course the Official Opposition were excited about this announcement. We thought that by announcing this money last year they could expect to start seeing shovels in the ground as early as this spring. However, five months later, this excitement has turned to disappointment as the government has announced it will not tender any contracts under this funding in this upcoming year.

Can the Premier tell us when he expects construction will start on the Yukon Resource Gateway project?

**Hon. Mr. Pillai:** I would like to thank the Member for Copperbelt South for this great question. Once again, I just touched upon the fact that we did have that opportunity last September to be here with the federal government and make the announcement on a package of dollars that would equate to the largest capital project in Yukon history but, most importantly, we committed at that time that we would have respectful dialogue with our First Nation partners and we would begin that in the fall.

What we have been doing over the last number of months is continuing to have that dialogue with a number of groups that represent the traditional territories in three separate project areas. We'll continue to do that good work. We feel that proper dialogue will take most of this year. We're hoping that I can be working with my colleagues to ensure that we come to some conclusion on those agreements in the summer and the fall so we can enter into the environmental process and be ready for next year, as was planned all along.

**Mr. Kent:** Usually when the government announces something so significant and has the Prime Minister in attendance to participate in that announcement, many of us in the Official Opposition, as well as industry here in the territory, thought that project was ready to go or very close.

As members know, the previous Yukon Party government started the lobbying for this project and submitted the initial proposal to the federal government, and we were pleased when this government continued on with that work, but it doesn't appear that the ball has moved very much further down the field in the 25 percent of this government's current mandate that has elapsed. Apparently it looks like the Premier just hosted the Prime Minister for a photo op to announce money that is nowhere near being ready to be spent.

Mr. Speaker, last fall, the supplementary budget provided \$600,000 for the gateway project. Can the Premier tell us if all this has been spent and what it has been spent on?

**Hon. Mr. Pillai:** I would have to take the opportunity to remind my colleague across the way — first of all, I would like to thank the opposition. They did some great work on the application for this project. There was some great work with industry; industry folks did a lot of work to come up with a plan, but the key is that the previous government didn't have an opportunity to get this to the finish line. The reason they didn't was because First Nation governments were not comfortable working with them on this project. The federal

government said that absolutely we can't move forward on this project.

We were elected and we went out and did the good work with our First Nation partners. That's why the announcement was made under our government — we have those respectful relationships. Now what I'm hearing is that the Member for Copperbelt South wants to go back to the old antics and try to ram a project through so we can get ground moving a year early. We are not going to do that. We are going to go with what is successful, have respectful conversations, and that is what we will continue to do.

**Mr. Kent:** Of course the need for the support of affected First Nations is something that was included in the initial submission and was something that we had worked on. The pause button was pressed during the 2016 election and unfortunately we don't really know how much work has been done with respect to getting those agreements with the affected First Nations. We will of course take the minister at his word with what he said here today with respect to those agreements hopefully being done and the environmental assessment and other aspects being done, but I will go back to my question that I asked previously respecting the supplementary budget that was tabled last fall.

There was \$600,000 set aside for the gateway project, so can the Premier or the minister please tell this House if all of that money has been spent and what it has been spent on so far?

**Hon. Mr. Pillai:** There will be ample time to go through our breakdown of the \$600,000. That money was earmarked — I think the initial work from my colleague was to have an office set up within Highways and Public Works. Of course we're doing significant consultation with a series of First Nations, so those funds and those resources, of course, will be used for that process.

We are completely transparent in how we spend those dollars. We'll have a dialogue about that. We will have a chance to debate it and if we have done something wrong, I'm sure it will be outlined. Once again, I just want to note that I want to thank industry for all of the feedback that they have given us. We have had multiple conversations with all of the Yukon contractors who will inevitably build these roads. We had a fantastic meeting at Roundup, where industry came into the room with all the First Nation development corporations — really, the first of its kind. As we talk about other items on the agenda, such as class 1 and YESAA, what I'm excited about is the leadership from the Premier, bringing out First Nation chiefs and our CEOs into the room for the first time in Yukon history.

So we have lots to share as the questions come and we are really excited about this upcoming building season and mineral development season.

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

We will now proceed to Orders of the Day.

## ORDERS OF THE DAY

### GOVERNMENT BILLS

#### Bill No. 206: *First Appropriation Act 2018-19* — Second Reading

**Clerk:** Second reading, Bill No. 206, standing in the name of the Hon. Mr. Silver.

**Hon. Mr. Silver:** I move that Bill No. 206, entitled *First Appropriation Act 2018-19*, be now read a second time.

**Speaker:** It has been moved by the Hon. Premier that Bill No. 206, entitled *First Appropriation Act 2018-19*, be now read a second time.

**Hon. Mr. Silver:** Thank you very much, Mr. Speaker. I am very pleased to rise and deliver the Government of Yukon's 2018-19 main estimates, our government's second annual budget.

They account for spending and revenue that has yet to happen. Budgets may be delivered in this House when the Finance minister speaks, but the actual delivery, the true implementation, comes later when Yukoners put the plans into action. The real results take place in the communities and in people's day-to-day lives — where it matters the most — and with many hands doing the work. To our government, the budget is really a statement of our collective will to do better as a territory — steadily, confidently, inclusively and measurably.

We seek to deliver budgets and engage more people in building a strong Yukon and to ensure everyone is working more effectively together inside our territorial government, in municipalities, First Nations and also the private sector. A budget should do more than account for the spending of the public dollars — it should be a plan for getting the most out of public dollars. A budget should support a more systematic, informed and open approach to making government decisions and government investments. This budget is a significant step toward this. It also supports deeper engagement with the public.

We want everybody to be able to measure progress, to see results and to find ways of contributing to that positive change. For too long, the Government of Yukon budget was year to year. Investments were announced and capital projects were built without thought to long-term strategic approaches. The cost of operating and maintaining capital assets was not fully considered, or even included, as Yukon's population grew and changed. This approach had reached its limits when our government came into office. The Government of Yukon's finances were on an unsustainable path. Significant deficits were projected for upcoming years. People in Yukon did not see a clear or realistic plan for the territory. The Government of Yukon's fiscal process was out of sync with the majority of Yukon's economy and the changing nature of people's needs.

Our government is determined to deliver budgets that get the fundamentals right. That might seem like a modest goal, but it isn't. It is truly aspirational, because it puts the faith in the ambitions and the abilities of Yukoners — a strategic

approach that helps people of the territory to achieve their full and significant potential. A strategic approach means that no challenge is too difficult as long as Yukoners begin making decisions together to overcome it. That strategic approach is taking clearer shape in our 2018-19 budget.

We have made a deliberate decision to increase the certainty in Yukon's public finances, beginning with our first budget. As a result, when the supplementary estimates were tabled for 2017-18, they did not greatly differ from the main estimates that were presented last April. This represents genuine progress in developing more accurate forecasts and fully accounting for the year's true expenses up front.

In addition, as we committed to doing, our government is releasing a fiscal and economic outlook at the same time as the budget. The Government of Yukon's 2018-19 budget presents a fiscal outlook that has improved from the previous year's projections. There is already greater strength than anticipated in 2017. Our labour market continues to be among the most resilient in the country. Increased activities in mining and tourism, coupled with continuous growth across every sector and an improved outlook for global growth, are all contributing to a more prosperous outcome for our economy.

Revenue is forecasted to be \$1.333 billion. Total costs are expected to be \$1.338 billion. Of this, \$280 million is capital spending. Operation and maintenance spending is \$1.2 billion. The government's accumulated surplus as of 2018-19 will be \$1.4 billion. These 2018-19 main estimates show a deficit for the year of \$4.5 million. The deficit is a result of increasing costs in operation and maintenance.

Now let me take a moment to put this in context by pointing out some of the areas where costs have increased. Spending on operation and maintenance for Health and Social Services is up to \$37.1 million, which is an increase of 10 percent. Of this, \$24 million this year is for the new Whistle Bend continuing care facility, a cost that was not built into the long-term projections in the past. Increased Health and Social Services costs also reflect a more realistic forecast of insured health costs. In the past, these were not included in the main estimates; rather, they were only accounted for in supplementary estimates. We have made this change as a part of our effort to be more transparent in the main estimates.

There are also additional costs of \$2.3 million to provide space for 10 more seniors who will need continuing care at the Thomson Centre. This will free up acute care beds at the Whitehorse General Hospital. This project also has a one-time capital cost of \$1.2 million.

We also had to budget \$4.6 million for the environmental cleanup of the Marwell tar pits. In June of 2010, the governments of Canada and Yukon reached a financial agreement for the assessment and the remediation of this site. Federal funding was received, but the previous government did not act upon that obligation. Again, in the interest of transparency in public financing, it is time to account for that cost and to get that work underway.

Higher enrolment in schools has contributed to higher costs in education. We have therefore increased the

Department of Education's budget by \$6.8 million over the main estimates for 2017-18.

These items explain some of the increased costs in this fiscal year. We can anticipate that the 2019-20 budget will also be in deficit. These deficits are not as large as we anticipated a year ago in our first budget in 2017. This is, in part, because of the fiscal approach our government is taking to fully account for costs.

We will continue communicating with Yukoners about our plan to return government finances to surpluses, which we expect to do in 2020-21.

While striving for clarity and transparency is important, we know that no one can get a forecast exactly right. There will be unforeseen circumstances. There will be unexpected events. However, we can always meet the expectations of Yukoners that the government finances are to be transparent and credible.

In the interest of transparency, our government is being open with Yukoners about the challenges in operation and maintenance spending. This spending is increased at a pace that must be addressed. We will be addressing operation and maintenance spending in the short term to get back to surplus by 2020-21, but there are long-term challenges as well.

These costs are presently on a steady upward trend, and we must be able to bring them down to align more closely with the government's ability to pay. This upward trajectory is due to an aging population and an increased demand for public services. If we do not address it, then the Government of Yukon will face continuing risk of more substantial deficits in future years. As our capital base has grown, our finances have not kept pace.

Long after the ribbon is cut on a new facility and the builders have been paid, there are continuing costs in all the years afterward to keep it running and to pay for any new programming. The previous government did not always fully account for operation and maintenance costs, even as the government's capital assets grew. We need to pay continued attention to sound fiscal management in order to return our government's finances to a path of fiscal responsibility and fiscal sustainability. Our government will do that work in consultation with Yukoners, and already these conversations are on their way.

The final report of the Financial Advisory Panel last fall was an important first step. The goal was to learn more about Yukon's long-term financial trends to explore all options and give Yukoners a chance to voice their opinions. The panel delivered a comprehensive report that captures many different voices. As a result, there are many options open to us and feedback to inform decisions. While we have rejected some options such as a harmonized sales tax, we are considering other options that the panel raised. This year, our government will begin three early actions on some of the panel's recommendations.

First, we will complete a comprehensive review of Health and Social Services, as the panel suggested. Almost \$1 in \$3 is spent on these services. This will be an exercise in obtaining value for this investment. It will look at innovations in health

care delivery and build on the review done 10 years ago to improve the well-being of Yukoners.

Second, we will increase the efficiency and effectiveness of delivering overall services to Yukoners. We will not look just at what government does but how it does it, and we will find ways to do things better. Yukon must ensure that it is the right size for the responsibilities it has to the people it serves.

Third, there are opportunities to consider about how our government can stop doing work that elsewhere in Canada is done by the private sector. The government in Yukon needs to get out of the business of business. Yukon's vibrant business sector is a source of innovation and expertise. We can also help others such as First Nation development corporations and municipalities to be innovators in offering services. We believe that this would make better sense for our communities.

We will also explore strategic partnerships with others that benefit Yukoners. All these types of collaborations can help diversify our economy while meeting the needs of Yukoners. We will provide more detail throughout 2018 and will outline some of the new measures in next year's budget and, throughout the year, we will keep up the conversation with Yukoners on doing government better.

Now, before moving on, one new financial measure in 2018-19 and beyond relates to the legalization of cannabis. In December, Canadian finance ministers agreed in principle to a cannabis taxation approach. We believe it will best meet the objectives to restrict cannabis use by youth and, as much as possible, eliminate the illegal market.

When we formalize this two-year agreement, Yukon will receive 75 percent of the federal cannabis excise duty revenue generated in the territory. Yukon will also receive a proportional share of the federal cannabis excise duty revenue generated in Canada above the \$100-million cap on federal revenues from the federal cannabis duty. Our government will continue to inform Yukoners on implementation as it evolves.

Mr. Speaker, we believe a Yukon budget should reflect the lives, challenges and ambitions of Yukoners. We believe government must lead, but that leadership should be informed by listening. We consider it an important role for Cabinet to understand the issues from the community perspective, not just the government perspective.

The Government of Yukon Cabinet and all members of caucus have been facilitating those discussions at every opportunity. We are engaging in ways and on a scale that has never been seen before in the Yukon. From April to January of this year, ministers made 107 visits to Yukon communities outside of Whitehorse. To get more from public dollars, we need to understand the needs in the communities and the actions that these communities are already taking, and the role that the territorial government can play in meeting these goals.

You cannot fully understand a community by reading about it in Whitehorse. You have to hear people's life experiences to appreciate the context of a problem or a need. We are finding that, when we get more people at the table for these discussions, we can see more clearly how we can work together.

When different orders of government approach problems together, we can invest in ways that make the most sense and ensure that our collective efforts deliver the most benefit to the people we all serve. This two-way communication is vital in determining priorities because it's not possible for the government to say yes to every community in every request. However, if we keep talking, we will always keep on making that progress.

Our government is also working to promote a more collaborative approach to problem-solving among public servants. As members know, I was a teacher in my previous career. Many of us in education want to contribute ideas that will improve the students' outcomes. In my experience, there were limited opportunities to give that advice. We did not feel that the experience on the ground was having enough influence over the direction of the government.

It is part of the reason why I entered public service — to be a part of the government that does a better job of listening. When Yukoners see better ways of doing things, we want to hear about it. Good ideas come from every organization at every level. Just as we want to listen more to the Yukon public, we also want to listen more to the public service.

I know that within Yukon government, the dedication and the ingenuity of public servants have been underutilized assets. Our Cabinet and caucus want to promote both formal and informal ways of exchanging ideas with the public service. Innovation is best supported by creating occasions for people to have conversations that would not normally happen. One person's everyday experience is another person's insight.

These interactions lead to a culture of problem-solving and innovation. Many people in the public service have ideas for more efficient and more effective government, but no one has asked. Our government is asking.

The conversations between our government and the Yukon First Nations are also becoming more productive. Together we are taking significant action on reconciliation and on building a true government-to-government relationship. At the Yukon Forum, we have crafted a joint priority action plan to guide us forward together to build new relationships. We cannot simply do things the way they have always been done.

Gone are the days when First Nation leaders only meet federal indigenous affairs ministers. That's band government. That is not self-government. Now, self-governing First Nations speak to the health minister about health, the infrastructure minister about infrastructure, and so on. Gone are the days where the Yukon Premier routinely takes meetings with federal ministers alone. Instead of bringing a message back to Yukon First Nations, we invite Yukon First Nations to those meetings. That sends a clear message: We are here to get things done together.

Those we partner with can see that productive relationships exist, and that the trust is there to resolve issues through negotiation, not through litigation. The First Nation perspective is being built into prospective projects because their representatives are in the room from the very beginning. This is why our ministers and I place great value on the strong

government-to-government relationships that have emerged from the Yukon Forum.

Our government was pleased in 2017 to sign a memorandum of understanding with 11 First Nations on a one-government approach to Yukon's mining sector. We are pleased to be making progress on class 1 notifications as part of that process.

Resource companies also appreciate the certainty that comes with having First Nation governments fully engaged during negotiations and development of a project. Tara Christie, CEO of Whitehorse-based Banyan Gold said this — and I quote: "If there's a strong relationship there, it makes it so much easier for industry to develop relationships and continue the conversation."

As I have said, we need to get more from the public dollars and deliver the greatest possible benefits to Yukoners. A clear and understandable capital plan will help us get more from these investments. So for the first time, the 2018-19 budget includes a Government of Yukon long-term capital plan. Under the plan, spending will be consistent over each of the five years at about \$280 million per year, on average. Procurement opportunities will be rolled out in a more organized fashion. This avoids overheating the construction sector, only to have it slow down in other years. Anyone in Yukon can review the capital plan and see which projects will be funded and when.

While this is our first iteration of such a plan, it helps ensure Yukon-based companies can bid on more work by spreading out the construction activity. Local businesses and First Nations will be better able to secure government contracts because they have a better understanding of what is coming down the pipe. The five-year approach ensures maximum economic benefit and job creation. It gives resource companies more certainty in knowing which infrastructure projects are being supported and when they will be built.

While we are very pleased with where we landed on this first plan, it is not written in stone. We will continue working with industry to ensure that it meets their needs as well as our needs. We will remain agile in order to meet the emerging needs, and will continue to improve upon that document each year so that it better serves the public and local businesses. We are also committed to putting tenders out at the right time, not just in time. We have heard from our local contractors that seasonally dependent large construction projects are tendered too late to prepare. In particular, we are issuing tenders worth \$49 million for seasonally dependent projects well in advance of when that ground must be broken.

At the moment, the capital plan is balanced to meet Yukon's most crucial needs for future growth and prosperity. It will include upgrades and maintenance of Yukon's highway systems, which get people and goods to where they need to be, including the increased number of tourists that we are seeing. Overall, the budget contains \$65 million to improve that transportation system.

There will be \$42 million this year for municipal and First Nation infrastructure. Our budget also commits to building and maintaining government social and affordable

housing units, which support the most vulnerable Yukoners. Over the coming year, we will be working with Challenge Disability Resource Group to conclude an agreement on government support for its affordable housing project in Whitehorse. Expanding Yukon's health care options helps to meet the needs of elderly people in the Yukon. This includes continuing investment in the Whistle Bend continuing care facility and the creation of space for 10 more people at the Thomson Centre.

Investing in school facilities will help to meet the needs of a growing Yukon student population.

Cette année, trois millions de dollars seront injectés dans la construction d'une école secondaire francophone à Whitehorse.

Better IT infrastructure helps the Yukon government to provide better, more transparent and more timely information to the public. The \$14.3 million in IT spending this year can help drive innovation. In addition, we will be investing \$1.9 million this year to a Yukon innovation hub. This hub will serve as a catalyst for new opportunities that can grow our economy by connecting entrepreneurs, industry and governments, and the academic and non-profit communities. This project, focused on collaboration, is itself a collaborative project, involving Yukon College, CanNor, (co)space, Yukonstruct and Yukon Development Corporation.

The five-year capital plan is also an opportunity to develop a true Yukon approach to infrastructure. It is also an opportunity to improve, and we will continue to improve on our capital planning year after year.

There is also significant funding available from federal infrastructure programs in this year's budget, and there will be new programs in the future. We need to make the most of these opportunities, while also making sure that the projects work for Yukon. This means sitting down with our local communities and First Nations to plan together, determine the highest priority, look at affordability, consider land use and discuss shared responsibilities, including costs. Instead of reacting to every federal program, we will proactively determine Yukon's needs, taking into account that the capital assets that we build today will be an operation and maintenance cost for a long time after.

By getting everybody at the same table, with everyone informed by a five-year capital plan, we can build what we need in ways that are affordable and sensible.

Mr. Speaker, in closing, we are entering a new era in Yukon. The size of our territorial budget, the assets that we own, the opportunities before us — all growing. There is volatility in the world in which we operate. There are changes, such as an aging population, on our horizon and, at the same time, in all sectors of the economy, there have never been more opportunities than we see today in the Yukon.

There are strong and special qualities that define Yukon and its people. Yukoners value what we have built together, but there is a time for new approaches and increased efforts. We have done well, but we can do better. We must make investment, re-think approaches and do government differently. Budgeting from year to year is not enough. Putting

capital projects out the door with a year-to-year approach is inefficient. Our government is thinking more critically about where we invest, how we invest and why we invest. We will consider and account for the cost of maintaining and operating assets and delivering services. There needs to be a plan — one that Yukoners can see and understand and engage in.

Over the past year, we began establishing that plan. With the 2018-19 budget, we will take this approach even further. In the years ahead, there will be more new measures to secure Government of Yukon long-term fiscal sustainability. We have absolute faith that none of the challenges are too big or too difficult to manage, especially if we begin taking action today and doing it together, but we need to seize this moment in Yukon's history. Our job, as a government, is to work with Yukoners to achieve all that is possible with all that we have: hard-working people, strong communities, a beautiful environment, resource wealth and a quality of life that is absolutely the envy of many other places.

In doing so, our government will listen. We will continue to learn, we will lead, and we will deliver results and be judged by our progress. This is the government that we will deliver to Yukoners. The 2018 budget continues that work. There will be much more to come.

Thank you, Mr. Speaker. Merci. Mahsi' cho.

#### **Motion to adjourn debate**

**Mr. Hassard:** I move that debate be now adjourned.

**Speaker:** It has been moved by the Leader of the Official Opposition that debate be now adjourned.

*Motion to adjourn debate on Bill No. 206 agreed to*

**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:** The House now stands adjourned until 1:00 p.m. Monday.

*The House adjourned at 2:30 p.m.*

#### **The following sessional papers were tabled March 1, 2018:**

34-2-47

*Report of the Auditor General of Canada to the Yukon Legislative Assembly — 2017: Independent Auditor's Report — Climate Change in Yukon (December 5, 2017) (Speaker Clarke)*

34-2-48

*Report from the Clerk of the Yukon Legislative Assembly on the Absence of Members from Sitzings of the Legislative Assembly and its Committees (March 1, 2018) (Speaker Clarke)*

**The following legislative returns were tabled March 1, 2018:**

34-2-103

Response to oral question from Ms. Hanson re: Whitehorse Correctional Centre phone system revenue (McPhee)

34-2-104

Response to oral question from Mr. Kent re: microgeneration program reimbursements (Pillai)

**The following documents were filed March 1, 2018:**

34-2-32

Inspection of the Whitehorse Correctional Centre (“WCC”) — request for extension, letter re (dated February 5, 2018) from David Loukidelis QC, to the Hon. Tracy-Anne McPhee, Minister of Justice (McPhee)

34-2-33

Whitehorse Correctional Centre Inspection — request for extension, letter re (dated February 19, 2018) from the Hon. Tracy-Anne McPhee, Minister of Justice, to David Loukidelis, QC (McPhee)