



# Yukon Legislative Assembly

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34<sup>th</sup> Legislature

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## HANSARD

Monday, May 15, 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
<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	Doris McLean
Deputy Sergeant-at-Arms	Karina Watson
Hansard Administrator	Deana Lemke

**Yukon Legislative Assembly  
Whitehorse, Yukon  
Monday, May 15, 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 Wendy Callahan and recognition for Run for Mom

**Hon. Mr. Silver:** Thank you, Mr. Speaker. It's an absolute honour to rise today on behalf of the Liberal Party to pay tribute to Wendy Callahan.

A celebration of Wendy's life was held on Saturday, October 22, 2016 at Sacred Heart Cathedral in Whitehorse. Today, I would like to celebrate her life in this House. This feels like a special place to do this tribute. Wendy's father, Rudy Couture, a long-time Sergeant-at-Arms in this Legislature, is joining us today. It's good to see you again, back in the Legislative Assembly, Mr. Couture.

Wendy delivered the mail in this building for many years. Several of us were very fortunate to have known her. In 2012, Wendy was nominated for a Premier's Award of Excellence in the individual category. These annual awards recognize outstanding achievement by a government employee. Wendy was a devoted Highways and Public Works employee. She was nominated for her work in the mailroom.

Her fellow employees who nominated her said — and I quote: "Her efforts as a fundraiser in the fight to beat cancer exemplifies how the public service spirit can extend beyond the workplace."

Certainly, Mr. Speaker, Wendy was dedicated to the cause. For years, she was consistently the top fundraiser for Run for Mom, a local event that raises funds for breast health in the Yukon. Mr. Speaker, Wendy was so ardent about fundraising for Run for Mom that she received national attention for her efforts.

On April 17, 2012, Wendy received the Governor General's Caring Canadian Award. His Excellency, the Rt. Hon. David Johnston, Governor General of Canada presented 28 outstanding Canadians with the prestigious award during a celebration ceremony at Rideau Hall. Wendy Callahan was undeniably an outstanding member of that group. Created in 1995 by the Right Honourable Roméo LeBlanc, the former Governor General, the Caring Canadian Award recognizes Canadians and permanent residents who have made significant, sustained and unpaid contributions to their community in Canada and abroad.

The award celebrates the example set by volunteers whose compassion and engagement are part of the Canadian

character. Wendy's engagement with Run for Mom surely set an example for Yukoners. Wendy started donating her time and efforts to Run for Mom in 1999 and raised over \$85,000 in those years. The impact that she made was immense, and we are lucky to have known her. Wendy will be remembered for her hard work and for her dedication. Thank you very much, Mr. Speaker.

**Ms. McLeod:** I am pleased to rise today on behalf of the Yukon Party Official Opposition to pay tribute to the Run for Mom which takes place annually on Mother's Day. This year, the 19<sup>th</sup> annual Run for Mom is dedicated to Wendy Callahan, who dedicated a large portion of her time and her life to fundraising efforts for breast cancer and breast cancer awareness.

Wendy was well-known as a driving force behind Run for Mom. She began participating in the CIBC Run for the Cure in 1998, when she took part for her friend, Flo Kitz, who was battling breast cancer at the time. That particular fundraiser was a national event, with only partial proceeds staying in the Yukon. Of the \$40,000, a total of \$18,000 remained in the community, becoming a deposit on the territory's mammography machine.

The Run for Mom was launched in Yukon in 1999 by an organizing committee of volunteers, community members and hospital staff. The run, through the years since its launch, has raised over \$1.1 million, all of which has stayed in the Yukon. The remainder of the cost of the Whitehorse General Hospital's mammography machine — \$700,000 — was attained by the fundraising efforts of the community through Run for Mom.

In addition, funds raised were able to cover a brochure for women on what to expect during a mammogram, sponsor the Paddlers Abreast canoe team and to help send two local breast cancer survivors to the 2008 International Congress on Breast Cancer. These are tremendous achievements and highlight the impact a community can have by fundraising for a cause. As we've heard, Wendy was presented with a Caring Canadian Award in 2012 by the Governor General of Canada. Wendy, at the time, had raised over \$90,000 in her efforts and that number climbed significantly over the following years.

Wendy passed away in October of last year. She will be remembered always. Many of my colleagues and government staff will not forget the hard-working and energetic woman that she was. Working in the mailroom, Wendy visited different offices and departments throughout the day and few people didn't recognize her and say hello. She was a truly vibrant woman and is missed by all.

Wendy's efforts did not go unnoticed and will be missed and thought of with great admiration each year, and especially at this time. Her participation went above and beyond year after year. I'm pleased that this year's run is dedicated to her memory.

The Run for Mom is an overwhelming success year after year, with over 1,000 runners, walkers and cyclists taking part annually. I would like to thank each and every family and individual who contributed their time and fundraising efforts

this Mother's Day to make this year's Run for Mom a success for the 19<sup>th</sup> year and counting.

**Ms. White:** I rise on behalf of the NDP caucus to celebrate two things near and dear to my heart. These things overlap in such a way that it's nearly impossible to talk about one without the other. They go together like peanut butter and jam, beaches and sunscreen, volunteers and community — the Run for Mom and Wendy Callahan.

Just about everyone in town will recognize Wendy. She walked everywhere — from her home in Takhini to work downtown and back again — because Wendy loved to walk. I was 16 when I first met Wendy. At that point, she was the uber-efficient waitress at the No Pop Sandwich Shop. Even at that age, I recognized her skill and her gift with people. I loved watching her interact with customers. She knew everyone and enough about them to gently tease them when they visited. Her dry sense of humour was something that I always loved.

It was years later, in 1999, that I got to work with Wendy at The Chocolate Claim. I was baking and she worked the counter on Saturdays. There is a special time in that kind of business where, before opening, there was a calm before the storm with just the two of you in the place. If you're lucky, you like each other. If you're really lucky, you will become good friends. It was that first year at The Chocolate Claim that I got to see Wendy in action for the Run for Mom. In 1997, the Yukon had its first-ever breast cancer run, the CIBC Run for the Cure. I am sure it will come as no surprise that the community rallied behind the event, raising more than \$40,000, but because, as it was mentioned, the Run for the Cure was a national event, all but \$18,000 left the territory. The community's strong support and desire to keep funds within the Yukon meant that it was time to organize a run right here at home where 100 percent of the money raised would stay in the territory.

In 1998, an organizing committee made up of community members and hospital staff launched the very first Yukon Run for Mom to raise money for breast health. Since 2000, Val Pike has been the dynamo behind the Run for Mom. She and her dedicated volunteers make magic happen each and every Mother's Day, and for that we will be forever grateful. The grounds at the *SS Klondike* come alive with people from all walks of life. Walkers, cyclists and runners gather for live music, a warm-up and, of course, the countdown. Mr. Speaker, yesterday's cooler temperatures didn't keep the hundreds of participants away.

Wendy started her fundraising for the Run for Mom the same year that I started working at The Chocolate Claim, and she was incredible. She asked every single person if they were interested in donating — and to be clear, "no" wasn't really an option. No amount was too small, and she was gracious with every donation. At one point, I asked her how much she was planning on raising and, in true Wendy form, she stopped what she was doing, looked at me and said something along the lines of "the most", and she did every single year that she participated. When Wendy started working in the mailroom at

the Yukon government, not only did she have access to the hundreds of people she had already trained to be ready to donate, her empire grew. Armed with her fanny pack and previous years' pledge sheets, she would start collecting months ahead of time. She was that committed to the cause of breast health in the Yukon and that committed to the Run for Mom.

Yesterday, the Run for Mom honoured Wendy and her dedication to their event, and she wasn't just honoured for the money that she raised — the more than \$100,000 — but for what she brought to the community: her spark, her enthusiasm and her dedication. She faced her illness the same way she faced her life — with a positive attitude, persistence and a sense of humour.

With Wendy and her family in the gallery, I was able to tribute her here in April 2012 after she was awarded the Governor General's Caring Canadian Award. She never liked to be in the spotlight, so watching her squirm as she listened to all the nice things we said about her was smile-worthy.

Today is a little bit different, so today I thank the Run for Mom for their ongoing efforts to improve access to breast health in the Yukon. We thank them for their efforts to enhance the comfort of patients, to offer peace of mind, more certainty with quicker, more efficient diagnostic tools, and to their ongoing commitment to ensure Yukoners can receive the treatment that they need. I want to especially thank them for honouring Wendy at yesterday's run.

Today I get to honour my friend who was so much to so many. Wendy passed away on October 17, 2016, and her celebration of life was a good indicator of the life she had lived and by how many people she had touched. We were a diverse and colourful group that barely fit in the church. It was standing-room only.

Mr. Speaker, I would like to thank Kip, Judy, Glenda and Rudy and her friends who are here today. She made an impact and that's all we can really ask for, so thanks for being here.

### In remembrance of Florence Roberts

**Ms. Van Bibber:** Thank you, Mr. Speaker. It gives me great pleasure to rise on behalf of the Yukon Party Official Opposition to pay tribute to a friend and all-round amazing Yukoner, Florence Roberts.

Born in New Westminster, BC on July 17, 1943, Florence, at an early age, was someone to contend with, and everyone knew when she was in the room.

Florence graduated from nursing school, specializing in psychiatric nursing, and did her practicum at Essondale, later known as Riverview Hospital. She kept in touch with her graduating classmates throughout the years. She and her husband, Preston, lived in Mission, BC and decided to take a vacation to the Yukon. That was the summer of 1972. They fell in love with the Yukon and moved here in 1973, along with baby Lloyd, and soon they welcomed baby Jenny the following year in 1974.

When she arrived, Florence realized Yukon did not recognize psychiatric nurses. She worked tirelessly and, over the years, this did change. On August 1, 2009, an order-in-

council to amend the *Health Professions Act* to incorporate *Registered Psychiatric Nurses Regulation* was put in place in Yukon.

While they both had jobs in Whitehorse, the lure of gold mining was strong and they worked claims on Burwash Creek just west of Destruction Bay, then later at Mount Nansen near Carmacks. Jenny told me their house was always busy, full of life, laughter and food. There was always company, the phone ringing, a meeting to attend, someone to visit in the hospital — or just lend a hand with some event or do. She said that, at the house on the highway, there would be so many guests that they had to set up two tables — one for adults and one for the kids. If they ran out of room at the adult table, someone had to join the kids' table.

Through the ebb and flow of life, Florence met her soulmate, Alfred Gould, and they spent many years together, spanning 28 years. After a few years at the Royal Bank, she worked for Health Canada and then transferred to YTG Health and Social Services. Right to the last, she worked two to three days a week.

She was always involved in volunteering and giving back to the community. Florence was so well-known and she always was ready with that big, huge smile.

She had friends in every walk of life and loved to share a moment with all she encountered, usually with a story, just finding out what you were up to and offering her help.

Her hobbies were gardening and making gold jewellery. She got her nuggets from the mine that Alfie mined for many years and many of her pieces were works of art. In fact, Jenny is wearing one of them today.

Florence was interested in what happened in our city and decided to let her name stand for city council. For myself, who always voted in municipal elections, it was an easy mark. I knew Florence would be a solid, common-sense councillor — and she was. She was re-elected for a second term and served under two mayors: Ernie Bourassa and Bev Buckway. It was not uncommon to see Florence attend many events throughout the year. As Bev said in an article: "... if she thought something wasn't right, she set out to make sure some things got changed."

Florence was also one of the mainstays of the Yukoners Cancer Care Fund and stayed with the group right through. When there was an event, she was there at the front door selling 50-50 tickets and organizing the silent auction. Nothing was daunting for Florence. She was at our first meeting and, in fact, just before she was admitted to hospital, we e-mailed one another as I had just heard the news of her cancer. This last e-mail was dated January 3, 2017 and part of it reads, "Comfort and quality of life mean so much. I have such a wonderful circle around me, I can't lose. I tell my body to smarten up every morning and every night. Please let me know when the meeting with the Hospital Foundation is, as I would like to see that completed before much else transpires — Florence". That was Florence — making sure she had her voice heard.

Her cancer journey was short, but nonetheless traumatic for her and her family. Once diagnosed, she realized she did

not have much time and was resigned to comforting her children and Alfred. She left us on January 10 and the City of Whitehorse lowered their flags to half-mast in her memory — and what an honour. She will be missed — her infectious laugh and sense of humour.

I would like everyone to help me welcome to the House her daughter Jenny Roberts and a few others: Tammy Banks, the group from the Pioneer Women of the Yukon, Whitehorse Lodge No. 2, Susan Thirlwell, Marj Jensen, former councillor Jan Stick, former Mayor Bev Buckway and current councillor Rob Fendrick, plus many others who are here in person. Some are listening online to today's session, especially her son Lloyd.

**Hon. Mr. Pillai:** Today I rise on behalf of the Liberal Party to give a tribute to Florence Roberts. There are so many things that Florence accomplished over the years. The member opposite did a very eloquent job of identifying some other fun and interesting things that Florence had undertaken during her time.

Florence, as was spoken about, served on Whitehorse City Council for two terms, beginning in 2006. During that time, she also on occasion held the seat of Deputy Mayor.

She was a noted volunteer with the Canada Winter Games, Arctic Winter Games, Yukoners Cancer Care fund, and the Red Cross health equipment loan program. She always volunteered at the City of Whitehorse Halloween and New Year's Eve parties and various other events at the Canada Games Centre. She supported many causes, including public transit — a huge advocate of that. She served on several boards, including the Whitehorse Housing Advisory Board, the Yukon Hospital Corporation Board of Trustees and the board of the Yukon Multiple Sclerosis Society. She also served on the working group for psychiatric nurses that helped to develop, as was stated, the *Registered Psychiatric Nurses Regulation* introduced in 2009. Florence also served on the executive of the Yukon Employees' Union, Local Y017 and the executive of the Utilities Consumers' Group. In 1990, she was also the returning officer for the advisory council for the Hamlet of Ibex Valley.

A couple of fun ones — she also won the senior division homemade wine category in the Yukon Agricultural Association's 8<sup>th</sup> annual Klondike Harvest Fair event show in 2002 and was known as the "Yukon Yapper" on her CB radio.

I think the easiest way to sum up Florence's impact and what she was like is to tell a quick story. On January 6, I got a phone call from the mayor who I served under with Florence — Bev Buckway. She said, "Florence needs to see you, and you shouldn't delay." On the afternoon of January 7, I travelled to the hospital to see what Florence was calling on me for. Her family was there, so it took a bit of time, and then I had an opportunity to go and sit with Florence. As was so eloquently stated across the way by the member opposite, Florence still had a list of tasks and she was giving me one. I walked into the room — Lloyd was there — and she said, "Young man, sit down because I have something for you to do." She had just travelled back from Vancouver and had been

informed of her news, and she wanted to get back as soon as possible. The situation with the medevac wasn't as it should have been. She was upset about that, and she wanted to make sure that it got fixed. She wanted to make sure that it got fixed so that nobody else would have to go through a delay at an important time, and they would be back with their family. She said, "Make sure you sit down with the Minister of Health and Social Services." I committed to that right there. That would be done on Monday morning. She said, "I know" — and excuse me for breaking protocol — "I know Pauline, and I know she will take this on, but I want to go talk to her about it because I am upset about it. Please make sure it gets done." She was so brave. She said, "You know, young man, I am sitting with you here and we are not counting time in hours. We are counting time in minutes right now." I had an opportunity to give her hug. It just exemplified what type of person she was.

I have never sat with a person in a political world who, as was touched on, always had the courage to make the right call, no matter what the fallout was.

Her enthusiasm and energy for public service and for serving in a municipal government was second to none. The one thing I can take away is that her love for the Yukon and her love for her family — these were the most important things in her life.

**Ms. Hanson:** I am pleased to pay tribute to, obviously, a very well-loved woman, Florence Roberts, on behalf of the Yukon New Democratic Party caucus.

I want to express my thanks to Jan Stick, former MLA for Riverdale South as well as former city councillor, for this tribute. Jan knew, worked with and was friends with Florence for many years. Along with the others in this Legislature, we are so aware of Florence's contributions to the City of Whitehorse and her contributions to the many organizations in this community. If you had to borrow something from the Red Cross or try to park at Rotary Park during the river race, you would have Florence there to help you. If there was a walk for the MS society, Florence would be there pitching in. It's what Florence did. She saw a job or a task that needed doing and stepped up. Nothing seemed too small or too big for her.

Florence was a force to be reckoned with. We have heard some examples today. We all have many of them with her. She was a force in many individuals' lives. Besides her family and friends, Florence gathered what she called many "strays and orphans" around her. She spent time with her "old guy" at Copper Ridge, taking him out for rides, doing his laundry and being the family we all wish for in our lives. There were many who showed up at her door who knew that they could get a haircut, a helping hand with laundry, or just a good meal and conversation.

We also know that Florence loved travel. Whether around Whitehorse or world travel, a road trip with Florence was a never-ending storytelling trip. She had travelled all of the Yukon highways and side roads and had a story for every 10 kilometres.

Florence couldn't go anywhere without chatting up the person sitting next to her or wading into a crowd and making instant connections and friends. As Jan put it, one had only to watch her at the Federation of Canadian Municipalities, where hundreds of mayors and councillors gathered. She always came away with new friends.

Many have described Florence as feisty and outspoken. She said exactly what she thought, but she also listened to others and considered their views and information. Florence always had an open mind and was respectful of others. Sometimes she even changed her mind.

So it was with shock and sorrow that we heard of her untimely and much too early death. It is a loss to Whitehorse and the whole of Yukon. We extend our condolences to her family and her friends and all of those who benefitted from her largesse, her love and her hard work.

### In recognition of Yukon Francophonie Day

**Hon. Mr. Streicker:** Mr. Speaker, Monsieur le Président, I rise today on behalf of the Yukon government and the Official Opposition. À titre de ministre responsable de la Direction des services en français, je suis très heureux, en ce 15 mai, de souligner la 11<sup>e</sup> Journée de la francophonie yukonnaise, ainsi que l'importante contribution que notre communauté francophone a apportée, et continue d'apporter, à l'essor du territoire.

Depuis les célébrations de la Journée de la francophonie, qui ont eu lieu vendredi dernier au Old Fire Hall, le drapeau de la franco-yukonnie flotte devant l'Assemblée législative.

It is my pleasure as minister responsible for the French Language Services Directorate to acknowledge the 11<sup>th</sup> Yukon Francophonie Day on Monday, May 15, and to recognize the important contributions, past and present, that our francophone community has made to the development of the Yukon.

The Franco-Yukon flag has been flying in front of the Legislative Assembly building since last Friday's celebrations of the Yukon Francophonie Day at the Old Fire Hall.

L'Association franco-yukonnaise vient tout juste de fêter le 35<sup>e</sup> anniversaire de sa constitution. Au nom de l'Assemblée, je tiens à féliciter l'AFY d'avoir franchi cette étape importante — l'association joue un rôle fondamental pour maintenir le dynamisme de la francophonie yukonnaise.

C'est avec fierté que nous constatons la croissance spectaculaire de la communauté francophone yukonnaise et sa présence se fait de plus en plus sentir, que ce soit dans le secteur privé, sur la scène culturelle ou au sein du gouvernement.

Just recently, the Association franco-yukonnaise celebrated the 35<sup>th</sup> anniversary of its incorporation. On behalf of the House, I wish to express our warm congratulations to the AFY on this milestone and on the important role it plays in ensuring the vitality of the Yukon francophonie.

We are proud to witness the tremendous growth of the Yukon francophone community and its ever-increasing presence, be it in the private sector, on the cultural scene or at government level.

L'influence de l'AFY est particulièrement palpable dans le domaine des arts et de la culture. Je profite de l'occasion pour féliciter l'Association franco-yukonnaise et Cécile Girard pour le projet "De fil en histoires: Les personnages d'un territoire". Au printemps, dans le cadre du 150<sup>e</sup> anniversaire du Canada, cet atelier de contes a été présenté à divers endroits au Yukon.

Le projet explore l'influence de la communauté francophone sur l'histoire du Yukon. Cécile Girard, une artiste francophone et Yukonnaise de longue date, a animé ces ateliers à Haines Junction, Dawson et Whitehorse. Les participants ont été invités à fabriquer des poupées à la main en s'inspirant des personnages historiques et contemporains du Yukon. Les créations seront présentées cet automne lors de trois expositions.

The AFY's influence on arts and culture is particularly noteworthy. I take this opportunity to commend the Association franco-yukonnaise and Cécile Girard, who is here today, for their Canada 150<sup>th</sup> project "Stitches In Time: Yukon History Makers", a unique storytelling workshop that has toured the Yukon this spring. The project explores the influence of the francophone community on shaping Yukon's history. Girard, a long-time Yukon, French-speaking artist, led workshops in Haines Junction, Dawson and Whitehorse, where people were invited to create hand-made dolls inspired by francophone characters from Yukon's history, past and present. The creations will be featured in three exhibitions in the fall.

Je tiens à remercier l'Association franco-yukonnaise pour ses efforts soutenus visant à promouvoir le caractère unique du Yukon auprès des visiteurs francophones. J'espère de tout cœur que l'application mobile pour le tourisme en français, lancée le 2 mai par l'AFY, connaîtra un franc succès.

Le ministère du Développement économique a investi 35 000\$ sur deux ans pour appuyer le projet. L'application mobile renforce l'image du Yukon comme destination de choix, améliore l'expérience des touristes francophones et fait valoir les produits et services touristiques du territoire. Elle fera certainement mieux connaître le Yukon comme destination touristique ici, au Canada et à l'étranger.

I would also like to acknowledge and thank the Association franco-yukonnaise for their continued efforts to promote Yukon's uniqueness to French-speaking visitors, and to wish them great success with the French tourism mobile application they launched this past May 2.

Economic Development invested \$35,000 over two years in this project. The mobile app aims to promote the Yukon as a destination of choice, enhance French-speaking visitors' experiences and showcase Yukon tourism products and services. It will most certainly increase the awareness of Yukon as a travel destination here in Canada and beyond.

À titre de ministre responsable de la Direction des services en français, je me réjouis à la perspective de continuer à collaborer avec l'Association franco-yukonnaise.

En fait, je m'apprête à examiner et à planifier la phase 2 de notre cadre stratégique pour les services en français. La

première étape consistera à mener une consultation auprès de la communauté francophone.

As Minister responsible for the French Language Services Directorate, I look forward to continuing our collaborative relationship with the Association franco-yukonnaise. In fact, we will soon review and plan phase 2 of our strategic framework for French Language Services, and this will begin with consulting the francophone community.

Enfin, j'aurai l'honneur de coprésider, avec la ministre du Patrimoine canadien, Mélanie Joly, la 22<sup>e</sup> Conférence ministérielle sur la francophonie canadienne qui se déroulera en juin 2017, à Ottawa. Cette conférence aura une saveur franco-yukonnaise toute particulière.

Monsieur le Président, je demande à tous les membres de l'Assemblée de se joindre à moi pour féliciter la communauté francophone à l'occasion de cette Journée de la francophonie, pour le 35<sup>e</sup> anniversaire de l'Association franco-yukonnaise, et pour la façon dont les francophones enrichissent l'identité et la diversité culturelles de notre territoire.

Finally, I will have the honour of joining Canadian Heritage Minister, Mélanie Joly, as co-chair of the 22<sup>nd</sup> Ministerial Conference on the Canadian Francophonie in June 2017 in Ottawa — a conference that will have a certain Yukon flavour in français.

Mr. Speaker, I ask all members of this House to join me in congratulating the Yukon francophone community on this Yukon Francophonie Day for the 35<sup>th</sup> year of the Association franco-yukonnaise and for the way it enriches our territory's cultural identity and diversity.

Mr. Speaker, I would like to welcome: from the Association franco-yukonnaise, Angélique Bernard, André Bourcier, Isabelle Salesse, Roch Nadon, Nancy Power, Amélie Jalbert, Isabelle Carrier, Edith Belanger, Stephanie Bourret; from the Commission scolaire francophone du Yukon, Jean-Sébastien Blais, and his daughter, Julianne, of seven months; from Les EssentiElles, Marie-Stéphanie Gasse, Elaine Michaud, and Anne-Marie Leblanc; from L'Aurore boréale, Thibault Rondel; from the Partenariat Communauté en Santé, Sandra St-Laurent and Régis St-Pierre; from the Stagiaire du Carrefours Formation Mauricie, I would like us to welcome Justine Suzor-Lamy, Karine Parent, Martin Le Breton, Bryan St-Hillaire Bistodeau, Ivan Dario Tapia Chavez, Luc Toussignant, Stéphanie Brodeur; and from the Department of the French Language Services — a great team — I would like to welcome Patrice Tremblay, Lisa Légère-Melanson, Katharina Marcin, Myriam Lachance-Bernard, Sonia Watson, Amélie Caissie, Véronique D'Avignon, Coralie Langevin, Christine Lepage, Etienne Verstraelen, Joanie Maheu, Karine Virmoux-Jackson, Sylvie Painchaud, and lastly, just retired, Jeanne Beaudoin.

*Applause*

**Ms. White:** Merci, Monsieur le Président, je suis fière de prendre la parole au nom du NPD pour célébrer la Journée de la francophonie yukonnaise.

C'est toujours un honneur pour moi de rendre hommage à la Journée de la Francophonie Yukonnaise.

Cette année est toute spéciale puisqu'elle marque aussi le trente cinquième anniversaire de l'Association franco-yukonnaise dont plusieurs représentants sont ici aujourd'hui.

La journée de la francophonie est une occasion unique de découvrir et célébrer la langue française, la culture francophone et de souligner l'histoire et la vitalité de la Franco-Yukonnie.

Les francophones ont eu une grande importance au Yukon depuis les années 1800. Joseph Juneau, Émilie Tremblay et Jean Ladue ne sont que quelques exemples de pionniers francophones qui ont marqué l'histoire du Yukon.

La communauté francophone au Yukon est aujourd'hui en pleine croissance et elle dispose d'institutions reconnues. Le gouvernement ne cesse d'augmenter l'offre de services en français pour répondre à une demande bien présente au sein de la communauté.

La diversité de la communauté franco-yukonnaise ne cesse de s'enrichir avec de nouveaux arrivants des quatre coins du globe. Cette diversité renforce la communauté francophone qui elle-même contribue renforcer unir la population Yukonnaise dans sa diversité.

Je remercie tous ceux et celles qui continuent à jouer un rôle important au sein de la communauté.

En terminant, je me dois d'adresser un merci tout spécial à mes professeurs dans le programme d'immersion grâce à qui je peux m'adresser à vous dans la langue de Molière

Merci et bonne journée de la francophonie à tous et à toutes.

### **In recognition of Association of Yukon Communities**

**Hon. Mr. Streicker:** I rise today on behalf on the government and the Official Opposition to recognize the Association of Yukon Communities on the occasion of the association's annual general meeting. This past weekend was the annual gathering of municipal representatives and the Association of Yukon Communities in Faro — all communities matter. It was a great opportunity for face-to-face meetings, problem-solving and knowledge sharing. I want to acknowledge the great level of engagement that we had at that meeting. This year, we had the meeting in the beautiful town of Faro on the beautiful traditional territory of the Ross River Dena Council in the beautiful riding of Pelly-Nisutlin.

The Sheep and Crane Festival had just wrapped up, but we did manage to see a lot of wildlife this past weekend. In particular, I noted about 40 porcupines on the drive in. It was quite amazing. So maybe they are going to expand the festival.

As Minister of Community Services, my job is to make sure our municipalities are supported to provide programs and services — local solutions for local issues. Yukoners make their homes in municipalities. In their communities, Yukoners buy groceries, build houses and spend time with loved ones. Stable local governance means that Yukoners have stable and welcoming homes. The Association of Yukon Communities does invaluable work to make sure that all orders of

government within the Yukon work together to create healthy, vibrant, sustainable communities, and I thank them.

The Association of Yukon Communities began working toward sustainable and responsible local governments in 1974. Municipalities and local advisory councils play a critical role in Yukon communities. They are ready to listen to local issues and make change happen.

The Association of Yukon Communities supports local governments in solving problems for all Yukoners. In 1975, the association incorporated under the name of the Association of Yukon Communities, which allowed for municipalities and local advisory councils to be represented by the group. The Association of Yukon Communities has membership and voting rights in the Federation of Canadian Municipalities, which has allowed for local issues to be heard at the national level.

By the way, Mr. Speaker, the first vice-president, Jenny Gerbasi, was at the AGM this past weekend in Faro. She told me she was super impressed with the hospitality. So I would like to thank Mayor Jack Bowers and also the president, Diana Rogerson, for creating that hospitality. She was also extremely impressed with our level of engagement. She noted that the Yukon is the one territory or province in the country where 100 percent of our municipalities are members of the Federation of Canadian Municipalities, so they always put us first on the list when they show all the provinces and territories.

For many years now, the Government of Yukon has been working in a collaborative, respectful partnership with the Association of Yukon Communities to help foster sustainable, responsible local governments. We work with the Association of Yukon Communities to ensure a long-term, stable and predictable source of funding for municipalities. We began the next round of work this past weekend.

Together, we are establishing a Yukon-wide solid-waste strategy to divert and deal with our waste in an environmentally sustainable and economically responsible manner. We work closely with the Association of Yukon Communities to ensure that infrastructure funding from the Yukon and federal governments addresses local needs.

Collaboratively, we work on providing sport and recreation opportunities and cultural experiences. We work on providing emergency services and emergency plans to best serve Yukoners. All of these topics, among others, were under discussion at Faro this weekend. At the Association of Yukon Communities' AGM, we continued these conversations and more.

As Minister of Community Services, I am so pleased to be part of these discussions. I would like to express my appreciation for the hard work that Diana Rogerson, the current president, and the rest of the Association of Yukon Communities executive and staff do on a daily basis. Each Yukon municipality has a host of hard-working individuals providing municipal programs and services — a shout-out to the mayors, councillors and city managers around the territory.



Over the years, there have been numerous success stories of our two orders of government working together for Yukoners. I look forward to continuing our respectful, collaborative and productive partnership with the Association of Yukon Communities in the coming years. Together, we will continue to work to achieve stable and sustainable local solutions that will continue to create welcoming, thriving homes for all Yukoners.

Mr. Speaker, I would like to welcome into the Legislature today — first of all, Samson Hartland, a councillor for the City of Whitehorse; also Bev Buckway, the executive director of the association; Laura Eby, who is the manager of the association. I would like to also welcome some of the Community Services staff — Sam Crosby and Paula Nugent. I'm sorry if I missed the last person, but welcome.

*Applause*

**Ms. Hanson:** On behalf of the New Democratic Party caucus, I also take pleasure in paying tribute to the Association of Yukon Communities on the occasion of their annual general meeting.

I had the pleasure, along with my colleague, the MLA for Takhini-Kopper King, of attending this year's AGM in Faro. I also want to thank the community of Faro and the organizers for the excellent program that was presented and for the hospitality that we all enjoyed over the weekend.

The Association of Yukon Communities plays an important role in giving all communities an opportunity to speak as one voice when lobbying our federal or territorial governments for better services or considerations for their citizens — for us. Municipal governments are those that are closest to the people they serve and to the services they provide. When you consider that it is this level of government that oversees our drinking water, sewage, waste management, roads, recreation, fire protection and so many more services that we take for granted, we have much to thank them for.

I also want to extend our congratulations to Clara Jules for the recognition that she received this weekend with the Hanseatic Award. This award is presented annually to an individual who has dedicated their time and efforts to make their community and, in turn, the Yukon a better place for all citizens. Clara Jules has over 25 years of service as Mayor of Teslin, councillor for the Village of Teslin as well as serving as an elected member of the Teslin Tlingit Council. Her award was well-deserved.

As well, we salute Donna Istchenko from the Village of Haines Junction, the recipient of the Municipal Employee Award of Excellence, recognizing her professionalism, leadership and innovation in her job.

As we listened on Sunday morning to the thoughtful debate on the resolutions that the AYC members engaged in, I was struck again by the level of respectful engagement demonstrated by these civic leaders, as well as the thorough background work that went into the resolutions brought forward. As members of this Legislative Assembly, we will do well to make sure we pay close attention to the spirit and intent of the recommendations made by the AYC to the

Yukon government, and we will do well if we can work together to bring them to life.

### **In recognition of Teen Parent Centre**

**Hon. Ms. McPhee:** I rise today on behalf of all of the members of this House to pay tribute the Teen Parent Centre and, in particular, to their Mother's Day celebrations.

Last Friday, the students hosted a Mother's Day brunch at the Teen Parent Centre to celebrate with students, their families and friends, staff and partners. Together, these dedicated people make the Teen Parent Centre a nurturing community that provides the support to create a healthy future for many generations. The centre provides essential programs and services to help young parents complete high school and to meet their needs for childcare, cultural and healthy family developmental skills, and scholarships.

The Government of Yukon is a proud supporter of this centre. The departments of Education and of Health and Social Services are part of a four-corner partnership behind the centre along with the Teen Parent Access to Education Society and F.H. Collins Secondary School. Today, we recognize the achievements of these young moms as they take on their new roles and responsibilities while working to earn their high school diplomas. Congratulations to these young mothers who continue to work toward completing their education. They demonstrate the value of education to their children and set a good example for them by making wise decisions to look forward to a positive future with a solid education.

Thank you to the Teen Parent Centre staff and board members for their important work in supporting these hard-working young people.

I visited the Teen Parent Centre last Friday afternoon and saw some of the amazing traditional clothing pieces that several students are designing, sewing and beading for their upcoming graduation. It is just one example of the life skills and opportunities that are available to students at the Teen Parent Centre. They were also making spectacular cupcakes, which I did not have, but were taken home and shared with their families and friends as a Mother's Day tribute.

I would like to welcome to the House today, Kathy Heinbigner, who is a teacher and director of the Teen Parent Centre, and three of her students. Thank you very much for coming.

*Applause*

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

### **INTRODUCTION OF VISITORS**

**Hon. Mr. Mostyn:** I rise to welcome a constituent of mine, Allison Anderson, who has joined us this afternoon in the House.

*Applause*

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

### Point of personal privilege

**Mr. Hutton:** I rise on a point of personal privilege to correct a statement I made in this House on May 2. I mistakenly informed the House that the Standing Committee on Rules, Elections and Privileges had met three times. In fact, they have only met once.

**Speaker:** Thank you for that clarification.  
Are there any 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. Gallina:** Thank you, Mr. Speaker. I rise to give notice of the following motion:

THAT this House urges the Government of Yukon to investigate the possibility of eliminating daylight saving time.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to support environmental stewardship by developing initiatives that increase the use of renewable energy sources in Yukon.

I also give notice of the following motion:

THAT this House urges the government to work with local producers to expand Yukon's agricultural industry and improve northern food security.

**Mr. Kent:** Thank you very much, Mr. Speaker. I rise to give notice of the following motion:

THAT this House urges the Government of Yukon to work with industry to support small-scale clean energy initiatives to reduce the energy footprint of mining projects.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to support marketing initiatives for prospectors and early-stage mining exploration projects in Yukon.

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

THAT this House urges the Government of Yukon to develop a flexible rural economic development policy and provide ongoing funding for local non-profits that will assist with the planning and implementation of community development plans and coordination of business support services.

I also give notice of the following motion:

THAT this House urges the government to consult with community governments, First Nation governments and Yukoners to determine how it can better serve Yukon communities by decentralizing some of its operations and services.

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

THAT this House urges the Government of Yukon to work with the federal government, the Champagne and Aishihik First Nations, the Kluane First Nation, local communities, chambers of commerce, businesses, organizations and community members to increase access to the front ranges of Kluane National Park and Reserve of Canada along the Haines and Alaska highways for the purpose of creating more land- and air-based tourism and business opportunities.

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

THAT this House urges the Government of Yukon to invest in affordable housing in communities and in housing initiatives, based on a Housing First model, that meet the needs of vulnerable populations.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to establish enhanced mental health services to better serve Yukon communities.

**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: Internet connectivity

**Mr. Hassard:** Mr. Speaker, the previous government had undertaken extensive work to analyze options for a redundant fibre optic line. At the time, the government stated that a line connecting the Northwest Territories and Yukon via the Dempster Highway was the best way to improve broadband opportunities in Yukon communities. Now the Liberal government is proposing to redo all that work. Regarding this project, the Premier stated to the federal finance committee — and I quote: “The final decision on the fibre line routes will consider the needs of Yukon residents as a whole and the business community as well as finding out where the federal money will come from for that.” Can the minister let us know exactly what considerations are looked at as they consider both the Dempster and a United States route for redundant fibre optics?

**Hon. Mr. Pillai:** Thank you, Mr. Speaker. A fibre optic outage has a significant negative impact on Yukon businesses and residents. The Yukon government is committed to moving forward on a diverse fibre optic link to protect Yukoners from future telecommunication outages.

The Department of Economic Development has submitted two applications — as the member opposite touched on — as we look toward the Connect to Innovate federal broadband funding program. One application is for the Juneau link, which was touched upon, and which connects Whitehorse to Skagway, Alaska, through the south Klondike Highway and interconnects to Seattle. The other application is

for the Dempster route, which connects Dawson City to Inuvik along the Dempster Highway and interconnects with the Mackenzie Valley fibre line. There was some work done — not completed. As stated, there is a report and it was put online last week, both with Northwestel, who worked on it, and the government supporting. There has definitely been some analysis of that and it speaks toward the Dempster route.

**Mr. Hassard:** In the latest report released by the government about the estimated cost of the Dempster fibre line, it states that the cost estimates have been revised from \$32 million to \$58 million. One of the reasons that the report gives for this increased cost is that the Department of Highways and Public Works has stated that they do not want the fibre line to be in the already cleared highway right-of-way.

Could the minister tell us how much of this increased cost is associated with the change to the project design that was asked for by the Department of Highways and Public Works?

**Hon. Mr. Pillai:** Just to finish off, too, the process that we're undertaking is — once any federal funding is confirmed, which we're probably looking at the end of the summer for that, then we can finalize budget estimates and determine the requirements for Yukon government funding and that will help us with the final decision.

As per for the Ledcor report — to set the record straight, Mr. Speaker — \$58 million is not even the low point of the estimated cost. We are looking at about a 30 percent waiver. It is \$59 million on the low side and anywhere from \$75 million — and then if you brought a contingency in, it would be much more.

I think when the previous government made the commitment and stated they were building the line, they didn't have this information in hand. Can we look at building it and using the road as the right-of-way? Yes, potentially. Part of the challenge with that is that, through frost heaves and other challenges, we may be in a situation where the line gets cut all the time, so we have to use the right-of-way versus the middle of the road. But the member opposite makes a good point — there is about \$18 million in drilling over and above that and there are 1,100 waterways to cross. Those are certainly some of the major costs. Then of course we have to talk to the Northwest Territories — that wasn't done. There are a number of things that makes that differential of 30 percent part of this conversation.

What I and our department is trying to do — our government is trying to do — is reduce the risk, get a clear understanding of what this project looks like and get redundancy in place.

**Mr. Hassard:** One of the considerations that we have heard about is issues related to the privacy and sharing of information on infrastructure in a foreign country. Is the government considering concerns of Yukoners who may be worried about their privacy if the data and information shared on a fibre optic line in the United States could be subject to the United States *Patriot Act*?

**Hon. Mr. Pillai:** I'm not going to speak to the *Patriot Act* because that would be over my head — maybe the

Minister of Justice could. Certainly what we found was that as information flows from Canada and the US, in many, many cases we have data that transfers through. We have done an analysis of that. We have taken risk into consideration and we have looked at other relationships that Bell Canada has, which of course has a connection to Northwestel.

As we look forward and if I can speak specific data — if it was the Department of Defence or items like that, I can't right now, but this is a standard process. In many cases, when people are online, they are transferring data and it is actually going in and out of the country at all times, but I think it would be inappropriate for me to speak specifically to the *Patriot Act* on this. We're taking all things into consideration. It's really about reducing risk for Yukoners and still making sure that we have redundancy.

#### **Question re: Dawson City Airport**

**Ms. Van Bibber:** Mr. Speaker, during the 2016 election, the Yukon Liberals promised to pave the runway of the current Dawson City Airport. When he was in opposition, the Premier told Yukoners that paving the runway would help Air North bring more visitors to Dawson and boost the tourism industry. We know there is no new paving money in the budget this year.

Will the Premier commit to keeping his election promise and pave the runway next year?

**Hon. Mr. Mostyn:** This Yukon government is committed to investing strategically in our infrastructure to meet the current and future needs of our communities. We're also going to comply with any regulations that we find on these runways. We want to make sure that the airports in Dawson City and other Yukon communities support economic activity as well as community safety.

The Dawson Airport functional plan is about 75-percent complete, Mr. Speaker. The completed plan will provide this government with all the information required to make airport investment decisions — all the information, Mr. Speaker. When we get down to finishing and improving our airport infrastructure, we're going to do so with all the information in place. We're not going to do so with sort of off-the-cuff decisions or without any evidence. We're going to make sure we have considered all of the implications of this when we make our decision.

**Ms. Van Bibber:** At a meeting on March 17, the Premier told the Dawson City Chamber of Commerce there were a lot of questions about whether the runway should be paved or not. He said the Yukon government will not just consider the needs of one single company or airplane; it has to be a good business decision and not a political one. It is starting to sound like the Premier is backing away from his clear promise to Yukoners and the clear commitment made in his platform.

Will the Premier reiterate his support for this project and tell us when they will pave the Dawson City runway?

**Hon. Mr. Mostyn:** This government is committed to paving the Dawson City runway — or any runway, for that matter — when we have all the information. We have not

collected all the information yet, Mr. Speaker. I have said that. We have a plan that's 75-percent done. It would be irresponsible for a government to make a decision — a political decision — with only 75 percent of the information. Once we get 100 percent of the information and we've discussed it as a caucus and with the community, we will make a decision that's in the best interests of Dawson City, in the best interests of this Yukon Territory, in the best interests of passengers who fly into Dawson City. That process is underway. As I said, when that information is finished, we will then sit down and make a decision and we'll make a good one.

**Ms. Van Bibber:** Earlier this year in Ottawa, the Premier told the federal finance committee that there were worries that if we pave the Dawson City runway, money might have to be diverted from other regional airports. In order to live up to his election promise, the Premier must pave the Dawson runway very soon.

Will he commit that, in doing so, there will be net decrease to the funding available for capital or maintenance on other Yukon airports or aerodromes?

**Hon. Mr. Silver:** I do appreciate the question from the member opposite. Again, we all know where this story started — the previous Premier at Roundup announcing great news: “We’re going to pave the runway.” That was a Yukon Party promise at the Roundup 2016. But what we’re finding out is that the homework wasn’t there as far as Nav Canada, as we heard from the Minister of Highways and Public Works, but also the money wasn’t there and it wasn’t figured out from the Yukon Party government. Unfortunately, as a new government, we are forced to pick up the pieces on yet another project that could have been dealt with years ago.

I will reiterate, as well, that we are not going to pave runways this year because the work required to do so has not been done. The engineering work has not been started, never mind completed. The funding has not been identified for the infrastructure funds available from the previous government, and we’re not going to dive into a project without the proper information or without accessing all of the information that we need.

We will continue to work on this project and we will develop a proper plan for improvements to the airport, including pavement. Nobody wants to pave this runway as much as I do — to the member opposite’s question — but Highways and Public Works is requesting that Transport Canada review the functional plan and confirm the consultant’s finding. We are going to move as fast on this project as we possibly can, knowing full well that the homework done by the Yukon Party was not done properly and we are left in a situation where we can’t move forward on this in this year.

#### **Question re: Mine closure security**

**Ms. Hanson:** When Yukon Zinc shut down the Wolverine mine in 2015, after only three years of operation, it left all Yukoners on the hook financially. \$3 million of the \$10-million security that the mine was supposed to have with

the Yukon government was nowhere to be found. This was in large part due to the previous government’s willingness to cut the company a break with their payment schedule. Yukon businesses were also left on the hook with over \$4 million owed by the defunct mine. Yukon Zinc managed to come out of creditor protection with a plan that would see the contractors who were owed more than \$5,000, paid 11.5 cents per dollar.

Mr. Speaker, does the minister know how much of the over \$4 million owed to Yukoner contractors and businesses was eventually paid out to those contractors and businesses when Yukon Zinc closed?

**Hon. Mr. Pillai:** Thank you, Mr. Speaker. First and foremost: no, I don’t have a number for you exactly on the amount of money that was paid after the closure. It was certainly a lesson, I think, for all of us. This is a continuing conversation that happens across the country. I know there has been a lot of work done in British Columbia on this exact conversation. Certainly, at the mines ministers meetings this year in August, there is going to be a broader conversation about security and impact. I think, for all of us this weekend, we had an opportunity — I know the member opposite was on a tour that we did of the Faro site. It certainly brings to light, as we move forward, the importance of having the appropriate security in place and, at the same time, making sure that we have an industry that can still move forward.

I apologize — I will have to dig and see what numbers I can get for you, but certainly I am comfortable making that commitment to you to try to find those numbers.

**Ms. Hanson:** Thank you, Mr. Speaker. I thank the member opposite for his undertaking to get those figures.

Mr. Speaker, the *Miners Lien Act* currently allows shareholders to lend their company large amounts of money, which can get repaid in the case of a bankruptcy before local contractors and suppliers get their due. The *Miners Lien Act* could be changed to prevent Yukon businesses from being left with the choice of getting cents on the dollar for contracts entered into in good faith or nothing. This government can help ensure local suppliers and contractors are treated fairly when a mine goes out of business. This would provide greater certainty to local businesses. It would be a way to strengthen the public’s confidence in the overall local benefits of our mining industry.

Has the minister considered amending the *Miners Lien Act* to make sure that local businesses and contractors are given priority when a mine goes into creditor protection?

**Hon. Mr. Pillai:** No, I have not looked at this potential change that could make things better for Yukoners, but I certainly would like to work hand in hand with the member opposite on taking a look at that and seeing if a more advantageous set of governance could help us do that.

When you look at the Wolverine case, for instance — or the Yukon Zinc piece — yes, it’s a rough story. I certainly watched from the sidelines, working in the private business sector at that point — but looking to see all the tools that we can use, while still not being able to restrict industry because it’s such a difficult thing as we look forward to still make sure

that private business can work the way it should and that the corporate structures are the way they should be. Certainly, there's a history across the country, not just in Yukon. We saw it this week with a conversation about a uranium mine in the prairies as well.

I appreciate the advice on that and I will certainly work with EMR and Economic Development to take a look at that and see if there's not something there that can help us in the Yukon.

**Ms. Hanson:** Thank you, Mr. Speaker. I thank the minister for his agreement that this is important — that Yukon contractors and businesses, just like the Yukon public, shouldn't be left picking up the tab when a mine closes its doors. As the minister indicated, we did — along with other colleagues in Faro this weekend — tour the Faro mine site. We saw and we heard that Canadians will be paying to clean up that mess for centuries to come — centuries.

Mr. Speaker, with Yukon's current royalty rate structure, local benefits of mining largely lie in the economic activity generated for local businesses and contractors. They deserve greater protection if a mine goes under.

In light of the minister's openness to looking at this, will the minister commit to consulting stakeholder groups on the means to strengthen the protection for local businesses and contractors in the *Miners Lien Act*, and will the minister commit to starting that consultation this year?

**Hon. Mr. Pillai:** Thank you, Mr. Speaker. I think that's a great idea — making sure there are tools available to us to support Yukon contractors. I would just ask that you give me a little bit of flexibility in first being able to speak with the Yukon Chamber of Mines, the Whitehorse chamber and the chambers that represent contractors outside of Whitehorse. At the same time, I think that I would like to also have an opportunity to speak with the Yukon Minerals Advisory Board on this particular topic as well. I can start the conversation as early as this weekend when we are at the gold show. I know that there will be, not just the representatives from the placer miner industry, but a lot of other miners who are hardrock miners will be there.

On this one, I think I would reach out to you to see a good path forward. Time is of the essence, but as we're in the House it's quite busy. I would even think that probably the previous minister would have some insight into this one. This one is about helping contractors and Yukoners, so maybe we should just put politics aside on this one and get together to figure out some tools that we can use to help Yukoners.

#### **Question re: Collaborative medical care clinic**

**Ms. White:** Thank you, Mr. Speaker. We are fortunate to have two clinics in this community that provide specialized service to Yukoners. One is the Yukon Sexual Health Clinic and the other is the Yukon Women's MidLife Health Clinic. The first provides sexual and reproductive care to Yukoners of all genders and ages, and the second provides care and support to women approaching, experiencing or are beyond menopause. These clinics opened in 2014 and have been busy ever since, offering drop-ins and evening hours, and they do

not require a person to have a family doctor. The funding for both of these clinics is up for renewal and has as yet only been extended for the first three months of this fiscal year.

Mr. Speaker, can these two clinics expect to hear about their funding, which is set to expire at the end of June of this year?

**Hon. Ms. Frost:** Mr. Speaker, I would like to thank the member opposite for the question. I can commit or verify that department staff are meeting with the respective clinics right now to come up with a solution that will address and ensure that the clients who access these facilities are provided the necessary services.

I'm sure that we'll find a quick resolution to that and I can assure the member opposite that we will find the solutions. I would be happy to sit with you after to give you a little more detail.

**Ms. White:** Thank you, Mr. Speaker. I thank the minister for that answer. That's good news for the clients and patients of those clinics.

These clinics offer excellent services that would otherwise be difficult and expensive for individuals to access. In the 2017-18 budget, we see that Health and Social Services has now recognized the need for the referred care clinic and has made the decision to provide ongoing funding for this clinic, not year-to-year funding. The Yukon Sexual Health Clinic and the Yukon Women's MidLife Health Clinic both provide needed services to Yukoners.

Mr. Speaker, will this minister commit to long-term funding to avoid the uncertainty that comes with the current year-to-year formula for both of these clinics?

**Hon. Ms. Frost:** Mr. Speaker, thanks for that really great question. I think that what we are really working toward is long-term sustainability of the services we provide to all citizens of Yukon. Most definitely, we will look for longer term solutions as was previously committed to. There is temporary funding support to these respective clinics. This government and my staff are working toward finding a longer term solution.

**Ms. White:** It sounds very positive so far. These two clinics cannot keep up with the demands put on their services. They're open in the evenings and provide drop-in hours. Many individuals using these clinics do not have family doctors but they are able to provide services such as birth control, Pap smears, and IUD insertions as well as a myriad of other supports. These clinics often provide services that persons without a family doctor would have to go the emergency room to access. These clinics save money and they increase the health and well-being of our community.

Mr. Speaker, will the minister consider increasing the funding available to these two clinics so that they can meet the current and ongoing demands for Yukoners?

**Hon. Ms. Frost:** Mr. Speaker, again, I'm going to maybe just recite what I said earlier — that we are working toward a longer term collaborative care model in Yukon — looking at what we can do to ensure that we provide services for all Yukoners. If that means an adjustment in our budget, we will ensure that we have an evidence-based decision-

making process that involves and includes all health care professions in the Yukon as well as working with our respective communities and perhaps the care centres in rural Yukon. Yes, we are working toward stabilizing long-term funding and long-term service delivery for all Yukoners.

**Question re: Watson Lake economic development**

**Ms. McLeod:** Thank you, Mr. Speaker. I have some questions today for the Minister of Economic Development regarding southeast Yukon and job opportunities for my constituents.

Last year, prior to the election, the Yukon Party government put out a request for qualifications that included a biomass heating project for Johnson Elementary School in Watson Lake. The tender closed on October 18 and two Yukon companies were deemed eligible under this RFQ.

Can the minister update the House on where this process is at and when the project will proceed as this will create jobs for Watson Lake and area?

**Hon. Mr. Pillai:** Just on that particular case, on the biomass project — at least one of the proponents who played a role within the process has shown great interest. The member opposite, appropriately, has made sure that I'm aware of the interest from that individual and pushing the process — to make sure that the process moves forward. We have had discussions with the individual. Part of the challenge is the scope of work that the individuals who have gone through the early process feel is necessary to make sure that it's a viable project needs to increase. The early work was to look at providing a biomass infrastructure and to help that facilitate another energy source for a significant amount of, but maybe not enough, infrastructure.

We have been asked in discussions with Energy, Mines and Resources to keep that conversation going, so I don't have the exact date right now. What we're trying to do is make sure that we listen to the business people of Watson Lake on this particular project so that we can understand what they feel is the most appropriate way to go forward on this project.

**Ms. McLeod:** This year of course, as we all know, marks the 75<sup>th</sup> anniversary of the Alaska Highway and Watson Lake has played an important role as a transportation hub since this highway was built. Visitor and commercial traffic on the Alaska Highway is a major economic driver for my community.

How much is in this year's budget to promote the 75<sup>th</sup> anniversary of the Alaska Highway and where can we direct interested people who want to find out about any such events occurring during this year?

**Hon. Mr. Pillai:** Thank you, Mr. Speaker. Just for the record, I think the questions are broad. They are all about economic development in southeast Yukon. I think that we have touched on the expenditures this year for the 75<sup>th</sup> anniversary and I think it falls more under tourism. I would be happy — under the theme of economic development and Watson Lake, one commitment I made to the member opposite was to make sure that I sat down with representatives

from the municipality. I have done that. I had a great meeting on the weekend with the Mayor of Watson Lake.

We are now submitting a proposal, based on the interest from them, for a pilot project in Watson Lake. What we're looking at doing is a project to help the business owners improve the facades of each business. It has been successful in eastern and central Canada, as well as northern British Columbia. The mayor is excited about it. We would be looking at no cost for the municipality, but an opportunity to really support Watson Lake as it is the entrance to the Yukon.

There will be more details on that, but certainly working within some of the existing programs to pilot that in Watson Lake to help improve the experience for visitors and then, in turn, provide more jobs and really kind of get things going as I have committed in this House over and over again in the Watson Lake area.

**Ms. McLeod:** Mr. Speaker, lot availability is extremely important as we want to make sure that as many people as possible get to live in Watson Lake as a result of potential mine openings in the area, particularly Kudz Ze Kayah and perhaps even Howard's Pass.

As of this morning, we had one residential lot remaining and a limited mix of other types of lots. We hear that the Community Services minister mentioned over the weekend in Faro that the Yukon government would like to have two years of lot inventory in the Yukon in every community.

What is the target number of lots for Watson Lake and when does the government expect to reach that number?

**Hon. Mr. Pillai:** I will put my Energy, Mines and Resources hat on for this and still answer the question. What we talked about in Faro on the weekend — actually I had an opportunity to talk about lot development throughout the Yukon. Essentially the commitment we have made is — there is a mix of lots needed, not just residential, but we need agricultural lots as well. The commitment is to make sure that we work with all the municipalities from now through until early fall. The director who works with me on this particular case has committed to going out with our staff. You look at somewhere like Teslin where there has actually been some specific upward trends in population. We may need to be in a situation where we move lots more quickly but, at the same time, we have to work with the village to understand how they want to see lot development move. What we have come to find out is that there have not been a lot of those conversations that happen between municipalities and the department. What I want to do is at least understand exactly what each one of these villages or towns — depending on the situation — wants to see happen and then make sure that our strategy on land development is consistent with what they need. We certainly understand and hope for opportunities where we see resource development then lever into population increases where people want to not just work, but live in these communities. I agree with you completely, but these are conversations that need to continue to happen over the next six months.

**Question re: Energy supply and demand**

**Mr. Istchenko:** The Yukon Liberal's 2016 election platform included a commitment to remove LNG from qualifying for the independent power producer protection program and launching a comprehensive re-examination of the IPP. This commitment is notably absent from the minister's mandate letter from the Premier. Can the minister tell us where his commitment is? Also, is there any impact on the mining community as a result of it?

**Hon. Mr. Pillai:** There are a couple of questions there. Is there an impact on the mining sector? In the conversations that I am having with the mining sector right now, it has not been flagged that it is going to be a deterrent or a negative. We have at least one particular project that has a long way to go. It is moving in a good direction, and certainly the member opposite and I had an opportunity to be on-site there a week ago and visit the site, and I think there are some great opportunities. There are discussions between Ferus when it comes to LNG with a series of different mining operations, but it is not that simple. There are big questions. How do these projects move forward? I hope they all move forward. Then it is: How do you actually build infrastructure to make sure that, if you do have something on-site that is generating energy, how do you then put it into a community? That is a bigger discussion, and we are probably a long way from seeing that.

The early work is IPP. Within that right now, as I have stated before in the Assembly, there are some quick discussions or early discussions that are happening in the Kluane riding — certainly between Kluane First Nation and affected parties. We are moving to have the right people at the table so that we can continue to have these discussions on the IPP and make sure we have the right platform and regime in place so that we do have an opportunity to use those sorts of tools.

**Mr. Istchenko:** I don't think I got a clear answer on the launching of a comprehensive re-examination of the IPP.

The 2016 platform also included a commitment to launch — and I quote: “pilot projects in renewable energy storage (e.g. liquid hydrogen).” Launching a liquid hydrogen pilot project in the Yukon was a specific commitment made by the Liberals. We haven't seen much detail on this plan as of yet from the government.

Can the minister tell us what his plans are to fulfill his commitment?

**Hon. Mr. Pillai:** Sorry if I wasn't clear, but I think the question could have been clearer too.

On the first point — because there are a couple of things there — when it comes to a re-examination — it's not a re-examination; it's building the IPP. It's not done. Part of the challenges — I'm looking at the terms of reference. There are some EMR people there. There are some people from Yukon Energy. We can have these discussions later this week when we bring both the corporations in and have a discussion about it — and found out that my president of the Yukon Development Corporation isn't even part of the terms of reference in the discussion at the table. So no, I'm not in a position of re-examining. I'm going to build it so that we can

have an IPP and we can make this move ahead, because it's not done.

**Mr. Istchenko:** Another election commitment from the Yukon Liberals that is notably absent from the minister's mandate letter is to launch a feasibility study of connecting Yukon's electricity grid to either BC or Alaska. We know the potential benefits of this work, but we also know that there are considerable costs associated with this kind of infrastructure development. There had been previous feasibility work done on this topic but, now that the government has committed to do a new study, we are looking for details on that.

Can the minister tell us when this work will begin, and will he tell us if the costs of the study will be borne by Yukon government or by the Yukon Energy Corporation?

**Hon. Mr. Pillai:** I think we've had some discussions earlier in the Legislative Assembly about the Skagway piece — it was asked to me before. As I stated before, it's not a priority right now — the Skagway piece. I find the conversation on the BC piece intriguing. I think that conversation changes as we go through time. But at this particular time, as I've stated, when it comes to transmission, the focus is really about taking the engineering report that was previously completed, seeing if there are dollars available, and looking at the Stewart-Keno line. That's the first piece. There are a whole bunch of other items.

I think as we go through YDC and YEC, we're going to have a number of discussions and, really, it can come to light where there are more pressing issues for me at this time with these organizations than figuring out how much the plan is going to cost to look at connecting Yukon and BC, who is going to undertake it and who is going to pay for it. That's certainly something I would love to be focusing on, but there are a lot of other items. As we go through the week, we'll be talking about those other items.

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

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

*Motion agreed to*

*Speaker leaves the Chair*

**COMMITTEE OF THE WHOLE**

**Chair (Mr. Hutton):** Order. Committee of the Whole will now come to order.

The matter before the Committee is continuing general debate on 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:** Committee of the Whole will now come to order.

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

**Chair:** The matter before the Committee is continuing general debate on Bill No. 201, entitled *First Appropriation Act, 2017-18*.

**Hon. Mr. Silver:** Thank you very much, Mr. Chair. I just want to welcome again to the Legislative Assembly my Deputy Minister, Kate White. I will cede the floor to the opposition for questions. Thank you, Mr. Chair.

**Mr. Cathers:** In continuing debate on the budget, I would like to just return to a question that I asked the Premier when we last debated the budget. That is, as it pertains to the land protocol and lot development protocol signed between the Yukon government and the City of Whitehorse — whether the government is considering and making changes to that and secondly —

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

**INTRODUCTION OF VISITORS**

**Hon. Mr. Streicker:** Sorry to interrupt the member opposite. I would just like to acknowledge that we have Mayor Brown here from Watson Lake. I would just like to welcome him on behalf of all of us to the Assembly.

*Applause*

**Mr. Cathers:** When we last debated the budget, I asked the Premier several questions that weren't answered but I'm going to return to one specifically to begin with, and that is with regard to the land protocol between the Yukon government and the City of Whitehorse and the lot development protocol — whether the government is currently contemplating any changes to those agreements.

Secondly, since the Department of Community Services is currently taking the lead in doing lot development in a way that was not envisioned or intended by the protocol, whether the government is going to make changes to reflect the current reality and/or to transfer more authority and financial resources to the City of Whitehorse — and if the second option is the case, what the government's view is on the capacity of the City of Whitehorse to deliver in that particular area?

**Hon. Mr. Silver:** In general debate, I will answer the general question of — no, we're not contemplating any changes to how that is happening, and right now there are ongoing negotiations. What I will do is I will cede the floor to the Minister of Community Services to get into a little bit more in-depth information based upon his department.

**Hon. Mr. Streicker:** I will try to respond to the member opposite's question. The City of Whitehorse had originally approached the Yukon government to consider taking over land development. It is my understanding that they have withdrawn that request, so it will continue to be the Department of Community Services that is carrying out land development.

I note that we have allocated \$24.5 million, I believe, in this year's budget toward land development for Whistle Bend.

**Mr. Cathers:** I appreciate the answer from the minister. I'm a little bit surprised that we didn't receive that from the Premier since the original document was actually signed by the Premier and by the mayor, which was one of the reasons we were asking this question at this point in time.

The Premier has talked a lot about evidence-based decision-making and we heard a number of comments, including earlier today from the Minister of Highways and Public Works in Question Period, where he reiterated some of his past statements about how this government will not make off-the-cuff decisions and how they are focused on evidence-based decision-making. The first of my questions in this area relates to the government's decision to add a third Supreme Court Judge.

What is the full operational cost of adding that third judge position and what is the full capital cost of making the renovations that we understand are necessary to accommodate the offices of a third Supreme Court justice?

**Hon. Ms. McPhee:** It's not this territorial government's decision to add a third Supreme Court Judge. That is a decision of the federal government. Supreme Court judges are appointed by the federal government all across the country, including here in the territory. The bill that is before this House involves the potential, or the possibility, that a third Supreme Court Judge will be appointed by the federal government. At this point, that is intended to be permissive only, in that our legislation here in the territory currently restricts the Supreme Court bench to two Supreme Court Judges.

In the event that the federal government decides to name a third Supreme Court Judge here in the territory, we have suggested that the legislation — the bill — that will be before this House for further discussion will permit that to be the case.

It has not been requested by this government. I'm not sure if it was requested by the former government. Certainly, the Supreme Court bench, in my understanding, has made submissions to the federal government about the requirement for a third judge, but that will be their decision. By "their" I mean the federal government and the federal government alone. There will be some costs borne by the territorial government. I don't have them in front of me. They will be for office furniture and perhaps some renovations to the current space so there would be a place for a third Supreme Court Judge to sit. There will be no requirements to change any courtroom configurations or anything else in the courthouse that I am aware of at the moment. I don't have those figures. I did have some discussions with the department about what



they might be, and I can get them for you, but I don't have them with me here today. With respect to the salary or the benefits — all of those are paid by the federal government.

**Mr. Cathers:** Thank you, Mr. Chair. Again, I note that the Premier avoided answering the question. I would note in this area here — again, the reason I'm asking this question in general debate relates to the Premier's statements and the statements of other ministers about evidence-based decision-making. It was interesting — the remarks we just heard from the Minister of Justice, which suggest that the territorial government was simply a bystander in this decision. In fact, from the news release dated April 26 where the minister announces the introduction of legislation to allow for an increase in the number of Supreme Court Justices in the Yukon from two to three, the quote from the Minister of Justice certainly would lean a reader to come to the conclusion that the government was supportive of this request.

Secondly, it should be noted that, lest the territorial government indicate that they are simply a bystander in this regard, if government was not willing to table legislation to allow a third justice to be added, then it would simply not be the case.

My questions for government would be: first of all, are they indicating that this is a federal decision made without consultation with the territorial government? Secondly, can they explain why in the past it has been indicated by previous ministers of Justice — myself included — and by the department that this request was unlikely to come from the federal government unless there was a territorial government request made for it? Thirdly, can they explain who is paying the O&M dollars of staff required for additional resources and what that total cost would be? Fourthly, if indeed this decision was made by the federal government without consulting with the territorial government, is the Premier going to raise this with the federal government and be a little more assertive in requesting the Prime Minister not to make unilateral decisions such as the offshore decision where the Premier only received a courtesy phone call 30 minutes before the Prime Minister signed a binding agreement with the President of the United States about Yukon's offshore waters?

**Hon. Ms. McPhee:** Thank you very much, Mr. Chair. I have no difficulty whatsoever answering the honourable member's questions, but I guess the concern I have is that, if he doesn't like the answers, then he accuses me of not answering them, and that's not in fact the case. Certainly, I have been quoted and had a news release in which we were supportive of this decision.

The answer that I gave you a few moments ago indicated that it was not the decision of this territorial government to appoint a new judge, which is what your first question indicated.

The federal government will make that appointment, certainly with the support of the territorial government, but the territorial government cannot do so on its own. The legislation that will come before this House in the form of a bill will be to facilitate that decision, should the federal government so choose to make it.

The O&M costs and the renovation costs, the costs of a desk, a chair and some other furniture that I have indicated are going to be absorbed by the Department of Justice in the coming year and as such do not appear as a separate line item in the budget mains for 2017-18.

**Mr. Cathers:** It's interesting here. The reason we're asking these questions is in fact the fact that it was — a request from the senior presiding justice of the Supreme Court for a third judge is not a new one and we do respect where that concern comes from, but the simple fact of the matter is that, in the past, the department has consistently recommended to ministers, including me and my predecessor, that because, according to the department, the cost estimate as we understood it was an increase of over a half-million dollars to operation and maintenance to accommodate a third judge, and the department as well indicated that we were doing just fine with the significantly cheaper approach of using deputy judges.

The question in this area is how government reached this decision, and why the political decision was made to not listen to the recommendation of staff of the department in this area.

Secondly, for a government that has repeatedly indicated it's committed to evidence-based decision-making and claims that it is working on budgeting better than any other government in history — and in fact claimed that as a reason for its choice to wait six months before holding the first real Sitting in the Legislative Assembly — to hear from the minister that apparently they haven't costed out the O&M and that the capital will come down to a desk and a chair — this is a little bit, shall we say, interesting — because the other characterizations would be unparliamentary.

Will the minister or the Premier — either one of them — confirm that there are not going to be any renovations required to the Andrew A. Philipsen Law Centre or the law courts side to accommodate this third judge?

I again reiterate the question: Why did the government choose to make the political decision to ask the federal government to add a third Supreme Court Judge when in fact that a half-million dollars a year in funding would do a lot more in other areas of both the justice system and areas such as addictions and mental health?

**Hon. Ms. McPhee:** I'm sorry — I'm a bit puzzled but I will attempt to re-answer the honourable member's questions.

He has made an assumption that I have not taken advice — actually accused me of not taking advice — from the Department of Justice officials when he's not aware of whether or not there was any advice from the department officials and what that might have been. Certainly, I greatly respect the authority and the officials in the Department of Justice and their knowledge of this matter before it came to my desk.

The reason that no decision — let me just say it this way — figure in the mains budget is because it is nowhere near \$500,000. I am sure that the members opposite's memory may be incorrect on that point. I didn't say I didn't know the numbers. I didn't say there wasn't any costing. I said I don't have them in front of me and I am happy to get them for you,

but it is nowhere near \$500,000. Despite the last question, I said there would be some minor renovations required. I think I have answered all of the points that the member opposite has made with respect to this.

I guess I am trying to provide the information that is being asked for and I have no intention of doing anything but providing that information. I am somewhat taken aback that, despite the fact that I am providing those answers, I am getting comments back that are, I would say, borderline insulting. I appreciate that while the member opposite may not like the answers, I am providing them for him, and I will continue to do so.

**Mr. Cathers:** I know the member is new to this House. I know that the new Liberal government waited longer than any government in territorial history before convening the first session, but I would point out to the member that in fact there are going to be tough questions from the opposition. When, from our perspective, the government's answers don't hold water or don't stand up very well in the light of day, we are going to ask those questions. If she chooses to find it insulting or borderline insulting or if the Premier finds it insulting or is tired of standing in debate and answering questions, which is typically the role of the Premier in general debate on the budget, then we will send them over a box of Kleenex and our sympathies. But in fact, this is our job as opposition to ask these questions.

The information that we had from the Department of Justice previously was that the operations cost of adding a third judge were in excess of a half-million dollars per year, because on top of the fact that a judge at over \$300,000 plus benefits in terms of total cost is the single-most expensive piece of the system that can be added, with the possible exception of a doctor who is a specialist, there are additional administrative costs within the system to support that judge that are required. From what I had been informed previously by officials — and I would expect that advice would continue to be what the minister is receiving — there would be potentially significant renovations required. In looking at the budget, we don't see a single dime budgeted for the capital costs of renovating the law centre.

Again, the question for the Premier in his capacity as head of the government, the chair of Cabinet and the chair of Management Board is that for a government that claims to pride itself on evidence-based decision-making: Did the government make the decision without understanding the O&M costs and the capital costs? If it did fully understand the O&M costs and the capital costs, will it be accountable as it told Yukoners it would be prior to the election? Will the Premier stand in this House and tell Yukoners what the total O&M costs, including administrative support, are for adding a third judge and what the capital costs are renovating the law courts building to accommodate that judge and their staff?

**Hon. Mr. Silver:** With respect to the position of the opposition, we don't need to hear about Kleenex and all these barbs that are coming with the member opposite's question. We have answered the question now — I believe it's the third time that the minister has stood up. If the member opposite

has some additional information from his previous role that he wants to share with us, then please bring it forward. I know that things have changed since then. There was this talk about oak panelling, for example, back when he was in there — absolutely was not a necessary consideration for these costs. So that money back in his day has been whittled down and it is being absorbed by the department.

I believe, Mr. Chair, this is now the third or fourth time that we've answered the member opposite's questions. The reason why I'm allowing my Cabinet minister here to answer some questions is because this isn't general debate; this is very specific debate and we want to make sure Yukoners get specific answers.

I'm sure the Leader of the Third Party would like to have some general debate questions as well — this being the third day in a row of the member opposite asking very specific questions. I guess what we're really doing here is we're in Committee of the Whole for every department until the member opposite decides otherwise. That's fine, but we were just making sure that we are answering the member opposite's questions. I would ask him to move on to another question because we have answered this three to four times already. He can continue to say that it's his belief that there's more money — that it's more money and it's more money — okay, we heard him. Now, Mr. Chair, we've answered the question and we would like to move on.

**Mr. Cathers:** I would remind the Premier and to remind those listening that in fact, we're not the government anymore and the current information about this, including the estimated costs, that it's now up to the current government — the government that allegedly prides itself on evidence-based decision-making to actually make available to the public in keeping with its commitment to be more open and transparent. If the Premier says the cost estimates for capital and O&M have changed from what they previously were when I was Minister of Justice, then the onus is on the Premier and on the Minister of Justice to provide that information.

Again, the Premier may find that some of these questions are really specific, but the reason I'm asking him these questions in his capacity as Premier is that he told the Yukon public and told the media that the reason the government was delaying calling the first real session of the Legislative Assembly — this one — was because they needed time to understand the finances of the territory and get the budget right. Again, just as we established with the carbon tax that the Premier has not booked a single dollar in the budget to accommodate the costs of the federal carbon tax, in this area we believe that they have not booked properly the O&M and the capital costs for the addition of a third judge, nor made that decision based on proper evidence.

I'm going to move on to another area, since it appears I'm not going to get a full answer from the Premier to this question — I will have to return to it later. That question again relates to what is booked in the budget and what is not. The Premier and I spent a lot of time on Thursday debating the Premier's statement to the federal finance committee wherein the Premier said, "We're looking to remove power from our

debt cap ...” Again to recap very briefly, I noted the fact that with \$198.5 million remaining under the debt cap, there’s no need to request a change to that OIC unless one wishes to borrow more than \$198.5 million.

My question for the Premier is: What political direction has the Cabinet or the minister provided to Yukon Development Corporation and Yukon Energy Corporation as it pertains to three specific areas? The first is the resource plan — whether they have directed YDC and YEC to focus on the high-, middle- or low-load scenario in doing their planning. The second area is with regard to the Yukon Energy Corporation’s application for a general rate increase. How much are they applying for to the Yukon Utilities Board? How much of a rate increase are they requesting? Thirdly, what political direction has the Premier provided as far as his interpretation of the duty to serve a clause under the *Public Utilities Act* and whether that includes requiring the government to put in at public cost new infrastructure for large industrial customers, who would then buy the power at a rate that does not reflect the infrastructure costs?

**Hon. Mr. Pillai:** First and foremost, I think we’ll start with the IRP — and thank you for the questions.

The IRP, for those who don’t know, is sort of our long-term resource plan, which essentially gives an opportunity for the Yukon Energy Corporation to identify a series of options that they would then use to identify how we would deal with producing energy and power in the future.

Shortly into the mandate, the Yukon Energy Corporation, which had been working on an analysis for a series of time, identified after the election had been completed a series of three strategies. That’s essentially what the member opposite is speaking to. Each portfolio of energy that we would look at — the power we would look at — would essentially have different types of infrastructure that would be put in place. Those portfolios would take into consideration fuel such as diesel generation, increased water storage, maybe the supplement of battery storage, potentially looking at LNG — a number of items.

What the Energy Corporation tried to do was to take a look at the mandate letter that was provided to me, take a look at what the platform is and then try to align it with what was the most appropriate — sorry, Mr. Chair, what is the time limit on my answer? Twenty minutes —

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

**Hon. Mr. Pillai:** Okay, 15 then.

Essentially what they looked at was a series of options that would be available and then taking into consideration the direction that the government would give. As the member opposite stated, there are different ways that the Energy Corporation could go and then of course part of that conversation has to happen between the Energy Corporation and the Yukon Development Corporation. They would then have a discussion, looking at the financing and what’s available now.

The federal government has proposed a series of different programs and, because of those programs, you would need to then be diligent and, to be appropriate, you would then take a

look at those programs, use them and look through that filter to identify if your original resource plan and the assumptions you made were the right way to go, because some of these programs would give you substantial revenue that you could lever to look at renewables.

As we’ve heard from the federal government, essentially, there has been a real discussion out there about trying to make sure that we reduce the use of diesel.

It’s a bigger discussion. It’s not just about the IRP, but we’re going to go down that road and we’re going to talk about rate and things such as that but also the Yukon Development Corporation. As the board continues to work, they’re looking at opportunities to also help communities that are off-grid.

When we look at the different costs and then we look at what the strategies are, there were three different figures. If I’m off a bit, later this week we will have the opportunity to have the corporations here and we can have those discussions.

Part of the issue would be that there would be an opportunity to look at these other funds and then see if you could use them for renewables. The first number is a little over \$200 million — it’s about \$207 million, I believe — and that looks at a series of items. I don’t have the chart here with me, but it looks at potentially upgrading some existing infrastructure. It looks at a series of strategies on increasing water storage and then it also looks at building infrastructure. Actually it would be building infrastructure in the riding of the member opposite who is asking the question. Maybe where he wants to go with this is — he probably wants to see us use the most cost-effective strategy. That would mean that the member opposite would probably be supporting us building the diesel infrastructure in the middle of his riding, based on how he is going with this conversation. Maybe he’s not, but we can discuss that later.

That strategy — just over \$200 million — takes us into an N-1 scenario, and what an N-minus-1 scenario for all of these means that — let me step back. If you remember what happened in December — we had the power go out and when the power went out, or we had a shutdown in Aishihik, it was kind of a scary moment because we were in a position where we did not have energy for a time and we didn’t have power. It really gave us an eye-opener of what happens with long-term — are we prepared for this? What happens with a lack of power from a long-term perspective? I’m not an engineer and I don’t have that technical background, but what an N-minus-1 really means is: What happens when you take into consideration one of your biggest pieces of infrastructure such as Aishihik and it goes down? How do you deal with that? That’s the scenario.

You need to have a backup, is the philosophy behind this. You need to have a backup so that, if it goes down, you can then put something in place. When they look at IRPs, they take into consideration — do you look at the first option which is just over \$200 million?

Do you actually take into consideration what is the quickest way to get power online? Diesel — most people don’t like to hear that answer, but that is the solution to it —

with a series of other items. In the IRP, the first portion we are looking at is upgrading existing infrastructure, potentially building new infrastructure that would use diesel, taking into consideration a battery system that could also help us over a period of time. That would be the \$200 million. The next one we are looking at is, I think — and I know I am going to get in trouble on this, and the Member for Lake Laberge probably has a number in front of him — about \$350 million. I could be wrong, but it is in that mid-range.

That takes into consideration more renewable and sort of moving away from diesel. That would be another significant cost, but what we have to do is once again look at what the federal programs are and how they can offset the cost of that particular infrastructure if we looked at the second option.

The third option is over \$400 million. That is an interesting one because that doesn't just take into consideration maximizing how we use our renewables; it also takes into consideration sort of a maximum industrial load. What happens if we have a tremendous amount of activity? Of course, some of that activity that is going to happen from an economic development standpoint won't be close to grid. We have talked about the line — the Stewart-Keno line — and there was some good work done. I think that during most of the last mandate that the member opposite is asking me about, he was in a leadership role in the Yukon Development Corporation and Yukon Energy Corporation. Most of the things that happened in Yukon Development Corporation and Yukon Energy Corporation were under his watch, so he knows this very well. Part of that would be the early work on the Stewart-Keno line.

As was stated by the Member for Kluane earlier today, what happens with IPP and LNG? As I said, some of those projects — there is a vision to have projects use LNG and then — would there be an opportunity to use that excess energy or to produce more energy and then help communities that are currently on diesel? That is a third part.

The first stage of what we have to do is that we have to work through the appropriate processes and Management Board on the requests that have taken place for some of the initial work that has to be done. That is the process we are undertaking now. Yukon Energy Corporation puts a request together and says that this is the initial work they need done. They then transfer that request to Yukon Development Corporation and, in turn, we would submit it to Management Board and go through the process. Then we would have to make a decision on approving those funds. That is the early part of it. We are really talking about spending at Yukon Development Corporation and Yukon Energy Corporation. That is an interesting process that is happening — it's not interesting; it's just a standard process. That will give us some more efficiencies. That will give us some more opportunities to look at increasing our ability to produce power.

The next question that was asked was: How do we pay for that? Once again we're looking at: Do we lever federal money? What was asked of me — I attended a board meeting with Yukon Energy just last week and part of the conversation was: How do you go through a process? They said,

“Inevitably we want to spend money.” They have a long-term plan. We have to spend more money. Certainly we're not contemplating anything at this particular time that would put us above CAPP because we talked about CAPP, where we are.

Over and above that, my focus right now is to really make sure that the finances — before I start thinking about the finances of supporting Yukon Development Corporation and working in concert with them to then have big infrastructure spending, there are some other things we have to right-size. I want to make sure that things at the Development Corporation are in a good financial position and then I want to make sure that we get the early work done.

I could be wrong and I'll look here. The member opposite talked about rate. I think the question is: What is the charge? It's something along those lines. Right now, some of the work that has to be done this year is to prepare to look at that. I know that the officials are pulling together the early work on that. The challenge is that what we have seen in Yukon is there has been no rate in four years. Part of the challenge with that is, I think — when you're in business and going through things, you want some level of certainty. You need to have some level of certainty.

I think this week it will be important to understand why that hasn't happened. I think normally it occurs, sort of in a more structured way, but at least over the last four years, I don't know why it happened — I don't know. Maybe it was that we were going into an election cycle — I'm not sure why. But what it certainly does is that it does not lead to certainty for business. Essentially what happens is you keep spending and you keep spending and you keep spending each year. Then, normally, certain costs that you would spend money on — you then go to the Utilities Board and say, “Would these costs be appropriate for us to then integrate into the rate?” Of course everybody wants to see that process happen sort of systematically, but when you keep spending, keep spending and keep spending every year, but you don't want to have that conversation, or you don't want to go through that process for some reason — when you do end up going there, of course all those costs keep adding up.

We see big capital buildings being built, but we don't have the O&M — we talked about that a bit.

This is just about energy and cost-over framework. It would be inappropriate for me to not take into consideration the total framework of government in answering this question.

Then we have these other expenditures that happen at the corporation, so we have to figure that out as well. The officials at Yukon Energy can speak to that. They are coming in this week and I'm sure there will be a question, but inevitably, at some point, you have to make those decisions.

The first question was, I think: How are you dealing with the IRP? What direction have you given Yukon Energy? To be fair, I didn't give Yukon Energy direction. I work with Yukon Development Corporation. Certainly with Yukon Development Corporation, we've asked to do a couple of things. First, let's look at a governance policy so that as we talk about rate, we have it in a way that it's systematic. It's not controlled by the whims of individuals. It actually is

something that is done in a systematic way. Second, let's make sure that we understand what's happening with federal funding and then take a look at the IRP — the three different options — to see if those options have changed. Over and above that, let's make sure that we have a submission to Management Board so that we can look at some of these very high priority items that we need to do.

I think that, for the most part, covers those three items. To be fair, there have been no decisions to start expanding — for the Member for Lake Laberge — other than understanding what comes to me as a formal request from a Management Board item. There hasn't been anything else that has been talked about for long-term spending. It's a plan that has been looked at — or it's a draft plan — and certainly there are a number of items and some of those are testy items. I think it's going to be interesting to try to look at some of those items like diesel that we first talked about. I think the best thing to do this week is use that opportunity on Thursday to speak with the officials from the Yukon Development Corporation and the Yukon Energy Corporation. I'll stop there.

If we're going down the same route of questioning, I would like the member to please enlighten me — maybe as you ask me a question — about why we haven't gone to rate for four years, because I haven't found that yet in a briefing note or I haven't understood that yet. I'm coming from a private business background where I like certainty and understanding of expenses. You're very eloquent, so just weave it into the next question you ask me — but explain to me why we haven't gone to rate in four years. Thank you.

**Mr. Cathers:** I will actually answer that question asked by the Minister responsible for the Yukon Development Corporation and Yukon Energy Corporation and note that one of the reasons that in the past rate increases have sometimes taken some time in between them is the cost of a rate filing by Yukon Energy. As the minister will understand and can confirm with officials, typically those costs are well over \$1 million to do that regulatory process.

In fact, I'll give another specific example of when we put the microgeneration policy back in — I'm having a mental blank on the year that it was put in — government looked at that at the time, although ultimately it was our view that the cost of the microgeneration policy should be included within the rate base at the time the cost of YEC and Energy, Mines and Resources — doing that through the formal rate process would have been substantially higher than the cost of Energy, Mines and Resources absorbing those costs internally. Because of the nature of the way the YUB functions and the high cost of preparing a rate submission and responding to the questions from the board itself, this has an effect on the timing of applications for a rate increase.

What I think I hear the minister saying is that he is indicating a desire to move toward a more regular schedule for rate filings. I think that is probably a good idea — to move toward a typical calendar reflecting what would normally occur for applications by Yukon Energy Corporation.

I appreciate some of the information provided by the minister in response to my questions about Yukon

Development Corporation and Yukon Energy Corporation. I would note as well that in regard to one specific comment the minister made about resource options and the possibility of putting diesel generators out in my riding by the station at mile 5.1 on the Mayo Road, I would give the minister a warning that I would be shocked if my constituents are supportive of that option. They would be very concerned about the noise. Even the concept of battery storage at that location is one that I think there would be public concerns about, and I would encourage the minister, the Premier and those involved in that to discuss with the boards of Yukon Development Corporation and Yukon Energy Corporation the possibility of looking at other options. For example, I would refer to how, during the construction of the LNG generators that were put in, the option of adding a third generator on-site was considered. There were other options considered, including land available across the road that could potentially be used either for LNG expansion or for diesel generators or battery storage as an alternative option.

Returning to other questions, I would again note the one specific question that I would encourage the Premier to answer because it relates to two departments. It relates to an act that is under the responsibility of the Minister of Justice and corporations that fall under the responsibility of the Minister responsible for the Yukon Development Corporation and Yukon Energy Corporation — a question of what his view is on the duty to serve under the *Public Utilities Act* and whether that includes, in his opinion, government being required to pay for infrastructure to serve large industrial customers or whether, as we have stated in the past when in government, they have the view that those investments in infrastructure should only be made if there is a net benefit to the territory and to Yukoners as a whole.

Moving on to another one of the corporations that I have questions about, as I noted in my remarks in second reading on May 1, we are concerned in this budget by the line item that is available for the Yukon Hospital Corporation because we had understood, based on projections and discussions with the now former chair, that the hospital's needs for this fiscal year were higher than what we see in this budget. The question for the Premier would be: Did the budget requests change for the Hospital Corporation from what we had understood it was going to be, based on those discussions with the chair that I referenced or do they feel that this current budget is adequate? Again, based on my understanding of that from discussions with the former chair and at Management Board, we had understood that based on increased cost pressures, including cost projections, increased costs of chemotherapy drugs, increased volume of chemotherapy, increased volume in the medical imaging and lab department and increased staffing costs associated with the emergency room expansion and, last but not least, the fact that the hospital's current funding agreement is based on 75-bed occupancy and it has currently been running closer to 100 percent — we are concerned about the number in the budget.

So again, the question for the Premier is: Did the actual request change from what we understood it would be or did

the Hospital Corporation in fact, as we expected, request three percent more in its operational budget than is here?

My next question regarding the hospital is that we don't see any funding included for the Meditech replacement project for the hospital's electronic health information system. Is the government committed to working with the hospital to fund that replacement project or have they made a political decision not to approve that?

**Hon. Mr. Silver:** Again, that's a very unique question for general debate, so I will get my Minister of Health and Social Services to answer the question. I would ask the member opposite if he could tell me where his source of information is coming from — if he can provide for us the source of these numbers that he's quoting in the Legislative Assembly today — that would help us as well to get together and to compare them with the Minister of Health and Social Services. I will leave it to her to get into the specifics.

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

**Chair:** Sorry, Mr. Cathers. I'm not sure, I didn't catch you there. You might have been first, but I was automatically attuned to turning this way.

**Hon. Ms. Frost:** The response with regard to the 75 percent of the funding — historically the Yukon Hospital Corporation had an agreement with the Yukon government. It was structured in such a way that it was an arm's-length agreement, so we really didn't have, as government, direct hands-on involvement in terms of health care programs delivered from the hospital.

I think what we really attempted to do with this budget was to look at an opportunity to work with the new chair and CEO to identify what the priority needs are for Yukoners; to look at a health care model that meets the needs of all rural Yukoners. So we have really taken a strategic approach, as with every department of the Government of Yukon — and in my areas of responsibility with Health and Social Services, Yukon Housing Corporation, Environment — and we have sat down with departments and really spent a lot of time identifying what the key priority areas are. How can we meet those priorities within the time frame that we've been allotted — looking at the next 12 months?

In our department, we have opportunities to work really closely with our DMs and our finance directors to come up with some solid strategies, good business cases and good business models. We have two community-based hospitals and, in those hospitals, we're seeing that the community input and their concerns and what they want to bring forward is a true collaborative care facility — a health care facility that will really provide a broad spectrum of services and supports. That was not considered. We didn't really have input into what and how the Hospital Corporation designed its strategic plans for the Yukon — or even its business and budget plans and its business models.

This new relationship was struck with the Department of Health and Social Services and the Hospital Corporation. It's a mutual agreement. It's an agreement that they have agreed to. The new chair — I have met with him on numerous occasions — as well with the CEO. We're really working hard

to design a longer term plan, so this opportunity with this new lease on a one-year operational funding agreement to sustain the hospital and the services that the hospital is currently providing is not — I wouldn't say it's jeopardized or it is affected. They have sufficient resources in which to provide continuous services. What this does is it allows us to look at a longer term business strategy that will better align with some of the integrated services that are not being provided right now. I'm going to give you some examples.

What we're hearing from the physicians in the community in Dawson City and in Watson Lake is that the longer term care programs that are necessary, that are essential — physio, for example, optical care, and dental care. These are things that are not offered in the communities, and that wasn't in the program or the profile of the hospital. Yet we have two every expensive hospitals. Historically, we had to increase our physicians in the facility in Dawson City, so of course those things are going to be provided at an added cost. So a better people-centred approach and helping Yukoners to thrive — what does that look like? This is, I think, a really great opportunity to work with the hospital, to work with the health care facilities in the rural centres and try to elaborate further on just really meeting the needs of the communities and looking at the strategic priorities and general direction. That will come from the Hospital Corporation and the board, and they'll help to design that. They have that mandate now. They have the mandate and the direction to proceed with coming up with a plan that works for them. In that plan they will have a strategic vision — perhaps a requested enhanced budget that will address their needs and the needs of the two facilities that currently don't have all of the services and supports they require.

**Mr. Cathers:** Unfortunately I didn't hear an answer from either the Premier or the Minister of Health and Social Services to my question about what the hospital's budget request was. In answer to the Premier's question, as I noted in my preamble, this question is based on my understanding from discussions with the chair and former minister, as well as Management Board information that we had prior to the election, that — as the minister knows, the departments' O&M call letters for both capital and O&M are typically due in September. Based on the information we had, prior to the dissolution of government for the election, we had understood that the hospital was going to need more money than we see in this year's current budget. If that information has changed, between September and April, we would be happy to hear that, but in the absence of it, the question I would ask again for government is: What did the board actually sign-off on? What was government-approved in terms of the request?

If the Premier, as Minister of Finance, believes that the funding available for O&M for the Hospital Corporation is adequate this fiscal year or understands, as we had from the information that we had via Management Board and the now-former chair prior to the election — whether there is an additional three percent in funding that we had understood — for reasons including increased cost of chemo drugs, the increased volume of chemotherapy, the increased volume at

medical imaging and the lab, and the increased staffing costs associated with the emergency room expansion and, last but not least, the fact that hospital is running close to 100-percent capacity rather than 75-percent capacity.

The other question I asked that I did not get an answer on is whether government is committed to supporting the Meditech replacement project, which the hospital has been working on for the past few years — because we don't see any funding in the budget for it — or whether government has decided not to support the replacement of the Meditech system at the hospital.

**Hon. Ms. Frost:** To answer the question about the request from the Hospital Corporation on this year's funding request — we have not allocated a three-percent increase in their budget. We have enhanced their budget by one percent. That will allow them to really look at a solid, well-thought-out business plan for the two community hospitals. We have built two hospitals and not really put a lot of thought or plan into a solid collaborative-care model. This is an opportunity for them to do that. They have committed and they are prepared to work with the department to come up with a plan. At that point, I know for a fact that they will present to me and Cabinet a solid business plan that defines what they need in terms of supports, O&M expenditures and cost overruns. We ran into some cost overruns with the infrastructure that was built. A good example of some of the challenges that we are confronted with is having a physiotherapist go in three days a month. Is that sufficient? No. They want a further, perhaps full-time position in the community. They are requesting optical care in the community. There is general maintenance on the hospital.

We are flying in and taking in, whenever there is a request for general maintenance, services from Whitehorse. Does that make sense? That doesn't make sense to me. It doesn't make sense for proper services that this new hospital requires. We are looking at what we can do to collaborate with the elder-care facility in Dawson City and how we can look at shared services. What can we do to enhance, with Yukon Housing Corporation, maintenance and supports? We are looking at working with Yukon Medical Association as well on some further opportunities. What we have also considered in this process, and what they are looking at, is making better use of the e-health system — looking at how we can start accessing and utilizing a system that was put in place a few years ago but is not being used very effectively. What can we do to concentrate on using that process to eliminate and decrease some of the costs? Rather than flying in someone when required, we can start using technologies. As we've expressed earlier, through Highways and Public Works, we have expanded and upgraded our e-health system through the lease on a Genie process so that allows us quicker services, quicker access, reduced time and reduced costs. That cannot happen without the collaboration of the hospital board and without the collaboration of the chair and the CEO to ensure that we're on time, we're on target and we provide essential services that are required, but we can't continue to just react to the pressures.

By giving a long-term funding agreement without any accountability back to the government is no longer acceptable. We cannot sign a blank cheque for \$64 million and say to the Hospital Corporation, "Here's \$64 million" — and then they come back with a supplementary request for cost overruns and added expenses. That is something that we're not prepared to do, so we've asked for a longer term plan. Similar to what we're doing with our departments — take the time, strategically align yourselves with all of the motions that are happening with the e-health, with other service providers in our communities, and looking at what we're doing within our government.

That, I believe, is fully understood and we are working and providing the necessary supports to the Hospital Corporation. They have collaborated and they are cooperative and excited about the prospects of coming forward with a longer term plan that will best align with the needs in collaborative care processes of Yukoners — and, in rural Yukon, maximizing the services and the facilities we have in Dawson City and Watson Lake.

**Mr. Cathers:** While I appreciate the answer from the minister, I also have to say that I'm quite concerned by it. The minister has indicated and noted there is only a one-percent increase to the Hospital Corporation as we had seen from the budget. Again, we note that's less than CPI — the rate of inflation. If the minister — and if the Premier in his capacity as Finance minister would look across the country at the average annual growth in other health systems — in fact, based on the most recent report that I saw comparing, again in this case, provincial health systems — not the territory's health system — the average annual increase in health costs across the country dating back to 1972 had been fairly consistently around eight-percent increase per year.

I would hope that the Premier, as a former math teacher, would be able to figure out the difference between an eight-percent increase and a one-percent increase. In the case of the Hospital Corporation and the Department of Health and Social Services, they, in my belief, do one of the best jobs of any health system in the country of managing costs and do not require an eight-percent health increase. But to hold them to one percent is insufficient, in my view, and again what I asked both the minister and the Premier for — and they have not committed to — is to let us know what the board of the Hospital Corporation actually requested because, based on our understanding that prior to the election, they were expecting that they needed at least a four-percent increase in O&M funding this year.

I also didn't receive an answer on the Meditech replacement.

Another comment of the minister's that I am specifically concerned about is when she refers to a longer term plan. I would encourage the Minister of Health and Social Services and the Minister of Finance to both give their heads a shake and recognize the fact that when you are looking at the costs anywhere within the health system, this is one of the areas of government services that is hard for even the most competent administrator or manager or deputy minister or board chair to

predict. That is because anything within the acute system especially — they have to respond to what walks in the door. They can predict trends sometimes, but when there is a spike, for example, as the Hospital Corporation is seeing in the area of the number of beds that are currently filled by people who are effectively in assisted living or continuing care levels — I know that at one point in the past fiscal year they were running at around 40-percent capacity. I understand from physicians I have spoken to that this is about the case currently and that about 40 percent of the volume of the hospital beds are being occupied by people who should ideally be in a continuing care facility.

When those pressures occur — when more Yukoners get diagnosed with cancer, when more Yukoners than expected in any given month break their leg or are in a car crash — all of those things create a cost to the system that is beyond anyone's ability to precisely predict. What we did in the past, and I would sincerely hope that the current government will recognize the importance of doing this, is recognize that when those unanticipated spikes in volume occur, there are times in individual years when a spike in certain services or surgeries can require additional budgeting. If the Premier is indicating that the current government's view is that they are going to require the Hospital Corporation to come up with a long-term plan and meet with the budget, then the only thing that the board will be left doing within that envelope is that they will have to give staff direction around tightening up in other areas to accommodate those increased cost pressures. This is no different from, for example, the areas I gave in a previous example on debate with the Finance minister about the fact that an unusually high forest fire season can result in significant cost spikes — for example, in 2013 — I believe that was the most recent year that we had high forest fires — the additional amount required by the Department of Community Services in the area of wildland fire management to meet the costs of a higher than normal forest fire season was an additional \$7.5 million in increased resources. The department and staff of Wildland Fire Management couldn't accurately predict that, nor could they predict how close a lightning strike or a campfire would be to individual communities. They couldn't predict how close to the community of Carmacks a forest fire would be in 2013 based on the previous fiscal year or on the weather reports. So when those pressures come, the question will be: Will this current government do as we did and fund those critical health care needs or is the minister and the Premier now saying that they are going to require the board and corporation to hold within those resources even if needs are higher?

I'm going to extrapolate that to another area within the area of Health and Social Services. The medevac flights that occur are a significant cost to the system. They are done based on when any of the many people request a medevac flight due to an emergency situation or the need for medevac in or out of the territory.

Is the government indicating that, within the area of the Department of Health and Social Services, they are not going to fund higher than normal volume years for medevac flights

and they are going to direct the department to absorb it from within?

**Hon. Ms. Frost:** I am going to attempt to respond to the questions that were all over the place, from firefighting to God knows what else. I am not quite clear on what I am supposed to respond to.

I believe I responded to the question earlier that we have an agreement with the Hospital Corporation. The previous agreement that the Hospital Corporation had expired on March 31, 2017; now the proposal that perhaps the previous government had does not align itself very well with this whole-of-government approach. We are working with the Hospital Corporation to align itself better with the services, projects and programs that we are expanding on.

Could we and could this government have afforded an additional \$5.2 million in 2017-18 for the Hospital Corporation? No, so what is the accountability attached to that \$5.2 million that was the request, which puts the total up — that automatic built-in increase of four percent? Well you can't automatically build in an increase of four percent without justification or without proper planning around that.

The Hospital Corporation and the opposition well know that if we're seeing intense pressures and if there's a request from the Hospital Corporation and they are feeling that the current funding they are receiving is insufficient, then there is an opportunity for a supplementary request, which we're working through with them. I just met with them last week to really go through that plan, to go through their vision, to go through their supplementary process of what they would like to see to be better prepared for the outcomes.

There was no accountability previously. It was just, here's a bunch of money, go run the hospitals. Go build the expansion on the hospital, what types of services and programs — how much is the O&M going to cost? Those were things that perhaps were not considered long term. Are there enhanced projects or initiatives that you would like to see? They have a facility at the hospital with the new ER department. There is a whole shell area in the top of the facility they have some long-term plans for and they would like to expand. If that's their vision for five years, then we need to know that as a government so we can start aligning and planning with them properly. I'll stop there.

**Hon. Mr. Silver:** I just want to add and ask again of the member opposite: Is he asking us to break the law? When it comes to medical travel and medevacs, as the member opposite knows, we have a responsibility and an obligation. The Minister of Health and Social Services was very clear in the response to these unforeseen situations. That's exactly what a supplementary budget is for and the member opposite knows that.

**Mr. Cathers:** It's interesting. We're apparently seeing a different pattern of debate here in general debate than in the past. I would note to the Premier that of course I'm not asking government to break the law. My point was comparing the minister's unrealistic attitude and the Premier's, in his capacity as Finance minister, unrealistic attitude toward cost pressures in the Yukon Hospital Corporation to what would



happen in the area of medevacs and medical travel if government were to force the department to absorb within.

For example, in that area, if Cabinet — Management Board — were to refuse to provide additional funding to Health and Social Services to meet a legislative obligation, they would move heaven and earth trying to find the money, but there's a certain point where, if Cabinet will not provide adequate financial resources to a department or corporation, they have no choice but to cut services to meet legislated or critical responsibilities. That is what we're concerned about. We heard the Minister of Health and Social Services admit that the Liberal government has underfunded the Yukon Hospital Corporation by over \$5 million this fiscal year. We will be watching this area here.

Another area I would like to move on to is the fourth board I'm asking questions about here today with regard to the Yukon Housing Corporation board. We know the government's decision to fire all of the members of the board back in January. The question is: Will the government make clear what that board was recommending prior to being sacked, and what new direction has been given, especially as it may differ from the recommendations made by the previous board?

**Hon. Ms. Frost:** I just want to clarify that the Yukon Housing Corporation board was not fired. Their terms were all expiring at exactly the same time — talk about corporate inconsistencies. All of the board members' terms were ending at the same time, so they were not fired. Their terms expired.

**Mr. Cathers:** The minister may wish to reconsider that statement and retract it later, because there were members who were terminated two weeks in advance of their appointments on the Yukon Housing Corporation board. I heard from members who learned of the minister and Cabinet decision to fire them after the orders-in-council were published. The minister's statement is not factually correct. She may wish to correct it because government did remove members prior to their termination dates, then had a rather staggered series of orders-in-council, adding new members and then adding new members again and leaving the Yukon Housing Corporation — I believe it is still currently without any rural representation after Cabinet chose to make a political decision and fire those members.

The member can debate the nuance of it, but the question again for the Yukon Housing Corporation board is: What was the board recommending to the minister and to government prior to their termination? Will they make that public and make public what political direction has been given since that time to the Yukon Housing Corporation board? Circling back to the two questions I asked previously, which were what the budget request was for the Yukon Hospital Corporation and whether the government will make that detailed request available — understanding as we do now that the minister has admitted underfunding the Yukon Hospital Foundation by \$5 million this fiscal year? Also, will government make available the information about how much of a rate increase Yukon Energy Corporation is applying for this fiscal year?

**Hon. Ms. Frost:** Unfortunately, I can't respond to the last comment, but I can respond to the two previous comments around the Yukon Housing Corporation and the Yukon Hospital Corporation. We are not underfunding the hospital. The Yukon Hospital Corporation is delivering the same on par services that they have been providing to Yukoners historically. What they have been tasked with is to provide an opportunity to provide a detailed plan on deliverables — on how and what we can do to support them fiscally and through program and service enhancements, if necessary — to better align with e-health, Meditech processes, medical travel and physician negotiations. There are many things happening at once, such as consistent pension solvency. What are we doing to best align all these matters that directly impact the Yukon Hospital Corporation. At the end of the day, what we really want to do is ensure that the services that are provided to our citizens of Yukon are timely, efficient and, if it's an emergency, there is no doubt whatsoever that they will be given whatever support they require.

The Yukon Hospital Corporation — and the member opposite is well aware that the supplementary process will address any of those shortfalls, if there are any, in a timely fashion. It's a great opportunity for the Yukon Hospital Corporation and the board to work with the government and work with the Department of Health and Social Services — and they are. I am happy to say that they're quite happy and excited about trying to find the synergies that perhaps were not there before.

The Yukon Housing Corporation board — what mandate did we get from the Yukon Housing Corporation board previously? You have a housing action plan that the Yukon Housing Corporation board participated in. You have the anti-poverty processes that the Yukon Housing Corporation board participated in. There were a few things happening with the Yukon Housing Corporation board that really just looked at infrastructure.

This new Yukon Housing Corporation board will align itself with addressing some of the Housing First models and trying to implement more efficiently and more effectively the alignment with the federal resources that are coming down, looking at what is happening with the municipalities, looking at an effective use of the municipality matching grant, for example, and what we can do to ensure that communities like Ross River, like Watson Lake, and some of the communities that are having some infrastructure challenges, what we can do to assist and provide and look at best practices in the Yukon.

The Yukon Housing Corporation board has representation from rural Yukon, I can assure you of that. We have a rep from Carcross and we have a rep from the community of Haines Junction.

**Chair:** Would the Committee members like to take 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 continuing general debate on Bill No. 201, entitled *First Appropriation Act, 2017-18*.

**Mr. Cathers:** Thank you, Mr. Chair. I am going to wrap up my remarks on budget debate here — at least for the time being — in the interest of allowing other members to ask questions. I would note too, in conclusion, that, as the Premier and ministers have not appreciated being asked questions in general debate — and I would again remind members that although that didn't occur in the last Legislative Assembly, this in fact has been a long-standing practice in this House where the Official Opposition Finance critic would ask the Premier questions affecting areas across the budget and significant policy questions, particularly as it pertains to the direction the Premier may have given ministers.

In concluding my comments, at least depending on the response from the other side — I think I am concluding my comments for the time being — I would just note that what we have learned in debate on the budget is that, despite the Premier and the government's claims that their reason for delaying calling the Legislative Assembly to table a budget and have the first real Sitting of the Assembly since taking office for longer than any other government in Yukon history — their supposed reason for it was taking time to understand the budget and to get the budget right. What we have learned is that there are a number of areas where the current budget does not have it right.

They haven't booked the costs of the federal carbon tax despite the fact that it will come into effect this fiscal year. We have seen the Minister of Health and Social Services acknowledge, before retracting her comments, that they have underfunded the Hospital Corporation by some \$5.2 million this fiscal year. We have seen the Liberals today in budget debate and earlier in Question Period backtracking away from election commitments, or at least saying they are going to examine them, and that includes whether the Premier will keep the promise to his constituents about paving the Dawson runway and the commitment that the Liberal government has now said that they are examining whether or not they will keep their commitment to raise the small business investment tax threshold.

We have heard that either the government asked for and supported the request for a third Supreme Court Judge without understanding the costs, or that it knows but won't tell members and the public what those costs are. The Minister of Justice claims she has the numbers now, but she refused to disclose them and, while contesting my recollection of what officials had indicated in the past and that it added about over a half-million dollars in O&M plus capital, the government that got elected on a promise to be more accountable and transparent wouldn't tell Yukoners or their elected representatives what those costs were.

We have seen as well a bit of an incredible answer about the debt cap. When I asked the Premier about his statements in front of the federal finance committee on April 4 of this year, where he said — and I quote: “We're looking to remove power from our debt cap...” When I questioned the Premier about the fact that there remains \$198.5 million in unused capacity under that debt cap and why someone would request a change if they didn't need or intend to borrow more than that \$198.5 million, what the Premier characterized it as was — like applying for a Visa card that you didn't really intend to use, which we find, again, a statement that simply does not make sense.

We have seen as well a lack of transparency earlier today in debate, where the government refused to tell us their view on the duty to serve under the *Public Utilities Act* — how that applies and whether government would borrow money or fund infrastructure solely for an industrial customer and put the taxpayers at risk of the future bill — much as what happened in the case when the Faro mine closed in a previous era under Yukon government.

We heard no answer from the Premier on what he considers sufficient public consultation, despite the fact that we have heard complaints from a number of Yukon citizens, including school councils that complained about the lack of consultation on the budget, the fact that some were given a mere 19 days for input on the school calendar. In the case of one of the school councils — in Watson Lake — they, in fact, received the letter after the deadline for consultation, so they had less than zero days to provide their answer.

We have seen a lack of transparency from the government on what the Yukon Energy Corporation is requesting for a rate increase, or the government's views on it. We have seen a lack of transparency on what the Yukon Hospital Corporation requested for this fiscal year, although the minister admitted it was \$5.2 million more than they provided them. We have seen a failure to answer questions about what the former board of the Yukon Housing Corporation recommended, prior to being axed by the government, and what political direction has been given since that time, especially that which may contradict those previous directions.

Again, we may return with questions — and we will — but for the time being, I will cede the floor to the Leader of the Third Party, unless the comments from members opposite require response.

**Hon. Mr. Silver:** What we heard was a lot of speculation and a lot of opinion and no actual questions from the member opposite, so I will cede the floor to the Leader of the Third Party.

**Mr. Cathers:** I would point out that I asked a number of questions. The Premier just chose not to answer them and to characterize them as not real questions. We're not getting anywhere at the moment. I'll cede the floor to the Leader of the Third Party and look forward to further debate on the budget, and maybe the Premier will get around to answering questions, not just the ones he likes to answer, and might remember what he promised Yukoners in 2016.

**Hon. Mr. Silver:** Again, to the member opposite, I'm saying in that last diatribe or whatever we want to call it, there were no questions.

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

### Point of order

**Speaker:** Mr. Cathers, on a point of order.

**Mr. Cathers:** The term "diatribe" has been ruled out of order in this House before.

### Unparliamentary language

**Chair:** I suspect it probably has. Mr. Silver, can you find another word perhaps to describe the member opposite's speech?

### Withdrawal of remark

**Hon. Mr. Silver:** I don't know if I can find another word. I will retract that one, but it's hard to find another word for what that was — but that was no question.

So because there were no questions, I have no answers in that last statement from the member opposite. By all means — to the Leader of the Third Party.

**Ms. Hanson:** Thank you, Mr. Chair. It's a little difficult to know where to begin after what we've just been put through over the last many, many hours of "general debate".

Some of the things that have been said over the last several days and most of this day by the Finance critic, the Member for Lake Laberge, with the Official Opposition bring to mind a proverb, Mr. Chair, from Luke, which is really simple, it says: "Physician, heal thyself" — the tendency to be critical of others when in fact one might want to look at the source of some of that criticism.

It has been interesting and at times challenging. Having sat in the Official Opposition for the six years prior to this — it has been fairly rich to hear the Member for Lake Laberge waxing on about the creation of jobs outside Whitehorse in terms of rural Yukon and over the tenure of the Yukon Party when, in fact, we've seen that it was incredibly Whitehorse-centric in every sector.

There are many, many things, but that's not why we're here today. We're really here to talk about — despite the fact of the focus of the Yukon Party on — I'm not quite sure what their focus was, but it certainly was a long and winding road.

There are a number of general questions that I have, and I hope we can move out of this "general debate" rather quickly and get into what we have to do within — the members are all aware that tomorrow we are at the halfway mark of this Legislative Assembly and we have a significant amount of work to go through to get through all departments, as well as at least one or two pieces of legislation. It does concern me that what we've seen is the attempt of the Yukon Party in Official Opposition to do exactly as they did in government for 14 years, which was to prevent real debate about the real issues in each of these departments. There are substantive questions, and to suggest that, in general debate, ministers should be speaking without their deputies here reflects a real

disrespect for the legislative process. I really am saddened by that.

I do have some questions to the Premier as Finance minister. I would like to go back — surely when the Premier and his colleagues were preparing for the election, they looked at the projections for what was happening under the Yukon Party with respect to the real decline in total tax and general revenue. We saw the decline from at least close to \$40 million from 2013-14 to 2015-16. In addition to that, we saw a real decline in total corporate tax revenue.

What I am curious about from the Premier is, based on their oft-stated assertions in this Legislative Assembly that decisions would be based on evidence, what evidence did the government use to determine that it made sense to reduce corporate taxes by a further 20 percent? What evidence across Canada is there to show that a reduction of corporate tax rates does increase job creation and research and development? From my understanding and from my research, everybody from the Governor of the Bank of Canada to the former Conservative Finance minister of Canada has said it hasn't. In fact, what we are seeing are record levels of corporate holdings not reinvesting.

What makes this government believe that, just because the Yukon Party did it for 14 years, that this is going to somehow change? I'm looking forward to hearing from the minister.

**Hon. Mr. Silver:** I appreciate the general question from the member opposite when it comes to tax revenues. As we all know, the tax revenue system is very volatile from year to year. Over 2013-14 on to 2015-16 fiscal years, government tax revenues did experience a 30-percent decline, which meant a \$40-million drop from the base of \$136 million.

Corporate income tax accounted for \$24 million of the decrease, and personal income tax accounted for \$14 million. When you take a look at the corporate income tax side for 2015-16, that decreased by 80 percent to \$6 million from a base of \$35 million in 2013-14. However, in the budget of 2014, the Yukon government reduced the small corporate rate in that place from four to three percent, which was a 25-percent drop in that rate. Then the personal income tax experienced a 19-percent decrease over the two-year period, which can largely be attributed to the budget of 2015 reductions of the first three tax rates.

When we made our decision for the corporate rate, that decision was based on getting our system in line with the rest of Canada — taking a look at what the rates are across the board and putting ours in that middle-of-the-road area. In doing so, we believe we will — and we'll find out, based upon the results of this year — next year, we'll take a look to see if this attracts any investment and any corporations coming here. That is the intent for the corporate rate.

When it comes to the small business tax rate, taking it down to zero was a campaign promise that, when we looked through the Department of Finance and had more conversations about thresholds and limits that this can create, we decided that we needed to do the right thing as opposed to the politically expeditious thing. We are going to reduce it

again to get it into that average or just below average rate. I think what we have done in this first year is we have taken these rates and put them into a comparable rate for the rest of the other jurisdictions in Canada, especially those that we compete with the most — the ones that are going to be on the west coast. We want to take a look at the small business tax because, again, taking it down to zero percent was to do something that we now believe may not necessarily accomplish that goal. When we now take a look at that threshold that could be created by a small business, if we want small corporate businesses to grow, if you don't have comparable rates between those two tax structures, then what you might end up doing is creating more of a threshold for people to do things to stay under that \$500,000 mark each year as well. That was something that we didn't do a good enough job in our campaign of taking a look at.

What we want to do is put these two rates in a certain place right now, get some evidence, find out if it accomplishes the goals that we set out to accomplish and then go back and assess it. With the small business tax rate, we also want to take a look at more of sole proprietor consideration as well. That is where we are going to open up the conversation to all the members of the Legislative Assembly and the business community. If we are not going to do the small business corporate tax cut all the way down to zero percent — let's say we find out that, yes, you were right not to put it down to zero because of the reasons that you have identified — we still feel like there is an added obligation to small businesses that are not corporate, but are actually sole proprietor. These are the mom and pop shops that if you go up and down Main Street, you will see that most of these businesses are not, in fact, corporate businesses. They are mostly sole proprietors.

That is the intent. We will see if our cuts making it more competitive has a Keynesian response to it, and from there we will go forward and see if we have made the right determinations.

**Ms. Hanson:** I appreciate it and understand the theory that the minister is putting forward, but that theory has not proven itself out in terms of investment. That was my question: What evidence is there to show that? Yes, we saw that in the previous federal government where we wanted to lower thresholds for environmental assessments, so we all go down to the lowest level possible. We all have to go down because that is what people tell us — that lowering corporate taxes is going to somehow make sure that it all trickles down. Guess what, Mr. Chair — it hasn't been trickling down. There are other tax tools available to a government.

What evidence does this government have in making this decision — in particular making this decision in advance of its expert advisory panel on financial matters? I would have thought that while we were considering the financial tools available to us, we would await the outcome of that Financial Advisory Panel, which I would hope or assume — or maybe the Premier can clarify this because we haven't yet seen the terms of reference — that all tools that will be looked at, not simply where we are paring programs and services, but what tools are available to this government as a government. So:

evidence, and why was the decision taken prior to receiving the considered opinion of this expert advisory panel that we understand will be reporting in October?

**Hon. Mr. Silver:** I do appreciate the concern from the NDP, but this may be where fundamentally, as far as ideology, we might disagree.

Alberta is a good example. If you want to take a look at evidence-based decision-making, when Alberta reduced their corporate tax rate, what they saw were companies coming to Alberta. That rate then jumped up under the NDP, and those companies left afterward. It was succinct information based upon a decision by the government.

There's also a school of public policy document that has just come out showing that competitive tax rates do matter. I think this might be where we're going to agree to disagree. In the five-year mandate, we will have the information as to whether or not that has that effect in the territory.

I will say to the member opposite that those are provincial examples. There might be differences in the territories. We have a different consideration here. She may be correct; we may be correct in this; we'll find out as we move forward. We think we had enough information to make the decision to make comparative tax rates, because those comparative tax rates have been proven in other jurisdictions to have an effect on the economy and have an effect on attracting corporate interests.

**Ms. Hanson:** Yes, I understand that we may be coming at this from a different lens perspective, and maybe there's another lens I would like to suggest to the Premier. When we look at the focus on corporate and business tax cuts, what we're ignoring is that those people who are in the middle and lower income range spend the money they have. They're not investing in the Bahamas or someplace else, or looking to shed even more taxes by other offsets.

When we look at instruments that are available to ensure the vitality of the economy and to ensure the vitality of those very small businesses — we're talking about small businesses — it's the person who is the pensioner, the working poor, the lower income, who spends their money in those grocery stores and at the service station.

In the Yukon, what we're finding and what we know is that pensioners, the working poor and lower income people earning up to \$44,700 pay a tax rate of 6.4 percent. If we're really serious about being comparable, then why wouldn't we look at making sure the tax rate for lower income people is comparable, for example, to Nunavut's, which has a lower income tax bracket of four percent, or even BC at 5.06 percent, or Northwest Territories at 5.9? Why does Yukon government want to lead at taxing the poor and the lower income?

For example, under the Yukon Party, the surtax on higher income earners was eliminated, but the poor and the lower and middle income was untouched. Why wouldn't we want to be using that as a form of stimulus? Again it goes back to the question: Why are these decisions being taken in terms of tax tools in advance of the expert advisory panel that is supposed to be — I'm assuming and I'm hoping the Premier can

confirm — looking for robust evidence for making financial decisions for this government?

**Hon. Mr. Silver:** I completely agree with the member opposite as far as the financial panel helping out in that context of deciding what future decisions we make as a government to help the economy, whether it be for income tax or programs and services, access to training — the gamut.

Again, I would say on that piece of — if we're going to go in and take a look at personal taxes, I think it would be smart of us to take a look at the Financial Advisory Panel. I am looking at the professional advice that we would be getting through that agency to get that evidence to compare cross-jurisdictionally. When you take a look at just numbers comparatively outside of context of other programs and services offered — whether it be through social services, health or education training, then yes, you're looking at comparable numbers. You can make one argument, but if you take a look at the raft of programs and services offered in the Yukon when it comes to marginalized individuals, low income — I think that there are other ways of making sure that, if there is a discrepancy or if there is a disproportionate situation, then we can look down that road as well for the evidence to make sure that we are offering a balanced system when it comes to helping out those who are marginalized.

I will say as well when it comes to the corporate interests, these large corporations do make an economy in the Yukon and attracting these companies — they supply the jobs and services for the small businesses. They attract small businesses because there are so many spinout career opportunities from these larger corporations as well.

I do agree that we have to take a look on the social side. We have to take a look at programs, services and taxes that are paid by our lower income individuals. I would say, respectfully to the Leader of the Third Party, that with the use of the Financial Advisory Panel, that's where we develop the evidence to see where we should focus our attentions from here on forward past this budget.

**Ms. Hanson:** I would point to the Premier that the suite of exemptions and other forms of assistance in addition to corporate tax cuts and other tax cuts for wealthy people in this territory isn't exclusively with respect to the corporate tax cuts. We have a whole suite of other advantages and exemptions that flow through just about every other department. It's not just Health and Social Services; it's not just on the socially disadvantaged. That's why we are surprised on this side that, in advance of its advisory panel, the Yukon Liberal Party, when it has an opportunity, has entrapped itself in what Standard & Poor's has identified as one of the concerns that the territory's ability — and I'm quoting here — to increase revenue is constrained as a result of the *Taxpayer Protection Act*, a piece of ideologically driven legislation that was put in place by the Yukon Party and that stipulates that the Yukon government can't introduce a new tax or increase an existing one — in particular, personal income, corporate or fuel taxes — without a referendum.

Now, as far as an anti-democratic piece of legislation, it couldn't get much worse than that, but that's there. When we

start looking at the implications for a government — if we look on the evidence that the Premier thinks that the previous corporate tax cuts have generated more revenue — the evidence tells us it didn't generate more revenue. It was exactly the opposite. People didn't come flocking here because there were low taxes. They didn't come for that reason. What makes us think that one more 20-percent cut is going to do it?

There is a fair amount that needs to be considered when we look at these those kinds of approaches. Just in terms of the general things — is the government waiting for an assessment and having the expert financial panel look at the implications of their campaign promise to increase the small business investment tax credit from \$1 million to \$5 million, prior to making good on that commitment? How is that going to be addressed? It's not in this budget.

**Hon. Mr. Silver:** I absolutely apologize — I missed the final question as I was talking with my DM here. I will respond to a couple of things here. As far as the *Taxpayer Protection Act* — I think everybody here knows exactly what is going on. The primary principle is articulated in the statement of: "... in order to maintain fiscal stability and integrity, it is desirable to avoid accumulated deficits." That would be the ideology behind it, and I would agree that this is a policy put in by the Yukon Party government. I will be interested to see if the advisory panel has an opinion on this.

We know that, in other jurisdictions, there is not a lot of evidence that this actually does have a desirable effect, but again, that is one of those conversations that I would love to have in the Legislative Assembly. I would like to see all three parties put their views forward on the *Taxpayer Protection Act* — as an act, not necessarily as anything else. Is it accomplishing the outer goal to avoid those accumulated deficits? I am sure that the Yukon Party will have a differing opinion from the NDP on this one. It will be interesting to see what the advisory panel says on it.

Back to the picture of the corporations — I still believe that competitiveness does matter. If you take a look at our partner governments that surround us and you take a look at the rate here for corporate taxes — Nunavut at 12 percent, BC at 11 percent, Alberta at 12 percent, Saskatchewan at 12 percent, and Manitoba at 12 percent. So again, for us getting from 15 percent down to 12 percent — to me that makes sense on a competitive nature and to me it makes sense on being competitive with other jurisdictions, and we'll see.

I think there is also the concept of timing being everything. We are taking a look right now at a lot of international interests, and to be attracted to the Yukon — for mining companies to have their corporate headquarters here — that would help the economy — again, those other smaller businesses — those other sole proprietors — who can make a lot of economic headway by attracting these larger corporations. It is still something that we believe we want to look into and it's something that we did look into as a campaign promise. We'll see the evidence afterward — if we're correct or if the member opposite is correct as far as

seeing the results in our economy based upon these reductions in the tax rate to make us more competitive.

I would ask the member opposite to ask me that final question again. I just didn't hear it and I apologize.

**Ms. Hanson:** It's really not necessary. I just wanted to go back. I think we'll need to go into the departments. We have four of them to try to get through this afternoon.

I want to make a comment with respect to — because it does speak to the issue of taxes. Yes, I hear the minister opposite assuming and hoping that making more breaks for corporate interests will turn things around brilliantly, and we would hope that this proves true. I would point out that, when we look at the expectations with respect to how we share or how we access revenues from Canada, it is not just on the corporate tax side, but it is also personal taxes. That is why I asked that question — the balance that needs to be there. There is an assumption — and I heard it implicit in one of the responses to the Member for Lake Laberge about this notion when there was some discussion about THSSI and that is really important because we have to be able to provide the same level of health care as every other Canadian. What is often overlooked is that there are two parts to that. In section 36.2, it is quite clear. It talks about the importance of, in Canada, our expectation that there is the ability to provide essential public services of reasonable quality to all Canadians, but it comes with a quid pro quo. When it comes to dollars to do that, the payments to ensure provinces and territorial governments have sufficient revenues to provide — and the key language here is to provide reasonably comparable levels of public services and reasonably comparable levels of taxation. If there is a constant race to push the taxation levels down, at what point do you determine what is in the public good and what taxes we will support? How will we do that?

There is an expectation in Canada that taxation does have a purpose. It is part of social contract. I think there is a need, as government, to be looking at not just that Yukon has a special place in the heart of federal governments — yes, that constitutional obligation is there, but it means that we have to play too. If we constrain ourselves so much that we are at the stage now where we have increased — not decreased — our dependency in a post-devolution world — but increased our dependency on the federal government — that more of our revenues come from the feds as opposed to us generating it and we take away some of the key tools that we have, I don't see how we demonstrate as a government that maturity that fulfills the obligations in section 36.2. I would be interested in the Minister of Finance's views on that.

**Hon. Mr. Silver:** Thank you, Mr. Chair. Again, if you could ask me the other question that I have missed, we will get back to it.

I think there is definitely a sweet spot here. To say that we have the same number of mechanisms for income tax for individuals as we do for corporations, that might not be necessarily so. We are seeing on the federal basis too an increase in offers from the federal government as far as the income tax system. We can get into that on another day, but

just to the point of it, if we keep on pushing down, what is the limit? That is a very good question from the member opposite. Our response to that is we stop pushing down when we become competitive. I had this conversation with the federal Minister of Finance as well. It wasn't lost on him when we were negotiating for more money for health or we were at the finance ministers' meetings watching our own-source revenues comparatively. This conversation came up and he agrees with me that you have to be competitive. My whole point to him was that we need to make sure that we're competitive with our neighbouring jurisdictions. On the one side, where he's watching provinces and territories reducing their taxes, especially when it comes time for elections — and that was his comment — it wasn't lost on him that the Yukon needed to get into step with the rest of the jurisdictions around.

I agree that you need to find that sweet spot. To answer the member opposite's question of when do we stop pushing down, we stop pushing down when we are competitive.

**Ms. Hanson:** One could say there are a lot of Third World countries that are really competitive, but you know what? They don't deliver any public services. They don't have roads; they don't have health care. I kind of think that's not exactly where we want to go.

The question the minister had asked me to repeat was the question with respect to the election commitment around the small business investment tax credit, and whether the lack of it showing up in this budget was an indication that the government intended to have it be subject to study and review by the Financial Advisory Panel before they made a final decision on what room there was to provide that tax credit.

This was an initiative that an NDP government of some time ago put in place, and it was slowly grown, but we couldn't get the threshold increased under the previous government, so we are hopeful we will see that. We have spoken over the years with the private sector partners that would see the opportunities for them, as opposed to having to go out to borrow money at high cost as Air North so successfully did — create incredible customer loyalty and returns to citizens by allowing them to be shareholders in one of the corporations that we all treasure.

That was the gist of that question, Mr. Chair. While I'm at it, the Premier, in his reference to the Minister of Finance, triggered a question I had. The Minister of Energy, Mines and Resources outlined some of the options they were looking at with respect to energy proposals, with the low- to high-cost scenarios. We looked at those over the last year or so ourselves. I want to know what conversations the Minister of Finance has had with the federal Minister of Finance with respect to whether or not any of the proposed infrastructure projects in Yukon are going to fall within the purview of the proposed infrastructure bank the federal government is pushing through Parliament. According to the former parliamentary budget officer and also according to every source in the media, the federal government has taken this omnibus bill and broken it into committees in a rush to get this bill through — Bill C-44.

I'm sure the Minister of Finance knows the concerns that have been expressed by many, both left and right, on the implications of the infrastructure bank, which has taken \$35 billion of the \$180 billion that has been proposed over the next decade for infrastructure and, instead of using the federal ability to borrow at about 2.2 percent over 30 years, is looking at giving private sector companies a return on their investment of 10 to 12 percent. That costs us money and it diminishes our ability to make our infrastructure dollars go further.

I'm curious as to whether or not there has been any indication from the federal government that any of our projects in Yukon would be required to access funds through the infrastructure bank.

**Hon. Mr. Silver:** Before we get into the bank, basically I guess the question when it comes to the small business tax credit is: Is the credit the best model? That is the question. Where should that rate be? That would be a question to the panel with an emphasis on how we need to do more for our sole proprietors. I do agree that we're not interested in a race to the bottom at all when it comes to the corporate rates, but what we are interested in is being competitive.

Now when it comes to specific questions or conversations that we've had with the federal government in terms of the federal infrastructure bank, we have not had specific questions on that particular option from the federal government, nor can I stand here and explain to the member opposite why the federal government decided to go in one direction or another as far as allocating their funds, but we are excited to see all of the federal infrastructure dollars that are becoming available from the federal government and we believe that our departments have done a substantial job making sure that Yukon's case — our aging infrastructure, our need to not only just replace but to modernize — has been well-represented in Ottawa and we're using our relationships well in that regard to make sure that First Nation and municipality issues as well are getting to the federal table to have these conversations when it comes to federal infrastructure money coming down.

So whether it be from a federal infrastructure bank or whether it be from other pockets of money — waste water, you name it — we're going to do our best to allocate the funds necessary to get Yukon's fair share.

**Ms. Hanson:** I raise this question with respect to the infrastructure bank because at least two of the three areas that the Minister of Finance and the consortium that they put together to advise the government on creating this infrastructure bank, which is all private sector — two of those three are areas that could have implications for Yukon with green infrastructure. That's significant. We heard about this this afternoon. If we have to borrow at 10 to 12 percent — or if the Government of Canada is — it means that we are going to have diminished access to resources. Public transit — I don't think trade corridors are that high of a priority, although I stand to be corrected, so far for the Yukon, but green infrastructure and public transit are areas that we've heard from communities over and over again on — public transit and green infrastructure.

I guess my question to the Minister of Finance is: Will he instruct his officials then to have some comparative analysis done so that we can be prepared to make a bit of push-back? Should there be a direction that that's where it goes? We heard in the previous government that any infrastructure, had it been built, was going to have to be financed through P3 Canada. There's a significant body of evidence that says that not all P3s — public/private partnerships — are equal, and not all of them deliver what is expected. There is a whole series of assessments that need to be done. In this case with the infrastructure bank, the issue of cost is significant.

I'm hopeful the Minister of Finance can provide that assurance to this side of the House. I will leave it there.

**Hon. Mr. Silver:** I can't comment on whether or not the federal government's decision to use one option or the other — the infrastructure bank or whatever — is going to influence or affect the dollar values that will be downloaded on to the provinces and territories. As far as a rate analysis, we're always interested in making sure that we get the best bang for the buck, so we're always going to commit to making sure that the conversation is being had, whether it be at the annual Finance ministers' meetings or in our regular conversations. It's always going to be a large part of the analysis that my department does when it comes to working in partnership with Ottawa.

**Mr. Hassard:** I have a couple of questions for the Premier in general debate. First, just to clarify, I am curious if the Premier believes that the Juneau route for the fibre redundancy would provide redundancy to as many northerners as the Dempster route would?

**Hon. Mr. Silver:** Whether I know it for a fact? I don't know for a fact which one would provide more. I would assume that, because one route goes up through Dawson and other communities, it would probably provide more redundancy for other communities, but I would ask a question like that, which is pretty specific for general debate — asking my opinion as to how many people are going to be provided with redundancy, I don't have those numbers in front of me. The Department of Finance doesn't have those numbers in front of it.

For me to speculate on that, it's probably not the best place in general debate for that question, unless I'm misunderstanding the question from the member opposite. I think it would be better answered by the minister responsible.

**Mr. Hassard:** I wasn't looking for numbers; that wasn't where I was going with it. I was just curious as to your take on it. My larger question is: When you talk about the cost or when we look at the cost of fibre redundancy here in the Yukon, I'm curious how you calculate for the number of people who are going to get redundancy using one choice over the other.

My opinion, and probably the Minister of Economic Development's opinion as well, is that going up the Dempster obviously provides considerably more citizens with redundancy — and I say northerners, not just Yukoners, because it obviously helps other parts of the country as well.

My question is: When you're determining the cost of redundancy for Yukoners, or for northerners, how do you factor in how many people are going to be affected by the redundancy? Obviously it is important for all of the north to get that redundancy — not just Whitehorse, Watson Lake and Teslin.

**Hon. Mr. Silver:** I will just say in general — and I will give my minister an opportunity to speak to this as well — when taking a look at the two different options, I think a lot has changed since the opposition was in government, as far as taller values. I think we have more evidence to support more pinpointed dollar values than was left with the previous government. I would also say in general that redundancy is one issue. Reliability, competitiveness, speed of service — those are not more important, but those are important as well. When you are taking a look at all these considerations together, then you make a decision based upon the facts that are provided to us.

If the minister would like to expand upon that, I will give him an opportunity to do so as well here in general debate.

**Hon. Mr. Pillai:** Part of what we're trying to figure out through the process — and to be open on this one, that is exactly it. Probably the work that was undertaken previously and some of that work — while the member opposite was in Economic Development, there was a lot of good early work that was done but, as the Premier stated, there are some things that have changed.

The first thing that has changed is, when you look at a southern route, there's now a pipe — for lack of a better term — there is a pipe that goes to Skagway. I think when the previous government was looking at all the variables, there wasn't that infrastructure in place, so that exists right now.

Part of what we have been trying to do in analyses is exactly that. You can't make a decision on this project and leave out northerners — and it also affects the NWT. If you were looking south, how do you make a decision on this thing and not make sure that you still have the occupational health and safety pieces covered and all those other elements? It's not just about redundancy for that shortened period of time when the line gets broken by a backhoe in Fort St. John, but how do you take into consideration those other items?

I think what has been fair — ministers worked with me a lot — is when we look at this, we know that the microwave infrastructure that is in place that Northwestel has — although aging, it does give us that redundancy as backup for the northern piece. Part of those conversations is: Do we still have the complete redundancy? I'm sure there is somebody at Northwestel and there are probably others who could say, "You might have gotten it a little bit wrong", but what we have come to understand in our due diligence is you could go south, you have to re-loop, you have to make sure that you have agreements in place with a series of different organizations — four at least, I think — and you have to be able to make sure that you have the pipe that goes all the way from Skagway to Juneau to Seattle and then you have to loop back. I think you inevitably have to be in Edmonton. I can't remember.

I apologize — I don't have any notes on it here right now. It's fairly specific. To be fair — absolutely: If you are looking at a decision here, you have to make sure that you take into consideration what the impact is on northerners — all northerners and, as you stated, Yukoners. Those are things that you can quiz me on as we go through this, because we are looking at all those things.

**Mr. Hassard:** Just as a word of advice, I think that — when you speak about how we need to look at cost and speed as well, I think that was the mistake that the previous government made right off the bat too — trying to find something that covered everything. That, in my opinion, is the wrong approach because you need to break it down and do it one step at a time — otherwise you will never get there.

I am curious — whichever route the government chooses, I have heard that this government feels they should own the dark fibre, so I am curious. Does the Premier plan on doing the maintenance, all of the costs of that? Would that be done through the Yukon Development Corporation?

**Hon. Mr. Silver:** Just a comment on "I've heard". It sounds like we are getting into the American government system of leaders saying, "I was told something." To the member opposite, I'm just kidding.

I know that with the previous government and the Juneau route, that is exactly what would have happened — right? If the previous government went forward with the Juneau route, they would have had to create either a separate Crown corporation or get one of the current ones to take it over.

We are looking at all options, and we are having fantastic conversations when it comes to Northwestel — some really frank conversations. I think what is happening this time around is that we are putting more cards on the table, as far as variables — what is important. I totally agree with what the member opposite is saying as far as, if you look at a catchall of everything, you might not accomplish the goals. You do have to specify what is more important to Yukon businesses. Is it speed or redundancy? I am sure different businesses are going to have different answers to that question. I know for a fact that I have some constituents who are working in technologies — in the tech sector — in Dawson City who would say speed is more important to them than redundancy, which is interesting to me because I, as an individual in Dawson at my computer at home, would disagree.

I think a lot of people who aren't necessarily in the business sector in Dawson would disagree with that.

So you are right. You have to take a look at a full picture. It is not just about redundancy alone, it's about the best deal for Yukoners that we can make and making sure that the decisions we make today don't impede decisions at later dates as well. There is more to come on that. I do have to say that the conversations have been frank with Northwestel, and with the public servants. I think we are making some really good headway. I guess there will be more to come on that when we get down to line-by-line in Committee of the Whole.

I will say as well — not that we don't mind answering these questions — that there is no budgetary line in this



budget for this particular field of questioning, but we are happy to answer any other questions the member opposite has.

**Mr. Hassard:** I won't have any more questions on that. I was just curious and it was a good opportunity to be able to ask that. I know one last comment: I always spoke about fast, affordable and reliable and I will stand by that it doesn't matter how fast or affordable it is — if it isn't reliable, you don't have anything.

Moving on, Mr. Chair, on the weekend, the Minister of Community Services spoke at AYC about the list of community projects. He said at the AYC that the list being used would be that of the previous government — the list that was put together by the previous government. We also heard over the weekend that today there would be some announcements on those projects and when they would be moving forward — and it is. We do have it in the budget, so I'm sticking to the budget.

Can the Premier update us on whether there are any announcements upcoming or when they may be upcoming on those projects?

**Hon. Mr. Streicker:** The list of the clean water and waste-water funds that we were originally given — we didn't deviate from that list. I think I said here in the Legislature — and I will check again — that a couple of the projects dropped off for — I would have to check to be sure, but I think it is regulatory reasons. I have seen the draft submission, which will be tabled here I'm hoping in the next day or two.

What I can do for the members opposite is I can go over that list at any time. It's just going through the process to make it a tabled return, but we have the list. We have our expectations of when each of them will get to the tendering phase, which I think was the pertinent issue you were raising through your questions, and I'm happy to share it with you shortly.

I even texted the department today saying: How long will it take to get through the Executive Council Office? How soon will we have it to table here? But I have the information ready for you.

**Mr. Hassard:** I will tell everyone just to be patient for a few more days — thank you.

Last week, the Leader of the Third Party asked a question regarding the roads between Ross River and Faro, and the Minister of Highways and Public Works did respond. In his response he said — and I quote: "I will tell the member opposite that I have instructed my officials to start the engineering work and pre-planning. Coming into this role, I have discovered how much preparation and work has to be done. You can't just send the BST trucks out to start laying down road surfaces."

Before the question, I would just like to say that the crew in Ross River always does a marvelous job of maintaining that particular stretch of road. But of course, without BST, as the weather deteriorates, so do the conditions of the road, being that it is a gravel road. Since the minister has indicated that he has instructed officials to begin the engineering, can the Premier tell us how much money will be spent on that particular stretch of road?

**Hon. Mr. Silver:** Mr. Chair, as you can imagine, I wouldn't have that information at my fingertips. As far as the engineering, it is an interesting concept. The minister and I have talked a lot about a whole-of-government approach, or an evidence-based decision-making process, when it comes to which roads need to get done. We are going down that road and it's an interesting conversation we're having with our departments. It seems that there are certain areas that have had more engineering done than others — that would be a fair statement — and what we want to do is take a look historically.

I would ask that this question, as far as the specifics on that particular section and the engineering reports for that specific section — it is probably not a question for general debate. What I'll do is instruct my Minister of Highways and Public Works to have that answer ready for you when we get to his department or, if that's not sufficient, we can ask for the officials to come in today and let us know.

**Mr. Hassard:** I know the functional plan has been done, but it was interesting that the minister said what he did in Question Period. When we were at a briefing, the department said the functional plan was complete but they didn't have any — or it didn't sound as though they were moving forward with any engineering or projects in that particular area. It definitely piqued my interest when I heard the Minister of Highways and Public Works say that and then I didn't see anything in the budget pertaining to that. I just wanted to ask that question.

Another question I had is: What are the Premier's ideas, moving forward, with the legalization of marijuana? Will that be done through the Yukon Liquor Corporation? If so, do we have money in the budget for training of the staff if that's the route this government is looking at taking in terms of distribution of marijuana?

**Hon. Mr. Silver:** Back to the question on highways, a general question and answer — as far as transportation planning and engineering, we do have \$5,314,000 in that budget. For a general answer, that's what we have Yukon-wide, and then we'll get the minister to respond as far as the particular areas that are going to be taken into consideration this year — and also showcasing a plan moving forward for more of a whole-of-government approach or whole-of-Yukon approach when it comes to which communities get the chipsealing and which ones do not.

When it comes to the issue of cannabis, we're still in the early conversations with the federal ministers. We know that they have set some parameters, I guess, so we're still in preliminary conversations right now with all the departments here. Because there was not a lot of information known before the budget was prepared, and then these rules came out after that process, any conversations right now within the departments will be internalized and we'll be taking part in that.

Internally, the options are currently being prepared, but as far as any dollar values, you're not going to see any dollar values in this budget that pertain particularly to cannabis, and any departments that are going to be working on this bill will

internalize those costs for now. This begs the question of what supplementary budgets are for. As information comes from Ottawa and if there is a need for additional funding, that would be something that would appear in the supplementary budget.

**Mr. Hassard:** Would that be the same for monies for enforcement as well?

**Hon. Mr. Silver:** Again, if there were some additional costs that the RCMP brought forward because of whatever plan that we pick, then obviously that be a supplementary budget consideration as well.

**Mr. Hassard:** Can the Premier, as Minister of Finance, tell us, in fact, if lowering corporate taxes actually creates a net increase in government coffers due to increased payments in personal income taxes?

**Hon. Mr. Silver:** The answer would be yes, because of the dividend tax credits that are available.

**Mr. Hassard:** Does the Premier feel that it wouldn't be beneficial to continue to lower the corporate tax rates then?

**Hon. Mr. Silver:** This would be something where, at a certain point, these things don't work out. I talked to you before about the sweet spot. Sorry, Mr. Chair, I talked to this House about where we decided what that rate should be based on competitiveness — not based on a race to the bottom, but a competitive nature.

Again, there has to be a certain place where all of a sudden that just doesn't make as much sense. We believe that by being competitive with the other jurisdictions that surround us, we're at the best place for this to be the most beneficial for Yukon taxpayers and for our economy.

**Mr. Hassard:** I'm curious how the Premier feels about, or whether he has any concerns with, the — I will say "slowness" in the tendering of seasonally dependent contracts?

**Hon. Mr. Silver:** I think what we have done is a good job of making sure that the special warrants got out so that these considerations would happen. In this year, our first year in the Legislative Assembly, we can do more. I believe that we can do more. We did make a commitment that we would get these contracts out earlier than the previous government did. We have a five-year mandate. We hope to get that accomplished this year, moving forward into the next budgetary process.

I would share the member opposite's concerns when it comes to local contracts, and I would say that we're going to try our best and I think we're going to make some good strides in making sure that the contracts get out earlier than the previous government did have them out. We committed to that in our campaign process.

It didn't happen in the first year and I'm sure that the member opposite can understand why, as far as all of the considerations we had to put into this budget, but it is a commitment that we're proud that we made, and we will stick to it and also to the five-year plan. To us, that is going to bring the certainty that we need as far as developing the industries for these corporations. To have a competitive field in every community would be advantageous to Yukoners. To make

sure that the competition is a local consideration in areas where they know, in the next five years, where the government is going to turn their focus as part as taxpayers' dollars — I think that this helps the industry to prepare and it also helps the competitive nature of those industries in all of the communities.

I think we need to do a better job in that capacity and we have committed to doing so. I know the members opposite wish we had those commitments out. They must love those commitments because they wanted us to get them out of the door right away. It would have been great to have everything ready this year, but what we did was the best we could do in the circumstances we were given. We got the special warrants out the door so these contracts could get out. We are turning a page to make sure we have a long-term plan on a five-year basis, but also every year getting those contracts out earlier.

**Mr. Hassard:** I guess we'll continue to agree to disagree on that. I am curious — when the Premier is back on his feet, if he can let us know how many of those seasonally dependent contracts are still in the hopper, waiting to move forward. Maybe that will come from the Minister of Highways and Public Works.

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

**Chair:** It has been moved by Mr. Hassard 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.

The time being 5:30 p.m., this House now stands adjourned until 1:00 p.m. tomorrow.

*The House adjourned at 5:30 p.m.*

**The following written question was tabled May 15, 2017:**

Written Question No. 14

Re: proposed highway improvements at the Carcross  
Cut-off (Kent)