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HANSARD

Tuesday, May 30, 2017 — 1:00 p.m.

Speaker: The Honourable Nils Clarke

YUKON LEGISLATIVE ASSEMBLY

2017 Spring Sitting

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DEPUTY SPEAKER and CHAIR OF COMMITTEE OF THE WHOLE — Don Hutton, MLA, Mayo-Tatchun
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Hon. Ranj Pillai	Porter Creek South	Deputy Premier Minister of Energy, Mines and Resources; Economic Development; Minister responsible for the Yukon Development Corporation and the Yukon Energy Corporation
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Hon. John Streicker	Mount Lorne-Southern Lakes	Minister of Community Services; Minister responsible for the French Language Services Directorate; Yukon Liquor Corporation and the Yukon Lottery Commission
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Brad Cathers	Lake Laberge	Patti McLeod	Watson Lake
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Yukon Legislative Assembly
Whitehorse, Yukon
Tuesday, May 30, 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 recognition of Paramedic Services Week

Hon. Mr. Streicker: Mr. Speaker, it is with honour today that I rise to recognize Yukon Emergency Medical Services. May 28 to June 3 is Paramedic Services Week in Canada.

Mr. Speaker, I'm rising on behalf of the Yukon Liberal government but also on behalf of all MLAs and members of this Legislature. I know we're going to get other members opposite to also give some praise to our EMS folks. I'm going to use EMS throughout this tribute for Emergency Medical Services.

This week is an opportunity to highlight the critical and life-saving work performed by Emergency Medical Services' teams across the territory. Yukon EMS is an essential partner in the territory's health care system and provides a vital public service. Access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness and injury.

Ahead of this tribute, I looked at the role of Yukon EMS. It is to provide safe, timely and medically appropriate care to patients in conjunction with pre-hospital emergency transport. However, that description does not actually capture the heart of the work done by the members of EMS. It doesn't capture how their actions, dedication and skills save lives and change lives — how they care for strangers and neighbours alike; how they see us at our most vulnerable and make us feel safe; how generous and giving they are with their care and compassion.

I know that Yukon EMS members regularly receive notes of thanks from people they have helped; in fact, I received some of the notes on their behalf.

Paramedic Services Week is an opportunity for me to thank them on behalf of all of us as MLAs — and, in fact, all Yukoners — for the work that they do. Thank you. I thank the many people in Yukon EMS for their leadership, commitment to care and contribution to healthy, sustainable communities.

Mr. Speaker, let me share some numbers. Thousands — members of Emergency Medical Services' teams engage in thousands of hours of specialized training and continuing education to enhance their skills and ensure the well-being of Yukoners. Two hundred and twenty-two — Yukon EMS depends on 150 volunteer community responders and 72 full-

time and auxiliary staff responders, totalling 222 souls who work to keep us safe.

Seventeen — that is how many ambulance stations we have in the territory.

Fifteen — that is how many years Lucy Driscoll, who is the rural volunteer emergency medical services supervisor in my own community of Marsh Lake, has served our community through thick and thicker as an EMS responder.

First — this year Diane Lister was given the award as the first responder in the community safety awards.

All — that is how many of our EMS responders I would like to acknowledge and pay tribute to. I'm sure that all of us have had direct experience in working with each of our volunteer responders and I would like to thank them all.

Mr. Speaker, please join me in welcoming to the gallery today: Rob Dawe, Rich Gavin, John Trefry, Leah Anderson, Randy Direman, Eric Grasholm — who I have ridden with in the Kluane bike relay several times — Jonathan Deline, Tanya Harper, Cameron Sinclair, Fabienne Brulhart, Dennis Barry, Mike Etches, Deputy Minister Paul Moore and, from the Premier's past heavy metal band experience, Gerard Dinn. Let's welcome them all please.

Applause

Mr. Cathers: I'm pleased today to rise on behalf of the Yukon Party Official Opposition to pay tribute to Paramedic Services Week celebrated this year from May 28 to June 3. I would like to also echo the minister's welcome to all of the staff of Community Services who are in the gallery here today from EMS, as well as the managers here today in the gallery too.

This week, we recognize individuals who make up EMS services across the country and particularly here in the territory, and their contributions to communities. Paramedics are an integral part of Yukon's network of health care professionals and the services they provide to Yukoners are vital to our safety and well-being. They are also in many cases the first contact patients have with our health care system in times of crisis or emergency. Our EMS practitioners are skilled and dedicated front-line professionals who provide emergency response across the territory with lifesaving interventions on the scene and transport to health care facilities by ground or by air.

In Whitehorse, Watson Lake and Dawson City, primary care paramedics are employed by the Department of Community Services and work full-time for EMS. Within Watson Lake, Dawson City and all of the Yukon communities, we depend on volunteer emergency medical responders who take their time and volunteer their services to become trained and provide these services in those communities.

They also work in collaboration with community nurses and other health care professionals across the territory. We are fortunate here in the Yukon to have a large network of health care professionals to provide the best care possible to Yukoners. They make a big difference in our lives each and every day and are ready when called upon.

I look forward to attending the 2017 Yukon EMS Volunteer Ambulance Services Society education symposium and skills challenge this coming Saturday. I would encourage anyone who is interested in EMS to check out the lecture series being offered and to take part in the symposium.

Once again, I want to take the opportunity to thank all of Yukon's EMS teams, both the staff and the volunteers, for their commitment and their dedication to keeping Yukoners and visitors in the territory here safe. Whether full-time or volunteer, our paramedics, medevac crews, critical care nurses, emergency coordination staff and emergency medical responders have very difficult jobs, but they provide a vital service here in the territory and are always ready to provide skilled and compassionate care to us and to our families in times of need. Thank you for your service to the Yukon and to all of us here in this Assembly.

Ms. White: I rise on behalf of the NDP caucus to add our voices to the chorus of thanks to the men and women of Yukon's paramedic services. It won't come as a surprise to anyone that this year's theme is "Always in service", and for that, our communities are truly grateful. I am kind of halfway expecting the radios to go off, so I will be quick.

We want to thank the families of the women and the men who have dedicated themselves to the paramedic profession because we know that you also make many sacrifices to support those you love who do the work that they do, so we thank your families.

Paramedics are a special bunch, and as anyone who has ever needed emergency medical attention can attest — and I was thinking about my paramedic friends and all of the qualities that they share, and then my list got really long. I thought, okay, I will turn to Joseph out of Kansas — and if I had to guess, based on his poetry, he himself works in the field of paramedicine. It is important to say that I am not a religious person, but this still resonates nonetheless. It is called "When God Made Paramedics".

When God made paramedics, He was into his sixth day of overtime. An angel appeared and said, "You're doing a lot of fiddling around on this one."

God said, "Have you read the specs on this order? A Paramedic has to be able to carry an injured person up a wet, grassy hill in the dark, dodge stray bullets to reach a dying child unarmed, enter homes the health inspector wouldn't touch, and not wrinkle his uniform. He has to be able to lift three times his own weight, crawl into wrecked cars with barely enough room to move and console a grieving mother as he is doing CPR on a baby he knows will never breathe again. He has to be in top mental condition at all times, running on no sleep, black coffee and half-eaten meals, and he has to have six pairs of hands."

The angel shook her head slowly and said, "Six pairs of hands... no way."

"It's not the hands that are causing me problems," God replied. "It's the three pairs of eyes a medic has to have."

"That's on the standard model?" asked the angel.

God nodded. "One pair that sees open sores as he's drawing blood, always wondering if the patient is HIV positive." (When he already knows and wishes he'd taken that accounting job.)

"Another pair here in the side of his head for his partners' safety. And another pair of eyes here in front that can look reassuringly at a bleeding victim and say, 'You'll be all right ma'am', when he knows it isn't so."

"Lord," said the angel, touching his sleeve, "rest and work on this tomorrow."

"I can't," God replied. "I already have a model that can talk a 250-pound drunk out from behind a steering wheel without incident and feed a family of five on a private service paycheck."

The angel circled the model of the Paramedic very slowly. "Can it think?" she asked.

"You bet," God said. "It can tell you the symptoms of 100 illnesses; recite drug calculations in its sleep; intubate, defibrillate, medicate, and continue CPR nonstop over terrain that any doctor would fear... and still keep its sense of humor."

"This medic also has phenomenal personal control. He can deal with a multi-victim trauma, coax a frightened elderly person to unlock their door, comfort a murder victim's family, and then read in the daily paper how paramedics were unable to locate a house quickly enough, allowing the person to die. A house that had no street sign, no house numbers, no phone to call back."

Finally, the angel bent over and ran her finger across the cheek of the Paramedic.

"There's a leak," she pronounced. "I told You that You were trying to put too much into this model."

"That's not a leak," God replied, "It's a tear."

"What's the tear for?" asked the angel.

"It's for bottled-up emotions, for patients they've tried in vain to save, for commitment to that hope that they will make a difference in a person's chance to survive, for life."

"You're a genius," said the angel.

God looked somber. "I didn't put it there," He said.

Speaker: Are there any further tributes?

Introduction of visitors.

Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Ms. McPhee: I have for tabling a letter to the Leader of the Third Party regarding to the costs of the F.H. Collins high school demolition.

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

Are there any reports of committees?

Are there any petitions?

Are there any bills to be introduced?

Are there any notices of motions?

NOTICES OF MOTIONS

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

THAT this House urges the Government of Yukon to recognize the importance of community libraries by reviewing and updating its community library board operations policy in order to:

- (1) provide for consistency of its application of Yukon library policies across Yukon;
- (2) ensure a safe workplace for staff and patrons; and
- (3) provide equitable funding for staffing of librarian positions.

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: RCMP detachment upgrades

Mr. Hassard: Mr. Speaker, the Faro RCMP detachment was built in 1971 and is the oldest in the territory. Planning and design work has already been completed. Unfortunately, due to bids being higher than expected, the Liberal government in Ottawa refuses to allow Yukon to award the tender. The previous Yukon Party government knew this was important for Yukoners, so we wrote a letter to the government in Ottawa asking them to assist in this and pointing out that the additional federal share was only \$120,000 more. However, for whatever reason, Ottawa was unwilling to cover the additional costs and did not allow the project to go forward.

We have not seen money in the budget to replace the Faro RCMP detachment, so I'm wondering if the minister can tell us if it has been raised with the federal government and when it will be replaced.

Hon. Ms. McPhee: I appreciate the question from the Leader of the Official Opposition.

The department is committed to working with the RCMP and with Public Safety Canada to ensure that our policing infrastructure — both detachments and members' living quarters — is built and maintained to a high standard to provide for a safe and effective policing service delivery here in the territory.

What the member opposite has alluded to is a policing agreement that was signed in 2012 for 20 years with the RCMP for them to provide services, and a portion of that agreement involves the replacement or renovations of RCMP detachments on a scale of one every five years during the course of that agreement. The Faro detachment was slated to be the first one. It is still on the list. It was not done in the first five years of that agreement by the former government, and a reallocation of that list is occurring at the moment with the federal government to determine how funding should go forward with respect to that detachment and all others.

Mr. Hassard: On one of the government's many trips to Ottawa, we were certainly hoping that this issue would have been raised with the federal government. It was

unfortunate that, at the time, the federal Liberal government chose to stop the tendering of the Faro RCMP detachment. We have also seen our own Liberal government here in the territory very silent on this issue and not standing up for Yukoners by raising this issue with Ottawa. This was a priority of the previous government, and that is why we had been pressing Ottawa on the issue at the time.

Will the minister please provide us with a timeline for when we will see the replacement of the Faro RCMP detachment?

Hon. Ms. McPhee: Mr. Speaker, the Department of Justice is examining the current payment model for capital construction in Yukon's police service agreement to determine if there is a more effective means of planning and budgeting for the construction of RCMP detachments.

The Yukon has the dubious, I guess, reputation of having the only agreement like ours in all of Canada. All other RCMP detachments and all other jurisdictions with RCMP policing agreements similar to ours have a system that is different from ours. For whatever reason, the Yukon version was negotiated at the time in 2012, and it causes the detachments to be built on the one-per-five-year schedule, but it also requires a certain payment model for that to happen, which is what the member opposite is asking about because it leaves that in the hands of the Treasury Board with respect to when those projects can go forward.

We're in the process now of examining that current payment model and discussing with the RCMP and with Canada so that we could have a similar system to others here in Canada so that we would be able to stretch the payment of the costs —

Speaker: Order, please.

Mr. Hassard: There are other older RCMP detachments in the territory as well. For example, the Carcross detachment is quite old and in need of replacement soon.

In the Minister of Justice's mandate letter, there is no mention of the RCMP or replacement of RCMP detachments, so we have to wonder if this is an issue that the Liberal government is concerned about.

Can the minister tell us — is this government looking at replacing any other RCMP detachments, and what is their long-term plan as to which communities will receive RCMP detachments next?

Hon. Ms. McPhee: The answer to this question is that we are currently dealing with the funding model — how we're going to move forward on this. There is a contractual obligation to build at least or to renovate — deal with RCMP detachments and housing once every five years over the next 15 years. The first five years was a contractual obligation that was not met by the former government. It is a high priority; it is something we are currently working on with the federal government to determine how we can go forward to make sure that the concerns of the RCMP and those detachments in each community that require either renovation or replacement are dealt with.

Question re: RCMP auxiliary constable program

Mr. Cathers: In early 2016, RCMP brass made changes to the RCMP auxiliary constable program policy without consulting with the provinces and territories first. The sweeping policy change had the effect of basically shutting down the auxiliary program across the country, including here in the Yukon, by preventing auxiliaries from continuing to do most of the things they had been doing in the line of duty.

As Minister of Justice, I wrote to the RCMP Commissioner to formally request those policy changes be reconsidered and spoke to provincial counterparts who shared our concerns and made similar requests to Commissioner Paulson and Minister Goodale. Yukon Senator Dan Lang also worked on this issue on behalf of the Yukon and affected provinces. Since then, the RCMP has changed their policy to give provinces and territories the ability to choose from three tiers setting out the scope of the auxiliary program for their region. Fully implementing all three tiers would be welcomed by these dedicated volunteers and would help improve community safety including strengthening the checkstop program.

Why has the Minister of Justice been so slow in taking action on this file?

Hon. Ms. McPhee: The Department of Justice supports the position that the auxiliary police constable program remains a valuable contribution to territorial policing in helping to keep our communities safe. As the member opposite is likely aware, in late 2015 and into 2016, the RCMP undertook a national review of the auxiliary program and has since announced a three-tier model for the program going forward. It was only relatively recently re-announced.

Once all the program elements are defined and confirmed by the RCMP, the Justice department here in the territory will work with the RCMP to implement that plan.

Mr. Cathers: The auxiliary policing programs helped improve community safety here in the Yukon while it was operating. The dedicated volunteers proudly served their communities and have been an integral part of programs, including road-side checkstops targeting impaired drivers. In doing so, they have improved road safety by taking drunk drivers off the road and increased public awareness of the risks of drinking and driving. As minister, I supported our RCMP auxiliary constables and seeking the reinstatement of the program was a high priority. Our senator also worked hard on this issue and played a key role in getting the federal government and the RCMP to see the value of changing the policy.

The current minister has been very slow-acting on this important issue and has taken even longer than the federal minister to act on it. Will she agree now to do the right thing and move to implement all three tiers of the RCMP auxiliary program without further delay?

Hon. Ms. McPhee: It did sound a little bit like a tribute, but I see there is a question there at the end.

Auxiliary constables are members of the public who we all cherish. They volunteer time and they work with the RCMP to make our communities safer. Their purpose is to

participate in community policing services in support of public safety and crime prevention.

As I have indicated previously, all the program elements, once confirmed by the RCMP federally in the implementation of that program, will be implemented by the Department of Justice.

I should take issue with the fact that the member opposite indicates that we are slow-acting on this. This is one of the first files that I asked the Department of Justice about, and it is actively being worked on, even if that is not abundantly clear to this House until the question was asked.

Question re: Minimum wage

Ms. White: Last week, while trying to justify why he opposed a review of Yukon's minimum wage, the minister added insult to injury when he said that it has nothing to do with poverty. Mr. Speaker, I am pretty sure that if you asked people earning \$11.32 per hour — Yukon's minimum wage — if their wage has anything to do with poverty, you would hear a resounding "yes". Let me start by giving an opportunity to the minister to set the record straight.

Does the minister acknowledge that when a Yukoner working full-time at minimum wage brings home less than \$400 a week, it will more often than not result in poverty?

Hon. Mr. Streicker: Thanks to the member opposite for the question. Our government is committed to a diverse growing economy that provides good jobs for Yukoners. This government is committed to ensuring that there is a balanced approach for evaluating the minimum wage in the Yukon and that it takes into account the interests of both employers and their employees. The Employment Standards Board provides advice to me as the Minister responsible for employment standards and provides oversight of the minimum wage rate in the Yukon. Yukon's minimum wage rate has been linked to the consumer price index and the rate is adjusted every year on April 1. Ours is the fifth highest minimum wage in the country, which puts us above average. We have processes in place which help us to remain above average.

To the specific question that the member opposite posed — I think she was asking whether the minimum wage is a poverty wage, and I think what I said in the House in the broader expanse — and I will check to see — was that minimum wage depends on whether you are earning an entry-level wage or whether you are a low-income earner from one of our standard families. Yes, we are looking to address poverty and maybe in follow-up questions I can answer some of the questions from the member opposite.

Ms. White: It appears that the minister forgets that he is able to ask for a review of Yukon's minimum wage. When people with a full-time job live in poverty, the system is broken. How are we going to help other people living in poverty even if those with full-time jobs can't escape it? Raising the minimum wage is low-hanging fruit here, yet the minister continues to refuse to act. We can only ask why, Mr. Speaker.

Earlier today, Ontario announced that they will increase their minimum wage from \$11.40 an hour to \$15 over the next

18 months. Let me read a quote, Mr. Speaker: “The biggest issue that we’re dealing with is people who can’t make ends meet. It’s just not enough... They can’t do it on \$11.40 an hour.” That was the Liberal Premier of Ontario. The question is simple: Does the minister believe Yukoners can make ends meet on \$11.32 an hour?

Hon. Mr. Streicker: Poverty is an important concern to our government. Adjusting the minimum wage is one of the tools available. We appreciate that it was part of the NDP platform to try to address poverty through raising the minimum wage. When we ran, our platform was also to address poverty, but it was using other methods. We are looking at the tools available to improve the standard of living and economic outcomes in our communities, including affordable housing options, the cost of childcare and working with municipalities on public transportation. It is important because minimum wage is one part of a much larger picture when it comes to addressing the needs of those who earn the lowest incomes.

Our Liberal government recognizes that the long-term well-being and quality of life of all Yukoners is integral to our success as a society. We believe in taking care of each other and giving a voice to everyone, especially our most vulnerable. That is why we are investing in people in affordable housing, in alternative methods of care, in people’s mental health and in active living to create the conditions for Yukoners to thrive.

Ms. White: Mr. Speaker, the minister keeps saying that increasing the minimum wage isn’t the only way to fight poverty and we agree. There are many ways to fight poverty and the government should use all the tools that they have to fight poverty, but increasing the minimum wage is one of them and that is what we’re asking for.

There is one of two things happening here and I asked a simple question. I asked if you believe that Yukoners can make ends meet on \$11.32 per hour. I’m not sure what his answer is supposed to mean, but it’s one of two things. Either he knows that you can’t make ends meet on \$11.32 an hour — and if that’s the case, then his inaction is truly shameful because he has the power to make a difference in the lives of hundreds of working poor and he continues to choose not to.

The other possibility is that he really doesn’t know if it’s possible to make ends meet on what a poverty wage is in Yukon and that is \$11.32 an hour. If that’s the case, the minister is terribly disconnected from the reality of many Yukoners.

Why won’t the minister just do the right thing and admit that \$11.32 is too low —

Speaker: Order, please.

Hon. Mr. Streicker: I will do my best to answer the member opposite’s question. So \$11.32 for a family with children is not a living wage, and we acknowledge that and we are working to redress that through other means. I appreciate that this was the NDP’s platform. It was not our platform and if we’re talking about Ontario —

Some Hon. Member: (Inaudible)

Hon. Mr. Streicker: — and I thank the member opposite for chiming in.

The situation in Ontario is different from the situation here. Ontario is forecast to lead the country in economic growth this year, which is a preferable time to introduce a large-scale increase in the minimum wage and it is again, an election platform, it appears.

The Yukon’s economy, as we all know, after years of decline, has now begun to turn the corner. Our new Liberal government is focused on growing Yukon’s economy in a way that balances economic diversification with environmental stewardship and that benefits all Yukoners. We will continue to work collaboratively with municipalities, First Nations and the private sector to strengthen our economy and to build a stronger Yukon. I don’t believe this is inaction. I just don’t believe it is the action that the NDP is looking for.

Question re: Destruction Bay Marina

Mr. Istchenko: Mr. Speaker, this January, I wrote to the Minister of Highways and Public Works and the Minister of Community Services about the Destruction Bay Marina. As the ministers are aware, the Kluane Lake Athletic Association runs the marina, but Highways and Public Works holds the water licence. This is a very busy lake with only two boat launches — one in Destruction Bay and the other at Sheep Mountain. Of course the Sheep Mountain launch currently poses a number of risks to those needing access to the lake as the large rocks around it are dangerous and could damage equipment.

A lack of appropriate lake access is not only a convenience issue — it impacts the businesses and recreation, and of course it is a safety issue. Due to the low water levels, the Destruction Bay Marina requires dredging. This was scheduled for last winter, but did not proceed. Will the government commit to finishing the dredging and upgrades to the Destruction Bay Marina this year?

Hon. Mr. Mostyn: I thank the member opposite for the question. This is an issue that has come up in a lot of discussions in this House over the last couple of weeks since we started sitting. It is something that touches on climate change, it touches on carbon taxes, and it touches on the very essence of our society here in the territory. I have corresponded with the member opposite about this issue.

The problem is that we, as of today, do not know the extent to which the lake is going to drain. We could do work right now and find out that we have to do more. This is an evolving issue. It is a new issue. It is like the river up in Dawson not freezing. It is like our roads falling apart in north Yukon because of permafrost and our schools sinking into the permafrost. This is another one of these issues.

The members opposite don’t seem to acknowledge the existence of climate change. They don’t want to do anything with carbon pricing. But we on this side do see the issues, we do see the interconnectedness and we are working to address and deal with all of these problems in a holistic and one-government fashion.

Mr. Istchenko: I will disagree with that. It is a maintenance issue, just like plowing our roads is a maintenance issue.

As the minister notes, the Yukon government recently developed lots at Dutch Harbour. These lots are only accessible by water, and if an emergency happens, it is possible that rescuers would have to drive all the way to Sheep Mountain to put their boat in the water to get help to Dutch Harbour.

The ambulance station in Destruction Bay is nearly 45 minutes away from Sheep Mountain. I believe the minister actually has a letter from the local RCMP on how important this issue is. From a safety and response perspective, it would seem more responsible to have the Destruction Bay Marina effective and usable.

The government has had since November to get working on this file so why haven't they made it a priority to get the upgrades done?

Hon. Mr. Mostyn: I beg to differ. I have corresponded with the member opposite and told him what actions the department is taking this year.

I understand the frustration. Climate change is something that is going to affect all of us. It is going to make our lives a little bit more inconvenient and it is going to make running this society a lot more expensive, but, at the moment, we do not have the full implications of this change that is happening up in the member opposite's jurisdiction. We are aware of the issues and the impacts this is having on the local businesses and on the local safety and the rest of it. We are struggling to deal with it, but this is a relatively new issue.

The department is taking steps and working with the community to address some of these concerns, but it is going to be expensive and it is going to take time to find out exactly what the implications on the lake and the boat launch are. Over time, we will have a much better idea about this. Until that time, we will take the actions we have been taking.

Mr. Istchenko: Many business operators, First Nations, locals and tourists rely very heavily on the lake access. I believe the minister has letters on file about how important it is to them. This morning at Tim Hortons, two people I don't even know asked me if they can put their boat in. I said, "Was it moored? Was it dredged out?" He said, "It isn't yet. I'm still working on it."

So, in addition to the Kluane Lake Athletic Association running it, they host a very popular annual fishing derby. Last year, there were over 100 participants in this fishing derby — a good economic driver for the north Alaska Highway. Not having the marina dredged will potentially put the derby in jeopardy as participants are potentially putting their boats in danger of being damaged due to the current state of the marina. By delaying work on this marina, the government is potentially putting at risk one of Yukon's most popular outdoor events.

Instead of coming up with excuses, will the minister at least commit to a timeline to have this work completed?

Hon. Mr. Mostyn: It is tragic. The effects of climate change on this territory are far and wide. The implications on

our businesses, on our recreational activities, on the way we live in this territory are changing, and they are changing rapidly. That's one of the reasons why this government has decided to move ahead to support the federal government's carbon pricing mechanism.

As to the member opposite's question as it pertains to this lake, the lake levels are adjusting. They are changing; they are changing dramatically. They have been changing dramatically over time, and we're watching that. As the lake level settles, we will take action, but we are not there yet. Until it does, we will have to wait and see how this lake settles out.

Question re: Financial Advisory Panel

Ms. McLeod: For several weeks now, we have been asking the Premier to provide us with the terms of reference of his Financial Advisory Panel.

On May 1, the Premier told the House he would share the terms of reference. On May 2, once again, he said — and I quote: "Terms of reference — sure. You want terms of reference? We'll give you the terms of reference."

On May 4, he said they would be released very shortly. On May 11, he said they would be released in May. On May 23, the Premier said — and I quote: "Yes, there are terms of reference," and went on further to promise those terms of reference right after Question Period. The Premier has taken at least six different positions on this issue.

Can the Premier tell us which of his many positions is accurate? Are there terms of reference or not? When were they written and when will they be released?

Hon. Mr. Silver: I believe we have been very clear with the terms of reference. The terms of reference are out. They have been in a draft state and that is what we're waiting for. We finally had our meeting — a teleconference meeting — getting everybody in the room just yesterday as far as all the members of the Financial Advisory Panel.

It was a fantastic conversation and it was great to have everybody in one room with telecommunications. That was the meeting that we were waiting for as far as getting the terms of reference out to the public. That meeting was held as of yesterday — last night — and so basically we are now going to have it finalized for next week. At that point we will be making it public.

I do appreciate the patience of the members opposite as far as getting this out the door, but again, we were not going to put something out until we had sat down with the members of the Financial Advisory Panel to make sure if they had anything to add — any comments to add. We have now finalized that process and so the terms of reference will be available very soon.

Ms. McLeod: The Premier said that his Financial Advisory Panel will be consulting with Yukoners for only a very short period this summer. Fortunately, or unfortunately, a lot of Yukoners are either working or travelling during this period of time, so it will be difficult for Yukoners to attend or participate in this consultation.

Will the Premier give us a list of who his panel will be consulting with? Which communities will the panel be

visiting? What dates will they be there? Will they hold public meetings in each community and will these meetings be publicly advertised in advance?

Hon. Mr. Silver: Again, the panel itself is going to engage, as the member opposite knows clearly well, on the fiscal matters and the challenges that are facing Yukoners and also to talk about the fiscal and economic tools that are available. They are going to provide all Yukoners with the opportunity to comment on and to make recommendations about potential government financial, economic and spending options.

The public engagement is anticipated to start once the spring legislative sitting concludes in June, will break during July and August and will re-start in September. The work of the panel will not replace any future direct budget discussions between the Government of Yukon and First Nation governments, but once again, it is an opportunity to do what I said.

If the member opposite has any particular concerns as far as how that process runs its course, please feel free to add it. We hear criticisms about the when and where, but we haven't heard from the Yukon Party what they want to do to help in contributing to make sure that their communities are going to be reached out to.

We had a fantastic conversation yesterday and basically we are not putting any reins on the Financial Advisory Panel as far as how it is going to interact with the communities. I'm up for suggestions from the Member for Watson Lake when it comes to her community or from the Yukon Party when it comes to how we're going to make sure that this committee does what it's supposed to do, which is to work with the communities.

Ms. McLeod: Regarding the Financial Advisory Panel — considering that it has already been launched and announced in this year's budget, but this budget has not been passed, we're left wondering how the panel is being funded. The Member for Copperbelt North put forward a motion several weeks ago asking the government to continue supporting the work of the panel. This implies that the panel is already working and spending taxpayers' money.

Can the Premier explain how the Financial Advisory Panel is accessing the funding from this year's budget before the budget has even received approval in the Legislature?

Hon. Mr. Silver: I will guarantee to the member opposite that nothing illegal is happening as far as the funding of the Financial Advisory Panel. To say that the work has already commenced or that cheques are out the door — what I will do is I will work with the department and get back to the member opposite to see if there is any legitimacy to that statement and to explain that process.

Once again, \$250,000 was allocated in this budget for the work of the panel. Yesterday was the first time that everybody was — quote/unquote: “in the same room together.” That work is going to start in earnest once this legislative session has ended.

If the member opposite can put those two things together, there's probably a reason for that, which makes sense. We're

going to pass this budget, we're going to move forward into the Financial Advisory Panel.

If any dollar values are transferred to the members of the panel before that process, I will get back to the member opposite — unless she has some kind of information that I don't have as far as some cheques being passed out.

That being said, I'm looking forward to the Financial Advisory Panel doing the job that we've tasked them to do. Again, we're looking forward to any input from the Yukon Party as far as how that engagement will work for Yukoners in the communities that are served by the honourable members opposite.

Speaker: The time for Question Period has now elapsed.

INTRODUCTION OF VISITORS

Speaker: There has been a request of the Chair for two additional introductions of visitors.

Ms. Hanson: Mr. Speaker, I was remiss in — you were going so quickly after the beginning there.

I would invite Members of the Legislative Assembly to join me in welcoming a former Member of the Legislative Assembly, resident of Carcross, author and former social worker, Eleanor Millard.

Applause

Hon. Ms. McPhee: Mr. Speaker, I would ask the Members of the Legislative Assembly to join me in welcoming to the House today my friend and a dedicated member of our Yukon community, Lesley Cabbott.

Applause

Speaker: Are there any further introductions of visitors?

Ms. Hanson: I'm assuming the Member for beautiful Mount Lorne-Southern Lakes would have introduced my neighbour out at Crag Lake and an advocate of the Southern Lakes Artist Collective — SLAC — Lawrie Crawford.

Applause

Notice of government private members' business

Hon. Ms. McPhee: The government private members do not wish to identify government private members' business for Wednesday, May 31, 2017.

Instead, pursuant to Standing Order 14(2), the House will proceed to government-designated business — specifically, further Committee of the Whole consideration of Bill No. 201, entitled *First Appropriation Act, 2017-18*.

Speaker: We will now proceed to Orders of the Day.

ORDERS OF THE DAY

GOVERNMENT BILLS

Bill No. 3: *Budget Measures Implementation Act, 2017* — Second Reading

Clerk: Second reading, Bill No. 3, standing in the name of the Hon. Mr. Silver.

Hon. Mr. Silver: I move that Bill No. 3, entitled *Budget Measures Implementation Act, 2017*, be now read a second time.

Speaker: It has been moved by the Hon. Premier that Bill No. 3, entitled *Budget Measures Implementation Act, 2017*, be now read a second time.

Hon. Mr. Silver: I am pleased to introduce Bill No. 3, entitled *Budget Measures Implementation Act, 2017*. Bill No. 3 represents a major mandate fulfillment and a path toward good jobs and a sustainable environment. We believe that through lower taxes paid, employers will invest in marketing, training and innovation to create more good jobs for Yukoners and to make investment in Yukon more attractive.

I am extremely proud to table this significant accomplishment during the very first Sitting of the 34th Legislative Assembly of Yukon. Effective July 1, we will be lowering the small-business corporate tax rate by one-third, from a rate of three percent to a rate of two percent. On this date, we will also lower the general corporate tax rate from a rate of 15 percent to a rate of 12 percent.

The tax systems have many attributes to which they can be evaluated. Two of these attributes are certainty and competitiveness. The corporate tax rates have done well on the principle of certainty. For many years, the corporate tax rate in Yukon stayed fixed at 10 percent. However, in 1993, the rate was increased by 50 percent in one bill, adjusting it to the current tax rate of 15 percent, where it has remained ever since. In providing certainty, previous governments have lost sight of that competitiveness. The Yukon currently has the second-highest general corporate tax rate in Canada.

In defending the 50-percent increase in taxes in 1993, the honourable Mr. Ostashek said — and I quote: "... we are still the second lowest corporate tax regime in Canada. The only place lower than the Yukon is the Northwest Territories, which has a payroll tax." To be fair, at that time, the minister of the day was correct in that jurisdictions such as British Columbia had a general corporate tax rate of 16.5 percent. Saskatchewan's rate at that time was 17 percent. That was then and this is now. BC's corporate tax rate is 11 percent, and Saskatchewan is set at 12 percent. In other words, Yukon's general rate is 36-percent higher than British Columbia's and 25-percent higher than Saskatchewan's.

Financial responsibility can take many forms. In this government's opinion, allowing the corporate tax rate to become uncompetitive through inaction for more than two decades isn't fiscally responsible. If we want to attract and retain investment dollars in the territory, we have to have a competitive tax regime, one that takes into account the already

higher costs of operating in the north. Money is the most mobile type of asset, and it will easily go elsewhere if there are more attractive opportunities in other jurisdictions.

There is a plethora of evidence that indicates that both high and uncompetitive corporate tax rates lead to reduced economic well-being. Uncompetitive rates compared to neighbouring jurisdictions lead to capital flight and reduces the attractiveness of opportunities in investment. High corporate tax rates destroy the entrepreneurial spirit, leading to a reduced capital formation, resulting in a less productive economy. It is ultimately the level of productivity that determines the wages of the individuals in a society.

The Organisation of Economic Co-operation and Development, or the OECD, has indicated that of all the different forms of taxation, corporate taxes have the most adverse effect on GDP growth. The Calgary School of Public Policy has indicated that in open economies — trade-dependent economies — the burden of corporate taxes is ultimately borne, in a large degree, by workers through lower wages. A study of the *National Tax Journal* indicates that, in the Canadian experience, a one-percent drop in the tax rate leads to a 0.125 percentage point growth in the GDP.

What does this all mean for the Yukon? In Canada, combined federal, provincial and corporate tax revenues equate to about 3.1 percent of GDP, so there is some leverage in the calculations of the benefits of a corporate tax cut, as GDP is about 32 times larger than corporate tax revenues. A 0.125-percent increase in GDP rate per one percent of a corporate tax rate drop equates to about an additional \$5.7 million in GDP in Yukon, based on a two-point drop of the tax rate presented in this bill.

By 2018-19, the first complete fiscal year following implementation of the new tax rates, corporations will see a reduction in their tax bill of approximately \$3.2 million annually. Personal income tax revenue will increase by an estimated \$1.6 million annually due to the automatic reduction in the dividend tax credit that ensures that income from corporate dividends are taxed at the same rate as other types of income.

When a shareholder or an owner of a corporation receives a dividend from the corporation, they are entitled to a dividend tax credit for taxes already paid by the corporation. This is a feature of the tax system referred to as "integration". Now, integration is designed to avoid either double-taxation or under-taxation. Therefore, the net impact in the 2018-19 year of the changes to the *Income Tax Act* will be approximately \$1.6 million in savings for Yukon businesses and their shareholders.

The *Budget Measures Implementation Act, 2017* is revenue positive for the Yukon government because it also amends the *Tobacco Tax Act*.

April was the Canadian Cancer Society's Daffodil Month, their annual fundraising campaign effort to fight against cancer. It was our pleasure to participate in this effort by tabling changes to the *Tobacco Tax Act* on the last Sitting day of that month. Officials from the Canadian Cancer Society

have stated that this budget will save lives. To me, that is the ultimate endorsement of our budget.

Similar to the corporate tax rate, the tobacco tax rates have drifted out of sync with rates in neighbouring jurisdictions with the passage of time. The difference in this case is that the rates elsewhere have surpassed the rates in Yukon as our rates have been fixed for almost a decade. The last change to the *Tobacco Tax Act*, along with smoking cessation initiatives in the Department of Health and Social Services, have had a positive impact on the incidence of smoking in the Yukon.

In 2008, 30.4 percent of Yukoners over the age of 12 smoked. That was 8.6 percentage points above the national average. By 2014, according to the Bureau of Statistics, 26.2 percent of Yukoners smoked. While encouraging, this smoking rate is still 8.1 percentage points higher than the national average. Unfortunately, the most recent numbers in the 2014 survey reflect an increase from the 2013 survey. The tobacco tax rate clearly has an effect on the rate of smoking. The effect is more pronounced on youth who may become smokers than on adults who currently smoke. To allow inflation to effectively reduce the disincentive to smoke — or worse, to begin smoking — well, that's not responsible.

Effective on July 1, the rate of tax on a cigarette or on a gram of loose tobacco will increase from 21 cents to 25 cents. It will increase further to 30 cents on April 1 in the following year, 2018. Beginning on January 1, 2019, the tobacco tax rate will increase, based on increases to the consumer price index, which should prevent future cases of falling behind on comparable tax rates.

By fiscal year 2018-19, the tobacco tax changes will result in an additional \$3.1 million in revenue to the Yukon government. The combined tax revenue impact on the *Income Tax Act* and the *Tobacco Tax Act* amendments in this bill will be increased revenue by approximately \$1.5 million on an annual basis.

In this fiscal year — not all of the impacts of Bill No. 3 will be realized in the fiscal year 2017-18. We will see revenue decline by \$500,000 in 2017-18 due to a decrease in corporate income tax revenue of \$2 million offset by an increase in personal income tax revenue of \$400,000 and an increase of tobacco revenue of \$1.1 million.

Finally, there are a few consequential amendments in Bill No. 3 that we'll be glad to discuss in Committee, but we just provided a highlight here in the second reading. Thank you very much, Mr. Speaker. I look forward to dialogue this afternoon.

Mr. Cathers: As Official Opposition Finance critic, I am pleased to rise in support of this bill. However, I should note for any Yukoners listening that, while this is a positive step, it is in fact not what the Liberal government promised in their election platform — to eliminate the small-business income tax rate to zero — so this is another on the already growing list of broken Liberal promises. The Premier referred to it as a significant accomplishment but, in our view,

breaking promises to Yukoners is not an accomplishment to be proud of.

Again, this is a positive step. We do support tax reductions. I should correct a few misstatements made by the Premier in his narrative when he suggested that taxes had not been cut previously. I would remind the Premier that the previous government, in fact, not only increased the threshold for small businesses to reduce the tax burden on smaller companies, but cut taxes — I believe it was 15 times, although it may have been 16 in total — through changes to the *Income Tax Act*, including the introduction of tax credits and tax reductions. I have been pleased to support every one of those tax reductions, and we do support the corporate tax reductions and the small-business income tax changes set out in this act, although we would have preferred it if the government had actually kept its word and done what they promised to get elected.

The Premier also made another misstatement. He said that these changes will result in savings for businesses and their shareholders when, in fact, as we heard from officials at the briefing, while this will see a reduction in corporate tax as a result of increased corporate revenues, the officials are actually predicting an increase in personal tax that is greater than the reduction in corporate revenues as a result of these changes. That is not, in fact, a saving for those shareholders if they are paying more money as a result of increased revenue from those areas and paying more in taxes.

But overall, the corporate tax reduction is a positive step. Of course, the fact that people will be paying higher personal taxes is also because they will be receiving more personal revenue from shares that they hold in corporations.

I would note as well in this area that we are pleased to see this step taken, but as this refers to some of the statements that the Premier has made around the Financial Advisory Panel, we're still waiting for the terms of reference on that as my colleague, the Member for Watson Lake, referenced in speaking to it. In fact, as we debate this *Budget Measures Implementation Act, 2017* — because of its close tie to the budget, we're very curious to see what exactly this government hopes to see out of a Financial Advisory Panel that it can't get from Yukon's dedicated public servants.

In fact, we believe that those who have the best understanding of the system are those who have dealt with budget pressures within departments, who understand the areas where there are typically cost increases within a fiscal year and the areas where there are typically decreases. While we do value the interest of people outside the government, we are in fact quite curious as to what detailed value they can actually provide. A cynic might wonder if this is a bit of smoke and mirrors as part of the Liberal government's attempt to portray themselves as having inherited a financial problem, which they are somehow magically going to solve.

Again, we believe that the red ink that we see in future budget years is a significant change from the fiscal year that is shown in the budget projections that we had expected — a \$17-million surplus — where we see \$216 million in red ink in the Premier's projections. We're not sure whether this is

due to overstatement in the budget that may or may not be deliberate, but we do feel that —

Some Hon. Member: (Inaudible)

Point of order

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

Hon. Ms. McPhee: Actually, Mr. Speaker, it's not that clever because this is a point of order that the member opposite called me on exactly last week — “may or may not be deliberate” is not sufficient language in which to hide his intonation and his intention that the Premier is somehow misleading this House and that's not appropriate.

Speaker: Member for Lake Laberge, on the point of order.

Mr. Cathers: In your ruling — I believe it was yesterday — you referenced a number of instances where it was, in fact, contextually acceptable to even say that the minister was deliberately misleading the House. I did not believe I had contravened your points of order so I believe this is simply a dispute between members.

Speaker's ruling

Speaker: I can review your comments and get back to the House, but my initial reaction is that it is akin to what the Government House Leader is referencing with respect to something that was said in previous days, which was that it appears the Member for Lake Laberge is trying to accomplish something stated in the hypothetical which he could not if it had been stated in the active voice. But I will review the transcript to confirm — Hansard, I suppose it's called in this House. Thank you.

Mr. Cathers: Thank you, Mr. Speaker. Just being a little more cautious in my wording here in recognition of your caution, I would note that it does appear to us that either there is a plan to significantly increase spending, or there has been an overprojection or overestimate in the overall numbers. Whatever the cause of that is, we will leave to people to draw their own conclusions.

Again, referencing the fact that comparing last year's budget to this year's budget, the numbers that we expected to be seeing a couple of years down the road showed a \$17-million annual surplus in a fiscal year that the current government is projecting and planning a \$216-million deficit. We are very concerned by the red ink that we see in those future plans.

We again, with regard to the role of the Financial Advisory Panel, do question what additional or new information can actually come out of that panel because those who are most intimately familiar with the budgets and the budgetary pressures — the operational pressures within Yukon government — are in fact managers and finance staff within individual departments and within the Department of Finance.

We are questioning what value will come from the Premier outsourcing the job of the Minister of Finance to an

outside advisory panel. We are looking for clarification about what those terms of reference are. Considering this was such a high-profile announcement in the budget tabled this year, according to the Premier's responses earlier today, it seems that they still haven't actually finalized what the terms of reference are for this panel or just recently did so. It seems passing strange to set a committee to work, to name the members of the committee and then to figure out just what exactly you might have them do.

Moving to another concern with regard to the panel is that, if indeed there is something that government thinks can come out of it, it is passing strange to set public consultation at a time of year that is inconvenient for most Yukon citizens because the summer is well known to be probably about the worst time to conduct public consultations, with the exception, of course, of choosing to consult on legislation for 11 days during March break.

With that, Mr. Speaker, I will wrap up my comments, again noting that while this is a small, positive step forward and we do support the reduction in the corporate tax rate and the small-business income tax rate, we are disappointed that the government has chosen to break their promise to Yukoners on eliminating the small-business income tax and turning that rate into zero. It is yet another in that growing stack of broken Liberal promises that apparently don't apply, now that they have actually been elected.

Ms. Hanson: I am pleased to rise today to speak to the *Budget Measures Implementation Act, 2017*. As the minister outlined at the outset, this bill contains three measures, two of which are similar in nature and the third of which is not.

There are issues, I would suggest, Mr. Speaker, with this precedence of bundling implementation acts. I'll outline some of the concerns we have with the particular bundling choice made by this government.

We do agree — and at the outset, I would like to make the statement that it is strange that these tax measures have been taken in advance of the work that is anticipated to be completed by the Financial Advisory Panel. We have heard an awful lot from this government about the assertions that decisions taken by this government are evidence-based. I have heard a number of assertions from across the floor that are ideologically based as opposed to evidence-based. The minister has said that he believes that these cuts will result in greater investment in jobs by corporations. This defies the history in Canada and elsewhere, which has shown that, in general, tax cuts have not stimulated the economy and that is to our collective detriment. In fact, the continuing cutting of taxes weakens the ability of government, including the Government of Yukon, to finance their priorities.

I was visiting with some relatives recently, and a young nephew of mine who is in his 30s — a teacher — walked into the room, and he was wearing a T-shirt. Oftentimes these T-shirts say kind of weird things, and his surprised me. It said, “I actually like paying taxes.” I looked at him and I said, “Gee, why are you wearing that T-Shirt?” He said, “Well, I am a teacher in a public education system, and I am really tired of

people saying that we don't get anything for our tax dollars." He said, "I think I am putting in value for the money you are paying me out of the tax dollars that you are paying." He understands, at a relatively young age, that there is a link between the services we take for granted as Canadians in our public health system, our public education system, our roads and our environmental standards.

It is strange that the decision is being taken here. It defies the evidence and certainly defies the experience at the federal level when we saw successive federal governments make corporate tax cuts with the view that this was going to result in significant investments in job creation in Canada. We have heard successive federal Tory and Liberal ministers of finance — and also governors of the Bank of Canada — decry the fact that these repeated attempts to encourage corporate investments by making tax cuts have not resulted in the job creation that they anticipated. Having \$700 billion sitting out there is not a wise investment.

The Premier said that he wanted to bring our corporate tax levels to the same level as other provinces, yet he doesn't seem to think this should apply to the minimum wage. These kinds of measures on the corporate tax side reduce our own-source revenue. What if the Financial Advisory Panel determines that the Yukon government should become more independent from Ottawa by having a greater proportion of its own-source revenue? It would be interesting to know how the government will be dealing with these things.

We would support the bill if it was only about the small-business tax-rate reduction and the tobacco rate increase. It is true — and it's unfortunate, from our perspective — that the Yukon Liberals are emulating their federal counterparts by bundling public health, a progressive matter, in with the corporate tax cuts. Introduced separately, we would support this measure. Introduced separately, we would support the small-business tax-rate reduction. It's a smaller impact financially for the government. It only applies to the first \$500,000 in profit. Many family businesses would benefit from this, so we think this is a good step.

The reason we will oppose the bill, though, is the 20-percent corporate tax cut on profits over \$500,000. Many people don't realize that the corporate tax rate applies only on profit, not revenue. It means that businesses that are struggling to make ends meet or to make a profit will not benefit from this cut. Only businesses that make more than \$500,000 in profit will see their taxes go down. What is the benefit to the ordinary small-business person? This tax cut is essentially a \$2.5-million giveaway to corporations that already make a profit larger than a half-million dollars.

As I said earlier, this is prior to evidence from the expert panel that the Yukon government has said many times it will base all of its decisions on. They are making a choice with respect to corporate tax cuts as opposed to using their taxation toolbox to address the inequity of having all Yukoners, including pensioners, working poor and lower-income people who earn up to \$44,000 annually, pay a tax rate of 6.4 percent on that taxable income. It's one of the highest in Canada, Mr. Speaker.

Government does have a role in helping Yukoners — in particular, the working poor and low-income Yukoners, pensioners and their families — make ends meet and to help improve their standard of living. There are other ways of using our tax system that are more equitable. This government has chosen, without waiting for the evidence, without exploring the evidence through its expert advisory panel, and without listening, as they said they would during the election campaign. They didn't wait to hear from Yukoners; they made this decision.

At a time where government forecasts major deficits for the foreseeable future, we don't believe that \$2.5 million to the most profitable corporations is the right priority. As I said, it's especially so when we have not yet heard from the Premier's Financial Advisory Panel, and when many Yukoners are still earning poverty wages with Yukon's minimum wage at \$11.32.

We do support the decrease in a small-business tax from three to two percent. We do support the increase in tobacco tax. But overall, we don't think that this bill shows the right priorities by this government.

Hon. Mr. Pillai: Mr. Speaker, I am pleased to speak today to Bill No. 3, the *Budget Measures Implementation Act, 2017*.

Our government values Yukon businesses and understands that they are the lifeblood of a healthy, thriving economy that is able to provide good jobs for Yukoners. As the Premier stated, effective July 1, we will lower the small-business corporate tax rate by one-third, from a rate of three percent to a rate of two percent.

I want to commend my colleagues and I want to commend the Premier on their leadership on this piece. We have heard over and over again about the fact that we were looking to eliminate this piece. When you're in a situation in business or when you're in a leadership position, part of what you do is you assess what's in front of you. Certainly I think everybody in the Legislative Assembly, except for maybe a few, have an understanding of numbers that were presented to all Yukoners tabled in budgets and identified what the health was of this government.

Certainly there were other pressures and challenges that were not identified, so good leadership is about taking into consideration those elements and then deciding if you want to barrel forward or that you pivot and make the right decisions — the strategic decisions.

I'll share some things with you, Mr. Speaker. I'm sure glad that this is coming forward today because the business community is certainly speaking out to us about some of this great work. That's the kind of leadership that we need here. In the scenario that we're in, we could have gone to eliminate the other two percent, but that wasn't the tough decision. The tough decision was to look at what was handed to us. From my business experience, whether it's running entrepreneurial operations or larger businesses, you know that's what you have to do sometimes — you make the tough decisions, so I appreciate that.

We will also lower the general corporate tax from a rate of 15 percent to a rate of 12 percent on the same date. My mandate letter tasks me as Minister of Economic Development to work to encourage economic growth in Yukon by attracting new investment to Yukon businesses and enhancing trade opportunities for manufacturing and product development. It's always a challenge when you come into a job like that and, based on GDP, you have the worst economy in the country.

I appreciate that we are going to see some, I'm sure, great ideas from this advisory committee based on the CVs and experience of the individuals. To set the record straight, I believe as a Cabinet and as a caucus we have been informed that this is something that the Finance department wants to see. I think it's something that I'm looking forward to. These individuals have helped in many areas — seeing that happen and coming up with some good elements. But when you have the worst economy in the country, you have to do some other things and you have to do them quickly. That's what the business community wants to see.

With that in mind, I'm glad that we are implementing this. I know the Third Party had mentioned essentially, "Why don't we wait to put all these measures in?" It is because we need some measures now. With that being said, these competitive tax rates will help us to accomplish these very crucial objectives.

Yukon currently has the second highest general corporate tax rate in Canada and it is our business and businesses in our economy that will pay if we don't address our territory's ability to be competitive in both national and international markets. Our government is committed to evidence-based decision-making. The evidence for the benefits of lowering tax rates for Yukon employers is clear.

A recent special report by the Tax Foundation reviewed academic studies on tax and economic growth and concluded that, more and more, the consensus among experts is that taxes on corporate income are harmful to economic growth — the reason being that the economic growth ultimately comes from production, innovation and risk-taking. High tax rates prohibit these very things. When corporate tax rates are high, businesses invest less. This lack of investment leads to fewer productive workers hired and lower wages.

A research paper from the University of Calgary's School of Public Policy outlines how corporate tax rates directly affect wages, with higher corporate taxes having the direct result of lower wages.

When it comes to our mining sector, the feedback to reduce corporate tax rates has been overwhelmingly positive. I heard the member opposite say that this is just a small action. Well, tell the owners of Eagle Gold or Wellgreen that this is a small action. We have had documentation sent to us — some of these projects that are in incubation stage, moving toward financing. The result of this — I will give you a quick one: We have heard from Victoria Gold that the new rates will have a direct, positive impact on the Eagle Gold project feasibility study, reducing their total taxes payable over the life of the project by \$25 million and increasing the net

present value by \$19 million, enhancing the feasibility of this project. So we're seeing a project that is eagerly searching for financing. At this point now, the whole presentation — the prospectus; their offer to their investors — has completely changed. Wellgreen is another one. These are things that — I know the member who spoke to this may have missed these strategies when he was in EMR, but we haven't.

Other mining companies, including Wellgreen Platinum, have reached out to our government — which, I appreciate that their CEO did — to express how a reduced corporate tax rate will create increased viability and sustainability for their companies and projects. This is how you create jobs. This is how you make our projects — when you have mobile investment that can go anywhere on the globe, this is how you get it here. Supporting our existing industries creates a wider, more stable base for short- and long-term economic success in the Yukon.

Another important key goal outlined in my mandate letter is to develop innovation and a knowledge economy. Here in the Yukon, we have an incredible opportunity to innovate and grow our knowledge economy, which encompasses our innovation, IT and science sectors. Lower tax rates for Yukon's small businesses and corporations allow for increased investment in innovation and encourage entrepreneurs to test new products and services in this market.

The net impact, 2018-19, for the changes to the *Income Tax Act* will be approximately \$1.6 million in savings for Yukon businesses. I know that when I've walked through my riding and spoken to business owners — there is one who has just opened a new business, which is home-based catering, working out of Porter Creek South and throughout the Yukon. Their neighbours just next door are also in the service sector business. This is good news for them. They are happy to see this. They are also happy to see the leadership by this government.

So freeing up capital to be re-invested into our local businesses, spurring increased jobs, higher wages and increased innovation — remember these are the strategies we need right now because when we walked in the door we were in the bottom place. None of us want to see that. We're going to change that.

Mr. Speaker, our government is working hard to create the conditions for a thriving, growing and innovative economy in Canada and in the Yukon because healthy local businesses and good jobs benefit all of us. All Yukoners benefit when our local employers are supported to hire workers, to pay fair wages, to innovate and to attract Outside investment into our jurisdiction.

Speaker: If the member now speaks, he will close debate.

Does any other member wish to be heard?

Hon. Mr. Silver: I appreciate some of the comments that I heard here today. I didn't hear a lot of criticism from the Yukon Party on the actual bill we put forward today. It took a long time to get there and I believe I heard the support, but I

do want to clear the record from some of the comments from the Member for Lake Laberge before I get into some of the comments from the Leader of the Third Party.

I think the member opposite is looking too hard for a wedge to climb into, as opposed to actually hearing what I said. This is what I said about the corporate tax rate — the corporate tax rate. So again, the comments from the member opposite — he might want to take a look at Hansard again for my original statement. I'll tell you what — he's a busy man, Mr. Speaker, so I will just restate again exactly what I said. This is in reference to — I will just read it — quote: "For many years, the corporate tax rate in Yukon stayed fixed at 10 percent." That's a fact, Mr. Speaker. I also said: "... in 1993, the tax was increased by 50 percent in one bill, adjusting it to the current tax rate of 15 percent, where it has remained ever since."

Again, Mr. Speaker, that is what I said. In the Legislative Assembly before, I have made comments and gave the credit to the opposition — to the Yukon Party — about reducing the small-business rate from four to where it sits at three. Nowhere in the second reading was there any mention of that, yet the member opposite again felt it was poignant at that time to stand up and to — well I'm not really sure what his objective was, but I did not say what he said I said in my opening statements. So I wanted to clear the record there.

I also wanted to go back and say exactly what I said again as far as the income tax applications. This is exactly what I said: "Personal income tax revenue will increase by an estimated \$1.6 million annually due to the automatic reduction in the dividend tax credit that ensures that income from corporate dividends are taxed at the same rate as in other types of income. When a shareholder or an owner of a corporation receives a dividend from the corporation, they are entitled to a dividend tax credit for taxes already paid by the corporation." This feature is called "integration".

Again, similar — probably identical — to what the briefing from the department said to the member opposite because that is exactly where I'm getting my information as well — which is from the department.

To clear the record again, I am not really sure what the intent was of the member opposite in his response to the second reading speech, but again that is not what I said.

Also, the member opposite took some time today to — well, as opposed to talking about the merits of the specific tax rates that the bill speaks to, he spent a majority of his time talking about the Financial Advisory Panel and how, somehow, the Department of Finance must be feeling unappreciated because we somehow think that we need to go to this panel as opposed to getting information from the Department of Finance. I have said this before in the Legislative Assembly — this Financial Advisory Panel came from the Department of Finance looking at our mandate letter and saying this is what we should do, and we agreed on this side of the table as far as how we should move forward. We are not reinventing the wheel here. Other governments have done the exact same thing right across Canada with excellent results.

Now, what I would say instead back to the Member for Lake Laberge is: How about looking at it this way? The Department of Finance is relishing the opportunity to go down this road with the Financial Advisory Panel because, in my opinion, they have been underfunded by the previous government. They didn't have — and this is coming from the department itself — the complete set of tools necessary to do all of the functions that are needed in a modern society and a modern democratic government. I want to give credit where credit is due when it comes to the Financial Advisory Panel. It was a joint submission between Finance and this Liberal government.

The criticisms of the terms of reference — we are not going to give out the terms of reference until we talk to the Financial Advisory Panel about the content of those reference points. Until yesterday's conversation, they were draft only. That's what they were. They were a draft and they had to wait for the input of the Financial Advisory Panel to make sure there weren't any questions or concerns. I am happy to report at this time that there were no comments or concerns, so I cannot see the terms of reference being delayed that much further. Just because the Yukon Party feels that the sky is falling doesn't mean that we are going to hurry anything up. We are going to go through the regular processes to make sure that we get these things right.

We could go back and forth and debate whether or not the Yukon Party forecast properly for the pressures that are right in front of our faces in the coming years, but I really am only hearing it from the Yukon Party. I am not hearing it from anybody else as to the current financial situation that we were in when the Yukon Liberals came into power. We have heard numbers from the opposition like \$400,000 for renovations for upstairs. I think the number was actually \$36,000. We have heard also about the huge number for our transition and, again, they got it wrong. The tack that the Yukon Party is taking right now — I think, again, that over the test of time, people are going to be happy with the Financial Advisory Panel and they are going to be happy with the new direction of this government. I see the Member for Watson Lake wanting me to hurry up, but I really need to defend this government from — I don't even know what to call it — from the Member for Lake Laberge.

I will move on to the comments from the Leader of the Third Party. She spoke about how this is ideology at best. I will disagree with her. I will say that the NDP could be accused of some ideological debates when it comes to other options as we discussed in the last few weeks as well, but I'm going to leave that.

I will say this, though — the criticism of whether or not this is the right thing to do, taking these rates and putting them into an average and putting them into competitive places, I'm going to disagree with the member opposite as far as whether or not this is something that peer reviews are disagreeing on.

I will put it forth for debate that it is not, and I will direct the opposition's attention to the University of Calgary, the School of Public Policy research papers, volume 10, issue 6, April 2017 — and I will share a copy. The conclusion of this

report — and they are citing 20 different references. I will quote from this December 18, 2012 article: “This review of empirical studies of taxes and economic growth indicates that there are not a lot of dissenting opinions coming from peer-reviewed academic journals. More and more, the consensus among experts is that taxes on corporate and personal income are particularly harmful to economic growth, with consumption and property taxes less so. This is because economic growth ultimately comes from production, innovation, and risk-taking.” So we can debate back and forth the ideologies of the NDP compared to the ideologies of the Liberal Party, but I’m going to go on the peer-reviewed documentations when we make our decisions evidence-based.

That does bring us to the small corporate tax that the NDP is fine with, which is still a corporate tax. They’re fine with that one but not with the other corporate tax. They’re both corporate taxes.

I will say this — what we said in the campaign was taking it down to zero. The Member for Lake Laberge is saying that we’ve stopped on that commitment and — well, I’m not going to repeat his words. We haven’t. What we’ve done is we have taken an approach here with both of these corporate tax rates to make sure that we’re in a competitive zone. That’s what we did after lots of conversation — tons of conversation on this side of the House and with people in the economic community and with the departments.

What we have decided, based on peer-reviewed studies and based on the empirical evidence, is that we need to get both of those taxes into a competitive place compared to other jurisdictions — neighbouring jurisdictions, most importantly — and then what we’re going to do with the small-business tax moving forward is we’re going to put it out to the business community.

We’ve said this to the Member for Lake Laberge a few times in this Legislative Assembly — again, looking for some kind of wedge to crawl into as opposed to actually listening to what we’re saying and to have a debate on what we’re saying. That’s what we would like to see in the Legislative Assembly. We’re going to get that conversation out because we feel that the sole proprietors need some attention here as well.

We made the statement to the chamber at the chamber luncheon. If the business community decides that this is the direction that we should go in — changing the small-business tax as opposed to a sole proprietor consideration, then we will work at that time to make that happen. But again, we think that what we’ve done here is not necessarily the politically expedient thing to do. We wanted to make sure that we put ourselves in a unique situation so that we’re on par with other jurisdictions.

Mr. Speaker, I think that’s about all I need to say at this time. Again, I do look forward to more discussion on this as we get into the more specific areas in Committee of the Whole and I do appreciate the comments from the members opposite. Thank you very much for your indulgence.

Speaker: Are you prepared for the question?

Motion for second reading of Bill No. 3 agreed to

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

The matter before the Committee is continuing general debate on Vote 55, Department of Highways and Public Works, in Bill No. 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: Order, please. 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 general debate on Vote 55, Department of Highways and Public Works, in Bill No. 201, entitled *First Appropriation Act, 2017-18*.

Department of Highways and Public Works — continued

Ms. Hanson: I thank the officials for joining the minister across the way. When we left off yesterday, the minister had just reassured this House that the Pelly aerodrome is capable of handling medevac flights, although there was recognition that if there was snow — he called it a “snow event”. I will come back to that in a moment, because there is a difference between snow and a snow event. Having the assurance that Pelly Crossing has been addressed, I would ask the minister if he can confirm the arrangements that are made if there is a medevac required out of Ross River.

We have had a number of descriptions of the measures that are required to be taken. Those involved with arranging for medical evacuations need to locate where the Highways and Public Works grader equipment is and, if they happen to be on the highway, trying to arrange for them to come back to do the clearing of the runway. There is also an informal assessment tool used to determine if the depth of the snow is adequate for a plane to land there. It has to do with a line on a credit card.

We are looking for confirmation of: What arrangements are in place to guarantee safe medical evacuation by air for Ross River? That brings us to the questions that we have raised repeatedly over the last six years with the previous government and several times in this Legislative Assembly with respect to the condition of the road between Ross River and Faro.

When I went back and looked at previous years' questioning — and the minister will find that I will go back and refer because there is a continuity of action with respect to government operations. We will be going back and looking at what was said last year and what action or direction changed that may be as a result of this minister taking over this portfolio.

We have raised numerous times, Mr. Deputy Chair, serious concerns. I understand and I heard the Member for Pelly-Nisutlin saying he didn't think the road between Pelly and Ross River was that bad — a couple of curves were bad. But in fact, it is precarious driving, particularly in the winter, when it comes to driving at speed with an ambulance to take a patient for medevac in Faro, if there is no landing possible in Ross River.

Kilometres 362 to 414 have been — the 52 kilometres — in question for a number of years. We were told last year that the rationale for not doing any work on that stretch of the Robert Campbell Highway is the low volume of traffic — approximately 100 vehicles a day is the figure that was cited. That was the rationale and part of the justification for all of the work done on the Robert Campbell being at the front end.

In fact we had previously tabled in this Legislative Assembly copies of briefing notes that were done by the department for previous ministers, confirming that the only reason why the front end of it was done was to facilitate access to the Wolverine mine. Now, the question is: Has the minister asked the department to revisit this, seeing as how he and his fellow ministers have made a number of visits to Ross River — I presume they have driven, unlike the previous government, which flew. Maybe they found that runway unsafe too.

Has he given direction to move the priority up — the stretch of highway between Ross River and Faro, the 52.4 kilometres? When would we anticipate seeing that reflected? I don't see it, or at least we have heard that it wasn't featured in this year's budget priority. Perhaps the minister can correct me if I'm wrong on that, but I believe that he has said that it was not a priority for this year. I would be interested in knowing when it will be done and when it will be completed?

Hon. Mr. Mostyn: I want to start — the member opposite caught me. Snow event — it's ridiculous snow, of course. There is some jargon there. I don't like jargon any more than the member opposite so thank you for that helpful note. I will make amends. Snow or bad weather may impede access to that runway in Pelly, but you are right that I did mention at the end of the day yesterday that the gravel had been used to resurface the runway and was now not a mountain but a "nub" — I think that was the word that I used at the end of that discussion yesterday.

You asked a lot of questions in the last couple of minutes, but I will do my best to answer the questions as I heard them. If I miss anything, please follow up and I will do my best to answer them.

The Highways and Public Works staff working in the Ross River area are notified of the need of a medevac and will get back to the runway and take care of it in the event that it needs it as soon as is possible. The first priority in the area is the road, as you noted. You have driven the road and you say that it is treacherous, and our first priority is to make sure the road is passable. That is where the majority of traffic is and that is our first priority in the Ross River area.

We measure the depth of the snow with a device, but it is not a credit card. I am not sure where the member opposite heard that, but we do use a device. I am not sure of the name of the device, but it is an actual — maybe it is a yardstick. I have no idea. If you want that precision as to what sort of tool we use, I can get back to the member opposite with that, but it is not a credit card.

To the more important part — the road from Faro to Ross River. We were talking about the road from Watson Lake to up the way and how much money was being spent on that stretch of road and how little traffic was driving on it. It was the Wolverine mine, and there was a lot of work done to facilitate traffic on that road — a mine that is no longer active. It has closed, and the road to that closed mine is quite tremendous. It has been improved dramatically, and that last stretch of road was in motion and will be finished this year. I had long talks with my officials about that — about spending money on a road to a mine that is no longer operational.

That said, there are merits to that work. The Robert Campbell Highway is an alternate route to the Alaska Highway. When there are problems with the Alaska Highway, that is the road that is used. It is the first 100 kilometres that have safety concerns. The road is certainly not going to go to waste. There is lots of potential for mining activity up in that stretch. We have talked about some of that work yesterday.

More important to me is the road from Ross River to Faro at the moment. I have spoken to my officials about that stretch of road. Like the member opposite, I have heard how often dangerous or not up to grade that stretch of road is. The department is prioritizing the functional plan. It is in the beginnings of engineering on that road. There are several hundred-thousand dollars in the budget this year to start that engineering work. We will go from that to the next stages of engineering, environmental screening and eventual repairs. We are working on a functional plan to prioritize the stretches of road — I think it is about 48 or 53 kilometres — between those two points, and we will start prioritizing repairs and improvements to that road in the coming years, based on financial availability, of course. But it is an area of the road that does need some attention and we are starting to look at that.

Ms. Hanson: I thank the minister for his response. We will look forward to seeing some action on that section of road between Ross River and Faro next year and to seeing that reflected in next year's mains.

Still on aerodromes, can the minister advise the House whether or not he has looked at the Dawson Airport infrastructure needs study that was done, covering the period 2013 to 2023?

Hon. Mr. Mostyn: Yes, I have.

Ms. Hanson: That makes my next series of questions more constructive, I think, in terms of being able to engage with the minister.

Over the last number of years, and certainly during the election campaign, we heard a lot from a couple of parties — not this one — about the imperative of paving the Dawson City Airport and that it would be done point-blank.

Last year during budget debate, there was \$395,000 identified for a functional plan for the Dawson airport and the quote from Hansard was, on page 7700, that the minister would be looking “to initiate paving of the Dawson City runway in the 2017 construction season.” That would be about now.

As the minister will know from his review of the Dawson airport infrastructure needs study, that study is quite long. It does make numerous references to the fact that, over the years, there have been a number of issues identified with the current location of the Dawson City Airport, going back, I believe, to the mid-1980s and that Transport Canada has identified, among other things, the topography and the hills that surround the place as being an impediment, as well as the reference in that report to something called RESA. I just want to get the right phrase here, Mr. Chair, so I wouldn't want to be saying something that the minister or somebody else will then say is incorrect. It has to do with the runway and safety area standards.

At the time the study was being done, they indicated that in the next couple of years, they anticipated Transport Canada would have requirements for runway and safety areas that would come into force with the addition of a fifth addition of Transport Canada's aerodrome standards. In the 2015 budget debate, the minister of the day noted that the new 2015 Transport Canada regulations — the TP312 5th Edition acknowledged that if there's new construction at the airport, these new regulations would come into effect and that there are cost implications for a new, stricter approach path.

Can the minister inform this House as to what analysis his department has done and whether or not it is realistic to assume that spending more money or paving the Dawson City Airport — he can correct me if I'm wrong, but I think the last estimate that I saw was \$11 million — is good money after bad in terms of being able to actually have this designated aerodrome recognized by Transport Canada as anything other than what it is right now in terms of the restrictions that will be in play for that aerodrome?

Hon. Mr. Mostyn: The member opposite is correct. She has actually hit at the very root of the problem here. If we spend money paving the runway, however much it is — she used the figure of \$11 million. If we spend that money, are we going to get value out of it, or what else is going to be required? Also, how do we actually get around some of the concerns that the federal regulator has?

We have made progress with the federal regulator. The issues are not really about runway safety. The issues we have sort of — they recognize the unique circumstances in the north.

To the paving of the runway conundrum, I have stated publicly — and up in Dawson when I was at the gold show a couple of weeks ago, I had meetings with a number of Dawson City groups. The runway was one of the foremost topics.

What do you do? If you pave the runway, you start a cascade of events forcing us to bring new safety regulations into place and whatnot. This is really what we are looking at in working with Transport Canada right now. If we are to do this work — what changes? We are doing that work now. We have a functional plan that is 75 percent complete. There are concerns around the location, as the member opposite has noted, and about the size of the aircraft that can land. We are investing a little bit of money this year in further studies. We have been dealing with Transport Canada on a fairly regular basis to try to get these questions answered. Once we have that information, we will have a much better — we don't want to spend money and then find that we can't land the types of planes there that we want to land. Once we get that information, we will be able to proceed in a logical and methodical fashion.

Ms. Hanson: One of the things that was identified in that report was the fact that, in 2013, they were identifying that in a couple of years — a year and a half to two years, which did happen in 2015 — these new regulations would come into effect. They indicated that there was a hope — this was sort of a multi-party report — that the federal government, Transport Canada, would recognize the unique circumstances of the north and that they may be able to have an exemption. I have a question with respect to that. What progress, if any, has been made on exemptions? The minister is quite correct. It is not just the runway; it's the physical features — the topography, as I mentioned before. The second part is that the study of 2013 said — and I quote: “Once the new regulations are in force, it is recommended that YG-AB” — Aviation branch — “undertake a feasibility study to determine the physical and operational impacts of RESA” — the runway and safety areas — “implementation, as well as the overall timing and costs.” So now we are into the second full year of this new Transport Canada — what progress has the minister's department made with respect to the completion of a feasibility study to determine the physical and operational impacts of RESA implementation?

Hon. Mr. Mostyn: Currently the runway and safety areas may only apply to Whitehorse, not to Dawson, so Transport Canada has received feedback from all airports and we are awaiting their decision. It may or may not include a RESA for Whitehorse only, but not Dawson, so that won't apply to the Dawson City Airport.

I think, with that, I am going to sit down and let the member have another question. I hope I have answered that question, but I have lost my train of thought, so I'll let the member go.

Ms. Hanson: I'll see if I can help the minister come back to that train and get on track.

There is a "may" there. "May" is a big word in the context of the political and financial capital that is at play here with respect to making a decision. As I said at the outset, it is my understanding that the conversations about the Dawson City Airport go way back to the mid-1980s, and there have been concerns and issues raised by Transport Canada since then. So it's fairly important that the "may", with respect to the Dawson Airport, is cleared up before there are any decisions made.

As I said, there was a recommendation in 2013 that the Yukon government Aviation branch undertake a feasibility study. I asked what work has been done to look at the physical and operational impacts, and he said that the runway and safety areas may apply to the Whitehorse airport and not to Dawson. Before this Legislative Assembly has comfort in the notion that you're spending more territorial taxpayers' dollars on that area, it would be nice to know that it's not "maybe" but that it's confirmed. So something that has been going on for 30-some years in terms of getting Transport Canada's comfort about how this is being handled needs to be more firm than "maybe".

Hopefully the minister can provide that clarity for the record.

Hon. Mr. Mostyn: I think I have my focus. It is cleared up. As far as the Dawson City Airport is concerned, they are letting jet service in there now. We're getting a little bit deep into the reeds here, and I appreciate the member opposite's research. She has done a lot of work on the functional plan. I think the report she is referring to in 2014 is about 250 pages long. It was one of the documents I reviewed and read when I got this portfolio.

There is also a Dawson City Chamber of Commerce report that is another 150 pages long. Now there is a functional plan in the works. It is a similar size to the original document that the member opposite has referred to and it is about 75 percent done. I have read that report too. I am no expert on federal transport regulations, but I'm a lot more informed about those things than I was six months ago.

The bottom line, when it comes to Dawson City and the airport, is that we have a 5,000-foot-long strip that is gravel, and we have a transport company that wants to continue to fly tourists into the area that is running an aircraft that can land on gravel, but that aircraft has a limited lifespan and they're looking to fly new jet aircraft into Dawson City. At the moment, we don't know if paving that strip is going to change the conditions and actually allow the air carriers to fly jets into Dawson without exemptions — or what sort of exemptions are going to be required.

I think the member opposite is absolutely correct; we have to do the right thing. We have to get the right answers because I, as a public servant and as minister of the Crown responsible for the budget of Highways and Public Works, do not want to spend \$11 million, or whatever the sum is, paving a runway and then have it not do what we want it to do. We've seen that before on certain projects. I have seen it over

my time here in the territory, from the Watson Lake sawmill to — it goes back a long time — Taga Ku. We could go into Taga Ku. We could go into the Teslin jail. We could go back a long way. There have been all sorts of white elephants built in this territory, and I'm trying to avoid that.

I want the information nailed down before we make a commitment on the part of this government to take an action that commits us to a lot of money. We want to make sure that, when we do that, we actually have the anticipated outcome. We want to know what the outcome is before we spend that money. That's part of evidence-based decision-making. That sounds like a slogan, and it really isn't. It's actually sitting down and getting the information before making a decision and talking among ourselves as a caucus and a Cabinet to come to the right decision.

I think the spirit of the member opposite's question is to not waste money and to make sure you have the information before making a decision. I fully agree with the member opposite's approach and I will strive to do that.

Ms. Hanson: I thank the minister for his answer. I have a feeling that we will be coming back to this discussion in the future.

The previous government had made — the Minister of Highways and Public Works had announced with great fanfare, with fly-through videos and other things, an Alaska Highway corridor project that was going to be a 30-year project, with up to \$200 million and, in the first five years, they were going to spend \$50 million. We've heard discussion over the last couple of days about the work done around the Pioneer RV Park and Mount Sima last year — the focus — and now work around Golden Horn.

So my question has two parts. Is the government proceeding with the Yukon Party's plan for the Alaska Highway corridor, the fly-through videos plan that we saw?

Hon. Mr. Mostyn: Thank you, Mr. Chair. There are, of course, many answers to such a simple question. The easy answer and the simple answer is no, we're not. This government — my colleagues — got together and we looked at this and I think the Premier and I spoke about it and generally did not agree with running a superhighway through the middle of town. But these things are never quite so easy.

While the plan for a huge highway through town is not the vision of this government, the work that was done did identify a number of safety problems in the Whitehorse corridor. We've been speaking about this — we started yesterday and we've spoken about it in this House while we're going on. There are a number of intersections. The Member for Copperbelt North knows of the canyon and has brought it to my attention. We know about the work that is being done currently on the south intersection of the Alaska Highway and the south Klondike Highway. We know about the problem and dangers of other intersections within Whitehorse. The Member for Mountainview has approached me several times about problems with the intersection at Hillcrest in and around the Airline Inn. The Member for Takhini-Kopper King and I have had a conversation at a public meeting at Takhini Elementary about the dangers of Range Road and the

intersection there and how that causes problems, but the problems at Range Road and Two Mile Hill are also part and parcel of the intersection of Alaska Highway. They're tied in, they're connected — that whole traffic flow in that area around the Alaska Highway at Hamilton Boulevard.

There are a number of intersections and I could go on. There are, I think, 28 intersections between the south Klondike Highway and the north Klondike Highway. They have been assessed to a national standard. My colleagues here have done a lot of work assessing the safety of these intersections in this corridor — I hate to say “corridor” but that's what it is — between the south Klondike and the north Klondike Highway. There is work that needs to be done in that area.

While we do not support the vision of the previous government for this enormous \$300-million corridor, there is an awful lot of very good, very important and very necessary work that has to go on in that stretch of highway. As minister, I am starting to assess and do triage on those problematic areas of that stretch of road and we're going to address them. We're starting with the south Klondike right now and then we're going to go through. When we get into the City of Whitehorse, we will have to have more consultation. There are an awful lot of discussions we will have to have about speed limits.

We have had conversations about that, both within the department and within our caucus, about what a good speed limit is for that stretch of road. It is a highway. Do we want to foster development along that highway? Do we just want to have it a transportation corridor? There are a lot of questions that arise through these discussions.

I know that the Hillcrest Community Association has thoughts about the highway corridor. I know that the Valleyview Community Association does as well. I have spoken to some of these members at public meetings. We are going to have to have some talks. When we get into the City of Whitehorse, as I have been saying, those talks are going to get a lot more complicated and the engineering gets a little more involved. This government isn't afraid of that. We are going to have those discussions and we are going to start involving the community in those discussions. I have no doubt that the Member for Takhini-Kopper King, my colleagues here, and some of the members of the Official Opposition are going to have thoughts about this as well. We will start gathering information and proceed.

It seems like a simple question: Do we support the corridor or do we not support the corridor? It's never that easy, Mr. Chair. There are a lot of nuances to these things. There is a lot of work that needs to be done. I think that addresses your question.

Ms. Hanson: I thank the minister for his response. Having been involved in the Hillcrest Community Association for 15 or 16 years, I do understand very clearly what the concerns are from residents in Hillcrest and Valleyview with respect to accessing and safety, particularly around the perimeter area of the airport and accessing downtown in a safe way.

Notwithstanding the fact that it's clear that the government doesn't support the 30-year project for the \$200 million, last year there was a five-year \$50-million price tag attached to the work that was going to be done over the coming five years.

I asked the minister then, when I looked at the expenditure by highway for the Alaska Highway — the estimate this year is \$11.25 million — what portion of that will be spent on the corridor portion versus the rest of the Alaska Highway?

Hon. Mr. Mostyn: I am relieved that it is a fairly simple answer. We are spending \$5 million on the corridor and the remainder on the rest of the highway outside the corridor.

Ms. Hanson: I thank the minister for that. That is somewhat down from the forecast last year. That is also interesting.

In previous years, we have noted that there have been some concerns expressed by members of the community with respect to the Whitehorse airport and the accessibility with respect to the sidewalks going down and the ramps at the airport. Last year, we were told that government officials were going to continue to monitor the regulation standards and the feedback. Now the feedback we get is that the sidewalks in front of the airport, from the parking lot to the terminal, are cracking and heaving. We want to know what work is being done to address that. With respect to the accessibility of the airport ramps, anybody who has ever had to push somebody in a wheelchair can tell you that they are really impossible. Or if you happen to be somewhat mobility disabled, they are really impossible. What work is being done to address the accessibility issues at the airport?

Hon. Mr. Mostyn: I thank the members opposite for their patience while I researched the answer.

It was something that we have discussed — I discussed it in budget talks with my colleagues. All the ramps are within the design specs. Cracks are fixed as a measure of routine maintenance. Snow clearing has been an issue. It wasn't really budgeted.

We have to clear those things and there was some issue with staffing — auxiliaries on call weren't answering the call. We have actually addressed that by putting more resources to snow clearing at the airport to make sure that accessibility and maintenance all year-round is better.

Ms. Hanson: I think we'll have to come back to this area and it is one of the many issues that the territorial government needs to be thinking about with respect to our obligations under the *UN Convention on the Rights of Persons with Disabilities*. It is much more far-reaching than one can imagine.

Last year, Mr. Deputy Chair, we had raised some questions — this is the broad area of the minister's responsibilities with respect to contract procurement and that broad area of working with the local business community and contracting community as part of his mandate to make sure that local businesses are able to take advantage of, and benefit from, the territorial expenditures.

We asked about complaints to Highways and Public Works about the fair wage schedule or Outside contractors. The answer was in fact that, yes, we heard about it, but it's not really our problem, because people can complain to the labour board. If an employee is not getting paid right, then they can just lodge a complaint. Rather than the complaint-driven approach, which actually puts an onus often on those who are least capable of dealing with that, has the minister, in restructuring and developing the response to the Procurement Advisory Panel's recommendations — what is Public Works doing to make compliance with the fair wage schedule a condition of awarding contracts?

The second part of the question that I would ask the minister is: What role does the minister see himself playing in developing processes that would see putting effect — when we talk about disputes with people who are doing contracts on behalf of the government, or in contractual arrangements with the Government of Yukon — to avoid courts? What concrete steps are in place now with respect to mediation, and are there any arbitration provisions in place now or contemplated under the new system that the government will be putting into effect?

Hon. Mr. Mostyn: Fair wage is important. We saw news stories about this earlier in the fall. I spoke with my colleague, the Minister of Community Services, about this. What we have done is develop language and we are going to start to put a clause within our contracts insisting that contractors use the fair wage schedule. We are also putting a process in place that takes the onus off the actual employee. We will have a process in place to start to police this so that no contractor — no business — can actually pay less than the fair wage in the territory. This was something where there was a gap. It's a gap that this government has recognized. I think we are on the same side as the member opposite. We are closing that gap so that when people bid contracts they can't build a competitive advantage by not paying a fair wage. There is that and there is also the point of view that workers in the territory should be receiving the fair wage in this territory, so we are going to do that.

Mediation — nobody wants to go to court. It is something that is a last resort. It is expensive. There are lawyers involved. There is a lot of preparation. It takes up the court's time and it is expensive. We always try to negotiate and to mediate to come to some sort of resolution with any of our contractors when we are in disputes over contractors to resolve it before it gets to court, because it really doesn't make a lot of sense to spend all that effort and time — really human capital — going through the court system. This is something that my colleagues and I are trying to avoid — court cases — but sometimes you get pushed down a path and you end up going down that path. It's not the path that I want to go down or that my officials want to go down or my colleagues on this bench want to go down. Right up until the very moment we step into court, we are always trying to find a mediated solution or some sort of resolution to keep us out of the chambers. Are we going to change this as part of the

procurement system? We do already have processes in place to try to avoid legal battles and courtroom fights.

Ms. Hanson: The minister's comments sound soothing and reassuring. I guess what I will be looking for is: Where would I find those processes identified or outlined with respect to what mediation measures the government follows before it takes this action?

I guess I'm sort of reflecting back — he referred to news reports on issues of note recently. For example, with respect to the water feature in Whistle Bend, what mediation efforts were done there? Do we hire and engage a mediation professional to work with government and the other side — the contractor? Do we do it in-house? What form does this mediation take? Mediation is usually mutual, so both parties want to resolve it. Is there a mutual sharing of the costs for mediation? Ultimately, does the government subject itself to arbitration, or is mediation a step that we're prepared to stop at?

Hon. Mr. Mostyn: There's good news. I thank the member opposite for the question. We are currently in the process of piloting a dispute resolution system used by BC. That said, that's an improvement that we're looking at — trying to make the system more robust. As I've said, nobody wants to be in court. Well, I don't know about that — there are some people who do like to be in court. I'm not one of those people. I don't think a lot of contractors are.

That said, there are dispute resolution clauses in all of our construction contracts that go through mediation arbitration. For the most part, those work, but there can always be improvements. BC has a process, and we're going to take a look at that and see if we can incorporate some of that DNA into our processes up here to make that, as I said, a little bit more robust. So stay tuned. I think there is more work to be done on this matter, but we are making some progress.

Ms. Hanson: I appreciate the response from the minister, and we will look forward to the report on that pilot project on mediation, because I think the more publicly that is known, the more comfort it will give many people. That is partly because of the protracted — and I understand the minister has made a commitment that he's going to jump-start and move to implementing all recommendations of the Procurement Advisory Panel by next spring. That's great. But in order to make that real and effective for all, then all of the elements are going to have to be there in order to assuage the very real concerns that led to the establishment of that panel.

Over the last few years, we've asked a number of questions related to trades and trades training, and the unique position that the Yukon government plays with respect to being an employer that does, in fact, employ many tradespeople. We don't have many employers of scale that employ, or have potential to employ, apprentices and journeypersons across a range of trades.

We have been told anecdotally in community visits that there had been active discouragement for people who were journeypersons and apprentices — particularly apprentices seeking an apprentice position — and so the question becomes, if and until and unless we have more operating

mines and other trades opportunities, then it makes it quite difficult for people to develop these trades and live in the Yukon.

We are spending money that we advocated long and hard for on this side for expanded trades training at the college. The opportunities — it's important where the Yukon government has the opportunity to hire people in these kinds of positions to maintain them and to provide opportunities.

We asked this question last year: How many journeypersons does Highways and Public Works have within its department? We also noted that we understood that there were four apprentices. That was confirmed last year. I think that the minister should expect that I will be looking to evergreen this data. I will be looking to have from him and his officials an update of the number of journeypersons and apprentices who are employed by Highways and Public Works and where they are located, and the trades positions that they are occupying.

Hon. Mr. Mostyn: I am the father of a son who is in the trades and is in the midst of his apprenticeship so this is an issue that I can certainly relate to. Absolutely — I don't think there is any problem in updating the information the member is looking for — the number of apprentices and journeymen we have in Highways and Public Works. I don't have this information at my fingertips right now but I can certainly look at getting it for the member opposite.

Ms. Hanson: I appreciate the minister offering that.

I just have a couple of more questions and then I'm sure that we will move on. Some of these again — because of the nature of the business of Highways and Public Work, it is ongoing. There were 440 underground oil tanks that Highways and Public Works had carriage or management of. In 2015-16, they planned to replace 21 of those. Last year, they identified those 21 underground tanks as a priority to be replaced, and eight were done in the prior year. My question is: How many have been completed in 2016-17, and how many are projected to be replaced this year?

That relates to a second question, just because this has to do with contaminants or potential contaminants if not dealt with. We know from the Auditor General's report that it took quite a long time for Highways and Public Works to respond to identified sources of contamination.

One of the things I've noticed when I look at the Public Accounts is that, year over year, the increased incidents of contaminated sites and environmental liability — so it's a section of the Public Accounts which deals with Yukon government liabilities — to a large extent has to do with highway maintenance camps. I haven't got the Public Accounts in front of me, but I'm sure that his officials can tell him that there has been an increase over Public Accounts last year in the number of environmentally contaminated sites. I'm looking for the minister to confirm why. What is going on under Highways and Public Works' watch that they are seeing this increase in environmental cleanup costs, which are a debt and a liability on the government as well as not being very environmentally friendly?

Hon. Mr. Mostyn: Underground tanks — I'm aware of the problem with fuel tanks across the territory. I was aware that we had many that we were replacing in this government. I thank the member opposite for flagging that with me and I will endeavour to get her the number of tanks that she is looking for.

The problem is that Highways and Public Works does the work of many departments, so the fuel tanks might be Education's or they might be Community Services'. We're doing the work for that on their behalf, so we have to go to the departments and compile that information. We have that information. We will compile it. It is maybe not as easy as it seems, but it's not an issue. We will certainly get that information for the member opposite.

As for the maintenance camps and the environmental liability that the member opposite is referring to, there has been an expansion in the testing and a lot of the costs you're seeing are legacy costs that we're uncovering — that is the information that I'm seeing — and we're seeing these costs being identified.

They are camps at our grader stations and whatnot. We are testing these things and proving them out. I am told that, in many cases, they are legacy costs. That said, in our building maintenance budget this year, there is \$2.7 million being spent. Some of those costs include grader station design upgrades for fuel systems in places like Klondike, Ogilvie and other places. We are actually upgrading them, so there is \$80,000 being spent to upgrade those fuel systems. We are actually looking at our grader stations and trying to improve our practices so that there are fewer environmental liabilities. There has been a growing awareness of this in society and more attention being paid to these things. The department is changing the way it operates to try to mitigate some of those long-term environmental liabilities.

Ms. Hanson: I appreciate the minister's answer. What he is really confirming is that what we see in the Public Accounts is that year over year there is this increase in new liabilities. One would hope that there would be a focus on prevention as opposed to mitigation after the fact.

Can the minister confirm that all inspectors who are responsible for everything from gas- to oil-fired appliances on behalf of government are all qualified journeypersons in the trades they inspect?

Hon. Mr. Mostyn: I believe that's a function of Community Services actually — the gas inspectors and those Community Services functions.

Ms. Hanson: I think the minister is correct on that.

I just want to come back to the conversation the other day — the minister had a conversation with the Member for Pelly-Nisutlin in regard to the Highways and Public Works big grader station and the accumulation of building maintenance stuff in downtown Carmacks. There is a desire in that community to have it moved from there so that the community could proceed with community development and making Carmacks more attractive from the highway.

I note that in response to questions last year, Highways and Public Works also identified for the next fiscal year a

forecast for new Whitehorse maintenance facility construction of \$6 million. Is that still part of the forecast? In the same year, they would be doing a rehabilitation — so a new build elsewhere and a rehabilitation of those grounds.

Hon. Mr. Mostyn: Currently there's no approval to proceed with a new grader station. It's a financial matter — no money in the budget to upgrade the grader station in Whitehorse.

I do have some information on fuel tanks much faster than I expected. We're going to remediate four fuel tanks this year, and five were replaced last year.

Ms. Hanson: The minister just reminded me about the question I had asked him before that he hadn't answered, or a point that he had made. Given the Auditor General's report of this year, which said that, in 2007, 2009 and 2012, they identified exactly what he just did — that, yes, Highways and Public Works does this but they don't have any systems in place to communicate across government. If I have heard it once, I have heard it a dozen times or more that this is a whole-of-government approach that we're taking with this new Liberal government.

Can the minister explain what he is doing to ensure there are those lines of communication between his department and those departments that he is responsible for in terms of ensuring that accurate information is provided and that they have a data system that is well-maintained and informs how priorities are being set? If you don't have that, it's sort of a shot in the dark.

Hon. Mr. Mostyn: What am I going to do? I received information that I thought would take three or four days to get; I got it in two minutes, so I think the improvement — the one-government approach where we're able to reach out and pull this information on fuel tanks fairly quickly for the member opposite. I take some hope in this — that we were able to reach out as one government — this one-government approach — and actually compile the data that the member opposite asked for on fuel tanks in fairly short order.

That said, we have project budget management software that we have just implemented, which will help us track projects through the whole of government. That's one measure — one tool we're using now — to try to shore up the information systems within government. There will be more on the IT front. There are a number of initiatives we're going to be dabbling in over the next few years to help improve the communication within government.

Chair: 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. The matter before the Committee is continuing general debate on Vote 55, Department of Highways and Public Works, in Bill No. 201, entitled *First Appropriation Act, 2017-18*.

Mr. Hassard: I would like to begin by again thanking the officials back to the Legislature today, as I know they love it so much.

I would like to go back to Ross River for a minute if we could please, Mr. Chair. I just want to clear the record. The Leader of the Third Party talked about me flying into Ross River, and unless she's speaking about me driving my Chevy too fast, I have never flown into Ross River in my life — just so people don't get the idea that I'm a jetsetter.

I have a couple more questions about the Ross River ferry. I had a call this morning saying that the ferry appears to be going in later every year and coming out earlier every year. I'm curious — if this is in fact the case, is this due to budget constraints or Mother Nature or could the minister provide me with some insight as to whether that is in fact the case? Is the ferry in the water fewer days per year now that it used to be?

Hon. Mr. Mostyn: I'm pleased to see the member opposite has his second wind and is ready for his encore performance this afternoon.

I'm more than happy to provide the member opposite with records about how long the ferry is in the water. The department has those numbers and I can provide them to him. I will add that the river conditions and the need for pulling the ferry safely in the fall and the water levels and ice levels do dictate when the ferry can go in in the spring. Those are the factors that we're juggling here, but I can provide the records and the member opposite can see how long the ferry is in the water.

Mr. Hassard: I appreciate the effort from the minister if he could provide those to me.

One of the other questions in regard to the ferry was that some residents of Ross River felt that once the ferry went in, it didn't necessarily mean that it was in operation. My understanding is that it has to wait until someone comes and does an inspection and ensures that everything is safe and ready to go. That's great. We don't want the ferry to go out in the middle of the river and sink or anything.

Again I'm curious — if this is in fact the case, is the inspector ready to go once the ferry is in the water or will there be a delay until it can be inspected and considered safe and ready to cross?

Hon. Mr. Mostyn: I have been informed that Transport Canada does an inspection of the ferry and we try to have those inspections done in advance, before it gets in the water, to facilitate smooth operation. Of course if there is still work that has to be done on the ferry once it is in the water, we do our best to coordinate that work so that we can get the ferry up and running and handling passengers and freight as soon as possible.

Mr. Hassard: Can the minister tell me or provide to the House whether or not Transport Canada has done their inspection for this year, at this point in time?

Can he tell us when they will be available to do their inspection?

Hon. Mr. Mostyn: Transport Canada does a detailed inspection of our ferries. They were up in Dawson City this year to do the *George Black* ferry. I can get the member

opposite the inspection schedule for Ross River. It makes scintillating reading. It's almost like an airport plan, and I can get that for the member opposite so he can see it. We are not entirely sure if Transport Canada actually has to inspect the ferry this year. They do it on a schedule, so it may be biennial — every two years — but we can get the member opposite that information and he can check it out.

Mr. Hassard: That is great. If I could get that, I would appreciate it very much.

At the Mayo Airport, there were apparently some upgrades that are required to allow better access in all weather conditions as well as an expanded waiting area. Can the minister confirm what the plans are to move forward with these upgrades? Have there been any preliminary cost estimates done to date?

Hon. Mr. Mostyn: The wonders of radio waves — they are in my head. I just learned moments ago through the marvels of modern technology that the ferry has been reviewed this year. That answers the member opposite's previous question.

As far as the Mayo airport — I believe it was the Mayo airport the member opposite was talking about — we are just in the process of completing our system-wide review of aerodromes and airports throughout the territory. Once that is finished, we will start to come up with plans and triage as to which airports are going to be given upgrades first and start planning for those upgrades to happen. I know that I have met with the Canadian Owners and Pilots Association. I have met in Carcross and up at Alkan Air's hangar and spoken with a lot of pilots in recent months. They are a jovial bunch and I quite like their company. They have brought to my attention a number of deficiencies and they are not shy about sharing their thoughts on airports across the territory. I have listened to what they have to say and I will be considering that when this department goes forward with some of their plans to upgrade local aerodromes and airports.

Mr. Hassard: I will keep asking questions and maybe those voices in the minister's head will come up with some other great answers for us. Can the minister either tell us today or commit to telling us what the list for planned bridge upgrades is for the next two or three years as well please?

Hon. Mr. Mostyn: I think the member opposite is looking for a spoiler. I mean, the big projects will be released next March, but I'm willing to provide him with some of the information he requests. We are, of course, doing significant bridge work scheduled for Nares in Carcross and the bridge in Carmacks — which the member opposite probably drove across recently — Clear Creek bridge on the north Klondike Highway and the Klondike River bridge on the Dempster Highway. We spoke yesterday about the weight restrictions and the need for the work on that project.

We are also, more to the member opposite's point, doing planning and design for potential major projects in the future. They include the Nisutlin Bay bridge in Teslin. On the Klondike Highway, there is the Fox Creek bridge, the Takhini River bridge, Crooked Creek bridge, Moose Creek bridge, McCabe Creek bridge and the Klondike River bridge. Other

highways include the Upper Frances River bridge on the Nahanni Range Road, the Mayo River bridge at Mayo and Engineer Creek bridge on the Dempster Highway.

There is also planning for future repainting to provide corrosion protection and to extend the life of steel structures on the Pelly River bridge at Faro, the Stewart River bridge, the Klondike River bridge at Dawson City, and the Upper Liard River bridge. I was surprised. Painting seems a simple thing to do, but painting bridges is no easy feat. It requires an awful lot of protective measures and it's quite expensive.

Mr. Hassard: I know that the MLA for Watson Lake has been in contact with the Minister of Highways and Public Works regarding lighting on the stretch of the Campbell Highway between Watson Lake and Two and One-Half Mile Village. I believe that — and correct me if I'm wrong — the first response that she received from the minister was that Highways and Public Works did not see a need for lighting along the highway, but as pedestrian traffic in the area had not been considered, the department would collect data throughout the winter and look again at the necessity for highway lighting. I'm wondering if the minister can provide the House with results from that data and maybe tell us if their position has changed or not on whether they felt that the safety concerns brought forward by the MLA were worthy or not of lighting in that area.

Hon. Mr. Mostyn: I have been informed that we have collected the information that we said we would collect this winter. The department is currently interpreting that information. We don't have a decision yet on whether or not to proceed on this. I haven't seen the numbers myself, but that information is being analyzed and, when I have an answer, I will get back to the Leader of the Official Opposition and the MLA for Watson Lake.

Mr. Hassard: Again, I appreciate the answer and look forward to the update on that.

Along the line of safety — in Porter Creek, the crosswalks at both the intersections of Birch Street and Dogwood Street on the Alaska Highway do not have button-activated lights. I'm curious if the minister could update us on the possibility of getting button activation on those crosswalks.

Hon. Mr. Mostyn: Truth told, it's probably part of the safety audit that we have done of the corridor. I don't have the information on those specific crosswalks at the moment. I know that traffic is a concern for many in the Whitehorse corridor — to use that expression — and so I will get back to the member opposite with an answer to that question.

Mr. Hassard: I thank the minister for that.

Back to Watson Lake for a minute — the Watson Lake Visitor Information Centre is getting on in age and is in dire need of some repairs. I'm curious — we talk about Watson Lake being the gateway to the Yukon and the importance of the rubber-tire traffic entering the Yukon, coming into Watson Lake. I'm curious what the minister's thoughts are on either major upgrades or possibly replacing the visitor information centre in Watson Lake.

Hon. Mr. Mostyn: I haven't been down to Watson Lake yet — not recently. No, I haven't, and I look forward to my first visit. Hopefully this summer I'll get down to that neck of the woods. I have travelled through there many, many times. I have always enjoyed it. I haven't been to the visitor reception centre to assess the dire state, as the member opposite characterized it, but I do know now that the Department of Tourism and Culture and the Department of Highways and Public Works have had some sort of conversation at some point in recent memory about the visitor reception centre. This hasn't been on my radar, but it is now. Thank you for that.

That said, as the member opposite knows, there are an awful lot of demands, needs and pressing issues facing this government, from paving runways up in Dawson to fixing the Mayo aerodrome. These are the things we juggle as a government. This is what we signed up for; this is what we're doing as members of this government.

We will look at the needs and assess the needs of the communities of the Yukon Territory. All communities matter. We are trying to spread the wealth and spread the money around to all of our communities to try to make sure that they share in the bounty that this territory has. There are several issues in many communities. Watson Lake is no different. There are pressing needs in that community and we're fighting for scarce resources.

We — as a government, as a caucus, as a Cabinet — will make decisions on where best to spend the limited resources of this government. I guess I'm trying to really temper expectations. There are a lot of needs. There are needs in Ross River with housing. That is a federal responsibility, but we have schools that need attention there. We have needs in Watson Lake for sure. We have needs in Kluane, and so we're juggling those things. The visitor reception centre is now on the list. Where it places in the grand triage of needs, this government will assess those and make a decision at some time in the near future.

Mr. Hassard: One more on the list for the minister, of course, is the Château Jomini in Faro. I know that it has been mentioned more than a couple of times. I think Faro has really taken the bull by the horns, so to speak, in terms of dealing with abandoned buildings and cleaning them up to ensure safety for the citizens of Faro. The Château Jomini, of course, is owned by the territorial government. I know the previous government had committed to having it removed either this year or next year, so I'm just curious if this minister would be willing to continue on with that work and ensure that building is removed sooner than later.

Hon. Mr. Mostyn: This file was one that I recall, because in February, we were in the midst of our budget discussions and we were looking at ways to save money. This was one project we deferred. I think the previous government deferred it as well. We actually pushed it off, so there is no money in this and we'll have to assess it at some other point.

I mentioned the triage — this was one project we looked at and, on the balance of scale, this was one we thought we could defer, so we did that.

Mr. Hassard: I'm sure the people in Faro will not be overly happy to hear that, but I'll keep bugging the minister about it in the future.

I have a question in regard to the \$30 million that the Liberals promised in their election platform in regard to energy retrofits to government buildings, First Nation buildings and schools, in particular. I'm curious if we could get an update on where we're at with those energy retrofits, how much money the government is spending, what buildings will be seeing those energy retrofits, et cetera — if we could get that please, Mr. Chair.

Hon. Mr. Mostyn: My son was listening to me on the radio, and he said this is really terrible radio. There are these huge gaps in the answers; he doesn't know what's going on.

Energy audits — we have a number. We have 10 energy audits planned for 2017, which we're going to start. They are the Vanier Catholic Secondary School, Yukon College, the Whitehorse airport terminal, Whitehorse mechanical workshop, Copper Ridge Place, the main administration building — this building here — and F.H. Collins, the central operations complex, Whitehorse Correctional Centre and the Education building.

We're also doing three external audits — those were internal audits. We're doing external audits in 2017, including the Whitehorse Correctional Centre, Whitehorse airport terminal and Whitehorse mechanical workshop.

Those are all audits we're planning toward beginning this process of reducing our carbon footprint and saving energy, which is in all of our interests. The \$30 million that the member opposite referred to in our platform is correct. It was \$30 million, but it wasn't \$30 million for off the hop. It was a scaled-up plan, and we are scaling up that plan as we speak.

Mr. Hassard: It almost felt like that was a Question Period answer. There wasn't a lot of answer there, but maybe we will get something when things get ramped up. Maybe we will get more fulsome answers.

I have a question in regard to pavement rehabilitation. In the budget, we see that the minister has \$4.733 million estimated for pavement rehabilitation and road improvements. I believe it was on May 24 that a pavement rehabilitation contract for kilometre 1340 to kilometre 1350 came in at \$3.1 million. Is that where that fell in the government's estimates? Are there other projects other than this one that is listed? Did we come in \$1.5 million underbudget and are we going to be able to do some extra projects? Can the minister update us on that?

Hon. Mr. Mostyn: I will see if I can do better with my answers. I don't want to start giving Question Period answers.

The contract that the member opposite was referring to hasn't been awarded yet. The department's officials are planning to meet with the contractor fairly soon. They are currently reviewing that contract, so we don't know. But, as the member opposite knows full well, contracting is a game of "over and under". There are some that come in overbudget and some that come in underbudget. Of course, when we save money, hopefully we can distribute that money to other contracts but, of course, some of them come in overbudget

and we have to balance these things. It's a fluid environment, and this one has not yet landed.

Mr. Hassard: I'm sure the minister said he was going to move away from those answers. I will make it a little more specific. Can the minister tell us if this project, at its current bid price with only one bidder at \$3.1 million, is underbudget or overbudget?

Hon. Mr. Mostyn: I would love to give the member opposite the more fulsome answer that he is looking for this afternoon, but we are in a procurement process. There is only one bidder, as the member opposite said, but that procurement process is not resolved, and until it is, I am going to respectfully not give any more details on this tender.

Mr. Hassard: Maybe I will rephrase the question. Can the minister tell us what the estimated cost of the project was before it was tendered?

Hon. Mr. Mostyn: I really do respect the member opposite's interest in this contract and in this process, but I'm not going to negotiate contracts on the floor of this Legislative Assembly so I am going to respectfully not answer that question until my officials have had a chance to finalize the procurement process properly.

Mr. Hassard: I'm not sure if the minister understands how his own department works or not, but they always have estimates for projects before doing them. I was just curious as to what the estimate was beforehand. If the minister feels that this is some kind of secret information, I'll take it as that and I will find out on my own.

Question regarding equipment replacement — we see that the list in the budget of the equipment that is due to be replaced this year — a snow mauler, six graders, three loaders, 13 crew cabs, 10 extended-cab pickups, 10 four-by-four pickups, two Hiabs, seven tandem-axle dump trucks and two distributors for a total of almost \$7.4 million. I'm curious — in the past, as Highways and Public Works purchased new equipment, they also sold off excess equipment so that they, I guess, didn't accumulate a whole bunch of old equipment, so I'm curious. I know that they had a surplus sale a couple of months ago, there is another one currently on the tender management system, but there isn't really any heavy equipment listed on either of those. I'm curious — will Highways and Public Works be getting rid of some three loaders, six graders, seven dump trucks in the next few months, or can the minister let us know when that equipment might be going up for sale?

Hon. Mr. Mostyn: The simple answer is yes, for the member opposite. We will be surplusizing the equipment. The trick, of course, is that we still have roads to plow and streets to do until the new equipment arrives and is decked out, so we will not be getting rid of the old equipment until the new stuff is in place and going, but we do have every intention of surplusizing some of the old equipment in the near future.

Mr. Hassard: I have a question in regard to the budgeted amount for the Canol Road. It appears that we have about a 10-percent decrease this year, so I'm curious as to why.

Hon. Mr. Mostyn: There is a simple answer again, Mr. Chair. This government sat down in budget discussions in February and we went through marathon budget sessions. We hammered out a budget that we are currently discussing this afternoon and have been for a week and a bit now. We set priorities, and this year, the Canol is a little bit less of a priority than other roads, services and equipment in the territory.

Mr. Hassard: Can the minister update us on what the plans are this year for the Canol Road? Is there any culvert replacement, or brush and weed control, or is it just general maintenance?

Hon. Mr. Mostyn: This year we will be doing general maintenance and spot repairs on the Canol Road.

Mr. Hassard: The new French school — we have seen \$8 million in the budget for this year. Can the minister tell us how much of that \$8 million will be going toward design and how much of that will actually go toward the building of the building?

Hon. Mr. Mostyn: I wish I had a more firm answer for the member opposite, but at the moment, we're in the process of planning this school. We haven't yet finished all of our consultations and market sounding — that type of thing. Once that work is done, we'll have a better answer, but at this point we don't have a number for the member opposite.

Mr. Hassard: I'm curious about the thought going into the French school. Does the minister have any idea if it will be a design/build or design/bid/build project?

Hon. Mr. Mostyn: At the moment, no, we do not know.

Mr. Hassard: Would the department be considering thresholds for design/build versus design/bid/build?

Hon. Mr. Mostyn: That is a really good question, and the really good answer to that really good question is that we're going to choose the best procurement method possible to fit the job and the needs of the facility we're building.

Mr. Hassard: I liked the part about it being a good question. I'm not so sure about the answer.

I have a question in regard to Property Management's budget. For Project Management Services, we see an almost \$5-million decrease. I'm curious if the minister could give some explanation to us on that.

Hon. Mr. Mostyn: In the interests of time, I'm going to pledge to get that answer back to the member opposite because we are poring through our budget documents and I cannot find the \$5-million reduction that he is referring to at this time. I will do the research and get back to the member opposite.

Mr. Hassard: In the budget document on page 14-24, on the Campbell Highway there is a line item for Kaska First Nation for \$100,000 — I was wondering if the minister could give us an update on what that \$100,000 is for.

Hon. Mr. Mostyn: That \$100,000 is money that has been in the budget for at least three years. It is for capacity funding to help the Kaska participate in environmental assessment and planning work on the Campbell Highway.

Mr. Istchenko: I have just a few quick questions here. I want to thank the officials here today and I want to thank the department for all the hard work that they do. They are pretty diverse. Not a moment goes by where someone isn't touched by the Department of Highways and Public Works, a fellow deputy minister told me once, and he was right.

The Aishihik Road — there have been many upgrades to the road, and it's great. The constituents of Kluane are really happy with that. The one issue that happens every year is that, when the bison hunt comes in the wintertime, with glaciation, most of the bridges after this year will all be upgraded, but there actually was a contribution agreement with education. They had a difficult time getting the money to do the maintenance to open that road up to Champagne and Aishihik First Nations because the way they are set up, they are not allowed to receive money.

I am just wondering if there has been any work done or if you will be continuing to do some work with them. It could just be an annual line item. We get school bison hunts that go up there — educational opportunities. It is a hunting opportunity in the summer and the road is being upgraded, but the glaciation and the plowing of the roads are important. I know how it is listed under the *Motor Vehicles Act* or the *Highways Act* — what series it is — and we only maintain it from a certain time to a certain time, but I am wondering if the minister has been working with the Minister of Education to see if we can have this so that it is set in stone and not always a scramble at the last minute to get this done.

Hon. Mr. Mostyn: I have been informed that we have worked with Champagne and Aishihik First Nations and the Education department in the past and it worked well. We are more than happy to re-examine it and make sure that it's working in the best interest of all parties.

Mr. Istchenko: If I am not mistaken, I don't think that they plowed the road last year. Correct me if I'm wrong — the officials can look at it later — but I think there was an issue there. I am just putting it on the radar. I will leave it at that.

The next thing I wanted to touch base on just a little bit is brushing and signage. Again, on behalf of my constituents of Kluane, I want to thank the Department of Highways and Public Works for the brushing dollars that were out there. I pushed hard when I was the minister to make sure that this was done and the communities were cleaned up. Now you actually know when you are coming into a community — it's open. The trail at Beaver Creek from Beaver Creek into the community now is all brushed. People weren't walking on it because they were afraid of bears. There are bears in our communities.

I know that the department is working on a contribution agreement with the Village of Haines Junction for upkeep. I am hoping that the minister is cognizant — especially when he travels this year — you are going to go to all corners of the Yukon and you are going to see small communities and you will see how beautifully brushed they are and how important that brushing schedule is. It's for tourism in the summertime and for the public safety of kids crossing the Alaska Highway,

which has heavy-haul ore trucks and everything else on there. The brushing is super important.

When it comes to the signage from Watson Lake through, each community is a little bit different. In each community, there is a post office, a bank and municipal buildings, and the Department of Highways and Public Works right now is working with the Village of Haines Junction and the local chamber of commerce on standardizing signage. Standardized signage means, rather than on the road right-of-way and having to chase a business owner who put a sign up illegally, just having a standard post with a bunch of signs on it that point to where they have to go.

I am curious to see what the status of that is and if the sign department within Highways and Public Works is actually looking at a model that they bring to all the communities, so that when a tourist drives through Haines Junction, he can see that there is a bank or that there is a swimming pool or recreation centre or a business a block and a half down one of the side streets.

Hon. Mr. Mostyn: This issue — we are working with Haines Junction on their signs and with the Chamber of Commerce in Haines Junction. We're hoping we can come to some sort of arrangement on a standardized sign. It's similar to the Member for Copperbelt South, who has sign issues in his riding that he has brought to my attention. We're working with the Whitehorse Chamber of Commerce on that issue and there seems to be some similarity to the approach that we're taking on solving those community needs.

We're working hard to balance safety requirements with the needs of tourists and businesses for signs. We're working within the visitor information sign regulation. We're working with the Tourism and Culture department as well to make sure our signs — when you travel to communities, as I said yesterday, I think signs are a hot-button issue. They're an important conduit for information to our highway travellers and we're going to try to improve the highway signage in this particular case, with core services of some businesses — to try to make it easier for people to see where these facilities and enterprises are.

Mr. Istchenko: The last thing I wanted to chat about just a little bit — I brought up the Destruction Bay Marina in Question Period today. I wanted to shed a little bit more information for the minister. I think it was 14 or 15 years ago that the Kluane Lake Athletic Association went in and dredged out the area that filled in with silt. The Slims River and the other rivers fill it with silt, and it needs to be done. It's not annual maintenance, but every 10 to 15 years, depending on the weather, that needs to be done.

In his response, the minister said they were studying it. I had an opportunity to talk with a couple of the folks who were out there doing that study. I think that if the minister gets the opportunity after we're done — I know how busy our schedules are, but if he gets the opportunity sooner than later to meet with the Kluane Lake Athletic Association and local community members, they could update you quite a bit on some of the things you were bringing up in Question Period

today. They have quite a working knowledge of the lake levels going up and down.

I believe the Slims River — the hot-button topic that has been in the media — is 30 percent of the actual water that feeds Kluane Lake. Seventy percent of it comes from elsewhere — from Gladstone and different areas across the lake. Of the 30 percent of the water that comes through the Slims, only 30 percent of that comes from the Kaskawulsh Glacier, which has changed direction. There's Bullion Creek, Sheep Creek and other creeks that feed that, so I'm not so worried about that.

I just want to be cognizant for my constituents that the minister is aware of that and that the minister can commit today to meeting with them sooner rather than later. They're looking for options. They would like to get something done. It's impossible to get it done now, I would imagine, because the ice is off the lake. I don't see equipment being in there right now, but sooner rather than later — next fall, if the planing could be done, it could get done.

The other thing I just want to ask is: Has anybody from the department been communicating with the Kluane Lake Athletic Association?

Hon. Mr. Mostyn: I want to thank the member opposite for the information.

Access to this lake in the member opposite's riding is important. This is obviously a central focal point for the community. It's important. We've talked about fishing derbies. We've talked about safety and getting the RCMP boats in the water — that type of thing. Earlier today, we talked about this subject. The member opposite has provided some more information to me this afternoon and I appreciate that.

I too have looked into this issue subsequent to our exchange this afternoon and have not received a letter from the RCMP that the member opposite has referred to. We haven't got a copy. If the member could provide me with a copy of that, I would love to see it. That would be great.

We have been in touch with the Kluane Lake Athletic Association. We're not sure of exactly when that last correspondence was, but we have been in contact with them. We're going to have to reassess the situation at the launch as soon as the ice completely leaves the lake.

I have been told that —

Some Hon. Member: (Inaudible)

Hon. Mr. Mostyn: It is gone? You have better information than I have. It's your riding. I will defer to your expertise in the matter.

Now that the lake has actually cleared of ice, we will be able to do a more fulsome examination of the boat launch and see what, if anything, we can do to make it more accessible and sort of plan our best path forward.

As for visiting with the Kluane Lake Athletic Association and constituents in your riding, I am, of course, more than happy to do that. I'm not sure when I will be up on the north highway. I have actually visited that in the last couple of months. I didn't make it up as far as Burwash, but I have been

to the Haines Junction area and I plan to be out there again this summer. It's a glorious part of our country.

My colleagues, though, are going to be up that way later in June, and if I haven't made contact by then — and indeed I'm sure that even if I have made contact by then — my able colleague would be more than happy to meet — and I think intends to meet — with the Kluane Lake Athletic Association and others later in June. We're more than happy to do that.

Mr. Hassard: I'm wondering if the Minister of Highways and Public Works could commit to providing a list of capital maintenance projects through Property Management Division this year. I'm sure he probably doesn't have the list at his fingertips but if he could commit to that please.

Hon. Mr. Mostyn: Yes, Mr. Chair. Thank you.

Mr. Hassard: I was wondering if the minister could also provide the House with how many of this year's capital projects or upcoming projects will require YESAB approval.

Hon. Mr. Mostyn: What a delightful question — I appreciate the member opposite for giving it to me. I do not have an answer for the member opposite. You have stumped me again. I think this is probably five times. Congratulations.

I will, though, endeavour to provide that information to the member opposite. I know that my crew at Transportation have a fairly fulsome list that I can provide to you. The other branches, it's less of a — I am not as familiar, so we will get that information to the member opposite and let him know.

Mr. Hassard: I appreciate that from the minister. I have one final question and it's a fairly straightforward one — but if the minister doesn't have the number at his fingertips — if he could commit to getting that to us. How much do we have in this year's budget — or does the government have in their budget — for producing and stockpiling of aggregate throughout the Yukon?

With that, Mr. Chair, I will thank the officials for being here today. I hope they had a wonderful time and we will see them again another day.

Hon. Mr. Mostyn: I will endeavour to get an aggregate of the aggregate.

Chair: We will proceed to line-by-line.

Mr. Hassard: Pursuant to Standing Order 14.3, I request the unanimous consent of Committee of the Whole to deem all lines in Vote 55, Department of Highways and Public Works, cleared or carried, as required.

Unanimous consent re deeming all lines in Vote 55, Department of Highways and Public Works, cleared or carried

Chair: Mr. Hassard has, pursuant to Standing Order 14.3, requested the unanimous consent of Committee of the Whole to deem all lines in Vote 55, Department of Highways and Public Works, cleared or carried, as required.

Is there unanimous consent?

All Hon. Members: Agreed.

Chair: Unanimous consent has been granted.

**On Operation and Maintenance Expenditures
Total Operation and Maintenance Expenditures in the
amount of \$137,227,000 agreed to**

On Capital Expenditures

Total Capital Expenditures in the amount of \$83,671,000 agreed to

Total Expenditures in the amount of \$220,898,000 agreed to

Department of Highways and Public Works agreed to

Hon. Ms. McPhee: Mr. Chair, I move that you report progress.

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

Motion agreed to

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

Chair: It has been moved by Ms. McPhee that the Speaker do now resume the Chair.

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

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

Chair's report

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

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

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

Hon. Ms. McPhee: I move that the House do now adjourn.

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

Motion agreed to

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

The House adjourned at 5:20 p.m.

The following document was filed May 30, 2017:

34-2-7

Old F.H. Collins Secondary School building demolition costs, letter re (dated May 26, 2017) from Tracy-Anne McPhee, Minister of Education to Elizabeth Hanson, Leader of the Third Party (McPhee)