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HANSARD

Thursday, October 4, 2018 — 1:00 p.m.

Speaker: The Honourable Nils Clarke

YUKON LEGISLATIVE ASSEMBLY

2018 Fall Sitting

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

CABINET MINISTERS

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

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Yukon Liberal Party

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

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Yukon Party

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

THIRD PARTY

New Democratic Party

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

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**Yukon Legislative Assembly
Whitehorse, Yukon
Thursday, October 4, 2018 — 1:00 p.m.**

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

Prayers

Withdrawal of motions

Speaker: The Chair wishes to inform the House of changes which have been made to the Order Paper. Motion No. 247, Motion No. 248, Motion No. 249 and Motion No. 250, standing in the name of the Member for Takhini-Kopper King, have been removed from the Order Paper as the actions requested in the motions have been taken in whole or in part.

DAILY ROUTINE

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

Introduction of visitors.

INTRODUCTION OF VISITORS

Hon. Mr. Silver: I have the unique privilege of introducing to the Legislative Assembly and to Yukon the newly minted Chief Election Officer of Yukon, Mr. Maxwell Harvey. Also with Mr. Harvey today from that office — and no stranger to the Legislative Assembly — is Mr. David Wilkie.

Applause

Mr. Istchenko: I have the privilege of introducing to the House today Chuck Shewen, Gord Zealand, Bryce Bekar, Geoff Wooding and Jonas Smith here to listen to the proceedings today. Welcome.

Applause

Hon. Ms. McPhee: It is my absolute pleasure to welcome to the House today Mr. Fred Smith, Ms. Marj Hlady and Christine Klaassen-St. Pierre — all former teachers in our profession here in the territory. I hope they will be here for our tribute in a few moments. Thank you very much for being here.

Applause

Ms. White: Merci, Monsieur le Président. C'est un grand honneur d'avoir l'occasion de remercier un de mes professeurs. Alors, Christine Klaassen-St. Pierre était mon professeur durant mes 8^e et 9^e années, je crois. C'est quelqu'un qui a fait de grands changements pour moi. C'est quelqu'un qui m'a dit que je pouvais être n'importe qui, ce que je voulais, et me voilà.

Christine Klaassen-St. Pierre was a powerhouse in Education, straight through from when I had her in junior high until she became the vice-principal at F.H. Collins. She is still taking her role in education seriously when she is doing things

like the gender diversity or Bridging Gender Divides workshops.

Not only did she change my life when I was 13 and 14, but she continues to do so.

Alors un grand merci, et ce fut un grand plaisir de l'avoir ici.

Applause

Hon. Mr. Streicker: I would like to welcome some of our CBC folk here. I'm sorry that I don't have everyone's name, but I know that we have retired Tim Kinvig; I know that Karen Vallevand is here; our own Janet Moodie; and, of course, up in the gallery, we have Nancy Thomson. If we could welcome the folks from CBC, please.

Applause

Mr. Gallina: Also from CBC is constituent Chris Meger. Welcome to the gallery today. Also, Susan Simpson, a constituent of Porter Creek Centre and part of the Cabinet team — welcome.

Applause

Speaker: Are there any further introductions of visitors?

Tributes.

TRIBUTES

In recognition of CBC North 60th anniversary

Hon. Mr. Streicker: I rise today to pay tribute to an institution that has had an enormous impact on our communities. This fall, CBC North is celebrating 60 years north of 60. It has now been an incredible 60 years since dedicated personalities took to the airwaves to share local stories and 60 years since it began connecting our communities and cultures with each other and the outside. The quick rise of CBC in the north speaks to how important its work has been and continues to be to our communities.

The CBC northern service first launched November 1958 when it took over CFWH here in Whitehorse. Between 1958 and 1959, CBC North expanded beyond Whitehorse to Yellowknife, Fort Smith, Hay River, Aklavik, Dawson City, Watson Lake, Churchill, Fort Nelson and Goose Bay.

It continued to grow from there. In three short years, CBC North was broadcasting from across the Canadian north. It also quickly moved into offering broadcasting in indigenous languages. In 1960, only two years after it first took to the air, it hired its first Dene and Inuk broadcasters. While CBC North has spent the past six decades sharing northerners' stories, our history is rich with stories of them as a public broadcaster. Elders could tell you about the first time they heard a CBC radio broadcast in their own language. Northern families could tell you how they crowded around their black and white TV sets late into the night to watch CBC news or hockey that had been mailed up days earlier from the south.

Of course, in 60 years, the country's northern broadcaster has faced challenges in an ever-changing media landscape but

throughout, they have kept reporting, kept programming and kept sharing the stories that matter to northerners.

For six decades, CBC North has shared the stories that get to what northerners value, provided reporting that keeps northerners informed and holds us politicians to account.

Of course, it's not only politics that matter to northerners. CBC North has also played an integral role in promoting northern culture, languages, arts and sports. My first interview ever on CBC North was about quilting. Every two years, CBC covers the Arctic Winter Games, which brings young northerners together — since 1970.

It even tries to forecast the weather. CBC North reflects our attitudes, opinions, stories, ideas, values, quirks and creativity. It shares our languages — English, Gwich'in, et même le français. CBC North offers us information analysis about the north, in the north and from a northern perspective. It has spent six decades connecting Old Crow to Watson Lake, Whitehorse to Yellowknife, to Iqaluit to the world. Congratulations, CBC North.

Félicitations pour vos 60 premières années au nord du 60^e.

Applause

Ms. Van Bibber: I rise today on behalf of the Yukon Party Official Opposition to congratulate CBC North on their 60th anniversary. I feel as though I would be correct in saying that most of us who grew up in Yukon likely have been listening to CBC for most, if not all, of our lives.

We have come a little way since 1923, when the first radio transmitter allowed Morse code to be sent between Mayo and Dawson City. During the Cold War, American and Canadian forces monitored the airwaves with military signal corps and one was stationed in Dawson City. A young signal corpsman, Chuck Grey, had his equipment stationed on the second floor of the Pearl Harbor Hotel, which stood beside the Palace Grand Theatre.

Chuck owned a gramophone, tons of old records and a one-watt transmitter. He hooked up the transmitter, dropped a wire out the window and went on the air. "This is Dawson City radio — enjoy the music" was heard. It reached all over town, but not as far as Bear Creek. Radio sales boomed. Dawson was ordered by Ottawa to cease and desist. The wire came back into the room. There was such an outcry, as now citizens knew they wanted radio. Ottawa backtracked and, not only that, they sent along a 100-watt transmitter — and CFYT was formed.

CFYT stood for Canadian Forces Yukon Territory. I remember our main radio announcer, Wee Willie Anderson, along with many volunteers would operate our local airtime — tapes with stories and, of course, much music. Wee Willie married my grade 1 teacher, Miss Gownlocks — I'm really dating myself here.

When CBC Northern Services came north in November of 1958, we had arrived. The first network-linked radio station operated by CBC was in Yukon. Wee Willie moved to the Whitehorse main station where he hosted a daily western roundup show. Names like Ted North — who sent our stories

Outside to the main network — Cal Waddington and Les McLaughlin were instrumental in keeping our old stories preserved and, at the same time, alive. Terry Delaney was a sports voice and he quickly expanded and started reporting on major stories. He interviewed Senator Robert Kennedy after he climbed Mount Kennedy in the St. Elias Range. He personally covered the 1964 Alaska earthquake and the final run of the *SS Keno* to Dawson City — such exciting times. In 1972, the Anik satellite was launched and we in the north got CBC TV.

Yukoners to this day rely heavily on CBC to stay up to date on current events, news, sports, weather, the happenings about town, as well as music and talk shows. Sixty years — CBC radio covers the gamut: live Twitter feeds, Facebook and instant coverage that brings Yukoners up-to-the-minute news coverage from reporters.

News coverage and investigative journalism are an important service that the media provides to our communities. As a democracy, freedom of the press is paramount. Investigative journalism plays a large role in shedding light on important issues such as the recent stories journalists broke on issues within group homes in the territory. These stories can and do affect societal concerns and changes. Highlighting issues can create discussion and make people aware of issues outside their homes and workplaces.

Thank you to all who work in front and behind the scenes on a daily basis to deliver these services. These folks become part of our lives whether we personally know them or not. We wish CBC continued success and, as it enters its sixth decade of serving Yukoners, well done. To all the CBC employees, past and present, for their efforts over the last 60 years in bringing news and entertainment to all Yukoners, thank you.

Applause

Ms. Hanson: I rise today on behalf of the New Democratic Party caucus to pay tribute to the Canadian Broadcasting Corporation. The CBC is indeed a Canadian institution that brings us together from coast to coast to coast. The CBC is Canada's public broadcaster, and as we daily watch the erosion of independent media around the world, the importance of an independent national and regional media equipped to provide the lens of critical thinking to the events of the day has never been more valuable. It has been our venue to tell our stories as Canadians for more than 75 years, and here in the Yukon, we now celebrate 60 years of CBC Yukon.

The interior walls of the big red CBC building in downtown Whitehorse are a veritable history of who's who in Yukon's early broadcasting history, as well as random players in Yukon's civic and political life.

As we celebrate CBC, we must also recall that, despite the brave face and yeoman efforts of CBC Yukon staff, CBC continues to be under assault.

Just a few years ago, CBC staff and supporters across the country and in this House wore black armbands as an act of solidarity in support of the almost 400 job losses that were being implemented that year, with total number of jobs cut in

excess of 1,000. These were real cuts that have had real consequences in small towns across the nation, especially here in the north. Locally, we have seen fewer positions based in Yukon compared to just a few short years ago, with more programming emanating from our sister territory. Who has not expressed exasperation at yet another replay of CBC programs, all as a result of the cumulative impacts of cuts to the CBC?

As we celebrate 60 years of CBC Yukon, we must also continue to fight to stop more cuts. Tell your MP and the abundant visiting Cabinet ministers and others visiting the Yukon about the real consequences of the cuts to Canada's public broadcaster and demand that they re-establish their commitment and funding to our national and regional public broadcaster, because, as others have said so eloquently here this afternoon, CBC North has been a lifeline across Yukon for generations. It has provided the platform for many Yukon musicians to launch their careers and it has linked us as a community, from Old Crow to Watson Lake to Beaver Creek and all the places in between. We salute the early pioneers of CBC Yukon as well as the stalwart women and men who work on our behalf to keep all Yukoners informed and entertained.

As we move forward into the next 60 years, let us continue to press for increased recognition of this national institution to Canada and to Yukon and for that recognition to include increased funding to allow for more Yukon programming — programming that speaks to us in the Yukon and about us to the world.

Applause

In recognition of World Teachers' Day

Hon. Ms. McPhee: I rise to pay tribute to Yukon's educators in recognition of World Teachers' Day, which is celebrated every year in over 100 countries on October 5. This year's theme, chosen by the Canadian Teachers' Federation, is "Teachers, the heartbeat of public education".

World Teachers' Day heightens awareness and appreciation of our teaching profession and is a day to acknowledge educators dedicated to preparing our children for their futures. Here in the Yukon, we have great respect for our educators and the critical role that they play in the lives of our most precious resource: our children.

We ask a lot of our teachers, educational assistants, principals, administrators and other school staff in this evolving world of learning. Here in the Yukon, across Canada and around the world, teaching and learning practices are rapidly changing — the influence of technology, the emphasis on experiential and student-centered learning, to name just a few.

Our educators — particularly those in rural schools — are well on their way to meeting those challenges and our students are the beneficiaries. Our educators are seen as leaders in our communities. They play a vital role in encouraging our students to achieve their best. They carry an enormous responsibility in their ability to influence the futures of our young people, their self-esteem and their thirst for learning.

The Yukon curriculum focuses on literacy, numeracy, communication, critical thinking, personal and social skills, finance and career education, all integrated with First Nation ways of knowing and doing. Imparting knowledge is one thing, but the critical role for teachers in this millennium is how they teach and the atmosphere they create for learning to develop self-confidence, curiosity and foster lifelong learning.

I know we can all remember a grade teacher — someone who showed us they cared, challenged us, shaped experiences and helped us formulate ourselves. In fact, there are some of those teachers in this room with us today — teachers who changed people's lives. A personal connection with a teacher can transform a student's life. Every day, educators help students exercise their imagination, cultivate their interests, discover their passions and learn to experience the world.

One of the true privileges of my role as Minister of Education is that I get to spend time with our youth, and I can assure you that the future of the Yukon is bright. I also had the pleasure of meeting our new teachers a few weeks ago and I can report that we are fortunate to have them joining the ranks of our Yukon educators to bring life to our curriculum and communities.

There are, of course, too many teachers here in the territory — great teachers — to name, but I would like to recognize just one of our outstanding teachers, who has spent his 38-year career in our school in Mayo. In addition to our professionals, I would like to thank all those who take a role in education — take that role on. I know probably everyone in this Chamber and many, many others in our communities have taught a class or a course or a skill or coached a sport or led training in some topic or another.

On behalf of all of my colleagues in the Legislative Assembly, it is my pleasure to recognize and to thank all our teaching professionals and educators. Your work is vital to our healthy and happy communities. Thank you. Merci. Shaw nithän.

Applause

Mr. Kent: I rise today on behalf of the Yukon Party Official Opposition to pay tribute to our Yukon teachers, paraprofessionals, administrators and substitutes to recognize all they do to contribute to the knowledge of our children and the betterment of our communities.

World Teachers' Day is a great time to highlight all that teachers do. It's more than teaching kids their multiplication tables or how to correctly punctuate a sentence. Teachers help young people explore their minds to find and build on their creativity. They nurture ideas and teach the importance of critical thinking. They build character and encourage free will. They teach children about goals and willpower, healthy activities and healthy minds.

Often it isn't difficult for a person to teach basic addition to a child, but to do it in a way that fosters excitement and enthusiasm instead of just memorization — that might be a little bit harder. But that is the job of the teacher, to take the important things and make them interesting and exciting.

Teachers play a very large role in our children's lives. Their jobs are anything but easy.

As we celebrate World Teachers' Day tomorrow, I would encourage parents and guardians to take a moment to thank the teachers in their lives and their children's lives — not just on the day, because the work that they do should be appreciated throughout the year and they should know it.

When I was preparing this tribute today I was thinking of my son, who is in grade 1 and his teacher, Nicole Merrick, out at Golden Horn Elementary School. Then those thoughts turned to my grade 1 teacher here at Selkirk School in Whitehorse — now long retired — Mrs. Churchill. Then I asked the Leader of the Official Opposition — his grade 1 teacher was Mrs. Judy Ratcliffe and, of course, Wee Willie Anderson's spouse, Miss Gownlocks was the Member for Porter Creek North's grade 1 teacher.

As the minister mentioned, there are teachers throughout our lives who mean so much and we all remember them and we remember them fondly.

Again, thanks to all educators across the territory. Your dedication and commitment are valued more than you know.

Applause

Ms. White: I rise on behalf of the Yukon NDP caucus to pay tribute to all teachers and those who support them. Teachers and education staff are remarkable individuals. They are tasked with not only educating their charges in the curriculum of the day, but they help shape the child they see into the adults they will become.

Early childhood educators teach their small charges everything from A to Z, not just the skills needed in kindergarten like learning the alphabet and numbers, but they teach important things like covering their faces when they sneeze. They set the stage for what comes next.

Elementary school teachers are an even mix of educator, mind reader, problem solver and negotiator. They diffuse meltdowns, they teach reading and math, they offer high-fives and hugs as required. They set the stage for lifelong learning.

It takes a special sort of person to teach high school because, let's be honest, teenagers are equal parts charming, thought provoking and frustrating. In this day and age, high school teachers are competing with the Internet and electronic devices to catch and hold on to short attention spans and they do, which is a testament to their skill.

Language teachers not only share words but culture, and what a special gift it is they have to share.

To those educators working in advanced education, you see students nearing a point in their educational journey where careers are launched or maybe the push that they need for further education.

I, like many, can still name every teacher I ever had and, as I get older, I make sure to tell them just how important they were and the impact they made on my life because I want them to know what they did or what they do is important.

I look at my friends who themselves are now teachers, and I realize that this next generation of learners is pretty

lucky. I can't wait to see which of them grow up to be teachers.

To all of you who have answered the call to be educators, we know that your job isn't always easy, but we do know that what you do makes a lasting impact on those who are lucky enough to cross your paths. To the teachers I was lucky enough to know as a student, thank you for helping to shape me into the adult I have become, and to teachers both past and present, thank you so much for what you do each and every day.

Applause

Some Hon. Member: (Inaudible)

INTRODUCTION OF VISITORS

Hon. Mr. Streicker: I noticed that we had a couple of people join us. Please welcome retired CBC broadcaster Doris Bill and her daughter Cheyenne Bradley. I would also like us to welcome Ruth Carroll.

Applause

Speaker: Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Ms. Dendys: I have for tabling two legislative returns arising out of questions from the Member for Pelly-Nisutlin on October 2, 2018.

Hon. Ms. Frost: Pursuant to the *Hospital Act*, section 13(3), I have for tabling today *Yukon Hospitals — Year in Review 2017-18 — A Journey Together* and the *Yukon Hospital Corporation Consolidated Financial Statements* for March 31, 2018.

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?

INTRODUCTION OF BILLS

Bill No. 23: *Lobbyists Registration Act* — Introduction and First Reading

Hon. Mr. Silver: I move that Bill No. 23, entitled *Lobbyists Registration Act*, be now introduced and read a first time.

Speaker: It has been moved by the Hon. Premier that Bill No. 23, entitled *Lobbyist Registration Act*, be now introduced and read a first time.

Motion for introduction and first reading of Bill No. 23 agreed to

Bill No.19: Electoral District Boundaries Act — Introduction and First Reading

Hon. Mr. Silver: I move that Bill No. 19, entitled *Electoral District Boundaries Act*, be now introduced and read a first time.

Speaker: It has been moved by the Hon. Premier that Bill No. 19, entitled *Electoral District Boundaries Act*, be now introduced and read a first time.

Motion for introduction and first reading of Bill No. 19 agreed to

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

NOTICES OF MOTIONS

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

THAT this House urges the Government of Canada to contribute financially to the creation of Yukon university.

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: Ross River Dena Council wildlife management

Mr. Istchenko: There has been a lot of confusion regarding the rights and responsibilities of Yukon hunters looking to harvest animals in the Ross River area. The Ross River Dena Council issued a notice in June stating that the non-Kaska hunters would be required to apply for a permit from them to hunt moose or caribou in the area. In addition, RRDC would be closing the area to hunting on September 15.

Mr. Speaker, I'm going to get right to the point here and ask a question that is on everybody's mind.

Assuming that Yukoners are governed by the Yukon *Wildlife Act* and the 2018-19 hunting regulations, are Yukon hunters still legally permitted to hunt in these game management zones, and is there a legal requirement to comply with the restrictions put forward by the Ross River Dena Council?

Hon. Ms. Frost: I would be honoured to speak to the question posed by the member opposite. I will start by perhaps reminding the member opposite that we have regulations in place that govern how we enact our laws in the Yukon and the Yukon *Wildlife Act*, in conjunction with the procedures set up and established for us under the self-government agreement with respect to consultation and engagement with our indigenous communities. Yesterday on the floor of the House, we heard a motion with respect to working with our indigenous partners to better reflect indigenous knowledge-keepers of the land, and it is very important that we keep those things in mind as we engage. However, it has been noted right from the very beginning of this discussion that the laws of general application apply, and we have made that noted in

newspaper articles and advertisements and in specific meetings, Mr. Speaker.

Mr. Istchenko: In a letter addressed to 113 Yukon hunters and three Yukon hunting advocacy groups, the minister stated that whether or not hunters choose to comply with the RRDC request is their decision.

Can the minister confirm whether or not there will be any legal recourse or reprisal for hunters who harvest a moose or caribou this season from an open management zone in the Ross River area?

Hon. Ms. Frost: Perhaps the member opposite knows well the response to the question he's asking. As a former Minister of Environment, he knows the laws of application apply in these jurisdictions — in particular, the jurisdiction he has mentioned. I would like to say to all Yukoners that the laws of application apply. We have processes in place in the Yukon that allow us to engage collectively with the indigenous keepers and the people of the land who have been there for generations. That is our obligation. Duty to consult is defined under common-law decisions. We want to ensure that every Yukoner experiences healthy and happy outings as they proceed across the territory.

With regard to wildlife management, there are procedures in place that govern, and that is well advertised in our hunting guidelines that are distributed to every hunter who accesses and comes in for a hunting permit.

Mr. Istchenko: According to reports from CBC, what was said to Yukon hunters in this letter was very different from what was discussed with the Ross River Dena Council.

It was reported that what was stated in the letter came as a surprise to the RRDC. In fact, it was suggested that the content of the letter was completely different from what the minister told the First Nations.

Can the minister tell us if the information in the letter to the hunters is the same information that she had been telling the Ross River Dena Council? If it isn't, why is she saying one thing to one group and something else to the Ross River Dena Council?

Hon. Mr. Silver: Thanks to the minister responsible for her clear answer here today on the floor of the Legislative Assembly.

As members opposite either know or do not know or recall, the Supreme Court of Yukon directed that we do have a duty to consult with the Ross River Dena Council on hunting within their traditional territory. In doing that, this government has the courage to do so. I'm very proud of the minister personally meeting with the Ross River Dena Council to sit and listen to the concerns regarding conservation and wildlife management in their traditional territory. We are working with the Ross River Dena Council to develop an approach to wildlife management in their traditional territory as it is our legal obligation, as the members opposite know.

We are providing financial support, as well, to the Ross River Dena Council for participating in the north Ross River game checks station and bridging funding for the Ross River Dena Council game guardian program as well.

The best wildlife management occurs when scientific, traditional and local knowledge work together to inform decision-making, Mr. Speaker, and that's what we're committed to do. That's what we are doing. We'll continue with our approach of considering the health and the well-being of wildlife in the territory as a whole.

Question re: Permit hunt authorization

Mr. Cathers: In May 2017, my colleague, the Member for Kluane, tabled a motion calling for an independent audit of the Yukon's permit hunt authorization system to address concerns with its effectiveness for Yukon hunters.

This July, after over a year of the Official Opposition calling for the review, two serious errors were discovered in the permit lottery system, forcing the government to finally admit that a review was needed. It's unfortunate that it took those errors to convince the Liberal government to realize that a review was necessary, but we're glad they have committed to it.

We've heard through media an announcement that an audit is coming, including next steps and a group retained to do it.

In the interest of openness and transparency to Yukon hunters who are looking for this information, can the minister tell us: What has been done since July to follow through with this commitment and what are the next steps?

Hon. Ms. Frost: I would like to start by acknowledging that we have members in the gallery today from the Yukon Fish and Game Association whom we have consulted with. We have met with them. We have met with the Yukon Fish and Wildlife Management Board and the RRCs. We have met with our community members to engage on this issue, recognizing that it has not been easy. It has not been easy on Yukoners. There has been confusion historically around the human processes of producing applications, and errors have been made. We know that, historically — corrected — and the transition from a handwritten data process to one of the electronic — we knew there were errors. We called and we took responsibility.

I want to say that I recognize and appreciate the frustrations of Yukoners and the hunters. I apologize sincerely for the inconvenience. However, we took the necessary steps to fix the data errors and to ensure a fair and accurate permit hunt authorization lottery moving forward. That's what we have committed to Yukoners.

Mr. Cathers: The errors that occurred in the permit system this summer caused a lot of confusion and resulted in many Yukoners losing out on valuable hunting opportunities through no fault of their own. It affected my constituents, and I know my colleagues in the Yukon Party also heard from constituents affected by this.

My colleague, the Member for Kluane, over one year ago noted to the government that there were problems with the permit lottery system that needed to be looked at.

We hope that this issue would now get dealt with sooner rather than later to ensure the same issues do not occur next hunting season. Has money been budgeted to pay for an

independent audit? Has a contract been signed with an organization we hear is facilitating the review? When will the review begin? Can the minister please tell those in the gallery and other Yukon hunters who are looking for answers what the next steps are that the government is going to take in this area to fix the problems that occurred and prevent them from happening a second time?

Hon. Ms. Frost: To the point, problems with the lottery system — imagine that. It has been there for quite a long time and the member opposite raised it a year ago. It existed prior to that. We're doing something about it; we're taking action and we're hoping to address the issue in the coming weeks. We recognize and appreciate the frustrations of Yukoners. The errors occurred; we acknowledge that and are moving forward.

We have contacted every individual who was impacted, and we are making some adjustments as we go forward to manage the system. We are looking at a third-party independent review, which will result in a more robust, transparent permit hunt authorization process. That was happening long before this issue. We have always known we would transition as we go through our regulatory and policy adjustments through the department — always looking for efficiencies, Mr. Speaker. That's what we're doing. We will continue to engage with all of our stakeholders as we proceed, as we have done up to this point. We have notified the public, we will work with the Fish and Game Association, but, more importantly, we have an obligation to work directly with the Yukon Fish and Wildlife Management Board, as defined under chapter 16, the regional RRCs and our indigenous partners.

Mr. Cathers: I'm glad the minister has now indicated that a third-party review is being done, but we and Yukoners would like to hear more details on how that will occur, who will do it and when that will happen.

When the Member for Kluane brought up the idea of an independent audit over a year ago, at that time the minister indicated that improving this system was not a priority for the Liberal government. We're glad that they have now decided to make it a priority, and if they had made it a priority earlier, perhaps the issues this summer could have been avoided. We are glad they're committing to take action now. The Member for Kluane's work on this also included calling a motion that we hoped to debate yesterday, had time permitted.

The question I have for the minister is: When will the minister provide us with more details with respect to the review? If the government knows what next steps it will take, will it be open with Yukoners, tell them what they're going to do, who is going to conduct the review and when this process will begin?

Hon. Ms. Frost: A priority of this government is to look for efficiencies in the system, to eliminate human error by working with the Yukon Bureau of Statistics, neutralizing transparency and looking for true and accurate data and the upload of the data so that there are no errors in the future. Those are things we're doing, Mr. Speaker. In addition, we

will continue to engage all our stakeholders, as I have indicated.

We are in the process of securing an independent review party to take a robust look at the permit hunt processes and ensure in the future that we consider improvements. That will be done in consultation with Yukoners.

As our Premier noted, we will do that as defined under the laws of application, under the Constitution, obligations under Crown decisions, obligations to consult with our indigenous partners and the indigenous knowledge-keepers — to keep in mind that we always have to take a process going forward with conservation and conservation ethics in mind as the top priority before harvesting, before we look at an effective co-management process.

Question re: Wildlife management

Ms. White: Yesterday, the CBC reported that the moose hunt has been closed for the season in some areas near Faro, as the harvest limit for the season had been reached. This is an example of how accurate harvest information can inform wildlife management. Yukon hunters and outfitters know that proper science-based wildlife management is essential to ensure healthy populations into the future. Good population management requires good data, Mr. Speaker.

Can the minister indicate if accurate harvest data for last year's hunting season is available to both the public and to outfitters?

Hon. Ms. Frost: I'm going to advise the member opposite that I don't have that information, but I would be happy to table that once I speak with the department and get the information on the accuracy of the data.

Ms. White: That's unfortunate, because I can tell the minister that the answer is no. Accurate data doesn't exist. In fact, Department of Environment employees have been directed not to share the data for last year because of problems in the transition from paper records to electronic records.

Long-term trends are essential to consider when it comes to game management. They give a big-picture view of the health of animal populations for decision-makers and for the public. In 2016, the Department of Environment had prepared a harvest pattern report that looked at harvest trends over the last three decades. Given all the issues with the harvest in Ross River this season, this would have been an important piece of information. This report has yet to be released.

Can the minister explain why the harvest pattern report has yet to be made public two full years after it was prepared?

Hon. Ms. Frost: That is a great question. I would be happy to get back to the member opposite with the specific details on the report. I don't have that in front of me, but I can note, as presented, that, as always, harvest data patterns over decades help us to define scientific assessments and knowledge — as well as looking at the information that we get from our resident hunters and the indigenous hunters — to redefine how we look at conservation and conservation ethics as we manage the declining resources.

We know, as a note with the point around Ross River, that the information has been collected since 1998 but permit

hunt authorizations on the Finlayson caribou herd have been effect as advised by the Yukon Fish and Wildlife Management Board in conjunction with the stakeholders. We have seen a decline in those numbers from almost 5,600 to less than 2,700 this year, triggering a need to look at accuracy of data, local traditional knowledge and practices and the integration of the knowledge-keepers into an effective process — and, of course, always engaging with the stakeholder groups and the partners like the Fish and Wildlife Management Board and the game association.

Ms. White: After the hunting and lottery fiasco earlier this year, we now have unreliable data that can't be disclosed and a critical report collecting dust for two years without ever having been made public.

Mr. Speaker, this is not the first time that concerns have been brought to us regarding the management of the Department of Environment. Yukon has already lost many highly qualified specialists, including species biologists, because of it, and the situation does not seem to be improving. This week the Respectful Workplace Office is conducting a workplace assessment of the Fish and Wildlife Branch because of the concerns expressed by employees. It would be extremely interesting to see the results of the employment engagement survey for this branch, Mr. Speaker.

Can the minister indicate how long management has been aware of these problems and what is the plan to get this essential department back on track?

Hon. Ms. Frost: Thank you, Mr. Speaker. I think it is clear that we are taking a proactive approach with all of our departments. We are always looking for efficiencies.

At this moment, I would like to recognize the staff of the Department of Environment for doing such a great job. A lot of them have dedicated a lot of their lives and, knowing that we have some staffing challenges within the workplace with respect to some of the expertise as identified, we will work to ensure that we have solid expertise within the department. Those are things we will be working on going forward, Mr. Speaker.

We are looking at the performance evaluations throughout government and we check in, look at efficiencies and always look for improvements and that's what I commit to Yukoners — to do just that. I will not speak to any specific issues with respect to staff relations or matters that are happening within the department; however, I will speak broadly to say that we will look for all efficiencies necessary to ensure that we provide the best services to all of Yukon and all of the clients that access services through the Department of Environment.

Question re: Mining legislation

Ms. Hanson: Earlier this this week, the government announced it would postpone or altogether drop the amendments to the *Quartz Mining Act* that were expected this Fall Sitting. The proposed amendments were limited in scope and didn't come close to fulfilling this government's obligation to develop successor legislation, that is, modern mining laws to replace old federal laws.

In fact, the “what we heard” document clearly stated that the feedback from First Nation governments is that the government should — and I quote: “... work with Self-governing Yukon First Nations to implement their Final and Self-government agreements...” This includes developing successor mining legislation.

Now that the minister has backtracked on these amendments, will he commit to honouring First Nation agreements and develop modern successor mining legislation as also required by the devolution transfer agreement?

Hon. Mr. Pillai: I would like to thank the Leader of the Third Party for her question today touching on two points, one being the potential QMA amendments that were identified this summer. In that particular case, we went through a 45-day engagement process looking at — in the early stage of taking this role, I heard from First Nations that there was an interest in pursuing options to enable mineral exploration and potentially the production on specific interim protected lands, so actually the process was driven at that particular time by First Nations.

We heard loud and clear — I spoke to the media — that this was something that needed a lot of work. There was an interest for more clarity, and so at this particular time we felt it would be most important to be respectful of the industry, learn from that expertise and also listen to our First Nation partners and continue the good work that we are doing at our MOU table.

I will wait for question 2 and 3 and then I will divulge a bit more of the successes of our MOU table, our work plan and some of the things we’re working on to ensure we have a great industry and a great relationship with our First Nation governments.

Ms. Hanson: The piecemeal approach to amending the *Quartz Mining Act* has been tried by this government and their predecessor. It clearly doesn’t work.

The government’s inability to get support for these minor changes is an indication that it’s time to abandon the pick-and-choose approach. Developing successor mining legislation is the only way to modernize our mining laws from laws that are outdated and inconsistent with 21st century Yukon. It will require courage and it will require that this government stand up to those in industry who want to keep things like the good old days and it will require this government to build partnership with those in industry who understand that working with First Nation governments is the way to go forward — yet it seems this government is again afraid of their own shadow.

Why does this government not have the courage to work with industry, First Nation governments and stakeholders to develop modern successor mining legislation?

Hon. Mr. Pillai: I appreciate the question, not so much the tone. We will continue to work on our work plan that was co-developed with First Nation governments and we will continue to look at the priorities that they have laid out, the priorities that we’ve laid out and the timelines that are there. The member opposite touched upon the obligations under the devolution table. There was a devolution working group that

worked on a list of priorities through the Council of Yukon First Nations. At the top of that list was renewal of the *Lands Act*, understanding that the *Lands Act* is the foundation of legislation when it comes to some of the resource development.

We’re going to continue to have conversations. We’re going to respect the priorities of the chiefs when it comes to how we look at the *Lands Act*. I am going to work with my colleagues to hopefully gain the support to move some of that important work through as a first step and, at the same time, we’re going to support an industry that is really thriving. It’s so great to be out in Thistle Creek or Coffee Creek and see young Yukoners and multiple generations of Yukoners working — parents knowing that their children can come home and get a job.

At the same time, I am not going to take advice from the Leader of the Third Party when it comes to any economic issues. What we’re going to do is support this and I’m going to be respectful to our partners, which we said we would do from the start.

Ms. Hanson: We’re two years into this government’s mandate and there is no sign that they intend on fulfilling their obligation to develop successor mining legislation. That has become more and more clear. They are not even talking about reviewing the fees and royalties regime, despite the Yukon Financial Advisory Panel highlighting the need to do so. The panel was clear. Yukoners own the territory’s natural resources. It recommended — and I quote: “... a comprehensive review of resource-sector policies, with a particular emphasis on ensuring fair and efficient royalty rates, fee structures...”

Now that the government has pulled their amendments to the *Quartz Mining Act*, what will it take for this government to fulfill its obligation to work with First Nation governments, industry and stakeholders to develop successor mining legislation, or are they simply waiting for another court case — keeping in mind it’s not only the CYFN that is represented when it comes to indigenous rights in the territory?

Hon. Mr. Pillai: We are absolutely going to continue to work with our partners. That is what we committed to do. That is why our MOU table is heralded across this country, across the territories and across the provinces and even into North America as the way to go forward and to do good work. The output to that will build trust — the foundation of what we need. We know that when we walked in, the foundation had cracks in it. We’re going to fill the cracks by our actions to ensure that this economy is strong. I am going to continue to respect the work plan that has been provided to me.

I am going to congratulate the Premier on chapter 23 and the implementation of that and the distribution of royalties as we move forward and, in a progressive manner, as we look at new projects across the Yukon, we will sit down with First Nations. We will understand their needs on a socio-economic perspective and we’ll see if there should be other distribution based on our end of the deal. That is what we’re going to do and we’re not going to take advice from the Third Party leader

when it comes to the economy, or even, in this case, First Nation relations.

Question re: Permit hunt authorization

Mr. Istchenko: Whether it is to put food on the table, to continue family traditions or to teach our children how to respect and live off the land, hunting is a way of life for many Yukoners. Hunters are some of the greatest conservationists, as they have a vested interest in ensuring stable animal populations year after year.

We know the Yukon Fish and Wildlife Management Board exists, in part, to ensure wildlife populations in the Yukon Territory remain healthy. It does so by addressing population concerns through proposals to the Minister of Environment. These proposals are created based on scientific evidence, input gathered from hunting and fishing organizations, renewable resources councils, our local Yukon First Nations and the general public.

Can the minister confirm whether or not a proposal to address any concerns of the Finlayson herd has come to the Fish and Wildlife Management Board?

Hon. Ms. Frost: There are some great points raised in that last question and I am going to talk a little bit about that — about hunting as a way of life. Hunting is a privilege.

Our first priority is looking at conservation — conservation ethics, conservation management and our duty to consult around co-management of the resources we see declining. For 20 years, we have seen a decline in the Finlayson herd. We have data that verifies that.

Structurally, the community in question — perhaps the MLA for the region would know this, having served that community for a number of years. Generally speaking, they have not had a lot of voice in co-management on their respective territories, and that's exactly what we aim to do. The Premier has identified that as well; that we have a judicial decision that defines what we do and how we engage.

We have heard, through this process — in July, I travelled to Ross River and met with members of the Ross River Dena Council who expressed their extreme concern regarding the health of the Finlayson herd. The member noted that observations are very important as part of co-management — hunters and the users of the land — and need to be considered in decisions.

Mr. Istchenko: Less than 24 hours before the start of the 2018 hunting season, draw permits for the Finlayson caribou herd were cancelled with no prior notice. The reasons given were concerns with the health of the population. The minister claims she had to make a last-minute decision because, according to her, the first she heard of these population concerns were from the Ross River Dena Council in July of this year. However, the Ross River Dena Council has been raising issues with moose and caribou populations since November 2016, so the minister has had two full years to gather evidence and allow for a proper Fish and Wildlife Management Board process to be followed. Instead, the minister took no action until it was too late.

Why did she ignore all this information when she first heard of these concerns almost two years ago and wait until absolutely the last minute to make a decision?

Hon. Ms. Frost: Perhaps I might turn that question around to say what we heard from the Ross River Dena Council was something we took very seriously. Perhaps I might want to ask the member opposite to tell the House what efforts the previous government made to get harvest information from the Ross River Dena Council or look at cooperative management or integrate other input. Sure, we have had some time. We have worked with the Ross River Dena Council and we will continue to work with them in good faith to ensure that they have a voice at our table and that they have a voice around resource management in their traditional area.

I made the difficult decision to use the authority entrusted to me under the *Wildlife Act* regulations to set the numbers of the Finlayson herd to zero for non-resident hunters in 2018-19. The member opposite had that opportunity during his tenure here and nothing happened. Now we are working with our partners. We are collecting data. As noted, we had a checkstop there to give us some accuracy to work with the resident hunters who are on the ground in the territory and to work with the First Nations.

Mr. Istchenko: All right, let's reiterate: hunters understand that, when animal populations are threatened, government-mandated restrictions can be put into place to reduce pressure on the animals — they know this. This is usually not a problem, nor is it controversial as long as due process is followed, Mr. Speaker, and the evidence is provided ahead of time to show why a specific area is being protected. Now, we have established that the minister spent the last two years sitting by and doing nothing with this, only to skip the proper due process. There are some other serious questions. Yukoners need to know what will happen next. Will the Finlayson caribou hunt be cancelled for residents next year as well, and has a regulation change proposal been crafted or submitted to the Fish and Wildlife Management Board for this specific herd, or will the permit process continue to be dictated by a kind of ad hoc political intervention? Hunters want to know.

Hon. Ms. Frost: No ad hoc process — perhaps that was the way of the past. The future tells us that we have an obligation to consult and engage. The interim temporary measure was put in place because we listened to the community and we listened to the concerns that were brought to our attention with respect to the population, taking into consideration the decline over the last 20 years and the opportunities for us to look at a consultative process within the next year, as we indicated — an interim temporary measure to allow us to continue the consultative process with our stakeholder groups, and we will do that, Mr. Speaker. We will look at the opportunities via the Fish and Wildlife Management Board, chapter 16, as well as our duty to consult with our stakeholder partners as defined for us under the laws of application.

Speaker: The time for Question Period has now elapsed. We will now proceed to Orders of the Day.

ORDERS OF THE DAY

GOVERNMENT BILLS

Bill No. 22: Act to Amend the Forest Resources Act and the Territorial Lands (Yukon) Act (2018) — Second Reading

Clerk: Second reading, Bill No. 22, standing in the name of the Hon. Mr. Pillai.

Hon. Mr. Pillai: I move that Bill No. 22, entitled *Act to Amend the Forest Resources Act and the Territorial Lands (Yukon) Act (2018)*, be now read a second time.

Speaker: It has been moved by the Minister of Energy, Mines and Resources that Bill No. 22, entitled *Act to Amend the Forest Resources Act and the Territorial Lands (Yukon) Act (2018)*, be now read a second time.

Hon. Mr. Pillai: Mr. Speaker, it's my pleasure to introduce Bill No. 22, *Act to Amend the Forest Resources Act and the Territorial Lands (Yukon) Act (2018)*, for the Legislature's consideration.

The *Territorial Lands (Yukon) Act* and the *Forest Resources Act* provide legislative frameworks for the protection and management of our lands and forest resources. Recent court cases involving the illegal construction of the 17-kilometre access road in the McGregor Creek area have tested certain enforcement provisions in these two acts.

These technical amendments have been developed in response to this recent court action. The amendments will close enforcement loopholes and send a message to deter violations of Yukon's land and forest acts during resource development and other activities.

These amendments are technical in nature, and we are not proposing policy changes or new regulatory regimes under these acts. There are different fines and penalties in the *Territorial Lands (Yukon) Act* as well. The *Territorial Lands (Yukon) Act* enacts regulations under two different sections of the act. Some regulations have a maximum penalty of \$5,000 for offences, while other regulations enacted in a different part of the act have a maximum penalty of \$500.

The recent court cases involved offences under the land use regulation. This regulation is enacted under the section of the act that allows only the lower of the two penalty amounts and there was no ability for the Government of Yukon to seek higher fines.

This amendment will streamline the act by making all regulations subject to a \$5,000 maximum penalty. This will remove confusion and improve the administration of the act. It will also support the Government of Yukon's commitment to protecting Yukon's natural resources.

There are different English and French versions of section 21(j) in the *Territorial Lands (Yukon) Act*. During drafting, it was discovered that the French version of section 21(j) of this act did not align with the English version. Currently the French version speaks to regulations for supervision,

management protection and use of the surface of territorial land. The English version, however, speaks only to protection, control and use of the surface of the territorial land.

The French version is broader in scope, which means that, as currently written, there is a greater power to make regulations under the French version than the English. We do not believe that this difference was intentional and we are proposing one small amendment to resolve this issue. We have changed the French version to match the English version.

Also, previously we had no ability to seek reclamation orders in the *Territorial Lands (Yukon) Act*. We are also proposing an amendment to the *Territorial Lands (Yukon) Act* to add a new provision that enables a court to issue remediation orders to a party found guilty of an offence. The act currently has no such provision. What this means is that the Government of Yukon is not able to seek these orders in court proceedings and thus has to bear the cost and responsibility of all remediation or reclamation work. Currently, there is no ability in the act to order a guilty party to bear this responsibility. This amendment outlines the remediation orders that may be sought in a court of law. Ultimately, it is up to the court to decide whether remediation orders should be issued. This amendment, however, provides the court that option. This provision is found in many other acts, including the *Forest Resources Act* and the *Wildlife Act*, concerning the definition of "harvest" in the *Forest Resources Act*.

Finally, our last proposed amendment is to the definitions of "forest resource harvesting" and "timber harvesting" in the *Forest Resources Act*. Currently these definitions both read: cutting and removal of any forest resource or timber. A recent court interpretation was that both the cutting and the removal of forest resources of timber are required for the definition to be met. This interpretation means that, if an individual cuts down trees without a permit but does not remove them, they are not guilty of any offence. This interpretation has an impact on the Government of Yukon's ability to protect Yukon's forest resources. The amendment we are proposing here is relatively straightforward and changes the word "and" to the word "or", and the definitions would now be "cutting or removal or both". What this means is that a permit would be required for cutting forest resources or timber, removing or both.

In conclusion, I am confident that these amendments will contribute to increased protection and better management of our lands and forests. I would like to thank the many staff members within the Government of Yukon who have made these amendments possible. I would also like to thank the members of this Legislature for their consideration of this bill, and I look forward to our discussions around these important amendments.

Mr. Cathers: I am rising to speak to these amendments as our critic for the Sustainable Resources division of Energy, Mines and Resources.

I would note that we understand the nature of the amendments and that it is, in fact, largely restoring power and

the ability to fine someone for infractions in a manner that the government previously believed they had prior to a court decision. Our caucus doesn't have concerns with that part of the legislation.

I would just be remiss if I didn't note that we are a bit disappointed to not see more work being done, or announcements being made on the next steps to deal with some of the concerns that we have heard from the Yukon's wood products sector and firewood cutters and fuelwood haulers — the concerns brought forward to members of our caucus, including many to the Member for Kluane who has many constituents in this area. I note that there are issues around long-term tenure and wanting to see that process made easier under the act.

We have heard concerns, as well, around stumpage fees and the high cost of them — as well as, from those affected by it, that they believe that, if money from stumpage fees wasn't being used for the construction of roads into logging sites done by the Yukon government, allowing operators to do it themselves would be more cost-effective in their view.

There are local concerns with getting wood close to the community and the challenge in some cases of having sites not designated yet for firewood cutting near communities.

As well, the minister will be aware that there are concerns from Yukoners who looked at what happened in Fort McMurray and saw what happened in Telegraph Creek, as well in other communities in British Columbia. There is a growing concern and growing recognition by some within the Yukon community about the risk that is posed to communities when there is a heavy fuel load near communities, especially dead trees, and even the existence of a large swath of unbroken boreal forest near communities can be an issue.

Of course, the argument on the other side of that, as the minister well knows, is that Yukoners also prize very highly our wilderness environment, including our forests, for its beauty as well as its ability to serve as habitat for wildlife populations. I recognize that dealing with that particular area requires discussion and consultation with the public, but I would just note that people who have seen the impact of wildfires in the communities are recognizing that this can be a challenging topic at times, but one that ultimately Yukon communities and all levels of government need to be involved in — considering what steps are most appropriate for those areas to reduce the risk of wildfires and whether and when firebreaks or even sections of deciduous forest interspersed in the boreal forest can be effective ways to reduce the risk if a fire occurs. Some of those matters, I know, are not necessarily legislative in nature. I just wanted to raise them at this point in time since we're discussing the *Forest Resources Act* in part.

Moving back to the *Forest Resources Act* and issues under it, one of the issues that has been heard from commercial operators both large and small is the concern about the YESAA process and the feeling from some that the rules aren't entirely clear — that the goalposts move somewhat and that the YESAA process sometimes leads to inconsistent results that some feel do not reflect necessary changes — but, in fact, simply an inconsistent process.

There is also concern within the woodcutting sector that the legislation isn't always as user-friendly as it could be and that steps could be taken. Now, I recognize that the minister at this point in time was probably dealing in a very targeted manner with the legislation, trying to respond to a court decision, but we would appreciate it if the government could look at those areas, recognize the concerns that are out there and recognize, as well, that the *Forest Resources Act*, as with any new piece of legislation that is significant in scope — and of course, that legislation, as the minister knows quite well, came through the successor resource legislation working group. So there were changes that were agreed to at that point, with the best intentions of all parties.

I think it is fair to say that the effect of that legislation is probably different in some of its details than anyone anticipated during the development of it. We, of course, were in the position of actually implementing the legislation after it came through the successor resource legislation working group process. I'm not attempting to point fingers at anyone in this regard, I simply see it as a case of the legislation following the process that took roughly five years through the successor resource legislation working group until the point the act was finalized and tabled, and then subsequently regulations were developed, if memory serves, about two years later. Over the span of roughly seven years, the legislation and its regulations were developed and brought in. In some cases, I think the effects of those were unanticipated.

Again, we're trying to reflect what we've heard from Yukon woodcutters and those in the fuel-wood sector of the economy and loggers, that there is some room for improvement.

Really our primary objective at this point would be to remind the government of this and draw it to the minister's attention.

We had hoped that, whether today or in the near future, the minister would be in a position to take action on these issues and announce next steps to hear from the public and the sector and make some of the changes that Yukoners directly affected by this legislation have been asking the Member for Kluane, other members of our caucus and me for. I am sure the minister has heard some of those concerns as well.

With that, I will wrap up my comments. We will be supporting this legislation and recognize the targeted nature of it, but I hope the minister will take those concerns and suggestions seriously.

Mr. Hutton: I am very pleased to rise today to speak about Bill No. 22, *Act to Amend the Forest Resources Act and the Territorial Lands (Yukon) Act (2018)*.

I would like to thank my colleague, the Minister of Energy, Mines and Resources, for tabling this bill. The two pieces of legislation that this bill proposes to amend are ones that provide the legal tools for government to protect and manage the lands and forest resources of our territory. As I have said before in this House, the Yukon is filled with some of the most pristine land in the world, and it is our duty to

protect and manage our lands and forest resources responsibly for the benefit of current and future generations.

Recent events have made it clear that our current tools are not strong enough, especially when it comes to dealing with violations of these acts. Last year, Yukoners were shocked to learn about the illegal construction of a 17-kilometre access road in the McGregor Creek area, north of Carmacks. As the Member for Mayo-Tatchun, I was particularly disturbed to learn about this access road, as were many of my constituents. The access road was built without going through the appropriate environmental assessment process and without receiving the required authorization.

This kind of activity is unacceptable and penalties must be enforced and realistic. Unfortunately, the enforcement mechanisms in our legislation currently lack the clarity and strength to appropriately address this kind of violation. This was made clearer when our government took the offending parties to court for violating the *Territorial Lands (Yukon) Act* and the *Forest Resources Act*. Throughout the court proceedings, several statutory challenges were identified in both acts.

The *Territorial Lands (Yukon) Act* allows for regulations to be enacted under two separate provisions of the act. One section has a penalty structure with a maximum fine of \$500 per day while the offence is committed or continued and the other has a maximum fine of \$5,000 a day while the offence is committed or continued. The defendants were charged under the land use regulation, which has a lesser penalty structure, and so there was no ability to impose the maximum fine for this case.

The *Territorial Lands (Yukon) Act* does not have a provision enabling the court to issue remediation orders to a guilty party, which means that the guilty party is not liable for restoring the natural resources that were damaged due to the offence.

The definition of the term “harvesting” was interpreted by the court to require both the gutting and removal of forest resources or timber. As the defendants only cut but did not remove the forest resources, they were found not guilty.

Bill No. 22 contains four amendments in response to the statutory challenges identified in the court proceedings. One clarifies that the definition of forest resource harvesting and timber harvesting in the *Forest Resources Act* includes cutting or removal or both by changing the definition from “cutting and removal” to “cutting or removal”.

The second is adding a provision in the *Territorial Lands (Yukon) Act* to allow a court to issue remediation orders for resources damaged due to an offence. The third ensures that all regulations enacted under the *Territorial Lands (Yukon) Act* have the same enforcement regime, with a maximum penalty of \$5,000 per day the offence is committed or continued. The fourth ensures that the French version of section 21(j) of the *Territorial Lands (Yukon) Act* matches the English version.

In September of 2018, the Department of Energy, Mines and Resources sent a letter to all Yukon First Nations and transboundary First Nations, including the Inuvialuit and

Tetlit Gwich'in, Klondike Placer Miners Association, Yukon Chamber of Mines and the Yukon Wood Products Association, informing them of the proposed amendments. We want all Yukoners and all users of land in Yukon to know about the changes we are proposing.

Unauthorized environmental disturbances like the one at McGregor Creek are a serious concern for the people of Mayo-Tatchun and a serious concern for our government and all Yukoners. It's vital that any resource activity in our territory follows our legislation, respects other land uses and upholds strong environmental management so our land and resources are protected for future generations.

These proposed changes will strengthen our legislation to encourage better compliance with the law by sharpening our enforcement tools. That's why I'm happy to offer my support for this legislation.

Ms. Hanson: I want to start by offering my thanks to the minister for introducing this *Act to Amend the Forest Resources Act and the Territorial Lands (Yukon) Act (2018)*, as well as to the officials who provided a very good briefing the other day on these amendments and the rationale behind them. It was good to have the technical briefing because, as the Member for Mayo-Tatchun has outlined, the need to make these amendments became crystal clear to all Yukoners over the course of the last number of months as we watched in shock that people could actually have the audacity to think that they could go into any area in the Yukon, quite frankly — in this particular area, it was the traditional territory of the Little Salmon Carmacks First Nation — and simply build a 17-kilometre road without a by-your-leave from anybody.

I have to say — there was an article by Chuck Tobin in the *Whitehorse Star* where he captured, basically, slick lawyering on behalf of Coyne and Goepfel, the two accused and the ones who eventually pled guilty to relatively minor offences.

It was the minor nature of the fines that the government was able to see applied in this case that caused the outrage, Mr. Speaker — the fact that people could willingly and knowingly cause damage to land that they had no right to be on and do that with the audacity that they had the right to be there just because they were engaged in an activity that they were pursuing.

We were pleased to see that the proposed amendments will, in fact, address some of the concerns, such as having the previous language with respect to what was harvesting or not harvesting. If they had been “harvesting”, they would have been subject to a \$150,000 fine. That's quite a difference when we get to the total. I think they paid \$1,200 for the total fine here. We have no idea because the legislation as it was previously structured didn't require or didn't provide for any remediation, so we now have the Government of Yukon on the hook for remediation that is not minor in consequence in terms of replacing what some would call “overburden” — the vegetative matter that was bulldozed aside five stream crossings and stabilizing the permafrost that was exposed. I'm not sure we asked the question, but we're unsure as to the

impact on a trapper's cabin which then potentially has impact on a trapper's livelihood.

This was a situation that certainly brought to clear relief the importance of the territorial government taking action to ensure that there cannot be and should not be any future situations of this nature occurring. We were told, and take it as fact, that there are very few occurrences of this scale that have come to the attention of Energy, Mines and Resources. This is in fact a rare event. On a small scale, in terms of other issues that occur where people have ventured onto land that they have no right to be on without permission — we can all go across lands and do things as long as we're not destroying it — but that's a more frequent occurrence. We hope what these amendments will do is both provide the tools to the government officials to ensure that, where there are violations, that they do not have to stand back and feel badly, as people who represent the Government of Yukon, that they don't have the right toolkit to put in place requisite or appropriate sanctions when and if individuals choose to be so flagrant in their disregard for Yukon's environment and for its laws.

Quite frankly, there are lots of slick lawyers out there, and it's best to make sure that we don't allow for the playing — as we saw the playing of our legislation — against common sense. Common sense says, "Man, these guys made a huge mess," and we as Yukoners were forced to stand aside and watch it happen and were not able to do anything concrete.

We are pleased to see this legislation. It will be yet another tool in the toolkit of those officials we ask to serve us in the field.

Thank you, Mr. Speaker; we will be supporting it, of course.

Speaker: Is there further debate on second reading of Bill No. 22?

If the member now stands, he will close debate.
Does any other member wish to be heard?

Hon. Mr. Pillai: I would like to thank the Member for Lake Laberge as well as the Leader of the Third Party for their comments and perspective concerning this piece of legislation. I certainly would get into a longer conversation — or at least try to address more fully some of the questions for the Member for Lake Laberge when we get into Committee of the Whole.

As the member will remember, there is a process that takes place concerning these acts — and I'm speaking directly to the *Forest Resources Act*, where there is a trigger to do a review. We can discuss that in a more lengthy way during the Committee of the Whole. I think that's the place where we can respectfully capture the comments made by the member, and it will be a platform for us to speak to groups like the Yukon Wood Products Association, First Nation governments and others — but I'm also sincerely interested in hearing what the fallout has been from some of the successor legislation, taking into consideration that the member opposite was there during the creation and understood the initial intent and then the

things that have played out that may not have exactly met the mark that was originally focused on.

Also I do appreciate the support from the Leader of the Third Party on this. It was — I guess "sad" would be the appropriate word — devastating to somewhat understand that the successor legislation did not have the teeth — or there was a way for the individuals who had caused this damage to find a loophole. We've committed to both Selkirk First Nation as well as the Little Salmon Carmacks First Nation that we would work through a process to come up with an appropriate reclamation plan and then to conclude and get that work done.

We can talk a bit about it during Committee of the Whole, but it is an extraordinary amount of money to bring in an engineering firm, set the terms of reference, define the scope, and then go back to try to bring those areas 17 kilometres back to where it was prior to the illegal impact. Those are hundreds of thousands of dollars that get put on the shoulders of Yukon taxpayers. With that in mind, I think it is good that we are going to move forward on these important amendments and that we do have legislation that will give us the tools in our toolbox to deal with making sure that bad actors in the resource industry are dealt with appropriately.

Thank you, Mr. Speaker. I will move to the next stage for a vote.

Speaker: Are you prepared for the question?

Some Hon. Members: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.

Hon. Mr. Silver: Agree.

Hon. Ms. McPhee: Agree.

Hon. Mr. Pillai: Agree.

Hon. Ms. Frost: Agree.

Mr. Gallina: Agree.

Mr. Adel: Agree.

Hon. Mr. Mostyn: Agree.

Hon. Mr. Streicker: Agree.

Mr. Hutton: Agree.

Mr. Hassard: Agree.

Mr. Kent: Agree.

Ms. Van Bibber: Agree.

Mr. Cathers: Agree.

Mr. Istchenko: Agree.

Ms. Hanson: Agree.

Ms. White: Agree.

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

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

Motion for second reading of Bill No. 22 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 general debate on Bill No. 207, entitled *Second Appropriation Act, 2018-19*.

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. 207: *Second Appropriation Act, 2018-19*

Chair: The matter before the Committee is general debate on Bill No. 207, entitled *Second Appropriation Act, 2018-19*.

Is there any general debate?

Ms. Hanson: I have some very broad questions with respect to finance, and I am mindful that the Minister of Energy, Mines and Resources won't take my advice but I'm hoping the Minister of Finance will answer my questions on financial matters.

I'll start off with pretty general ones. It was noted in the — I'm going to refer a fair amount this afternoon to the Yukon Financial Advisory Panel final report because, as we have sort of skirted around this for the last year, there are some selective aspects of the report that are referred to or discussed, and others that are not, and there are some overarching issues raised in the report that are of general interest and do affect how the finances of the territory currently and going forward will be structured.

I wanted to start off just in the very broad picture with respect to the note in the report on page 118 about the territorial formula financing agreement — that the renewal is set for next year, which is 2019, so we're on the cusp of that. I would be interested if the Minister of Finance could provide an update to this House on the discussions and negotiations with Canada on that. I note that one of the things that the Financial Advisory Panel had suggested was that the Yukon government work to try to develop a partnership approach with the federal government to explore changes to the TFF to reflect some of the unique nature of Yukon's demographics — and, in particular, they were focusing on the issue of health

spending. I am hopeful that the Minister of Finance can update this House, since 2019 is just around the corner.

Hon. Mr. Silver: I appreciate the question from the member opposite. There is a lot in there to unpack. As the member opposite can recall from my first year in my role as Premier, I was elevated to the seat of chair for the Council of the Federation. It was trial by fire right away, working with the other premiers in all things pan-Canadian framework. Also, we were negotiating, not only issues from the First Ministers' perspective, but also from the health ministers' perspective in that particular round where we had ongoing conversations and successfully lobbied to have health conversations brought to the table on that federal level with the Prime Minister and with the premiers, also taking in the health ministers as well.

At that time across Canada, there was a very interesting debate about the responsibilities of the federal government based on the federal *Health Act*, and there were differences of opinion from the federal government's perspective and the territorial and provincial perspective, taking a look at different jurisdictions with Quebec leading a charge on looking at the difference in percentages that the provinces, compared to the federal government, pay for health care in the provinces. It was quite a thorough conversation and sometimes a very contentious conversation as far as the obligations.

As far as our government goes, it was a unique conversation. We have these agreements with Alberta and British Columbia where we are really lucky to have the quality care that we have when it comes to our biggest issue — when it comes to quality of care being equal to the rest of Canada — in the Yukon, and that is access to medical travel and being able to get to the hospitals that we need for the services that aren't provided here in a smaller jurisdiction. To be able to be in a position where you want to advocate for an increase in funding and the differences therein of a per capital or base plus — those differences in that particular conversation aren't that big in effect, but we want to make sure that we're on the same side as Alberta and BC with their huge considerations when it comes to these types of funding.

It was an interesting place for us to be in. I think we did a very effective job of working with our partners to have a united voice.

As you recalled, Mr. Speaker, when the press release came out there was a united front among all of the provinces and territories at that time, and slowly jurisdictions left that united front after the press release, leaving our jurisdiction in a really unique situation. We did effectively help Alberta and BC in a narrative and showcase how important that relationship is to the Yukon. We get first-in-line services when we are medevaced into those jurisdictions.

We were also very effective in not being the last jurisdiction to leave those negotiations. When we did, we renegotiated a new THIF funding program — the territorial health investment fund — and we breathed life into something that was set to expire. Not only did we do that effectively, Mr. Chair, we also had the ability to increase the local flexibility when it comes to how we spend our THIF money.

That was renewed and there was also, like I said, the lack of strings that were attached to that, and I think we did a good job of extending it. The numbers aren't in front of me right now, so correct me if I am wrong, but I think it was \$24 million or \$26 million negotiated into the THIF fund. I will get that number for sure, but I think it is around there.

We were effective in that, and also per capita costs have gone up, so having a conversation with the federal government about how that relates to this unique jurisdiction — it is always an interesting conversation, whether it is with the Treasury Board or with the Department of Finance or any of the other ministries responsible for northern affairs. Things like the effects of carbon pricing — making sure that when we negotiate with the federal government that any revenues being collected by the federal carbon pricing mechanism don't negatively affect our federal transfer.

These are the ongoing conversations. We have been very effective at making sure these things didn't happen. We were very effective at increasing our THIF funding with no strings. There were also some technical issues in the THIF funding, and I would maybe ask the members opposite to speak about that technical funding directly to the Minister of Health and Social Services when she has an opportunity to be on her feet in the Legislative Assembly. Again, we were able to negotiate those and make sure that these changes and others weren't to negatively affect our federal transfer.

Further, on the TFF renewal, we negotiated to have an additional \$1 million to \$2 million added because of this technical change that I mentioned earlier. Ottawa also reversed course in that pursuit when we lobbied them. Sometimes these are accounting errors to the federal government, and to us it is a difference of millions of dollars. Being able to advocate for that — it is always good to have a positive relationship with Ottawa when negotiating to get those monies back into our coffers. We did successfully reverse that course after we lobbied for it. Again, there was no impact to the TFF from carbon pricing. That effect, if we did calculate it, would have been to the tune of about \$4 million to \$5 million annually. If we were taking the revenues collected from a federal carbon-pricing mechanism and returning all of that to Yukoners, it is not revenue for us. Even the money that we spend ourselves on that carbon-pricing mechanism is going back to Yukoners and Yukon businesses, so it's being able to work with the ministers and with the Prime Minister's office to renegotiate and to make sure that our federal money stays untouched when we're looking at these other initiatives from the federal government.

Ms. Hanson: I thank the minister. I guess I'm still looking for some clarification with respect to the TFF. Over the last seven or eight years, the territorial funding formula arrangements have resulted — the means or the way it has been transferred or indexed, we've seen indexing that has gone, according to Public Accounts, anywhere from six to eight percent down to two to three percent. We saw forecasts leading into 2016 that the territorial formula financing agreement was not going to be at robust levels. I understand the general nature of how this is structured in terms of the

comparative with the provinces and blah, blah, blah — the elements that generally make it up. What I'm looking for is some sense of what kind of indexing going forward for the five years of the next formula funding arrangement that we're going to have — the financing agreement with Canada. Has that been fixed or has that been discussed? That certainly gives some sense of what certainty there is in funding going forward regardless of the other kinds of arrangements you make with Canada for the side agreements on THIF or other kinds of recoverables or project funding that comes up, and it has an impact — or should — in terms of the purpose of this review with respect to the necessity of beginning to look at own-source revenue.

Hon. Mr. Silver: Thank you for the question from the member opposite.

Long story short — and not to get into the complicated nature or the algorithms — some of that updating will be fixed with the budgeting process moving forward into the mains. What we saw with the forecast and the index — we had a downward projection because of the expected spending of other provinces and territories. We were expecting more spending from those provinces and it just didn't happen. We were also expecting our population growth to be more in line with those other jurisdictions.

Both of these things relate to the forecasting for indexing for the TFF. But as we move into the next indexing or the next time that we have a forecast through the main budget, we should see those numbers more reflective of the reality. There was less spending in the jurisdictions. We expected more spending than actually occurred, basically — if I wasn't clear on that.

Ms. Hanson: The Minister of Finance in the last Budget Address spoke about the importance of the Department of Finance and enhancing its central agency role with the expectation — at least the way I had understood it, and I ask him to correct me if I'm incorrect — that Finance would be working with all departments to ensure that there was sort of a standard approach with respect to strategic planning and operational planning across departments and agencies.

I would ask the Minister of Finance to confirm that is correct and to answer the question: Will strategic plans and the subsequent operational plans for all departments and agencies be completed prior to the beginning of the fiscal year 2019? Will they be published online?

I raise this because, in terms of openness and accountability, we see that it's the practice in other jurisdictions. You can go online, you can see what the government department says it is going to do and when it is going to do it over the long horizon and then operationally over that year.

It's not rocket science. I know that there have been sporadic initiatives within Yukon but then there is no consistency. It was my understanding that the Department of Finance, with that central agency role, would be providing that consistency in terms of direction to departments and agencies so that citizens and members of this Legislative

Assembly can have a sense of what government departments and agencies are doing with the monies that have been voted by this Legislative Assembly. That then forms the chain of accountability.

Hon. Mr. Silver: When we did first sit down with my Deputy Minister of Finance, we had a very frank conversation about financial oversight when it comes to decisions made in the Legislative Assembly — I know that it seems like a tagline, but evidence-based decision-making. The privilege to have a conversation with the deputy minister as well as with my deputy minister of Executive Council Office about what that looks like — what overall financial scrutiny looks like in processes — that was really important to me and to this team.

Right off the bat, we put money in the budget for 11 FTEs within the Department of Finance to really bolster up that department so that, as it works with the Management Board Secretariat and as it works on a whole-of-government approach, it has the financial capacity on a timely basis — and that's the big thing about government — to check in with the departments as we go from Cabinet Committee on Legislation to Cabinet Committee on Priorities and Planning, before we even get to Cabinet and before we even get to Management Board, to make sure that financial scrutiny is there.

It is quite a task. In the past, you saw some job descriptions and titles and then responsibilities that actually put some people in the Department of Finance in a conflict of interest of sorts, and it didn't help for the morale in that department — that is for sure — to be able to bolster up that department so that it actually has the ability to, not only do the financial scrutiny of a budgetary cycle, but also to be able to work on a whole-of-government approach when it comes to really important files like, for example, capital spending.

I'm really proud of the work that the Department of Highways and Public Works is doing when it comes to how we work with the Department of Finance to align federal funding, to make sure that the dollars we are spending prioritize — this is a tricky balance — the need for infrastructure, the needs of other governments and other communities in the Yukon and what they believe are their needs, and also take a look at the constraints that are given to these federal dollars when it comes to waste water or when it comes to vertical and horizontal infrastructure or different considerations for retrofits and making buildings better, as opposed to just re-building those buildings.

The Department of Finance has done an awful lot of work to really be able to have that leadership capacity to start leading. There have been several major initiatives advanced in our efforts in the areas of accountability, in the areas of reconciliation, in the areas of sustainability as well. Through those efforts we've secured financial agreements on cannabis with the federal government, we've delivered on a five-year capital plan, which gives more certainty to industry and to advancing reconciliation through the signing of the chapter 23 implementation agreement. There has been a lot of work being done by the abilities of the financial team.

It is interesting, on a yearly basis, to go back to these meetings. This is currently the only jurisdiction in Canada

where the Premier is also the Minister of Finance. To go to the First Ministers' meetings — and then to go back as the Finance minister to the financial ministers' meetings — I recall the first time we went — that was before our first budget — and the second time going back and just seeing the capacity building, not only here as we create budgets, but on a national level as well where we can go in there and hold our own, as the smallest jurisdiction in Canada, with a financial team that gives me the confidence to be able to hold my own with the other financial ministers right across Canada and to lobby and advocate for a greater share of a cannabis excise tax and doing so based upon the confidence that I have from the department itself within these new hires.

Another part of that success of that building of capacity that the member opposite is asking for is mid-year fiscal and economic outlooks being set in stone, so to speak, so that people are used to them coming out. Making decisions by services now — that's the most important piece there that's new to this government as well. They are service-based decisions. All financial people in all of those individual departments are feeding into a mothership of finance, and we're making our decisions based on services, which brings us to the performance plans.

Again, planning on our priorities, making decisions based on services, is an extremely important part of a growing concept of the performance plan updates. Last spring we issued the first performance plan that detailed our commitments to Yukoners, that outlined a path forward to deliver on those priorities. Then, within this fall's update, we're now taking extra steps to make that a little bit more robust process. This report is including an update on the work being done right across government. It measures our performance based on key priorities and outcomes and some new evidence-based indicators of the Yukon's long-term well-being.

We're expanding upon those evidence-based indicators and we're doing it upon models that you'll see in other jurisdictions right across Canada. I'm very proud of the departments — both in ECO and in Finance — and how we're actually taking a long-term view in how we're performing. It's important to us that we involve more people in those conversations, and over the next year we are going to be engaging more with Yukoners to make sure that we're measuring what matters the most. That's what it's all about — these matrices about how you measure are extremely important.

The reason I'm bringing this up again is that this wouldn't have been possible without the extra human resources that we put into the Department of Finance. Again, this is bean-counter stuff, Mr. Chair, but it is extremely important. It really is. It is boring stuff to some people; I find it fascinating. I'm a systems kind of person, and to have the matrices available and be able to actually take a look at the evidence and be able to look back but also to look forward is extremely important to this government.

Again, that work of a whole-of-government approach is a lot of work. It's interesting to watch the different departments

come together on a new approach. You can set a mandate and you can start with a political campaign that then turns into a mandate, and you're so impressed with a government that has the ability — direct from the deputy minister level to the assistant deputy minister level — to implement a mandate from the beginning, but it is that course of behaviour on a daily basis in every single department so that when you have a change in political direction, that is where the nuances come in.

To have a financial department that has the weight to — through Management Board Secretariat and through working with a whole-of-government approach — take a look strategically at how we're moving forward and how we're spending the money, that frees up ministers and deputy ministers to really work in partnership to get into the individual departments to find out how we change the thought process to services and the thought process to a different government. It truly is interesting work, and I'm proud of the endeavours of the Department of Finance for that.

Ms. Hanson: I thank the Premier for that; however, I am still at a loss to know whether or not there will, in fact, be publicly available strategic plans and operational plans for each department and agency. The Premier successfully goes to Ottawa, or wherever, and lobbies and gets additional money into the Yukon — great. But what we need to know, as elected members of this Legislative Assembly, is not only that you got the money, but how and where it is being spent and against what goalposts. That's the broad strategic thing.

I can get the big long statements, but what we have are 30,000-foot performance indicators that are not in our strategic plan and it clearly is not in the operational plan, and it makes it very difficult to back into and say, "Deputy, you're accountable for this."

I'm looking to see those accountability measures, indicators, so that when and if we morph from our current rather constrained approach to Public Accounts in this territory into the more robust nature that exists in every other jurisdiction — save Nunavut. I say this because two of the members from the Liberal caucus and I attended the Canadian Council of Public Accounts Committees annual general meeting last week in Prince Edward Island.

Prince Edward Island is an interesting case example. They have a population of about 158,000, which is huge because for years it was 140,000. That's kind of interesting. They've seen a surge in population, but they have a budget of about \$1.9 billion. We're verging on \$1.5 billion.

Mr. Chair, PEI has their own Auditor General, and their finance committee is robust and expected to meet with every department and agency and hold them to account — not on the political numbers, not on any of that kind of stuff — just as the Auditor General and the finance committee in every other province at the federal level does, to hold the public service to account for delivering on what this Chamber here ultimately decides when it, by whatever means, votes the budget to be apportioned among the departments and agencies. That's the accountability. When the Premier says that he's kind of a wonk or a policy kind of person, I can tell

you that I have 35 years of being a policy wonk. This is my passion. I want us as a territorial government to mature into provincial-like status — not just call ourselves provincial-like, but demonstrate it.

That's when I asked the question. It's not about spending somebody else's money; it's about being internally accountable for it because, quite frankly, we're not raising any real money, so we might as well make sure that we're pretty clear about how we're accountable for the monies that are being transmitted to us on behalf of all Canadians.

When I asked the question about strategic planning, it's not to be vexatious; it's really because I fundamentally believe that, unless you have those accountability provisions in place, then we can have — as we've seen time and time again when we have our episodic Auditor General reports — a chapter on a department and you get deputy ministers coming before you and saying, "Oh, yes, in 2007 — no, we didn't do it but we didn't do it again in 2011 when the Auditor General came back. Oh dear — in 2013, we haven't got to it. 2017? Whoops. We're going to get on it. We're getting to it. Trust us. We're getting on to it."

Well, that's unacceptable from any business perspective and it's clearly unacceptable from the perspective of public resources. Our job is to steward these resources. That's why I'll keep pushing this question until I get an answer that I like, which is that it's going to happen. I think that, as a transparently accountable government, the Liberal government will want to see that in place and you'll want your citizens and all Members of the Legislative Assembly to be able to key in to the Department of Highways and Public Works or to Energy, Mines and Resources and see what their strategic plan is and see how they're going to operationalize that and who is accountable for what.

Hon. Mr. Silver: It is great conversation and it is a great debate as well. I now consider myself a political wonk as well — a policy wonk as well.

I don't know if the Leader of the NDP and I — and I say this very respectfully — are going to ever agree on whether or not this government should have its own — like Prince Edward Island, for example — internal auditing system. Here is why: We do have the Office of the Auditor General, and that is paid for by the feds. With that being paid for by the feds, it is an opportunity. Now the member opposite can argue that it means that we are limited, and I think she said in her statement that the Office of the Auditor General reports are sporadic. At the same time, therein lies a little bit of the great position of being a territory with province-like responsibilities. You can have these situations where the federal government still does provide services for you and you don't have to pay for it. That is not bad.

I think we will agree that, when you take a look at the last two years, we have done an awful lot more. In the sense of audits, we always have been publishing internal audits that are funded here, but we do have the federal government as well, so there are two. That has always been the process here in the Yukon, but within the last two years' mandate, I will disagree with the member opposite. I think we have made a lot of

progress. I think Yukoners have seen a lot more from the get-go. From the very first change that we did, there is a new oversight when it comes to a scrutiny of politically motivated decisions focusing more on evidence-based decision-making by invoking a Cabinet Committee on Priorities and Planning — right away with that. This is a level of scrutiny that offers exactly what the member opposite is looking for — a concrete example of another process that allows us to be pertinent with the spending of others' money.

I would argue that every government spends others' money. We just happen to have a lot more of Ottawa's money than we do from the taxpayers of our region. I think we do a lot more. The first year, we made changes. The budget is being integrated with performance planning, and that is a new step as well. I do agree that the first iteration of the performance plan was a high level. It was up at the 30,000-foot level, but again we are working as quickly as possible to make sure that this process becomes an assessment tool that we can use on a yearly basis — on a monthly basis — moving forward.

We are working on the next iteration for the next year as well. I will give you a little background on the performance plans. This is a great place to have this conversation, because in giving what we think is a good background and what we are moving forward in gives the members opposite an opportunity to critique that plan and to hold us to account.

As you know, Mr. Chair, the fall 2018 performance plan is organized into five guiding principles for government and divided into eight subcategories: health, education, safety, housing, jobs and the economy, environment, government-to-government relations and the responsibility of government — all the departments and all of the issues. The fall 2018 near-term performance measures were identified primarily through development activity updates and also data sets.

This is, again, tangible evidence that we're using. The long-term indicators were identified with the assistance of the University of Waterloo-affiliated Canadian Index of Wellbeing and are primarily drawn from publicly available Statistics Canada resources — never been done before. This type of planning and priorities and assessment has never been done in the Yukon government.

The Canadian Index of Wellbeing — or the CIW, for simplicity's sake — offers 64 indicators of well-being, 24 of which have comparable data available in the Yukon now for Yukon, so we're moving forward. We're going to get more as we go through the month and the years. The tool is adapted from the Organisation for Economic Cooperation and Development's Better Life Index and has been used by a number of Canadian municipalities, some provincial agencies and non-profits to support equitable and people-centred policy-making.

The CIW measures the well-being and progress. They're being developed recognizing — and this has been a long, ongoing debate in this Legislative Assembly — that indicators like the GDP alone are inefficient or they're insignificant, I should say, as far as reflecting the social well-being of a society or a region. The intent is to try to flex the picture a

little bit more when it comes to how well we're doing, so it's just not a consideration of the GDP.

The performance plans provide all orders of government in the Yukon, as well as community groups and the public, with regular information updates on various dimensions of social well-being. To conclude that thought, the performance plan is one component of a broader initiative to move Yukon toward comprehensive, integrated, evidence-based and results-oriented governance. Other efforts would include the transition to service narratives in the budget process and training on results-based outcomes as well.

You need to have a plan; you need to have an assessment plan; you need to make sure you're assessing yourself along the way. I believe that using the Canadian Index of Wellbeing and its 64 different indicators, as we get to that, is a good pathway forward. The member opposite is asking for concrete examples. From including C2P2, as we call it — Cabinet Committee on Priorities and Planning — as another oversight, whole-of-government financial scrutiny when it comes to the new hires therein, the performance plans every year being more in-depth — this is what we're doing to prove to Yukoners that we are good financial managers of their money.

Ms. Hanson: With respect to the Minister of Finance, I'm thrilled to hear that there's a Cabinet Committee on Priorities and Planning, but that's inside baseball. For the most part, that doesn't matter to the citizen and, quite frankly, to members of the opposition, the back bench. That's not in their purview, either.

What I'm talking about is: When all that wonderful work is being done, I expect central agency functions to be done like that, and then I want to be able to see the results, which are tangible results that say that, based on the direction we have, operationally, this is what we're doing in Energy, Mines and Resources, Community Services and Health and Social Services. I want to be able to see it so that I, as a Member of this Legislative Assembly, can see what commitments have been made operationally. This buck stops operationally at the deputy level and flows down. That's where I want to know how the government awards, rewards or doesn't for performance, because we talk about performance-based management. We want to know that somebody is making a commitment to see certain things delivered.

Part of it is whether or not they're doing it in conjunction or collaboration in a whole-of-government approach. If you have a rogue deputy, that's not helpful, but if you're building a culture where they're working together, that's something that you start to measure.

What I'm asking for is not — I mean, I appreciate it; it's very helpful and it's encouraging that this kind of thinking is going on, but I just will go back to my question, which is: How is that manifest in terms of what's publicly disclosed on the website for each of the ministers, including the Minister of Finance? They step back and they say it's Community Services over the next five years, and this is where we're going and this is how we're doing it in an operational — breaking it down. Then, whether it's Public Accounts, through looking at the Public Accounts when we get them — if the

Public Accounts Committee ever acted as a finance committee to do that kind of review — he can say to the deputy, who is accountable to that Public Accounts Committee, so not the minister in that context, but the deputy minister: “What have you done?” He can say, “Because this is what you said you were going to do with it and this is what we’re holding you to account for.” I mean, we will have the argument or the discussion — whatever you want to call it — about an expanded role of auditing in this territory, but there is a need for accountability regardless of who is — and we have that responsibility as Members of this Legislature on both sides. But you need the tools to be able to do that and that’s what I’m looking for.

Hon. Mr. Silver: I think we’re getting on to things that we can agree upon. I would make the argument that we’re sitting here in the room that has the power of the purse. It is provided within the Legislature and it’s provided with the scrutiny given by opposition members when we go line by line in departments talking about the budgetary numbers. We can have a performance plan that didn’t mix the indicators of what we want to do, and it’s the job of the opposition and of the ministers here responsible to explain in the Legislative Assembly how we’re effectively using that money as well. We want to deliver on accountability and we are going to be working on the next iteration of the performance plans and the operational plans. Those things feed in.

We also want to hold our deputy ministers accountable for the department’s finances and the department’s performances when we’re looking for efficiencies, for example. These indicators that we’re talking about — the 64 indicators — they’re going to help us with those decisions. That’s more transparent. Then we use our time here in the Legislative Assembly more effectively. It’s conversations like this that are effective, less political and just more to the point of where we should actually be focusing our attention, making sure that the scrutiny of the House keeps us to task when it comes to our job of showcasing, on a short-term and a long-term basis, to the public through our performance plans what our goals are.

Again, it is this House’s responsibility to have that oversight. If there is another jurisdiction that does something specific as far as more scrutiny that the member opposite would like us to direct our attention to, I would be more than interested — actually, I love this stuff, right? If there’s a particular jurisdiction that she feels has an oversight — and again, we’re going to disagree on the audit system with the size of this government and then with the financial crunches that we have. So if there’s something past the Prince Edward Island model, then that would be something interesting. The reason why I bring it up again, Mr. Chair — the Prince Edward Island model — is that I believe that the member opposite would come back to her example that she started her conversation with, which was the auditing system in the Prince Edward Island government.

This system that we are implementing right now with the performance plans and with the internal changes of how we are doing our system is based upon a template. It is based on a

model — a Scotland model — and it is something that we believe works and we are going to continue to move forward. I would encourage the member opposite, as well, to take a look at that Scottish model and that’s the direction we are going in.

Ms. Hanson: The distinction I would make is that in this room, we are here as politicians; we are here in a partisan forum. I’m a New Democrat. There’s a Yukon Party and there are Liberals — surprise. Once you go into a finance committee or the Public Accounts Committee, ostensibly at the federal and provincial level, you’re supposed to shed that. What you’re looking for is value for money. Has money been spent that this partisan political entity, the Legislative Assembly, voted on? Have you spent it in the most effective and the most efficient ways? How can you demonstrate that? It is not about whether not you agree or disagree with the decision made in this Legislative Assembly. I don’t care and that’s not the point. It is that you got the money and you said you were going to spend it on XYZ. I want to know that you spent it on XYZ and not ZZZ. That is where it is important to be able to, once this entity here — us as a whole — vote by a majority a budget to a department.

We have had the political debate by line item here, but it is the after-effect and the accountability by the public service of the Government of Yukon to ensure that it is spent in the most effective and efficient manner, providing true value for money for all citizens. That’s our role as stewards of the Legislative Assembly and I think that, across this country, is what occurs.

We get ourselves caught — and that is the unfortunate part and why I keep coming back to this conversation — because we need to move on beyond the debate about this year’s budget, but we’re going to get the Public Accounts and we need to be able to say, “Against what do we measure the effectiveness of the spending of that \$1.3 million last year?” That is what I am looking for when I ask the question about how we will measure that.

If the Public Accounts Committee was to say to the deputy minister for Energy, Mines and Resources, “We would like you to appear as a witness with respect to the Public Accounts for your department and we would like to ask you some questions,” — because that is technically in our purview, we need to know what he said he was going to do with that money. That is really what I’m getting at.

Hon. Mr. Silver: I think there is more we can agree on than what we will disagree on this. I will agree, this is a partisan Chamber, absolutely — sometimes more partisan than other times. I also agree that in provinces they do have Public Accounts that do hold the deputy ministers and the governments to account for adhering to a budget and adhering to a performance plan.

I don’t agree that we need to put that much money into an auditor system similar to the provinces yet. However, what I will say is, I think we can do more with our Public Accounts. I think we can do more with our Public Accounts Committee. I don’t see a problem with an increased accessibility to the public accounts from the Public Accounts Committee. I am

willing to work with the members opposite as far as what that looks like. It can't hurt to have an all-party committee having that scrutiny to keep the deputy ministers to account. I am definitely willing to continue that dialogue with the members opposite, and that is another example of a maturing government — being able to use the opposition and all-party committees to do more in our obligations to Public Accounts and also to the people of Yukon.

For the record as well, when the Office of the Auditor General was up here this year, we were very open to that conversation within the Public Accounts Committee. That is the good news. You have a government that is willing to do more in that area. I guess I will leave it at that, at this point — good question and a good conversation.

Ms. Hanson: I thank the Minister of Finance for that response. It is a conversation that I too have been having with the Office of the Auditor General over the course of the last four or five years — about how you transition in terms of the role of the Public Accounts Committee to actually acting like a Public Accounts Committee and not occasionally meeting to occasionally review an audit chapter of the Auditor General's report that he tables — he does it twice a year but we get one, if we're lucky — that really doesn't represent the kind of accountability that I believe is necessary for a robust and effective public service. Having been a public servant for a very long time, I can tell you that it is important to be held to account.

I appreciate the Premier's comments. My reason or rationale for raising the parallel between the budget level of a province like Prince Edward Island and the establishment of their auditor and here is to say that I think we need to get our heads around beginning to think about greater accountability to the extent that we can evolve the role and the functioning and the time committed to getting our Public Accounts Committee resourced, because it will take an additional resource — at least one — to provide the kind of supports to the committee in order to do the effective working with departments to hold those Public Accounts meetings. You just don't walk in blindly because then you will find that your chair is put in a very difficult position. Failing or absent adequate prep, you can fall easily back into partisanship and that's where the chairs at the federal and provincial levels have to work hard to keep their own members in line and for the government members to keep their members in line. We know it's the opposition who chairs and the government is the deputy chair at all these committees.

That's an important thing that we need to keep in mind. I think it's a signal if we can get the public seeing that members take this accountability part of their jobs very seriously and not the arguing back and forth in here so much. When we get out of here and you go in front of that committee and you say to the public service, "How are you doing and what are you doing with the resources that Yukoners have entrusted you with?"

I appreciate the Premier's and the Minister of Finance's words on this, and we will certainly be looking forward to

finding ways that we can, with our colleagues on the Public Accounts Committee, see this role morph.

I would like to move on, if I may, Mr. Chair. I said at the outset that I was going to ask a couple of questions with respect to the Financial Advisory Panel. I just want to come back. It's a general question because it's in general debate that we can talk about negatives as opposed to positives in terms of numbers.

I wanted to ask the Minister of Finance, more in his role as Premier, with respect to a noteworthy decrease in O&M in Energy, Mines and Resources. It has to do with the \$17.8-million decrease in funding for the type 2 funding agreements with respect to Faro and the care and maintenance. I ask this because as a whole-of-government issue, it's of huge significance. This is one of the seven type 2 sites that Yukon has responsibility for, with the federal government ostensibly paying for it. Now it has gone through a number of different iterations in terms of management structures, from the get-go when it was originally set up with an arm's-length entity being responsible outside of government — short of a special operating agency, short of a Crown court, but another entity with a view that would minimize political interference — whatever.

We all know that's not where we're at. We do know that we spent \$400 million — "we" collectively. You and I and every Canadian has spent \$400 million. My question to the Premier is: Is the government conducting an internal review in terms of the lessons learned of the last 15 years with respect to how prospectively, as Premier, as the Finance minister, he will be holding what his expectations are because he, as the Premier and as the Minister of Finance, will be dealing with the Government of Canada going forward on these matters?

This is only one of seven. The others are not nearly the scale, but there are other arrangements to be made. I think there are a number of lessons to be learned from this. I would ask the Premier whether or not there will be any conducting of an internal review or if we are just going to wait to see if the Auditor General does something.

Hon. Mr. Silver: I will just start right off the bat by saying that this is the type of review that I would love to see, for sure. If it pleases the members of the opposition, I am going to give a brief update to the concept of that Faro transfer to Canada — and then I will invite my colleague, the Minister of Energy, Mines and Resources, to speak as well.

The Faro transition to Canada — the responsibilities for the Faro site have been transferred to Canada — a question asked by the members of the Yukon Party, I believe, during a briefing on the status of FTEs within that transfer. I will say that, under the draft transition agreement, Canada agreed to fund up to four full-time equivalent positions and the related infrastructure requirements to support Yukon's ongoing role in the project until a water licence is issued for the remediation project. Continued funding will be subject to a review and approval of the parties and linked to the revised Faro governance model under the review with Canada. In addition to the four full-time project staff, Canada also agreed to provide funding for up to four full-time equivalent positions

for a period of two years to allow Yukon to redeploy existing project staff within the Government of Yukon at our sole discretion. The redeployed project staff are currently working with Assessment and Abandoned Mines on type 2 sites.

Canada also agreed to allow Yukon government to redeploy up to four existing project staff to fill vacancies in the type 2 unit, subject to the approval of an annual detailed work plan. The Faro briefing note is also going to be something that we can speak a little bit more to and we can update it as time goes on and more information comes in.

I believe there was also a question that was asked as to whether the Yukon has initiated a lessons-learned retrospective from its experience with managing the Faro site. This is a question that was asked by the NDP in the briefing as well. As was mentioned here today, \$400 million has been spent on the site and a closure plan has not been decided upon. This question is not only related to a review of Faro, but also to a review of our approach within major projects — past, present and future — and is as it should be. This is all about ensuring that Yukoners and taxpayers are not left with potentially huge costs. This may be helpful — I believe that this will be helpful as we work with Canada on other type 2 sites in Yukon.

We're working with Canada on a review of the Faro governance. Before April 2019 or a future date agreed to by parties — but that's the hope right now — the parties will develop a new governance model for Faro, specifically. We also spoke to our recent decision with British Columbia on their review of major projects — Kotaneelee well, Wolverine mine. There are a whole bunch of different issues there as well. Suffice it to say that it is something we're very interested in, and we believe it will help with the overview and the scrutiny moving forward, and we will make sure the taxpayers' money is being spent wisely and we're not left on the hook.

I will let the minister responsible maybe talk more specifically on that.

Hon. Mr. Pillai: I will today, for the prudence of the process, give minimal context and stick to the line items that are here.

Just to start, there are certain areas of advice that I would take. There are other areas of advice that I do take from the Leader of the Third Party. When it comes to this particular topic, I think that, with her experience of dealing within the federal public service and her extensive experience of sharing work and collaborating with the Yukon government, she would have extensive experience on how some of this stuff becomes more cumbersome and is sometimes not as efficient as it should be to deliver programs as they should.

With that in mind, that's really the story we're dealing with here. My critic for Energy, Mines and Resources from the Yukon Party, the Member for Copperbelt South, would also understand the challenges of this particular file. I do respect the question concerning the internal review. I think that it is something where, when you have a challenge that has taken place, you would look to do that. Really, the change in governance is not due so much to problems; it's about taking a

look at opportunities and resourcing our abandoned mines in the best and most effective way.

The department has done a fabulous job. I want to commend the individuals who have worked on this project. It is a beast, as we all know, and we have these other obligations to clean and reclaim mine sites. I look at those in two ways: we have an obligation to Yukoners to make sure that these sites are cleaned up, and we have to take into consideration the health of Yukoners, but we also have been left with an economic opportunity and an opportunity for Yukoners to become very experienced when it comes to reclamation-type work.

I would say there are three different principles, at least, that I took into consideration in my role. The Premier gave me enough room to work with my deputy minister and our team to take into consideration, first, the health of Yukoners. That was really key as we started to make decisions. We knew we were in a position where we wanted to see this project cleaned up as quickly as possible. Secondly, when you go back and look at the history of the mine site and the project and its impact on First Nations in the area, specifically the Ross River Dena Council — and even if you go back and read through the royal commission on impacts to that nation and then you look at how the reclamation work was rolling out — we felt that there was a real obligation to ensure that Ross River was at least gleaned, at this point in the continuum, as many economic opportunities as they could — and also respecting the other Kaska nations and self-governing First Nations.

The third, which actually connects the two, is how we ensure that Yukoners and Yukon companies had the best benefit, and that has been something that the government has wrangled with over the last number of years. How do we get that local impact to this extensive spending on cleanup?

When you look at the *Canadian Free Trade Agreement* and at the opportunities and leverage we have with working with Ross River and understanding that the history of Ross River, for the most part, as a development corporation has been to work specifically with local drilling companies — their own development corporation. We felt that having that approach, by stepping back and having Canada — and, of course, we were at the table with Ross River and we were at the table with our own team. I had the opportunity to fly to Ottawa and sit at the table with Chief Caesar, and we wanted to ensure that Ross River was happy with what was going to play out.

The work that was done in the early stage by the Yukon government was extensive. I think our team has learned a tremendous amount — stuff that is applicable — and they can use and transfer that knowledge to the work on the other type 2 sites. I think it can make us more agile in our work and approach to the other type 2 sites. Really, the financial line item here is just where we were in a process and, at this point, providing that money back.

Of course, when you're co-managing a project like this with Canada, Canada has an obligation to Canadians — and in that, Yukoners — to ensure that the spending they do and the

transfer agreements that they provide and their spending also meet the test of transparency and accountability.

I would seek the knowledge of the Leader of the Third Party if I'm not as clear about the accountability on the spending of Canadian money, but I think there are some practices there as well. We walked away from this learning, but really we walked away from a role within this to ensure that the project was done as quickly as possible. I don't think there is anything wrong with that. I thought it was a very professional decision for the team to make, and we still deal with the regulation responsibility on this.

I'll just finish by saying that this is a quote from Jack Caesar upon the release of the contract. He said — and I quote: "I am very pleased with Ross River Dena Council's meaningful involvement in the procurement of the Interim Construction Manager for Faro Mine. Finally, we are coming to a place where we can put the shovel in the ground and start the important remediation process. These are exciting times: working with Canada, Yukon Government and the new interim construction manager, Parsons, we see something for our younger people to be excited about."

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 general debate on Bill No. 207, entitled *Second Appropriation Act, 2018-19*.

Ms. Hanson: Before I move on to my next line of questioning, I just want to comment, if I may, on the Minister of Energy, Mines and Resources' accounting of the background on the Faro mine site. I think the view that he expressed is one perspective. I think there are other perspectives, and I think that is why I would suggest that a review audit or something is necessary, keeping in mind that the federal government had established FCSAP — the federal contaminated sites action plan — that expires in 2020, with the idea that big, ugly places like the Sydney tar ponds and Faro would be cleaned up with the money that had been specially identified by Treasury Board and Cabinet to achieve that end. I can only reflect back to my direct experience, which expired in 2007 when I retired. At that time, I was told by the joint table that we would have a closure plan in 2009 — 2011 perhaps, if I stretch it.

The overall amount of money in terms of forecast was equally daunting, but I guess my concern is that, unless and until we learn where we deviated, the perception may be out there within the federal realm that Yukon can't manage. That is what we need to find out. We need to be very brutal, if necessary. We need to go back into our systems and find out why things kept changing, because we are going forward with six-plus of our own ones that are creating — as we see in Public Accounts, we have our own little contaminated sites that we are creating, whether it is Highways and Public

Works, which has more contaminated sites every year, or the Wolverine mine — or, or, or — in addition to the six that we are working with Canada on and the variations on the theme there.

On page 94 of the review that was conducted last October and published last year, one of the options that was put forward — and I want to raise this one because it is one that the Finance minister has sort of referred to in various ways.

I want to get him to be a bit more precise, in terms of what's intended here. The option that was identified there was to conduct a comprehensive review of all departments and programs to ensure that government activities are appropriate and achieve value for money. It dovetails with one of the boxed comments that the panel had captured, which was to do a Nielsen-like task force on program review. Having lived through the Nielsen task force program review in 1985, I can tell you that would be interesting, but it had specific parameters and it had expectations.

The panel used as the example the existence of some Yukoners raising concerns regarding the existence of whole functional areas of government. They talked about the operation and maintenance cost in the Oil and Gas Resources branch of the Department of Energy, Mines and Resources exceeding \$3.5 million. They go on to posit the expression about whether or not this regulatory cost is warranted, given the issue of oil prices remaining low in the foreseeable future, et cetera.

To be sure, the panel, they said, had no position on whether or not this spending had benefits that exceed the cost but was illustrative of the need for broader systematic review.

My question for the Minister of Finance is: Is the government doing this broader systematic review of all government programs and services, or is it limited? I'll ask that question first.

Hon. Mr. Silver: I'll be quick on this one. In a nutshell, yes, we are going to continue past Health and Social Services when we do comprehensive reviews. We're starting with Health and Social Services, as it is the lion's share of the budgetary considerations, and hopefully we'll learn best practices as we go through that.

One investment that was asked for and that we're moving forward on now is in Finance, and that is a program review and evaluation. That should be from the Financial Advisory Panel. That's supposed to be something that we continue to do all the time. That's another subset, I guess you could call it, of reviews that we're doing. The director has been hired in that pursuit and is working on the policy as we speak, but to answer the overall question, yes.

We're not stopping at Health and Social Services. There are other things that are going on currently in context to the particular option that has been outlined by the Financial Advisory Panel.

Ms. Hanson: Just on that, the panel refers numerous times to a review of health and health care, but the Premier has expanded to Health and Social Services. Could he confirm that the focus of the review is health or Health and Social Services, the department as a whole or all related health? Is

there a terms of reference for this review? When will it be posted so that citizens and members of this Assembly will have a clue as to what is the scope of the review?

Hon. Mr. Silver: I have to say it was an interesting process, as far as the scope of the Health and Social Services review. Not only is it Health, but it also is Social Services and it is also the NGOs, the non-governmental organizations, of which the government has hundreds that work in partnership with Health and Social Services to provide those services.

I have to tell you — to be quite frank and honest, I was a bit concerned at the sheer magnitude and size that was presented for this review at the beginning. However, based upon the Financial Advisory Panel's report, which really determined the direction, spending on social services does help efficiencies on health services as well, so it's hard to parse these out. It is probably a better review if we put them in together. We listened to the department and to the professionals therein when they promoted a Health and Social Services review and also a review of the non-government agencies and organizations that help us inside that. To answer the question, it is both but, again, it is based upon the recommendations of the Financial Advisory Panel.

Ms. Hanson: Yes, if the minister could just do that, because it's one thing to say we're going to do a review, but against what? We heard the Auditor General say that there was some confusion. In terms of funding of societies and the funding that various departments were setting out, they had different expectations and different criteria. We were told in the context of that Public Accounts Committee hearing that departments were getting their act together and that Finance was going to play this coordinating role to ensure that Economic Development, Energy, Mines and Resources, Highways and Public Works and Health and Social Services wouldn't all go out and make more work for entities receiving funding and there would be some consistency in terms of reporting.

That is on the giving side, but there is also being able to have some rational expectations of what government is funding. As I go back to my earlier comments with respect to performance indicators within government, if you have those, it is a lot easier to then be able to say what our performance indicators and expectations are for those we fund externally. I'm looking to get a sense of what the scope of this is and where and when we might see the terms of reference that will guide this large review.

Hon. Mr. Silver: I will pass this off to my Minister of Health and Social Services to review some of the phases that go into this planning. As far as the specifics about the terms of reference, I don't think we actually have a date set yet, but the minister can kind of walk through the phases of the process for the member opposite.

Hon. Ms. Frost: I would be happy to provide a little more context. The comprehensive review is looking to seek efficiencies and also looking at historical growth in order to provide some long-term sustainability around health care and social supports but also looking at efficiencies. It is not really about cost-savings or cutting programs and services; it is

about identifying a plan going forward. The review will be completed by the fall of 2019, and we will consider all programs and services within the department that are funded. As noted, there are many, many NGO groups that are funded as well. It's really about maximizing the resources and ensuring we provide efficiencies and services.

We are committed to the engagement process involving First Nation governments, the public and non-government organizations, which would be our stakeholder groups and our non-government groups that we fund through contribution agreements.

As well, we will look internally and look for efficiencies. We know that historically there were assessments and reviews done already, so we are taking these things into consideration as we look at the recommendations from the advisory panel — the 2008, 2013 and then, of course, the now-new objectives and mandate. Further direction received from Management Board is to proceed with a comprehensive review focusing on these factors around driving costs, the quality of the outcome being delivered to Yukoners and emphasis on ensuring efficiencies.

With regard to the review — the review will undertake a comparative jurisdictional analysis to assess cost drivers, including pharmacare, medical travel, physician billing and, of course, yesterday we talked a bit about aging and aging populations. We are taking those things into consideration as we look at the Financial Advisory Panel and the cost drivers and trying to ensure efficiencies.

There are specific phases that obviously we need to go through as we advance the project and we work with our expert panel. We have an independent expert panel that has been appointed to assist and provide a neutral lens on all of this so it's not influenced in any way politically, but trying to give as much credence to transparency and working with our stakeholder partners and seeking necessary input and feedback. Analysis is really important. We look at, obviously, patient care and we're working with our hospitals as well. We have three hospitals and we're really trying to look for service delivery efficiencies in those hospitals and bringing the specialized supports.

The funding within the department needs to obviously be carried out in such a way that we provide the same services in rural Yukon as we do to residents in Whitehorse, or easier access to services from here to Vancouver, from here to the communities. We now have two hospitals in rural Yukon that we're going to try to maximize.

Phase 1, which is the government-to-government engagement — obviously a lot of preliminary research and analysis will need to happen with regard to implementation and the committee structure — and the member opposite raised some of that and those are things that we're working on internally.

With regard to the second phase, that is to continue the research and begin some staff engagements and looking at producing some internal reviews and looking at efficiencies — as we know, there are many, many sections of health. Each one of those needs to be reviewed as carefully as possible so

as not to jeopardize service delivery, but who knows better than the staff who are on the ground? We really need to take the effort and the due diligence there. That will be the second phase and that will conclude in January. I'm hoping that the committee will be able to do that.

We also have an internal team that we refer to as — well, there's the management team of team players — so specialized supports from within that will look at the analysis, and that's a whole separate phase unto itself that will feed up. The work is already happening. It's not to suggest in any way that we're trying to influence the outcome. It is just doing the work and the due diligence so we're not stopping a process that is moving forward, so collecting the data, collecting the information and using our partners through the Canadian Institute for Health Information. We have been feeding information up to them for many, many years and we have never really maximized or used that to efficiently design programs and services.

We have seen some anomalies and differences and we really want to give the analysis, the research and the information to the committee so that they don't spend as much time doing that work. That would be the second phase.

In February to May, we hope to continue research and, of course, drafting the proposals and begin the public engagement process, so that will be the third phase. Finally, the final report will be presented and, at that time, I'm sure we would look at sharing much of that information, but there is obviously a lot of great experience, as well, from members of the opposition who perhaps have had hands-on experience or some really great analysis that has come through the Legislative Assembly. Those are things that we want to hear and we want to ensure they are tied into the process.

Ms. Hanson: I thank the minister for that. I just wanted to ask two questions to perhaps clarify. She referenced the independent expert panel. Has that already started? Has an independent expert panel been appointed and when did they start? She referenced a number of previous comprehensive reviews, like the 2008-09 health review *Taking the Pulse*, which was the response to it. There was also the roughly 2009-10 *Social Inclusion and Poverty Reduction Strategy*, a huge investment of time and energy by community organizations and individuals, as well as government across the board.

We ask NGOs and we ask community members to invest a heck of a lot of time and energy into these things and at some point it is like crying wolf. That is why it's so important that the scope and the expectations or the outcomes that government is seeking are transparent or open, so that those who get involved can weigh whether it's worth investing their time and energy into yet another government review.

Hon. Ms. Frost: Thanks for the follow-up. I note that there has certainly been a lot of research that has been done. I just want to make a note here that what we don't want to do is waste people's time and waste the resources that we have. We want to maximize opportunities, do the analysis, get the work done and provide Yukoners really clear direction on, I guess,

our vision and our objectives on how we seek efficiencies, and that is what we intend to do.

With regard to the expert panel, we have gone out to bring in the expertise and experience in health and experience in Yukon — the experience to help us, to guide a process that is transparent and fair and allows for necessary input into the process. I would certainly take the recommendations under advisement and bring that back to my colleagues and we would have an internal discussion and determine then the next steps around how much and what we share and when is the time to share. We don't want to create uncertainty for Yukoners. We want to create certainty. That is our end objective. As soon as we can, as soon as the work is completed, we will certainly be happy to share that.

Ms. Hanson: I thank the minister for that. I would like to move on, then. The panel had some very interesting observations in their final report with respect to options for the government with respect to increasing revenue. They got the two balances. One is that government wants to avoid spending restraint — which they opine in their report at several points that that's not necessarily the most effective or efficient way of getting to the endpoint that you're looking for — combined with the fact is that Yukon, as a government, continues to decrease its own-source revenue as opposed to increasing its own-source revenue, if I recall over the years. I would have to go back and look, but if we're at 87 percent now, we decreased at one point in terms of year-over-year — we just keep going down. That's not particularly reflective of mature government in terms of our dependence on our federal counterparts.

They made a comment on page 97 of the report that the territorial formula financing system, which we talked about earlier, ensures that territorial governments can fund public services comparable to southern Canada but at tax rates that are 30 percent lower than southern Canada. It's a huge bonus for us as territorial citizens, which most of us don't take into consideration. So taxes at roughly Alberta's level, which are far below average, they say, and are sufficient to maintain public services in the territory comparable to the average across southern Canada, which is the comparability thing we were talking about earlier this afternoon, with the section 36(2) kind of provision.

They talk about the notion that, if we want to avoid spending restraint measures, which have, in some jurisdictions, backfired, quite frankly — austerity doesn't necessarily boost your economy; spending often does. Raising revenues is another option they talk about, and they identify on page 97 a number of tools that are available to government. They went on to highlight potential areas that governments could consider, and that's what I would like to discuss with the Minister of Finance this afternoon.

I'm just quoting here where they say, "There are a variety of fines and fees that should be reviewed in Yukon. Of total government spending in Yukon, barely over 5% is funded by user fees. This leaves the burden of providing public goods to taxpayers generally, and limits the incentive of users to appropriately utilize the services being provided. Low user

fees are also not generally a feature of the territories generally, with NWT funding about 10% of consolidated government spending with fees and Nunavut funding over 17%. Nationally, the average is just over 13%. If Yukon matched the same 10% share of spending funded by fees as seen in the NWT, which would still be among the lowest in Canada, it would raise over \$60 million..." That's a significant amount of money.

I'm not the financial forecaster here; I'm simply reflecting what the Financial Advisory Panel reported in their report. We hired them as experts and that's what they say. I'm not disputing their numbers.

We have had this conversation in here and the fact that camping — they talk about the potential there. They talk about looking at and trying to make them comparable so that we are not gouging people, nor are we providing scarce resources — people who can afford to can pay. We have clearly heard the Premier as Minister of Finance say that his government is not interested in introducing a sales tax. I understand that. They talk about other measures on page 99 of the financial review. They talk about some of the measures — whether or not the territorial government should be reviewing property taxes and consider using some of the incremental revenue to increase municipal grants. These are all legitimate areas for discussion. I think that we need to be having that discussion whether or not there is action taken. At least you scope out what the costs, benefits and risks are in pursuing any one of the options that were identified by the panel.

They talk about the reality of what we are spending in terms of alcohol and drug services — support services — the fact is that last year we spent about \$10.4 million to deal with the effects of alcohol and drugs in this territory. I will admit, Mr. Chair, that I haven't looked at the report tabled by the Minister of Community Services, but I can warranty that the revenues from alcohol and tobacco taxes will be in excess of \$23 million this year. The year just ended when the report was tabled.

They talk about the potential for raising alcohol and tobacco taxes in order to support additional community and drug support programs. They talk about other tax changes, other revenue sources, and the other one that sort of struck me — because I have heard it at many meetings, whether it is AYC or it is tourism association meetings — is that they talk about the experiences in Alberta, British Columbia, Alaska and Manitoba — provinces across this country — where there is a hotel tax. Alberta charges four percent, BC charges two percent, Manitoba charges five percent and in Alaska it goes between two and thirteen percent.

They say the revenue implications for Yukon are not trivial, nor would they materially affect the health of the tourism industry. That is a statement from the panel. A conservative estimate is possible. If there were 2,500 rooms at 60-percent average occupancy, which we know in the Yukon these days is a very low occupancy rate — try to find a hotel in the shoulder seasons or the summer season here — that is over a half-million occupied hotel nights in the territory in a year, which is a low estimate. A modest two-percent hotel tax

would raise roughly \$1 million. When we have a government that is talking about efficiencies and looking at ways to offset costs and increasing costs, what my question is and will be is: What means will the government be using to review and assess these options?

Before I step down to let the Minister of Finance identify which of the variety of revenue-generating tools that the panel identified as being available to it — has the government analyzed? Will they release the analyses that they've done?

The final one that I wanted to point out was on page 104. They make the comment: "Not everyone pays the same taxes on fuel. Off-road commercial activities in areas such as mining, tourism, logging, sawmills, hunting, farming, fishing and trapping are exempt from the territory's fuel tax. There are also exemptions for fuel used for heating. For the 2017-18 fiscal year, such exemptions cost the Yukon government roughly \$4 million. Some exemptions may be defensible on equity grounds — especially for heating fuel in remote communities or on fuel used for traditional hunting, fishing, or trapping activities. But exempting fuel used in certain commercial or industrial operations may be less defensible... 'a tax exemption is a subsidy.' To the extent that there is a strong public policy argument to subsidize any particular industry, a more transparent (and less distortionary) way to do so is by providing a direct cash transfer rather than incentivizing the burning of fuel."

They talk about the option of reducing the number of fuel tax exemptions to commercial activities — broaden the fuel tax base and charge the same tax rate on fuel use regardless of the commercial activity. That is one option that they talk about.

I haven't touched on all of the options being presented by the panel, but I think it's important, as we talk about government finding efficiencies and the experiences of many people who have worked in government at any period in time — that has generally equated to cutting, restraint, not staffing, putting freezes on, and those are effectively cuts. Cumulatively, over time, they have effect.

We have to look at both sides of the ledger: The management of the existing resources and how we look at optimizing revenue generation. I'm looking to the Minister of Finance to set out for this House the basis upon which the government — or the analytical lens that it's applying to these various options that the panel has put out for discussion, because I believe that many of the people who invest the time and energy to respond to and participate in this review did so in good faith, thinking that these would be taken seriously. I'm hopeful that we'll have a serious conversation about them. Not all today — this will take time. I don't expect an instant answer on all of them, but I think it's important to be informed as to the kind of lens that will be applied to them.

Hon. Mr. Silver: I appreciate the question from the member opposite.

There's a lot there. There are lot of things to consider. It's a comprehensive report; that is for sure. We are starting with a four-pronged approach: the review of the Health and Social Services to start with, increasing efficiencies and effectiveness

of delivering services, getting out of the business of doing business and a fee review.

Now, we've talked in the Legislative Assembly a lot about getting out of the business of doing business, the effectiveness and the efficiencies and the review of Health and Social Services. I will expand more on our fees review, but suffice to say, before we get into some of those other areas of recommendations from the Financial Advisory Panel, that as far as the fuel exemptions and the fuel collection, we have the fuel-oil tax sellers that are basically tax collectors for us. We will have to go through the review, first and foremost, of the effects of the carbon-pricing mechanisms, because we are effectively asking them to add on another part to their job when they collect money. We are going to wait for the results of that new obligation through the fuel-oil tax to sellers before we move forward on an official review. Suffice it to say, there have been many conversations on this particular topic with the association that represents all of the fuel-tax collectors. We have had internal conversations with Finance about this particular section but no official review yet. The carbon tax is broader based and, because of that broad base, we want to see what it looks like before we move on.

I will go into the \$60-million figure that the member opposite quoted from the Financial Advisory Panel as far as — that could be amount of money that we could earn through a fee review. I would say that the dollar value is definitely at a macro level. They grossed up a lot of percentages to get to that number, and reaching \$60 million would be, to say the least, a burden to Yukoners. With that being said, we are moving forward on the review; I agree. If you take a look at the total government spending — the member opposite talked about nationally — we are at 13 percent when it comes to the fees generated. Northwest Territories is currently at 10 cents on every dollar that they earn. We are at five cents. Right now, we are at half. Most fees and services haven't been raised in 15 years in the Yukon.

We did see that was one of the recommendations from the panel, and our government has conducted a preliminary review of all fees, fines and the sale of government goods and services. Through the Financial Advisory Panel's public engagement, Yukoners were not supportive of certain things and more supportive of other things, but I think that this is one of those areas where we really need to take a look at new revenues being raised through fees or fines — lessening the need for us to curtail government investment, basically. That is something we are keen on and moving through at this time. This is in response to the direction — I mean, there were a lot of different ways that they thought we could go, but we believe that this is probably the most pertinent step within the four pillars. That is the last piece of those four pillars that we want to move on. We're in that process right now, trying to figure out which ones are the most important to look at, based upon socio-economic status, based upon need of services versus luxury — those types of things. That work is going on right now and there is more to come on that, but it is definitely something we are working on.

Ms. Hanson: I thank the Minister of Finance for that response. My comment would be that if you have built a table and you have four legs, you want to make sure that they are all of equal strength, and so focusing on one and not the other, we can't just simply do cuts or restraint to make a healthy economy — we need to be generating revenue as well.

I would like to go on to — there was reference and I believe there was a question from the Official Opposition the other day with respect to the federal government's imposition of the cap on our total borrowing by the government and its Crown corporations. The recommendation made by the Financial Advisory Panel was to index the Yukon government's borrowing limit to increase along with the size of the economy, because they say that, although borrowing limits may be sensible, as the Yukon economy grows so does the government's ability to responsibly carry and service debt.

If we are talking about an economy that we are saying is going to grow, if the forecasts that the Minister of Finance — if he has confidence in those forecasts — then has the Premier and the Minister of Finance had conversations with the Government of Canada with respect to indexing the government's borrowing limit to increase along with the size of the economy? Their comment was that the indexing formula could reflect some moving average or other mechanisms to ensure that the economic volatility — which this territory is subject to, we know that — does not adversely affect the government's fiscal planning.

What kinds of conversations has the Yukon government had with the federal government with respect to indexing our borrowing limit to some function — I'm not an expert on this, clearly — some function of the size of our economy?

Hon. Mr. Silver: In a nutshell, we definitely have raised this concept with Minister Morneau on a federal level. There is an irony in increased economy and how it relates to the federal transfer, but we have not made a formal request therein.

Ms. Hanson: I would like to turn to page 111, which is the review of resource sector policies. Again, this is where the panel makes the statement that Yukoners own the territory's natural resources. It talks about the Yukon government and various First Nation governments managing these resources on behalf of Yukoners and that — having a full claim to the value of those resources. They make the point that I think is often misconstrued, that royalties are not taxes. They are how the owners of a natural resource extract its value when extraction and production is done by another party — a mining company.

An ideal system is one where any producer that would find it profitable to extract a resource absent a royalty system remains in operation under the royalty system. Royalties should not be the cause of any particular producer shutting down operations. Then they go on to say that the current fee structure should be viewed less like a royalty and more as an administrative fee to recover certain costs associated with necessary support functions of government.

One of the things that — and they point out the costs and that the gold fee — they're referring to placer gold fees — is

expected to net \$255,000, which they say is way less than what we're spending related to the activity. They say there may be scope to review, even modestly, to cover such costs. But they also go on to say that a more comprehensive review may be in order. We talked about doing a comprehensive review of Health and Social Services, because that's a major expenditure. Now they're talking about an area where it should be a revenue generator for the territory in both the placer and the quartz mining sector.

They talk about undertaking a comprehensive review of resource sector policies, with a particular emphasis on ensuring fair and efficient royalty rates, fee structures, permit and licensing costs, tax exemptions and minimum work requirements, because — they go on to say — the current system in Yukon is one with potentially questionable equity implications with such a low royalty. There are two concerns — and this is really important — one is overextraction of the resource where even inefficient producers may find it worthwhile to operate; and two, the resource value is captured by producers rather than the resource owners — Yukoners as a whole.

They say the current royalty system is equivalent to the government transferring the value of extracted gold to producers, that is, that it is equivalent to the government optimally extracting some share of the resource value that Yukoners own and then providing a government transfer to miners on the order of potentially millions of dollars to the extent that is acceptable to Yukoners on equity grounds — then the case to increase royalties diminishes. But even if this were the case, the government could commit all royalty revenues to a fund for use on community-related initiatives in particular communities.

There are a number — and they go on to point out, just as they did with user fees and other revenue-generating mechanisms, that Yukon, for example, compared to other jurisdictions, Yukon placer royalties are low. They compare us to BC or Alberta or Alaska.

They say that simply increasing the per-ounce royalty rate is not the only — and indeed perhaps not even the advisable — option. There are alternatives that do not put at risk placer mining. What they do suggest, and what I am asking the Minister of Finance for, is that the appearance would be that the government has precluded that conversation, because to assume that a discussion means a simple increase without looking at the options — for example, they do a really interesting comparison of the current royalty regime here to an alternative that has been used elsewhere.

My question for the Minister of Finance is: At what point, as part of its comprehensive review of government policies, will the Government of Yukon be undertaking the comprehensive review of resource sector policies with a particular emphasis on ensuring fair and efficient royalty rate fee structures, permit and licensing costs, tax exemptions and minimum work requirements as the options set out by the Financial Advisory Panel?

Hon. Mr. Silver: This is not the first time that we will be discussing the differences between the NDP and this

government, as far as royalties, as it relates to how we can move forward in our communities. Of course, I will go to what we have done. I will first start with the four pillars that we are moving forward on. As far as the Financial Advisory Panel goes, we are starting down that road. The member opposite did bring in some other mining-related issues that, of course, we would be willing to look at.

When it comes to royalties, I did a tour of Victoria Gold the other day. It is just fascinating how much work has been done there over the summer. There is a video out right now that is available on the proponent's website. Even that video doesn't show the progress to date. Within the last couple of weeks this thing is getting going and they are on track to produce the first gold bar by pretty much this time next year. That particular mine is projected to turn out on a yearly basis 200,000 ounces of gold.

We have Goldcorp as well — that's another mining corporation that is moving forward to go into production by 2020. It will be relatively equal in production size there as well. We have a lot of different productions going on, and we have lots of conversations through the MOU from the minister and the First Nations on priorities when it comes to how we can all work together in mining. When you take a look at the ounces coming out of quartz mining compared to the — I think it was 80,000 last year that came out of the placer mining association, Yukon-wide. All the placer miners together produced 80,000 ounces.

You take a look at the fact that most of the placer families live locally in the Yukon — they are in our schools and they pay income tax here. They are usually the first families to give the shirts off their backs in times of crisis. We have taken a focus on increasing the share of the royalties on quartz mining with the First Nation governments because that's where the lion's share is going to be.

I believe the member opposite did talk earlier today about antiquated mining legislation. There are a lot of conversations being had right now at a community level with First Nation communities and mining individuals — placer mining individuals and quartz mining individuals. It has kind of been a low bar as far as those conversations and that understanding of the different perspectives when it comes to really interesting files like Bill S-6, in going through the changes for section 49.1 and having the First Nation chiefs all in a room together with the mining proponents and seeing how dialogue for the first time, it seems, happening, where both are looking at an overburdened First Nation government when it comes to some overlap in some policies and not necessarily anything that's necessarily addressing more environmental stewardship, but just more overlap and having what could have been a very contentious conversation turn into a really congenial conversation and one that actually helps bridge gaps in the communities.

I would say that when it comes to the placer royalties, this is an issue that would divide my community of Dawson City, without a doubt. The last thing I want to do is invoke policies that are going to divide our communities, especially when we've done so much in the last two years to bridge gaps and

to get people in a room and to start really good conversations. You have this modern legislation, federally constituted and protected under Section 35, which is modern and sophisticated.

And we do have, Yukon-wide, a lot of work to do to modernize legislation from education and to modernize legislation right across the board, and having a conversation about how, as we work together as communities, we can actually move forward in a progressive way and unite these communities through legislation as opposed to litigation.

Now, rushing into successor legislation based upon placer royalties would be devastating to the relationships in my community, anyway. That is not to say that we are not listening to both the mining communities — who have a desire to make sure that our legislation holds up in court — we are also working with First Nation communities that have a willingness to sit down for the first time and have conversations with mining executives and placer miners. I have had the chief tell me in Dawson that the last two years there were pretty much the most conversations, outside of regular agendas like an annual general meeting with agendas — actual conversations, Yukoner to Yukoner, Klondiker to Klondiker — on the traditional territory of the Tr'ondëk Hwëch'in. They were hard conversations when it comes to wetlands, hard conversations when it comes to a lot of files in the mining camp where the First Nation has not been in the conversation.

We are working together; we are working on policy and legislation that unites communities, and I think this is where we are going to disagree at this point as far as royalties to the placer industry go.

That is why my focus was coming to an agreement on how resource royalty sharing will be calculated under chapter 23 of the final agreements as a joint priority from the Yukon Forum — a joint priority from the Yukon First Nations and ourselves through the mining MOU. We're going to focus on those joint priorities, and we're very close to finalizing agreements with a lot of self-governing First Nations. We have lots of working groups going on from the Yukon Forum — 16 different working groups — dealing with issues that are coming from the First Nation community with us. I think we are seeing an awful lot of progress — we really are. I'm not just saying that.

The Financial Advisory Panel's report, in discussing First Nation fiscal relations in the Yukon, included specific considerations when it comes to First Nations with the current resource revenue-sharing agreements. We're focusing on chapter 23; we're focusing in on quartz, which is the lion's share of the royalties, and we are willing to put a better share — I think for a long time, the territorial government bickered and argued over those percentages, and to what end? It just caused more of a contentious relationship; people's muscles were tense and people's heels were dug in because of these concepts. Increasing that share also increases trust as well. That is where we're moving forward. I'm happy with this relationship and I'm happy with the new relationship. As far as chapter 23 goes, 50 cents of the first — I don't need to go

into the details of the agreement. That is something that we all know and understand, and it would just take up more time at the end of the day here.

I respectfully will agree to disagree on the placer royalties with the member opposite.

Ms. Hanson: Regardless of whether or not we have a personal disagreement about this, I'm just reflecting what the Financial Advisory Panel said in its report. I was asking the Finance minister to reflect on the government's position on that. This is not me, as the NDP, saying what the scope of that would be. It was exactly, word for word, what the Financial Advisory Panel said — as it had on many other subjects. As I said last year when they appeared before the Legislative Assembly, the good thing is that they actually did reflect the broad range of interests of the territory that are necessary. They may be provocative at times, but we need to have the conversation. We can't simply shut them down. They are out there.

Based on the Finance minister's segue — there are a number of issues, but given the time — he mentioned the work, and we all were there last year, I think, at the grand opening of Victoria Gold. We have heard through the media, and he has obviously heard first-hand, the progress that is being made there.

Based on the forecast production for Victoria Gold that he just mentioned there, what royalties will be accruing to the territory that will be available for sharing through the MOU? Starting with, say, 100,000 ounces next year, how much royalty will be coming to the territory that can then be shared with Yukon First Nations in 2019-21? What is the forecast for royalties that we see flowing to the territory as a result of that one mine?

As he mentioned, we have hopes for others coming online. In line with that, the panel did note on page 115 that many Yukoners expressed concern about the relatively high number of fly-in and fly-out workers at large-scale mining operations in Yukon.

I believe there are 400 or more workers at Victoria Gold, if I'm not incorrect.

"The income taxes paid by these workers will, for the most part, accrue to the province of their residence, not Yukon. To address this problem, the NWT has implemented a payroll tax that is levied on worker incomes in the territory. For residents, such a payroll tax could be deductible from Yukon personal income taxes paid. This would mean no increased tax burden for Yukon workers, but a portion of out-of-territory worker earnings could be appropriately captured by the Yukon government..." in lieu of the services and everything else that we provide, particularly roads.

They said the option was to explore the possibility of a Yukon payroll tax on out-of-territory workers at large-scale mining operations.

I've seen Mr. Halliday's reflection that perhaps it should be expanded to other out-of-territory workers, but certainly the focus in the Northwest Territories has been on those workers who fly in — in their case, to the diamond mines.

Does the Minister of Finance have a ballpark forecast on royalties that will start accruing to the territory when production is ramped up to whatever amount —100,000 or 200,000 ounces?

Has analysis been done on the potential revenues and the implications of implementing a payroll tax? I know the Northwest Territories, when they did it, did a broad-scale consultation on options that Northwest Territories could consider. It was an engagement with the public and with stakeholders. That was a number of years ago.

Hon. Mr. Silver: I guess, just as a general statement, that there are plenty of great recommendations in the Yukon Financial Advisory Panel's final document, but they are exactly that — they are recommendations. It's going to take this government to decide how we implement. We have made a decision on a four-pronged approach to start with.

I will say that the payroll tax concept is intriguing. We have been having internal conversations on it. At the same time, we are not at the point right now of discussing what kind of committee or what kind of way we're going to move forward on a conversation for this. It is an intriguing conversation. It may trigger a referendum in Yukon, according to our legislation, and so that's an interesting part of that conversation as well.

I can see the member opposite's opinion of that particular legislation, but as that legislation is a reality, it may actually trigger a referendum, depending on how it is done. That's an interesting concept and it's something that is very intriguing.

I do have to give credit where credit is due to Victoria Gold. With over 400 workers in that camp, the amount of Na Cho Nyäk Dun citizens and Mayo citizens that are working in that camp and Yukoners that are working in that camp is quite impressive, but it does give you pause to think about the others who come in and fly out. That is a concern.

It doesn't help our GDP when individual workers are taking their money home to other jurisdictions. It is great to see us helping out a Canadian economy, especially when we spend so much of Canada's taxes here with our budget, but my job as the Premier is to try to keep as many of those dollars as we possibly can here, recycling in the Yukon. That's definitely what we are doing with our fees and services review. That is also something that is really intriguing as far as the payroll tax concept when it comes to that part of the Financial Advisory Panel.

As far as the breakdown of how much money would go here and there, it is so hard to speculate right now. Mining companies give projections, which are exactly that — they are projections. It is so hard to speculate; I really can't give a forecast by project, but we will get back to you as far as a total forecast based upon their numbers. There are a lot of different companies that are not at production right now, so that's just it. We have Goldcorp projecting to be in production by 2020, whether or not that happens. We have BMC Minerals projecting and we have Alexco making some decisions. We have lots of different companies that are further away than Victoria Gold. We are very hopeful that Victoria Gold gets off

the ground by this time next year, and at that time we will be able to give those hard numbers.

Again, as far as the calculation goes, it is written out. If the members opposite want to sit down, I will give more work to the Minister of Energy, Mines and Resources as far as a breakdown or analysis of how that royalty share is implemented between the governments. Then we can have that conversation. It is a pretty straightforward calculation. We do a royalty forecast in total every year, so we can share that as well. It is so hard to predict what those royalties will be as far as ounces are to start with.

Seeing the time, I move that you report progress.

Chair: It has been moved by Mr. Silver 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. 207, entitled *Second Appropriation Act, 2018-19*, 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. on Tuesday, October 9, 2018. I wish all members a happy and safe Thanksgiving weekend.

The House adjourned at 5:26 p.m.

The following sessional paper was tabled October 4, 2018:

34-2-71

Yukon Hospitals — Year in Review 2017-18 — A Journey Together and Yukon Hospital Corporation Financial Statements (March 31, 2018) (Frost)

The following legislative returns were tabled October 4, 2018:

34-2-146

Response to oral question from Mr. Hassard re: tourism and culture initiatives — *Copyright Act* (Dendys)

34-2-147

Response to oral question from Mr. Hassard re: tourism and culture initiatives — safe workplaces (Dendys)