



Budget Address
2014 - 2015

presented by
Premier

Darrell Pasloski

**First session of the Thirty-Third
Yukon Legislative Assembly**

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MEETING THE BUDGETARY AND ECONOMIC CHALLENGES

Mr. Speaker, Honourable members, and guests, it is my honour and privilege today to table the 2014-2015 Budget, the third budget of the Thirty-Third Yukon Legislative Assembly.

The Government of Yukon's Budget for 2014-2015 is \$1 billion and \$318.4 million (\$1,318,400,000).

The Operation and Maintenance Budget totals \$1.024 billion, of which \$97.252 million is recoverable.

The Capital Budget is \$293.410 million, of which \$60.592 million is recoverable. This is the largest Capital Budget ever presented in this House.

Mr. Speaker, the 2014-2015 Budget has a healthy \$72.207 million surplus.

In my two previous Budget Addresses, I noted some funding pressures the Government of Yukon was facing in relation to the Building Canada Plan, the Territorial Health System Sustainability Initiative and funding by the Government of the United States to upgrade and maintain the North Alaska Highway and the Haines Road.

I will update honourable members on how these funding pressures have been or are being addressed.

The New Building Canada Fund which was announced in the 2013 federal budget will see the Government of Canada invest over \$53 billion in infrastructure across the country over the next decade.

For Yukon, this represents approximately \$420 million dedicated federal funding, including \$257 million under the New Building Canada Fund and an estimated \$163 million under the federal Gas Tax Fund.

The Territorial Health System Sustainability Initiative has been re-named the Territorial Health Investment Fund and is providing \$70 million over three years for a new, targeted and time-limited fund to increase services in the three territories in priority health areas and to reduce the reliance on outside health care systems and medical travel.

Yukon's share of this \$70 million has yet to be determined.

On March 11, 2014, I travelled to Washington, D.C. to meet with senators and congressmen to advocate for continued U.S. federal government funding for the Shakwak highway project.

Under the 1977 Shakwak Agreement, funding responsibility to reconstruct and improve the North Alaska Highway and the Haines Road lies with the United States and ongoing maintenance is delivered by Yukon.

Estimates to complete this highway work range from \$237 million to \$340 million.

We remain optimistic that our lobbying efforts will pay off and funding for the Shakwak highway project will be re-instated.

As Yukon's population continues to grow, undoubtedly there will be more funding pressures put on our health and social services safety net, education system, community services, justice system and highways and public works infrastructure.

One funding pressure Yukon residential electrical consumers will not face is the cancellation of the Interim Electrical Rebate as \$3.435 million has been provided for a one year extension.

Mr. Speaker, in view of the challenges facing the territory, our government's focus is squarely set on growing the economy in Yukon.

Economic growth is the engine that drives our way of life and sustains and improves our socio-economic well-being.

Government's job is to facilitate economic development, to set the stage for economic growth.

The private sector's job is to do business and create economic growth.

Our objective always has been, and continues to be to develop an economy through strategic government investment that supports and stimulates the growth of the private sector.

We believe that government can facilitate private sector economic growth in two ways:

- building and maintaining modern and efficient transportation, telecommunication and energy infrastructure; and
- creating a positive, supportive, and competitive financial, legislative, and regulatory environment.

The mining industry is a cornerstone of Yukon's private sector, and a proud part of our history.

While the high level of mineral exploration spending in 2011 proved to be unsustainable, this year there is still expected to be considerable investment with Selwyn-Chihong alone spending \$56 million.

Mr. Speaker, there is a reason this is the largest Capital Budget in Yukon's history.

At a time when the private sector is facing economic challenges, this is the time for the Yukon government to step up to the plate and invest in infrastructure that will facilitate and stimulate the private sector. The specific infrastructure projects will be outlined later in this address.

We are confident that the capital projects we are investing in will provide a strong foundation for continued economic growth.

In view of the impact the government's capital projects have on Yukon business and industry, we will be tendering some major capital projects in the fall in order to give contractors certainty about upcoming work, as well as ensuring that government gets the best available pricing.

Despite this elevated spending, our government continues to have a healthy surplus that will allow us to address any emerging priorities, pressures or challenges that may arise in the future.

Only two jurisdictions in Canada have no net debt – Alberta and Yukon.

It is worth pointing out that global rating service Standard & Poor's in October last year has affirmed Yukon's credit rating as AA for the fourth year in a row.

The rating confirms that Yukon has achieved a track record of strong economic performance and that we are on course for continued growth.

Strengths highlighted in the ratings report include Yukon's low debt levels, strong budgetary performance and good financial management in addition to private sector economic performance and demographic trends.

Mr. Speaker, we are introducing a number of other measures to assist Yukon's business community.

One measure is to reduce the tax burden by cutting the small business tax rate from four percent to three percent.

The Department of Economic Development will also be engaging the various chambers of commerce to undertake a red tape review of the regulatory burden facing Yukon businesses and provide a report on measures to reduce this burden.

In addition, there will be a review of the Business Incentive Program that provides rebates for contractors who hire local labour and use local products to ensure the program continues to be effective.

Mr. Speaker, these are just some of the measures our government is undertaking in the 2014-2015 Budget to promote economic activity.

Suffice it to say Yukon remains one of the best places in the world to invest and our government is committed to making it even more so.

MID-TERM REPORT ON MEETING OUR PLATFORM COMMITMENTS

Mr. Speaker, speaking of updates, I would like to update honourable members and give a mid-term report on how our government is going about meeting our 2011 Election Platform commitments.

The Yukon Party's 2011 Election Platform commitments are being implemented budget by budget.

This is our third budget of the current mandate and much has been accomplished.

We are doing what we said we were going to do.

Our government campaigned on a platform of moving forward together. We committed to Yukoners to build a better quality of life, to protect and manage our environment, to continue to develop our economy and to provide good governance.

BETTER QUALITY OF LIFE

We have made considerable improvements to our health care system that has made it more effective and responsive to the needs of Yukon citizens.

Last year I had the pleasure of attending the opening of two new health facilities; one in Watson Lake and one in Dawson. The new Watson Lake Hospital will not only benefit the residents of that community, but the entire south-east region of Yukon. Both hospitals have a comprehensive range of health-related programs and services under one roof. The hospitals consist of six in-patient rooms, a fully equipped emergency room, and state of the art diagnostics including x-ray and a laboratory.

The Dawson Hospital also houses the Dawson Medical Clinic and a retail pharmacy. Its second floor is occupied by Dawson Community Health Centre programs and services such as visiting mental health and hearing service professionals, home care and public health units.

To ensure Yukoners have certainty with regards to physician services, we signed a five year agreement with the Yukon Medical Association. This agreement reflects the increased costs of providing insured services and will support innovative approaches to health care and new procedures and advancements in care that have the potential to address increasing health care costs. It also provided for additional supports to medical graduates and visiting specialists.

Since that agreement was signed we have worked to ensure that Yukoners continue to have access to physicians by undertaking a recruitment strategy. The strategy has been working, and we have seen a number of new doctors come to the Yukon.

We've also taken steps to develop collaborative care options for Yukon citizens.

We passed Nurse Practitioners Legislation and have expanded a Referred Care Clinic in Whitehorse. As the Minister has noted, collaborative care isn't just about the co-location of services. It is about building teams of appropriate health care providers to provide the right care at the right time.

It is important to recognize that Yukon citizens themselves have an important role to play in their own health and health of their families.

To help recognize this we have completed and are implementing an Active Living Strategy. The vision of that strategy is “a Yukon that is active, where health, well-being and physical activity are viewed as an investment in the quality of life for every individual, and for vibrant, healthy and sustainable Yukon communities.”

Further, the Minister of Health and Social Services launched the Pathways to Wellness project that will allow us to focus on the promotion of well-being and the prevention of illness, and to help get ahead of the rising tide of chronic conditions and the impact on the health care system.

I can say with confidence that our health care system is stronger, more flexible and better suited to the needs of Yukon citizens than it was when we took office in 2011.

We have also addressed many of the challenges of housing and land availability by making strategic investments and improvements.

Last year we highlighted some of these initiatives at the Northern Housing Symposium. We have also launched a housing action plan, with input from a range of sources.

In partnership with the Skookum Jim Friendship Centre, we’ve increased the number of shelter beds available for youth.

In Whitehorse and Mayo we’ve begun construction of brand new seniors housing facilities.

We provided \$4.5 million to complete Betty’s Haven, which provides second stage housing for women and their children fleeing abuse. Yukon Women’s Transition Home Society receives \$1.4 million, which includes \$247 thousand in direct support to operate Betty’s Haven.

We worked with Options for Independence to open Dun Kenji Ku, to provide housing for adults living with FASD.

The *Residential Landlord and Tenant Act* has been modernized, and the regulations to support it are underway.

As a result of our investments in land development, Yukoners can now buy residential lots over the counter.

A new and innovative down payment assistance programs has helped dozens of Yukoners become home owners.

Mr. Speaker, the investments and decisions we have made to date have led to increased flexibility in the housing market and have helped Yukon citizens move forward through the housing continuum.

We all know that in order for Yukon to continue to prosper, we need to provide opportunities for our children to excel in our school system and for students to have access to skills training that will serve our economy.

On this front, we've made considerable progress.

We negotiated and signed a new contract with the Yukon Teachers Association that provides increased instructional hours for students, and increased professional development opportunities for teachers.

We've introduced innovative new measures to ensure that students in rural Yukon have equitable opportunities to thrive. Last year the Minister of Education premiered a new experiential education model which was a unique approach to expanding options and opportunities for rural students. As well, the "flipped school" model adopted in Watson Lake, has shown some promising results.

These initiatives have attracted some national attention and education officials will be presenting the results at national education conferences this year.

Here in Whitehorse, we've begun a pilot project at F.H. Collins Secondary School geared toward students who are motivated to pursue both sport and academics. This was an excellent example of partnership between a Yukon school and the sport's community.

Yukon College continues to develop and grow thanks in part to the investments we have made over the past years. We are contributing over \$36 million this year to the Yukon College's operations.

The considerable investments our Government has made in developing the Centre for Northern Innovation in Mining are already yielding results as evidenced by the recent graduation ceremony in Delta Junction.

The trades and skills training available today would not have been possible without the positive relationship we've developed with the College. Through the new mobile trades trailer, students in rural Yukon are learning the skills needed to participate in our growing economy.

The advancement of the Yukon Research Centre has also been further evidence of success. In 2013, the centre ranked fourth in Canada in the category of research income; demonstrating clearly that they are punching well above their weight. Fostering northern-focused research and innovation is important for us and plays a key role in developing technologies that provide sustainable solutions for sub-Arctic regions around the world.

We also continue to ensure that Yukoners have access to justice.

Last year we passed legislation to make it easier for single parents to have their child support readjusted by keeping this issue out of the courts.

Yukon also continues to take a national leadership role when it comes to the issue of FASD.

When Yukon hosted the justice Ministers' meetings last year Yukon was commended for leading progressive and innovative programs to address justice issues faced by individuals experiencing FASD.

Whether it is from cyber bullying or from online predators, our new partnership with the Canadian Centre for Child Protection will assist parents and children to stay safe in an increasingly online world.

Mr. Speaker, over the past years we have invested in building a better quality of life for Yukoners. These accomplishments I have mentioned are only a few of many. But what they illustrate is how far we've come as a result of the decisions and investments this government has made in the quality of life of Yukon citizens.

ENVIRONMENT

Mr. Speaker, I would now like to turn to the second pillar in our platform, which is the environment.

By implementing the Solid Waste Action Plan we have improved ground water monitoring, hazardous waste handling, and recycling opportunities.

Since 2008, the Government has led and directed ongoing care and maintenance operations at the abandoned Faro and Mount Nansen mine sites.

In accordance with the North Yukon Regional Land Use plan, planning work for parks in the Whitefish Wetlands and Summit Lake/Bell River areas has been undertaken. In co-operation with the Selkirk First Nation we have approved new management plans for the Lhutsaw Wetland and Ta'tla Mun Lake Habitat Protection Areas.

We are implementing the Climate Change Strategy by working with partners on mapping and adaptation research projects.

In 2013-2014, seven innovative ideas have received support towards commercialization from the Canadian Northern Economic Development Agency and Yukon through Cold Climate and Technology Innovation at the Yukon Research Centre. In 2013/14, CanNor and the Yukon government invested over \$380,000 with an additional \$254,000 from proponents, for a total of over \$634,000 towards research commercialization.

Yukon and Canada have invested \$10.6 million in joint federal-territorial funding from 2007-2008 to 2013-2014 to upgrade or build new water treatment plants.

We have improved our regulatory processes by developing guidelines to assist mining companies in the quartz mine licencing process and by reviewing placer mining projects for conformity with the Fish Habitat Management System.

We revised our Contracting Directive, effective April 1, 2013, to include environmental performance standards adopted by Yukon in our contract evaluation criteria.

Mr. Speaker, we have been, and we continue to be, proud protectors of Yukon's environment. We are protecting our environment, working on new parks and habitat protection areas, partnering on research and development projects, providing water treatment and solid waste disposal facilities and improving our regulatory systems. We are moving forward together.

ECONOMY

The third pillar of our platform is the economy. We have used our budgets strategically to rebuild Yukon's economy. We have helped key industries become more efficient, access capital investment, increase marketing, facilitate partnerships, and provided them with the necessary infrastructure networks like energy, transportation and communications.

Our government has been working hard to secure Yukon's energy future. Energy is critical to the future of our economic growth. Our government has advanced a number of initiatives to accomplish this including:

- We issued a directive to YDC to lead the research and planning of a new legacy hydro project.
- This government has begun work with Alaska to complete a cost/benefit analysis of connecting the Yukon Integrated Grid to southeast Alaska.
- Our government finalized the Micro-generation Policy for small scale renewable energy options.

The Energy Solutions Centre's Good Energy Rebate Program has completed seven years of program delivery. Approximately 5,000 Yukon households have participated in the program.

Our government has worked with the mining industry to develop and support that industry in Yukon.

We have worked with Canada, FNs and industry to improve competitiveness of our licensing and permitting regimes while ensuring environmental protection remains a priority.

We rebranded the Yukon Mineral Incentive Program to Yukon Mineral Exploration Program and invested nearly \$3 million over three years to support grassroots exploration which was leveraged at a rate of 4:1.

In addition, our government supported industry-led investment forums in Asia, Europe and throughout North America to attract mining capital to the Yukon and issued a Quartz Mining Licence to Victoria Gold for their Eagle Project.

Northern Cross Yukon 3-D Seismic Program is underway and a Benefits Agreement between Na-Cho Nyäk Dun, Vuntut Gwitchin First Nation, Northern Cross Yukon and Yukon government is in place.

Yukon government is reviewing the Oil and Gas Regulations to ensure they reflect best practices and mitigate any activities that may create unacceptable risks to public health or the environment.

The Yukon Legislative Assembly formed an all-party committee to examine the risks and benefits of hydraulic fracturing and our government is awaiting their report.

Through the Growing Forward 2 Program, a five-year funding agreement is supporting ongoing agriculture marketing activities at the Fireweed Community Market.

Our government has approved 78 projects to receive \$914,260 in Growing Forward 2 contributions.

With funding from the Department of Energy, Mines and Resources, the Yukon Agricultural Association has developed strategic planning for industry and infrastructure development on the newly zoned 65-hectare Mayo Road parcel. In addition, our government has opened 291 hectares of new Crown land for agriculture.

The Department of Energy, Mines and Resources has worked hard to provide land for Yukoners.

Land sales were completed in Whitehorse (Whistle Bend and Grizzly Valley), Dawson City and Haines Junction. Lots continue to be available in Dawson City, Haines Junction, Beaver Creek, Carmacks, Destruction Bay, Grizzly Valley, Watson Lake and Whitehorse.

The Teslin Tlingit Council and EMR steering committee has finalized the development of the Sawmill Road Country Residential Project and continues work on the proposed Morley Bay recreation lot project.

With the conclusion of public and First Nation consultations, the Peel Watershed Regional Land Use Plan was approved for public lands in January 2014. Implementation of the plan is underway.

The Carcross Local Area Plan is complete and approved by both parties.

The South-Central Yukon Vegetation Inventory Project, which is part of the Forest Management Implementation Agreement with Champagne and Aishihik First Nations, is well underway.

The Department of Energy, Mines and Resources has implemented our second consecutive year for Tier 1 commercial harvesting opportunities.

The Department of Economic Development has funded the Liard First Nation to move forward on southeast Yukon forestry opportunities.

In partnership with CanNor, the Yukon government, and the Yukon Research Centre are investing more than \$444,000 over two years to develop more efficient and cost-effective ways to increase gold recoveries in placer mining.

Through trade missions to China and Japan, Yukon informed potential investors about our strategic advantages including our proximity to the Asian market, mineral rich resources, substantial infrastructure and stable investment climate.

To promote small business, trade and investment we have the Enterprise Trade Fund, the Strategic Industries Fund and the Small Business Investment Tax Credit.

We assisted the Yukon Gold Mining Alliance through the Enterprise Trade Fund and by participating in strategic promotional events in North America and Europe including trade missions to Germany and participating in the Mineral Exploration Roundup and the Prospectors and Developers Association of Canada convention.

Yukon's tourism industry has continued to be a key contributor to our economy. We are marketing Yukon by conducting media familiarization tours and targeting key markets to promote Yukon.

Investments in the Carcross Waterfront have resulted in a new hub of economic activity in southern Yukon.

We renewed the Joint Yukon-Alaska Cooperative Marketing partnership, which delivers advertising campaigns to increase highway travel and promote summer adventure experiences.

Yukon has made strategic investments in our tourism economy. In 2012 Yukon hosted the Canadian Tourism Commission's annual GoMedia Canada Marketplace and the Minister of Tourism and Culture led a delegation to Germany and Switzerland to meet with partners in the territory's largest and most significant overseas tourism market.

In the fall of 2013 the Minister of Tourism and I led a European tourism trade mission; one of the results was an accord between Air North, Condor and ourselves that will bring more European travellers to Yukon.

The hard work is paying off. 2013 was a record-breaking year for border crossings statistics with 345,510 visitors traveling in private vehicles and motor coaches crossing the border into Yukon. This is an increase of 24,270 or eight per cent over 2012.

Yukon is addressing our energy needs by implementing the Energy Strategy for Yukon. We released our Micro-generation Policy in October, 2013.

Mr. Speaker, the Refrigerator and Freezer Retirement Program enabled Yukoners to retire older, inefficient units; over 670 appliances have been retired resulting in an estimated 639,000 kWh of energy savings.

Mr. Speaker, we have used our budgets to build up the construction resources available for Yukoners. Between 2007 and 2014, through the Building Canada Fund, Canada and Yukon have invested over \$240 million in roads, water treatment plants, waste water systems and a gasification unit.

We also completed the award-winning Whitehorse waterfront revitalization project.

The Canada/Yukon Gas Tax Agreement contributes to healthy communities by supporting long-term planning and sustainable infrastructure. To date, \$66.86 million in funding has been approved for 141 gas tax projects serving both municipal and First Nation recipients.

We have made Crown land available for agriculture across Yukon as work continues to bring more online. We continue to support this industry through the Growing Forward 2 program.

Mr. Speaker, we are putting Yukoners first by working cooperatively with Yukon's film and sound industries in order to provide Yukoners with employment and training opportunities.

Government continues to invest in the purchase of information technology equipment and applications to support government programs and service delivery. Since 2011-12, our government has invested \$27.878 million to support our information technology sector. By using technology government can better serve Yukoners.

Technology can also assist Yukoners to better serve their clients. To that end, e-commerce business advisory services were delivered to small businesses in Haines Junction, Carcross, Watson Lake, Teslin, Dawson City, Ross River, Beaver Creek and Old Crow.

Our government supports Yukon businesses through such initiatives as the Yukon Venture Loan Guarantee Program, Yukon Small Business Investment Tax Credit and partnerships with industry organizations.

Mr. Speaker, our budgets have been used judiciously to strengthen economic mainstays like mining, tourism and oil and gas. Our budgets have helped diversify our economy into other areas like arts and culture, film and sound, forestry, agriculture and information technology. They promote investment in our natural resources, market our tourism product, encourage small businesses, invest in infrastructure and put Yukoners first. We are moving Yukon forward together.

GOOD GOVERNANCE

Mr. Speaker, that brings us to our fourth pillar, good governance.

The Our Towns, Our Future report addressed important matters such as municipal funding arrangements, the *Municipal Act*, and solid waste.

A new resource royalty sharing arrangement with the eleven Self-Governing First Nations could see them share up to an additional \$4.7 million in royalties each year.

Our government has negotiated Yukon Asset Construction Agreements, or YACAs, for 16 projects with Kwanlin Dün First Nation and YACAs for three projects with the Carcross/Tagish First Nation.

In cooperation with Canada, the Carcross/Tagish First Nation Personal Income Tax Room Sharing Agreement provides the First Nation with a portion of the tax revenue generated through the collection of personal income tax.

Since 2012, we have been working with the White River First Nation and Kluane First Nation on developing a draft management plan for the Pickhandle Lakes Habitat Protection Area.

We are working with Champagne Aishihik First Nation to compile information fundamental for making sound forest-investment and forest-management decisions in southwest Yukon.

In collaboration with the Kwanlin Dün First Nation, Ta'an Kwäch'än Council and Carcross/Tagish First Nations, we are developing of a new Forest Resource Management Plan for the Whitehorse and Southern Lakes region.

Our government has been working closely with the First Nation of Tr'ondëk Hwëch'in on the completion of regional economic development and opportunity planning initiatives related to Chapter 22 of the Umbrella Final Agreement.

The Government of Yukon signed a new agreement with the Government of Canada on resource revenues in August 2012, enabling Yukon to maximize the benefit it gets from its growing resource economy, invest in healthy communities and manage infrastructure and energy needs. The new agreement implemented changes to the 2003 Yukon Northern Affairs Program Devolution Transfer Agreement and the 1993 Canada-Yukon Oil and Gas Accord.

The new Procurement Support Centre provides advice to Yukon government employees and houses Contract Services. It issued approximately 1,500 procurement training certificates to Yukon Government employees in the past twenty-two months. A standard construction contract document for use across the government has been created and improvements were made to the Tender Forecast System.

2014-2015 BUDGET INITIATIVES

Mr. Speaker, the 2014-2015 Budget, like its two predecessors, will continue implementing our platform commitments as well as responding to changing circumstances, emerging issues and trends.

PROMOTING A STRONG, DIVERSIFIED PRIVATE SECTOR ECONOMY

It is no secret that prospectors and junior mining companies are facing challenges in raising capital for the 2014-2015 field season.

It is for this reason we increased funding for the 2014-2015 Yukon Mineral Exploration Program by \$630,000 to a total of \$1.4 million.

The Yukon Mineral Exploration Program provides funding to individuals, partnerships and junior mining companies to move forward on their mineral exploration projects. Part of the program's function is to provide a portion of the risk capital required to locate, explore and develop mineral projects to an advanced stage.

Our government has been actively promoting Yukon's mineral industry whenever and wherever we can.

On January 19th and 20th, 2014, we established the "Invest Yukon Pavilion" at the world's largest investment conference dedicated to resource exploration hosted by Cambridge House in Vancouver.

We pointed out that our infrastructure, political stability and geological endowment all bode well for a strong economic future for the mining sector and for Yukon.

One week later on January 27, 2014, the Yukon government was well represented at the Mineral Exploration Roundup in Vancouver. We showcased Yukon's advantages as a place to do business and demonstrate that Yukon remains one of the world's best places to explore, develop and mine.

Similarly, in early March, our government attended the Prospectors and Developers Association of Canada (PDAC) convention in Toronto that attracts over 30,000 delegates and 1,000 exhibitors.

Mineral companies had the opportunity to showcase their projects to potential investors at a Yukon-focused session at the convention. Companies participating in the Yukon session included: Kaminak Gold, Wellgreen Platinum, Northern Freegold Resources, Anthill Resources, Rockhaven Resources, Victoria Gold, ATAC Resources, Alexco Resource, Capstone Mining and Western Copper and Gold.

While the Yukon Government has no say in setting global mineral prices, we do contribute to this key Yukon industry in other important ways.

Our government has established a Mining Investment Promotion Team (MIPT).

The team works jointly on an advertising campaign to attract investment to Yukon's mining industry, as well as initiatives to inform Yukoners of the economic benefits of mining.

Our government is working with Yukon industry partners to develop an Investment Attraction Strategy to encourage investment in the Yukon resource sector with an allocation of \$700,000.

Through trade missions to China and other Asian countries as well as to Europe and North America, over \$700 million of investment has been raised for mining companies operating in Yukon.

Our government invests heavily in a number of infrastructure priorities, namely resource roads, highways and port upgrades that support the growth and expansion of the mining industry.

In this budget, \$600,000 is being allocated to support functional planning for the Klondike Highway, Freegold Road and Nahanni Range Road.

Work is underway with Yukon College to establish the Centre for Northern Innovation in Mining (CNIM) with an allocation in 2014-2015 of \$976,000 for capital and an additional \$1.2 million for operations.

The centre will identify gaps in the labour force and support the training of Yukoners to undertake skilled jobs in the industry.

Mr. Speaker, our government is working with the federal and First Nation governments to make improvements to the *Yukon Environmental and Socio-economic Assessment Act* (YESAA) in order to increase the consistency and timeliness of assessments.

At the same time, we are working with the Yukon Water Board to make the water licensing process more coordinated and timely.

Yukon's other economic mainstay, tourism, is doing quite well.

In 2013, the number of people who crossed the border into Yukon reached an all-time high, increasing by eight percent according to data from the CBSA.

Given that border crossings are a longstanding indicator of tourism visitation, this is a very positive sign for the tourism industry and the Yukon economy.

In total, the tourism industry contributes close to \$200 million to Yukon's annual private sector revenues. This includes money spent on local hotels, restaurants and tour operators.

For the past four years, the Department of Tourism and Culture has operated an enhanced marketing program in its overseas tourism markets.

This project was made possible with the assistance of \$2 million in CanNor funding which terminates at the end of this month.

Enhanced overseas marketing has enabled Yukon to increase its market share in key European markets, contributing to a 33% increase in overseas tourism visitation.

Due to the success of this project, our government has elected to maintain an enhanced level of investment in overseas marketing on an ongoing basis, allocating an additional \$590,000 to the overseas marketing budget starting in 2014-2015.

Mr. Speaker, Japan is Yukon's fastest growing international market and ranks fourth in overseas visitation.

Between 2009 and 2011, Yukon saw an 800% increase in Japanese visitation.

In 2012, Yukon hosted more than 3,500 Japanese visitors who primarily experienced aurora viewing excursions.

On January 28th of this year, our Minister of Tourism and Culture led a delegation, comprised of fifteen tourism-related businesses, to Vancouver to attend the first ever Yukon-Japan tourism marketplace.

Mr. Speaker, Australia is Yukon's second largest overseas market with 6,996 visitors in 2013, representing 19.5% of overseas visitors and 2% of overall visitors to the territory.

In mid-February, our government profiled Yukon's Larger Than Life brand at Canada Corroboree in Australia.

Our Minister of Tourism and Culture signed cooperative agreements with Canada and Alaska Specialist Holidays, Adventure World, Adventure Destinations, Destination Canada and Holland America Line (Australia) who promote Yukon travel experiences and products in the Australian market.

The Yukon Government has established a \$50,000 Multicultural Event Fund.

This new program supports festivals and events which celebrate the multicultural diversity of Yukon's communities of new Canadians.

Multicultural festivals and events can play an important role in helping communities of new Canadians integrate into Yukon society and the Yukon economy.

Mr. Speaker, it should be noted that this program responds to a motion unanimously approved by the legislature in December 2013.

The Yukon Beringia Interpretive Centre will receive \$200,000 in capital funding in 2014-2015 for exhibit design and planning to enhance the ability of the Centre to educate the Yukon public and tourists about Yukon's Ice Age past.

In speaking of the Ice Age, all members should take note that the travelling Ice Age Mammal exhibit, which to date has been visited by more than 1 million people, is coming to Yukon from September 2014 to January 2015.

The exhibit will be hosted in Yukon by the Yukon Beringia Interpretive Centre in partnership with the Yukon Arts Centre.

It will give Yukoners and our visitors alike a unique opportunity to see an outstanding collection of ice age fossils and exhibits.

Mr. Speaker, one of our platform commitments is to work with Yukon First Nations to ensure they remain full partners in the economic development of the territory for mutual benefit of all Yukoners.

A regional economic development plan for the Tr'ondëk Hwëch'in, as part of Chapter 22 of their Final Agreement, has been drafted and the parties are now working on finalizing the document.

On December 16, 2013, our government signed a Memorandum of Understanding (MOU) with the Carcross/Tagish First Nation to support recreational land and infrastructure development in the First Nation's traditional territory.

The MOU identified a number of potential projects including wilderness tourism opportunities, such as a major tourism lodge project at Millhaven Bay near Carcross, development of remote access cottage property on First Nation and public lands, and improvements to the Carcross dock and marina.

These projects will provide investment and growth in the local economy and create jobs and business opportunities.

We are planning to have the first remote access cottage lots available for lottery by August 2014, fulfilling another campaign commitment.

Our government has been working in partnership with the Liard First Nation Development Corporation on the development of the forest industry in southeast Yukon. We aimed to prepare a framework in which economic opportunities related to the forestry sector may be better realized.

Mr. Speaker, at Canada's North Summit on October 16, 2013, we stated that it's a priority for this government that Yukoners benefit from affordable, available and reliable information and communications technology.

Yukon needs fast, affordable, reliable broadband to sustain the economy and stimulate growth.

Connectivity is critical to economic development in the North.

Our government has established the Technology and Telecommunications Development Directorate to support the information and communications technologies sector and telecommunications infrastructure development.

In partnership with Dempster Energy Services the Directorate supported a feasibility study to provide a second fibre optic route to the south. The study determined how a second fibre-optic data link could be built to increase the availability of Internet services for Yukon residents and businesses.

Dempster Energy Services is a partnership with three First Nation Development Corporations, Vuntut Gwitchin Limited Partnership, Na-Cho Nyäk Dun and Chief Isaac Inc.

The Yukon Government believes First Nation participation in network development and IT service deserves encouragement and support.

It has been recommended that Whitehorse to Juneau is the best option for the Diverse Fibre Link because this route provides a competitive source of bandwidth into Yukon and provides diversity and reliability.

Our government is providing \$600,000 in this budget, together with \$150,000 from the First Nation development corporations to prepare a business case for building a second fibre-optic data cable connection to the south to increase the availability of data services to Yukon.

This project will improve reliability, redundancy and affordability of broadband. It will be the backbone of our growing IT industry, encouraging many companies to relocate here.

On October 11, 2013, Yukon and Alaska signed a Memorandum of Understanding on “A Yukon to Southeast Alaska Economic Corridor Development Project for Electrical Generation, Transmission and Telecommunication.”

The Memorandum of Understanding facilitates a joint study into the exploration and identification of potentially developing such a corridor between Yukon and Alaska.

A Request for Proposals to study the viability of the corridor was released by the Yukon Government on February 21, 2014, and will be evaluated in the near future.

Our government will also be investing \$380,000 in 2014-2015, and a further \$380,000 in 2015-2016, to provide 4G mobile service to all seventeen Yukon communities. This will ensure they have the ability to use current generation mobile applications and smart phones.

Residents of the Lake Laberge constituency will be happy to learn that a cell tower is being constructed at Grizzly Valley.

Mr. Speaker, our major economic engines, mining and tourism, are largely dependent upon Yukon's transportation infrastructure – our primary roads, secondary roads, rural roads, resource roads, bridges, airports and sea ports.

The 2014-2015 Budget is providing \$85.264 million, the largest transportation budget ever, will be allocated as follows:

- \$48.170 million for highway work;
- \$14.230 million for bridges;
- \$16.316 million airports including surfaces, airside improvements and facilities; and
- \$3.330 million for other roads such as the Silver Trail and the turning lanes being built at the Couch Road entrances.

I was recently in Washington DC lobbying for continued funding of the Shakwak Agreement and I'd like to highlight that \$8.2 million is available this year to stabilize sections of the North Alaska Highway that are distorted by thawing permafrost, repair or replace culverts damaged by permafrost settlements, and restore highway grade.

In addition to this work, a further \$7.8 million is being committed to complete pavement overlay on a deteriorated section of the Haines Road.

Work continues this year with the reconstruction of the Robert Campbell Highway with an allocation of \$8.77 million improving the section of the highway from km 97 to km 107.

The Atlin Road reconstruction project is receiving \$1.4 million for ongoing granular search, design work and partial reconstruction, including design and permitting for the Snafu and Tarfu bridge crossings.

An additional \$300,000 has been added to the Rural Road Upgrade Program for 2014-2015, establishing funding for both the Resource Access Road and the Rural Roads Upgrade programs at \$500,000 each.

A further \$200,000 has been allocated for community highway lighting enhancements including Two and a Half Mile and Upper Liard.

The Nisutlin Bay Bridge is slated for a major upgrade with \$7 million being allocated in 2014-2015 and a further \$7 million in 2015-2016. Work includes a new concrete floor system, replacement of the existing steel grate deck and bridge strengthening.

A bicycle path/pedestrian walkway will be added on the side of the bridge with a viewing platform and lighting for the walkway.

Construction of the new, single span Tatchun Creek Bridge has started and the majority of the work will be done during the summer of 2014.

This bridge spanning 43 metres will see an allocation of \$5.5 million.

Mr. Speaker, considerable work has already been done to upgrade and enhance the territory's airport facilities.

Work in 2013-2014 included completion of the new Air Terminal Building in Faro, a new taxi-lane at the Mayo aerodrome, apron upgrades at the Erik Nielsen Whitehorse International Airport, and application of a surface treatment to strengthen the Carmacks runway.

Our government worked with the Canadian Border Service Agency (CBSA), Holland America and Air North to facilitate a new CBSA facility in Dawson to support expanded charter air service.

The Whitehorse airport apron panel replacement project is receiving \$8.1 million to remove the existing panels and construct new concrete apron panels.

The federal government is providing \$6.4 million for this project under the Airports Capital Assistance Program provided the project is completed by October 31, 2014.

Work continues on the reconstruction and repaving of the secondary runway at the Whitehorse airport, which runs parallel to the main runway.

The runway resurfacing project began last fall and is scheduled to be completed in the summer of 2014 with an allocation of \$3 million.

A further \$1.7 million is being provided at the Whitehorse airport to extend the current water and sewer system to the area south of the terminal. The work is scheduled to be completed this summer and \$550,000 is being provided to develop ten more lease lots.

Mr. Speaker, a diversified economy is a strong economy.

Sectors such as oil and gas, agriculture, forestry, value-added manufacturing, film and sound, communication and knowledge-based industries are all helping to diversify the Yukon economy.

I have already mentioned the forest industry in southeast Yukon and a diverse fibre optic link route to the south as well as 4G service to all Yukon communities.

Another source for diversification is Yukon's film and sound industry.

From April 1, 2013 to February 28, 2014, twenty-seven sound recording projects valued at \$56,650 and twenty-two film projects valued at \$669,513 were approved through the Film and Sound Commission programs.

In addition, \$92,888 was provided to Film and Sound Recording businesses during this time for marketing and development activities through the Enterprise Trade Fund in support of individual Yukon artists.

An investment of \$316,156 into the factual television series *Gold Rush* resulted in an approximately \$1.2 million expenditure in Yukon and over six months of employment for Yukoners in the Dawson area.

Similarly, an investment of \$17,275 by the Yukon Film and Sound Commission resulted in two full time positions for Yukoners on the factual series *Yukon Gold* in the Dawson area.

Yukon Gold's total Yukon expenditure in 2013-2014 was approximately \$862,651.

Economic diversification remains a priority for our government.

PROTECTING AND PRESERVING OUR ENVIRONMENT AND WILDLIFE

Mr. Speaker, the Yukon Government has approved a land use plan for the Peel Watershed Region – a guide for future use, a strong vision and goals for managing land and resources in the best interests of all Yukoners.

It is a balanced plan for Yukon.

It is a fact that the successive Yukon Party governments have done more to protect and preserve Yukon's environment and wildlife than any previous Yukon governments.

With the approval of the Peel Watershed plan, Yukon now has the highest percentage of protected land in Canada increasing its percentage from 12.68% to 16.9%.

I want to commend all the government officials and stakeholders who put this plan together.

It was truly a major undertaking.

The Peel Watershed plan has many unique features.

One of the most novel features is the Restricted Use Wilderness Areas (RUWA) that represent 29,702 sq. km or 44% of the region.

Access and activities will be allowed these areas but are subject to a surface disturbance of no more than 0.2% at any one time.

That means 99.8% are left undisturbed.

Permanently Protected Areas account for 19,800 sq. km or 29% of the region.

In these areas, no new land uses are allowed in order to protect significant ecological, wilderness and cultural values.

A new type of park is being created – Wild River Park – to protect the Wind, Bonnet Plume, Snake, Hart and Peel Rivers.

When the RUWA's and PA's are combined, there is 72.8% protection of the Peel Watershed region.

On the economic side, providing balance, there are Integrated Management Areas (IMA) which amount to 17,928 sq. km or 27% of the region.

New and ongoing land uses and surface access may occur, however, different levels of IMA – IMA I to IV – guide the amount of disturbance allowed based on cumulative effects.

This land use designation system allows government to manage multiple activities while protecting important areas.

While about 70% of the region is open to exploration and commercial opportunities, the actual surface disturbance caused by these activities will be minimal.

Restricted Use Wilderness Areas will have regulated surface access, air access coordination, notification for low-level (Class 1) mineral exploration and regulated off-road vehicle access.

Integrated Management Areas will allow access to natural resources, with sustainable resource development.

Protection of viewsapes along the river corridors will be provided by the Wild River Park designation and will provide benefits for tourism ventures.

The plan respects and protects First Nation subsistence activities such as hunting and fishing throughout the region.

The Peel Watershed Regional Land Use Plan applies to public land. This comprises 97.3% of the region.

The remaining 2.7% of the land is First Nation land and it will be up to those First Nations to determine the land use for their respective lands.

All proposed development projects in the region must go through regulatory and permitting processes including the Yukon Environmental and Socio-economic Assessment Board.

Recreational activity remains unaffected by the plan.

Existing mining claims are grandfathered in the Protected Areas, however, access to these grandfathered claims will be carefully managed.

Staking is permitted in Integrated Management Areas (IMAs) and Restricted Use Wilderness Areas (RUWAs), but in RUWAs notification is required for Class I (low level) activity on new and existing claims.

Mr. Speaker, the Peel Watershed Regional Land Use Plan is a balanced plan that protects the environment and respects all sectors of the economy.

One of our government's platform commitments is to maintain and enhance the quality of Yukon's natural environment for present and future generations.

Amendments to the *Environment Act* have been drafted and consulted on and will be presented to the House this sitting.

Protection of the Porcupine Caribou Herd and the Forty-Mile Caribou Herd are always high on our government's agenda.

The MLA for Vuntut Gwitchin recently returned from Washington, D.C. where he continued to convey the message about protecting the Porcupine Caribou Herd.

Proposed wildlife regulation amendments addressing Dempster Highway hunting are currently undergoing review by the Yukon Fish and Wildlife Management Board.

A draft Forty-Mile Caribou Harvest Management Strategy has also been prepared and is currently under review.

Our government has placed a considerable focus on developing a Yukon Water Strategy with a public consultation “What-We-Heard” document being published in September 2013.

The Yukon Water Strategy is awaiting Cabinet approval and should be completed during this sitting.

The Yukon Water Strategy is designed to ensure Yukoners have access to safe drinking water through the Rural Domestic Water Well Program and by other means including the development of community wells, increasing data collection and information sharing, and upgrading drinking water and waste-water treatment facilities in Yukon communities to meet new standards for water quality.

Approximately 28 projects were planned to be completed under the Rural Domestic Water Well Program in 2013-2014 to ensure Yukoners have access to safe drinking water at a budgeted recoverable cost of \$1 million.

Improvements have been completed to the public fill station at Rock Creek in the Klondike Valley and work has been initiated on improvements to the fill station at Tagish and for new construction at Deep Creek.

A new wastewater system for Ross River will be designed in 2014-2015, with plans to have the facility operational in 2016.

An allocation of \$1 million has been provided for this purpose.

Numerous multi-year programs are being undertaken to improve water and wastewater systems throughout Yukon totalling \$20.667 million in 2014-2015 investment.

Mr. Speaker, our government is endeavouring to meet the target recommended by the Solid Waste Advisory Committee that Yukon develop a goal of zero waste with a target of 50% waste diversion by 2015.

As a consequence, our government has completed a number of initiatives to meet this goal:

- established recycling bins at all facilities;
- increased signage for various waste streams and provided interim funding support to recycling processors;
- contributed to the territory-wide Zero Waste campaign promoting recycling, re-use and the goal of zero waste and allocated Building Canada Fund money to the City of Whitehorse to enhance their compacting facility; and
- continued plans to optimize the recycling system, enhance education and provide balers to recycling depots.

Our government has undertaken a review of the Solid Waste Action Plan including a summary of initiatives completed to date and those underway with suggestions on how to achieve a solid waste system that works for communities, protects the environment and is fiscally responsible.

A total of \$3.41 million is being allocated in 2014-2015 to implement solid waste management initiatives in Yukon communities.

Mr. Speaker, the Department of Energy, Mines and Resources is allocating \$1.113 million in 2014-2015 to clean up the historical oil and gas well B-62 in order to have it permanently and safely closed this summer.

The Department of Environment is endeavouring to construct two new campgrounds to enable Yukoners and our visitors alike to enjoy our great outdoors.

An allocation of \$1.484 million has been provided to construct a new campground at the north end of Atlin Lake comprised of 50 new camping sites. However, the Taku River Tlingit from British Columbia have initiated legal action to block this development.

A second campground at Conrad 16 km south of Carcross is proceeding as planned with the construction of 35 camping sites to be completed this fall.

This project has been allocated \$734,000 and is identified in the Carcross/Tagish First Nation (CTFN) Final Agreement and is one of the projects identified in the recent Memorandum of Understanding signed by the Yukon Government and CTFN in December 2013.

ACHIEVING A BETTER QUALITY OF LIFE

Mr. Speaker, “Achieving A Better Quality of Life” is an unending quest as our government strives to improve the lives of all Yukoners.

One of the largest capital projects in the 2014-2015 Budget is the replacement for the F.H. Collins Secondary School with an allocation of \$27.7 million.

Construction of the new school will begin this spring with an estimated completion date of fall 2015.

This major capital project will yield substantial partnership, employment and business opportunities for Yukon businesses and workers.

“Rightsizing” this project has resulted in a price tag \$17 million less than the original bid.

An additional \$150,000 is being provided in 2014-2015 for F.H. Collins furniture and equipment.

We have also identified \$750,000 to replace the F.H. Collins six lane track and regulation size soccer field that currently exists where the new school is to be built.

School yards across the territory are going to experience playground equipment upgrades, with an allocation of \$1.4 million over two years.

Yukon Education is implementing a Rural Equity Action Plan with the goal of helping rural students stay in school and achieve better results. This plan features a number of initiatives of which we are proud, such as:

- enhanced distance learning opportunities;
- shared resources;
- support for arts, trades and other specialty programming;
- specialization of teachers; and
- opportunities for students from different communities to work together.

Yukon signed a landmark education agreement with the Tr'ondëk Hwëch'in First Nation that makes them partners in developing school curricula and programs within Tr'ondëk Hwëch'in Traditional Territory. This agreement, made possible by the 17.7 provision of their Self-Government Agreement, means a greater role for the First Nation in the education of its citizens as part of a single integrated system.

I have already mentioned the Centre for Northern Innovation in Mining (CNIM).

Yukon College has created a five-year program for CNIM to integrate and provide a venue for mining and exploration – relevant and industrial trades training programs with the territory.

The Department of Education is working with the Yukon Research Centre (YRC) to develop a funding proposal that will work to meet the research needs of northerners.

The Yukon Research Centre intends to obtain additional funding from, and capitalize on, existing relationships with research universities, technologically – advanced companies and key funding agencies from Yukon, Canada and around the world.

Our government has contributed \$2.176 million to the Yukon Research Centre to operate for the last two fiscal years, and has extended funding one year pending a review of an evaluation report. The report is expected to support our government's commitment to continue funding through a renewed multi-year agreement.

The Department of Education is continuing to implement the Labour Market Framework over a ten-year period, helping ensure employers have the workforce they need to keep the economy strong.

Five strategies have been developed to achieve this objective: comprehensive skills and trades training; immigration; recruitment; employee retention; and labour market information.

Four stakeholder committees have been created to oversee the implementation, monitoring and evaluation of these strategies and the Advanced Education Branch is also conducting an evaluation of settlement services and a review of the Immigration Strategy.

The Yukon government has entered into a four-year, Labour Market Agreement for Persons with Disabilities with the federal government effective April 1, 2014 to March 31, 2018.

The overarching goal is to improve the employment outcomes of persons with disabilities and \$1.25 million has been allocated in 2014-2015 to help achieve this goal.

Mr. Speaker, the Yukon government continues to lead the way in relation to Fetal Alcohol Spectrum Disorder (FASD) with \$367,000 being allocated in 2014-2015 to conduct a FASD Prevalence Study.

The new Arrest Processing Unit will open in April 2014 at a cost of \$4.98 million. It will alleviate overcrowding and manage vulnerable and intoxicated persons in a safe and humane environment.

In 2013, the Victims Fund Agreement with Canada was extended to 2016 and provides \$500,000 per year for three years to enhance services for victims of crime.

Starting in 2013, the Yukon government has committed \$75,000 over three years to protect Yukoners from Cyber Crime and internet predators.

During the two-month cyber tip advertising campaign in early 2013, more than 2,000 Yukoners visited www.cybertip.ca representing a major increase in average monthly visits from Yukon.

Our government plans to roll out a new school based awareness campaign in 2014.

The Women's Directorate continues to work with other governments and stakeholders to combat violence against women.

Through Federal-Provincial-Territorial initiatives of the Status of Women Ministers Forum, Yukon has worked on the joint publication, "Measuring Violence Against Women," that includes a Territorial Fact Sheet highlighting the unique dimensions of violence in northern Canada.

The three territorial offices have worked collaboratively through this forum to develop northern – specific statistics and raise the issues of northern women to influence federal approaches and funding programs.

The Government of Yukon has developed a Domestic and Sexualized Assault Framework to strengthen a comprehensive response that will be shared with the other two territories when complete.

Mr. Speaker, our government is working actively to respond to the housing needs of Yukoners.

One such need is the lack of affordable rental housing.

The Yukon Housing Corporation is tackling this need by leveraging the \$13.5 million from the Northern Housing Trust.

Proponents will cost-match their contributions to construct and operate affordable rental housing for a term of ten years, with “affordable” being defined as less than 95% of the median market rent in that community.

Developers can match Yukon Housing Corporation contributions up to a maximum of \$75,000 per unit.

Accordingly, the total economic impact will be at least \$27 million and based on job creation multipliers it is anticipated that 93 direct and indirect construction – related jobs will be created.

The 34-unit Whitehorse seniors building, replacing #207 Alexander Street, is currently under construction with a scheduled completion date late this summer.

An allocation of \$4.718 million in 2014-2015 has been made to complete this work.

Another \$12 million is being provided in this budget to construct a new 48-unit seniors building in Whitehorse.

A design-build public tender for the construction of this facility will be issued in the near future.

Work has begun on determining the suitability of the lot for the new energy-efficient, six-unit Mayo seniors' housing complex.

The tender for this facility design was let on February 14th with an allocation of \$2.941 million and the project is slated to begin construction this fall, with expected completion in late summer of 2015.

On the other end of the age spectrum, the Executive Council Office is providing time limited funding of \$140,000 annually for three years to the Heart of Riverdale to support family programming.

The Yukon Housing Corporation is investing \$1.675 million to upgrade a number of social housing properties in 2014-2015 as follows:

- \$250,000 for the design and installation of a sprinkler system for the 36-unit Greenwood seniors building;
- \$250,000 for the design and upgrade of the air ventilation system for the 32-unit Closeleigh Manor seniors' building in Whitehorse;
- \$250,000 to implement accessibility improvements in a number of seniors' buildings in support of our tenants who want to remain in their homes;
- \$225,000 to proceed with the revitalization of five previously decommissioned social housing units in Ross River so they can be used again for social housing clients;
- \$450,000 for reconfiguration of existing social housing units in rural Yukon so that additional units can be created; and
- \$250,000 to upgrade the six-plex in downtown Whitehorse as a result of the relocation of tenants to the new Options for Independence building which was completed on February 18, 2014.

Yukon Housing Corporation will continue to lead Yukon government's participation in the Housing Action Plan with work in fiscal year 2014-2015 focusing on Housing Accommodations with Additional Services, Rental Housing and Home Ownership.

Our government launched the Down Payment Assistance Program (DPAP) in March 2013 to assist Yukoners to own their own homes.

As of March 5, 2014, Yukon Housing Corporation has received 37 applications to the program, and 28 applicants have been pre-approved to purchase their new homes.

So far Yukon Housing Corporation has provided over \$350,000 in loans resulting in new homes for 25 families. This creates more vacancy in the rental market.

The 2014-2015 Budget contains up to \$1 million of funding for this program.

The Home Ownership Preparedness and Education program or HOPE is a made-in-Yukon educational program designed to assist first-time home buyers with financial literacy specific to purchasing and maintaining a Yukon home.

The HOPE program will launch this fall.

Mr. Speaker, in order to meet the housing needs of Yukoners there has to be developed land.

The Whistle Bend subdivision is the largest land development project ever undertaken in Yukon.

Funding of \$2.8 million is being provided to wrap up phases one and two of the Whistle Bend Subdivision and a further \$2 million is being allocated to advance the engineering design and begin clearing for phases three to seven.

In keeping with our government's Land Protocol with the City of Whitehorse a two year supply of developed residential land, including a variety of lot types, was achieved in 2013.

We have worked with municipal governments to make land available for residential and recreational lots and reached Land Development Protocols with Dawson City and Watson Lake.

Mr. Speaker, the Department of Health and Social Services is undertaking a number of major capital projects that will meet our 2011 Election Platform commitments and improve Yukoners quality of life.

In 2014-2015, our government will start on design work for phase 1 of a new 300 bed continuing care facility and anticipate completing most of the design process this year.

Funding of \$6.9 million in 2014-2015 has been allocated for phase 1 design which will include an initial 150 beds with the capacity to expand by an additional 150 beds as required in the future.

Beginning in 2014-2015, the Yukon Hospital Corporation will receive \$1.418 million in ongoing funding as part of a three year agreement, including an escalator amount for the Watson Lake and Whitehorse hospitals and new base funding for chemotherapy drugs.

There will also be one-time funding of \$405,000 for blood products and other provisional costs.

A functional plan for the replacement of the St. Elias Group Home was completed in 2013, and \$1.235 million is being provided in 2014-2015 to move to the planning and design phase of the building process.

Subject to the Salvation Army's capital planning and funding process, the Yukon government will be proceeding to design for an expanded and improved Salvation Army facility that will include additional shelter beds and new transitional housing.

Our government is investing \$3.475 million in 2014-2015 for this project.

Our commitment to replace McDonald Lodge in Dawson City is also being actioned.

In addition to the \$7.021 million which was re-profiled from 2013-2014, our government is adding \$3.4 million in new funding to allow for an expanded design option for the new facility, and for an enclosed walkway between the Dawson City Hospital and the new McDonald Lodge.

The Department of Health and Social Services is proceeding with another platform commitment to replace the Sarah Steele building.

The conceptual design of the Sarah Steele Replacement project has been completed. The project is proceeding to the schematic design, which will be completed this spring. Tender documents will be prepared for February 2015 and construction completed in the summer of 2016.

The new facility will allow for increased detox and residential treatment spaces, the addition of transitional beds and a youth program.

Funding of \$1.284 million is being provided for this phase of the project.

Continued funding for the operation of the Referred Care Clinic, another platform commitment, has been approved to 2015-2016 with program evaluation and determination of on-going funding requirements to follow.

Funding of \$764,000 is being provided in 2014-2015 and a Nurse Practitioner will be incorporated in the facility this year.

Our government provided \$750,000 in 2013-2014 to the Food Bank Society for a down payment on the AFY building.

In 2014-2015, we will continue to support negotiations towards a final sale between l'Association franco-yukonnaise and the Food Bank Society.

Health and Social Services continues to be a national leader in addressing FASD issues.

Work is continuing on developing local capacity for diagnosis and assessment of adults with FASD through a team approach. We are establishing integrated case management processes and increasing understanding among the department and partners of FASD. We can then better serve clients and respond in a coordinated fashion to their needs.

Health and Social Services is supporting the Justice FASD Prevalence Study within the correctional population and has increased its financial support to Options for Independence to operate their new 14-unit facility.

The Government of Yukon will provide an additional \$2.775 million to the Yukon Hospital Corporation in 2014-2015, pending legislative approval, to build a temporary home for Whitehorse General Hospital's new magnetic resonance imaging (MRI) scanner.

The construction of a permanent MRI suite is linked to the expansion of the Whitehorse General Hospital emergency department. We are concerned that MRI service would not be available for four to five years if it waited for a permanent home.

In April 2013 the Department of Health and Social Services completed an extensive analysis of Yukon government's child care initiatives, specifically the Child Care Subsidy Program and Direct Operating Grant. The Yukon Child Care subsidy was created to assist low and moderate income families with the costs of licenced childcare in Yukon.

This subsidy is a benefit for all eligible families and there is no cap on the number of subsidised spaces. We have committed to adjusting all three of the elements used while determining eligibility for the subsidy which will increase child care assistance for all income groups. While the greatest impact will be for the lower income families, overall more families will be eligible for this subsidy.

Mr. Speaker, community infrastructure plays a key role in contributing to Yukoners quality of life.

The Department of Community Services will be signing a bilateral agreement with the Public Health Agency of Canada. They will be providing \$300,000 annually for four years for a healthy living program and priorities identified in the Yukon Active Living Strategy and the Wellness Plan developed by Health and Social Services.

As noted in the opening of this address, there is a ten-year New Building Canada Fund Canada and Yukon will be holding discussions on the parameters of this \$257 million fund.

Building Canada Funds under the old agreement have been secured and fully expended for the following road projects around the territory:

- \$8 million for Atlin road upgrades;
- \$1 million for Beaver Creek road upgrades;
- \$1.7 million for the Flat Creek bridge rehabilitation;
- \$4 million for Old Crow road upgrades;
- \$32.06 million for Robert Campbell Highway upgrades; and
- \$1.5 million for Teslin road and drainage upgrades.

The Government of Yukon – led Whitehorse waterfront revitalization project received this year's Canadian Urban Institute (CUI) annual Brownie Award that represents excellence in leadership, innovation and environmental sustainability by transforming brownfields.

A brownfield is land previously used that has the potential to be cleaned up or upgraded in some way.

Since 2006, the governments of Canada and Yukon have invested \$33.3 million under the Canada Strategic Infrastructure Fund. Additional investments of \$8.1 million from the Kwanlin Dün First Nation and more than \$1.4 million from the City of Whitehorse, have further revitalized the Whitehorse waterfront.

I believe all members of the House will agree with me that this has been money well spent.

Mr. Speaker, fire is an ever present hazard that threatens the lives of Yukoners and Yukon communities.

In order to combat this threat, last fiscal year our government purchased the Mobile Live Fire Training Unit with an allocation of \$765,000.

This unit has been deployed to Faro, Watson Lake, Whitehorse and to the FMO regional training centre at the Golden Horn Fire Department and has trained over 100 firefighters.

Firefighters need equipment to fight fires and our government has been willing to oblige.

In the last two years, a total of \$750 thousand has been spent on three new pumper tankers for Hootlinqua, Ibex and Golden Horn.

Two new fire trucks valued at \$610,000 will be purchased and will be deployed in the Ibex Valley and Tagish.

The replaced vehicles will be going to Burwash Landing and Mendenhall to upgrade the capacity of response in those areas.

When you purchase fire trucks and equipment, you need a place to put that equipment.

Construction of a new fire hall in Beaver Creek is set to begin this spring with an allocation of \$3.368 million.

Similarly, \$393,000 is being provided to plan and design a new Carcross fire hall in 2014-2015 with \$3.8 million for construction next year.

Beginning in 2014-2015 funding of \$588,000 over two years has been secured to provide enhanced storage space for five community Search & Rescue Teams.

Flooding in some communities is another potential threat.

Emergency Measures Organization is coordinating the “Yukon Flood Risk Mapping Project” over the next two years beginning in 2014-2015 utilizing approximately \$300,000 of the Department of Aboriginal Affairs and Northern Development Corporation’s Climate Change Adaptation fund.

Sports and recreation play an important role in promoting a better quality of life for Yukoners.

Our government is proud to support the Vuntut Gwitchin First Nation (VGFN) in building a community centre in Old Crow with a contribution of \$2.7 million to add to the funds being contributed by the VGFN government itself and hopefully funds from the Government of Canada in a partnership involving all three governments.

The Sport Bilateral with Sport Canada was increased by \$180,000 to assist Team Yukon travelling to the recent 2014 Arctic Winter Games in Fairbanks, Alaska and the North American Indigenous Games in Regina, Saskatchewan.

Our government was proud to support Emily Nishikawa as an elite athlete developing in Yukon for many years culminating this year with her selection to Team Canada for Cross Country Skiing at the Sochi Olympic games.

Yukon will be sending the largest team ever of over 140 athletes to the 55 plus Games in late August in Strathcona, Alberta.

Community Services has contributed \$50,000 in 2013-2014 and a further \$100,000 in 2014-2015 to enable Softball Yukon to host its 3rd World Championship this July.

The Department also contributed \$323,000 to ensure the continued operation of Mount Sima through funding to the new operating society, Friends of Sima. This support will provide recreational use and also an important training facility for three Yukon sports that call Mount Sima home.

Our government is providing \$150,000 to enable Team Yukon to attend the Canada Winter Games in February 2015 in Prince George and a further \$100,000 over the next two fiscals for Team Yukon to attend the Western Canada Summer Games in August 2015 in Fort McMurray.

PRACTISING GOOD GOVERNANCE

Mr. Speaker, practising good governance is a hallmark of Yukon Party government administrations.

We practise open, accountable, fiscally responsible, and cooperative governance.

The 2014-2015 Budget is another example of this continuing practice.

Practicing good governance means implementing cooperative governance and forming partnerships.

One of the most important collaborative ventures I have already mentioned is Canada's review of the *Yukon Environmental and Socio-economic Assessment Act* (YESAA).

Our government provided its comments on the proposed changes and attended two technical reviews hosted by Canada.

We are currently reviewing the draft legislative amendments and note there are a number of positive proposed changes.

Canada also provided the draft legislative YESAA amendments to Yukon First Nation governments, the Council of Yukon First Nations and the Yukon Environmental and Socio-economic Assessment Board.

Once our internal analysis is complete, we will provide our written comments to Canada by April 23, 2014.

The sixth annual First Nation Governance and Capacity Development Conference: Strategic Opportunities, co-hosted with Aboriginal Affairs and Northern Development Canada, and Council of Yukon First Nations, was held on February 5th and 6th, 2014.

In 2013, the Government of Yukon renewed its Intergovernmental Accords with the Vuntut Gwitchin First Nation and Kluane First Nation.

Bilateral discussions are underway to renew the accords with the Champagne and Aishihik First Nations and the Nacho Nyak Dun as well as establish new accords with other Yukon First Nations who are interested.

Those accords provide a practical way for governments to work together on key joint initiatives.

The Yukon government's Executive Council Office, Aboriginal Relations is in the process of hiring two key positions:

- a Consultation Advisor in the Policy and Consultation unit to assist the Government of Yukon to more effectively manage consultation with both settled and non-settled First Nations; and
- a Senior Advisor in the First Nation Relations & Capacity Development unit who will be responsible for supporting other departments to develop, implement and analyze agreements, accords, policies and other initiatives related to First Nations.

There are informal government-to-government meetings with the Council for Yukon First Nations and Yukon First Nation Chiefs, in preparation for future Yukon and Intergovernmental Forums.

Yukon, Canada and the Council of Yukon First Nations have reached an agreement on the Umbrella Final Agreement-Implementation Plan (UFA-IP), which provides secure funding for UFA boards and committees for a ten-year period.

The respective parties have also reached an improved funding arrangement for the Renewable Resource Councils.

Our government is working with the Carcross/Tagish First Nation to develop a new campground near the historic Conrad townsite on Tagish Lake's Windy Arm to help meet the growing demand for recreational opportunities near Whitehorse. We are proposing to spend \$734,000 in 2014-2015 on this project this summer.

A new resource royalty sharing arrangement has been reached with eight of the Self-Governing First Nations.

This arrangement builds on the resource revenue sharing provisions of Chapter 23 of Yukon First Nation Final Agreements and enables Self-Governing First Nations to share up to an additional \$4.7 million under this initiative.

Our government is working closely with Yukon First Nations and Canada to determine options for addressing First Nation concerns related to registering land under the *Land Titles Act*.

Mr. Speaker, these are just a few examples of where the Yukon government and Yukon First Nation governments are working collaboratively and cooperatively together.

There are many, many more.

Mr. Speaker, practising good governance means meeting the needs of Yukon's Francophone community.

- In 2013-14, we invested \$289,000 to enhance French language services within the Yukon government. This allowed us to launch French language services at three pilot sites; within the Home Care program, the Specialists Clinic at WGH, and Insured Health Services.
- The French language services directorate also worked with the Yukon French community to develop a strategic plan that will guide our efforts for the next four years.
- From this plan, in 2014-15, we intend to expand our pilot projects to other service points in Whitehorse as well as Dawson City. An additional \$157,000 will be invested towards this initiative.

Practising good governance means developing and passing appropriate legislation and regulations.

The Department of Community Services is conducting a phased review of the *Municipal Act* in consideration of the findings of the "Our Towns, Our Future" report and will conduct one more consultation with municipalities in the summer of 2014. This holds the ultimate objective of tabling the legislation in the spring of 2015.

In February 2014, the Department of Justice has asked the public to comment on amendments to the *Fatal Accidents Act*. The changes being considered will allow Yukoners the right to seek bereavement damages when a close family member is killed and where another person is at fault.

The Land Titles Modernization project completed Phase I in 2012. The project is now in Phase II identifying options for an appropriate computer system and business and processes. The aim is to table a new *Land Titles Act* in the fall of 2014.

Amendments to the *Condominium Act* are also underway for tabling in the fall of 2014.

Practising good governance means providing the public service with the necessary facilities and equipment to deliver effective programs and services to Yukoners.

The Department of Environment is planning the design and construction of a new Watson Lake District Office with an allocation of \$1.845 million in 2014-2015. The building will house the Conservation Office, Field Unit, Fish and Wildlife Regional Management, Animal Health Programming, Yukon Parks, equipment and garage bays and animal handling space.

The Department of Justice is planning to replace the Faro RCMP Detachment addressing the unique public safety needs of that community and the surrounding area. The budget provides \$318,000 in capital funding in 2014-2015.

Practising good governance means being PowerSmart.

The Department of Highways and Public Works is using PowerSmart to reduce the energy used by each individual computer and has reduced its energy consumption by 292,521 kWh/year or about \$37,735.28 annually.

ICT has begun working with other departments to expand the PowerSmart initiative across the Yukon Government which could potentially reduce the government's electrical consumption by an additional estimated 1.78 million kWh or about \$229,258.38 annually.

Practising good governance means protecting and preserving our historical records.

The Department of Tourism and Culture is providing \$879,000 for designing an Archive Vault expansion to increase storage space for paper records, create a separate cold storage environment for photographs and films and a special vault for storage of digital records.

Practising good governance means exploring options to utilize technology to make more government services available online or to improve existing services.

The Department of Health and Social Services is planning to develop Yukon's own electronic health system rather than attach our health system to one outside Yukon. This will ensure that we maintain control of our own health information records and will give us greater flexibility to control the technologies and determine future system developments. A side benefit from this project will be an increase in Yukon's local IT industry and capacity.

The Department of Highways and Public Works is in the process of hiring a Director of e-Services in order to improve e-Services throughout the Yukon Government.

Currently our government offers online ability to renew vehicle registrations, perform lien searches, access student financial assistance and transcripts, download e/audio books, and review tender documents.

We are planning to expand this growing list this year by adding new online services: angling licenses; camping permits; search for companies and other legal entities including document filing using the Yukon Corporation Online Registry (YCOR); and new multi-jurisdictional personal property security registry (PPSR) (for car liens etc.).

Practising good government means being open, accountable and fiscally prudent.

The decision by our government to build a redesigned F.H. Collins School is still one of the best examples of fiscal prudence saving \$17 million.

The inclusion of a Multi-Year Capital Plan enables Yukon's private sector contractors to plan ahead. We are committed to stable predictable investments in key sectors of our economy.

ENERGIZING YUKON'S FUTURE – THE NEXT FIFTY YEARS

Mr. Speaker, Canada as a country started with the vision of Sir John A. MacDonald who imagined Canada stretching from East to West. It was Prime Minister John Diefenbaker who first articulated a new vision for Canada – a Canada of the North.

In his “Northern Vision” address, Prime Minister Diefenbaker stated:

“We will open that northland for development by improving transportation and communication and by the development of power, by the building of access roads. We will make an inventory of our hydroelectric potential.”

The current Conservative government in Ottawa is continuing this tradition. The Speech from the Throne in 2011 states:

“Our Government is committed to developing Canada’s extraordinary resource wealth in a way that protects the environment. It will support major new clean energy projects of national or regional significance, such as the planned Lower Churchill hydroelectricity project in Atlantic Canada.”

Much of Canada’s “extraordinary resource wealth” is located north of 60, particularly in Yukon. Clean, affordable hydroelectric energy is required to unlock its potential.

Mr. Speaker, Canada’s Northern Strategy continues the Conservative government’s nation building legacy with its focus on four priority areas:

- exercising Arctic sovereignty;
- promoting social and economic development;
- protecting the North’s environmental heritage; and
- improving and devolving northern governance so that Northerners have a greater say in their own destiny.

The federal government’s commitment of \$200 million under the Economic Action Plan for the construction of the extension of the Dempster Highway from Inuvik to Tuktoyaktuk is fulfilling Prime Minister Diefenbaker’s Northern Vision. With the completion of this undertaking, Canadians will have road access from sea to sea to sea.

The next step in implementing Diefenbaker's Northern Vision in Yukon involves the "development of power."

The development of clean, affordable energy is the biggest single impediment to unlocking Yukon's resource wealth. Hydropower has played a major role in Yukon's history over the last century and is key to Yukon's future development. Electrical power generation in the territory has almost always gone hand-in-hand with mining.

The Government of Canada, through the Northern Canada Power Commission (NCPC) has been the central player in building and operating the territory's hydro facilities from 1950-1987. All of Yukon's present-day major hydro dams were built by NCPC.

The Mayo Dam was opened in 1952 to serve the Keno and Elsa mines. This 2.5 MW facility was expanded in 1957 to 5.1 MW.

NCPC began construction of the Whitehorse Rapid Dam in 1956 to provide electricity for Whitehorse. Initially the plant produced 11 MW, expanded to 19.5 MW in 1966, and then to 40 MW in 1985. The 1966 expansion was due, in large part, to the Faro mine and included construction of a transmission line from Whitehorse to Faro.

In 1974, the 30 MW Aishihik Lake Hydro Dam was developed to keep pace with rising electrical demand in Yukon.

Thanks to federal government support through the Green Infrastructure Fund in 2009, the upgraded Mayo Dam, known as Mayo B, has more than doubled the amount of energy that can be generated from that facility, from 5 MW to approximately 15 MW. Mayo B started feeding power into the power grid at the end of 2011.

As part of this initiative, the Carmacks-Stewart Transmission Project Stage 2 connected Yukon's two established hydro-based transmission grids. The total cost of these two projects was \$160 million, with up to \$71 million contributed by the federal government.

Similarly, the capacity of the Aishihik Dam was increased by 7 MW in 2011 through the addition of a third turbine using \$5 million from the federal government's Eco-Trust Fund.

Mr. Speaker, these three dams – Mayo, Whitehorse, and Aishihik – together with their upgrades have served Yukoners well over the last fifty years and created an enduring legacy. Today, over 95 percent of all electricity consumed annually in Yukon is from hydropower.

The days of having an adequate supply of hydropower, however, are numbered. Accordingly, our government has funded \$2 million to the Yukon Development Corporation and directed them to develop a plan for one or more hydroelectric projects that will meet our expected long-term demand for power.

The impetus to pursue additional hydro generation in Yukon is driven by two factors. First is the desire to meet future residential and commercial demand growth with clean, affordable hydro as opposed to fossil fuels. Expanded hydro ensures that the proportion of electricity generated from renewable sources in Yukon is maintained. Second is the goal to facilitate development, particularly mining, through an increased supply of price-predictable, clean power.

Just as in the past, mining will continue to stimulate economic development in Yukon and, as such, will remain a central driver of territorial hydroelectricity development. Yukon has some potential world-class mines.

The Casino Project near Carmacks would be Yukon's largest mine to date. The project has an estimated minimum 23 year mine life (more likely 50 year) and will require over 100 MWs of power.

The Selwyn Project located in the Howard's Pass area in eastern Yukon on the border with the Northwest Territories has the potential of becoming the largest lead-zinc mine in the world. The project will likely have similar power demands to Casino.

Proponents of both of these projects, among others, have identified a deficit of abundant and affordable power as a hurdle to their project's development. Yukon's current total capacity from all sources – hydro, diesel and wind – is only 147.6 MW.

Most mining companies in Yukon today are planning to utilize liquefied natural gas to meet their power needs. Hydropower would be much cleaner, more affordable, and increase the viability of many existing and future mining operations.

In recognition of the substantial local, regional, and national benefits of an abundant supply of clean, affordable hydropower in Yukon, we are urging the Government of Canada to become involved at this early stage to help us plan for the development of one or more hydroelectric sites.

Mr. Speaker, there are good reasons for the Government of Canada to continue to invest in the development of hydroelectric projects in Yukon.

Such an investment would be in keeping with Canada's Northern Strategy in relation to two of the four priority areas:

- promoting social and economic development; and second
- protecting the North's environmental heritage in that Yukon has enjoyed the lowest GHG emissions per capita in Canada, largely because of our renewable-based electric generating system (10.5 tonnes of carbon dioxide/year/person in 2008).

Utilizing hydropower rather than diesel or LNG to meet Yukon's growing electrical demand, for both industrial and residential/commercial demand, would allow this trend to continue.

Such an investment is also in keeping with the nation-building tradition of the federal government and the Northern Vision legacy of Prime Minister Diefenbaker. The history of hydro development in Yukon clearly shows that this is a beneficial investment for Canada to make.

The most compelling reason for the Government of Canada to invest in hydroelectric development in Yukon is that Canada, as the owner of all the land and resources in the territory, will be the major economic benefactor of this development.

Mr. Speaker, the construction of a major hydroelectric dam in the territory, together with the ultimate construction of a connected electrical grid ties with British Columbia and Alaska, are a nation building enterprise, in keeping with Canada's Northern Strategy, that should involve both the Government of Canada and the Government of Yukon.

Such a noble enterprise will be of tremendous benefit to Yukoners and to all Canadians, and will help set the territory's economic agenda for the next fifty years.

CONCLUSION

Mr. Speaker, the 2014-2015 Budget continues the pathway to prosperity we set out in our 2011 Election Platform, “Moving Forward Together.”

This is the third budget of our current mandate, a mid-term report if you like.

We are proud of what has been accomplished to date and the good news is that there are more accomplishments to come.

Step by step, budget by budget, we are achieving what we set out to do – to make Yukon the best place in Canada to live.

I commend the 2014-2015 Budget to all members of this House.

May God Bless Yukon.

May God Bless Canada.

And God Save the Queen.