

Check on Delivery

The Honourable Premier, Dennis Fentie
Address to the
Joint Whitehorse/Yukon Chamber Breakfast

March 23rd, 2010
High Country Inn

Good morning ladies and gentlemen, and thank you to the Whitehorse and Yukon Chambers of Commerce for the opportunity to speak to you today.

Thank you to the Kwanlin Dun First Nation, and the Ta'an Kwach'an First Nation for this opportunity to speak on their traditional territory.

I will open today, by speaking briefly about how we do business as a government, or our "style" of government.

Our fiscal and social policy over the past seven years has been informed through public engagement processes. These engagement processes inform our economic, fiscal and social policy priorities and investment, and have become the standard way we conduct public business on behalf of Yukoners.

Our three major reform processes for example, on education, child welfare, and corrections involved extensive public consultation resulting in legislative and policy change and infrastructure investment.

Our *Energy Strategy, Climate Change Action Plan, Waste Management Strategy*, all resulted from community based consultation and again will result in infrastructure investment and policy development.

As I stated earlier, our choices for the investment of public funds is informed by Yukoners and I will speak to the financial priorities of this government in the coming fiscal year next.

Responsible fiscal planning

In the coming fiscal year 2010/2011, the Yukon Government's capital, operating and maintenance expenditures will be in excess of \$1 billion and \$75 million.

Government spending on goods and services will reverberate through the territorial economy. This is higher than our record setting budget of last year.

We intend to remain consistent with proven fiscal practices, which again involve public engagement.

The objectives we put in place to weather the global cycle were obtained from consultation processes with the private sector, NGO's, and other orders of government.

Due to these fiscal investments, the impacts of the global economic cycle to Yukon have been minimal compared with other jurisdictions.

Based on your feedback, we committed to manage our fiscal resources to provide short term stimulus to the private sector while supporting strategic investment to support longer term economic and social growth. We have invested funds in areas with strong and sustainable economic growth potential.

Our Deputy Minister Oversight Committee on the Economy has been a mechanism for engagement with the private sector for this strategic planning.

And, our budgeting process now includes "out year" strategic planning to create certainty in capital investment to maximize the retention of Yukon government expenditures.

This staged government investment over predictable timelines, allows the private sector an opportunity to plan and grow their companies.

Our three year capital planning process allows us, in partnership with industry and other stakeholders, to schedule major infrastructure projects to match the capacity of local contractors.

And through another public engagement process, contractors have communicated to our Deputy Oversight Committee on Major Capital Projects, their need for steady

and certain business opportunities to maintain year-around employment and to expand their operations in a sustainable manner. We are responding to that concern.

Finally, due to the efforts and responsible planning of this government, and our Department of Finance officials, our overall fiscal management practices are creating growth in this Territory. We have experienced a 50% increase since 2003/04 in our Own Source Revenues and this government's negotiated agreement with Canada provides that 30% of those revenues are retained by Yukon.

Infrastructure development to create stimulus and support economic growth in the long term

The strategic development of infrastructure is key in growing socially and economically.

In collaboration with the federal government, on *Canada's Economic Action Plan*, Yukon has successfully accessed in excess of \$94 million of the federal stimulus funds for investment in 2010/11. These funds include *Building Canada, CSIF, MRIF, RINC, Affordable Housing*, etc.

These funds will be invested in affordable and senior's housing, education, research, environment, energy, and further infrastructure.

There will be investment that is ongoing to complete projects initiated in earlier years such as the correctional facility; more affordable housing; energy; tourism; healthcare; and social services.

In healthcare, enhancing existing hospital services is a priority of this government. It is critical to our future to provide good health care services so that we can attract people to come to the Yukon to participate in building Yukon's future.

As such we have partnered with the Yukon Hospital Corporation, who have completed community based consultations in Watson Lake and Dawson and will now construct hospitals in both regions.

While we can estimate that these projects will lead to a \$50 million investment overall, we cannot put a price tag on the human benefits these hospitals will bring to both regions.

Additionally, within one year, \$16 million will have been invested in expansions to the Whitehorse Hospital.

In support of seniors, and low income individuals and families we will continue to develop affordable housing to improve the quality of life of Yukoners. A significant portion of the federal economic stimulus funding will go a long way to accommodate the needs of the elderly and the economically disadvantaged in Yukon. In excess of \$36 million will be invested in this area.

Additionally, through various existing Yukon Housing programs, approximately \$11 million will be invested in initiatives allowing the construction industry to realize further benefit in our economy

A further investment in municipal infrastructure of approximately \$3.6 million will provide opportunities for the construction sector in rural Yukon.

For major building construction or large “vertical” construction projects, we will be investing in excess of \$33 million into public infrastructure.

For transportation, in the coming year, we expect to spend approximately \$45 million on bridges, highways, rural and access roads, and airports to provide mobility for the public and cost containment for industry. This will be through *Build Canada* funds and direct Yukon government investment in transportation.

Investment in transportation ensures connectivity for the Yukon public and access for industry to Yukon’s vast resource potential.

The expenditure of the federal *Build Canada Fund*, a fund totaling \$182.9 million over 7 years will be invested based on a Yukon wide consultation and planning process. This year, \$30 million of this fund will be invested in non-transportation projects throughout Yukon including water treatment, sewage and heating, waste water treatment, etc.

For the first time ever we will be enveloping \$12 million each year for Government of Yukon building maintenance to provide greater certainty over multiple years for the smaller contractors in the territory who do this work.

An additional \$4.4 million will be invested in operational equipment and vehicles which again provides opportunity for local suppliers.

Investment in tourism infrastructure and marketing, and Film and Sound

Tourism is an important economic generator for the territory. We have much to market to the world – our vast natural beauty, territorial parks, First Nations culture and art, Klondike history, to name a few assets.

The department of Tourism remains committed to ensuring that Yukon tourism marketing is industry led, research based and market driven.

Our partnership with the Tourism Industry Association of the Yukon and the Senior Marketing Committee in this regard has and will continue to play an integral role in Yukon tourism marketing through participation in the development and evaluation of Yukon's tourism marketing programs.

One of the key strategic priorities identified by the tourism sector is to increase consumer awareness of Yukon as a travel destination. Our investment in this area is netting positive results and we are pleased to commit \$500,000 in additional ongoing resources to the domestic marketing campaign *Destination Yukon*. This fund is aimed at increasing Yukon awareness as a travel destination in the gateway cities of Edmonton, Calgary and Vancouver with an eye on Toronto for larger campaigns.

Destination Yukon integrates and builds on the success of previous initiatives such as the 2007 Look Up North Marketing Campaign and marketing initiatives held during the recent 2010 Olympic Winter Games.

Building on this investment, the Yukon government is also pleased to invest an additional \$200,000 in ongoing annual funding for the Tourism Cooperative Marketing Fund for a total of \$700,000.

Development of tourism infrastructure is also key to encourage growth in this sector. We will continue to invest in heritage and historic sites, scenic drives, visual arts, and two major cultural center initiatives.

Our partnership with the Kwanlin Dun First Nation and the Champagne and Aishihik First Nation to construct cultural centers on their lands will provide a major attraction for visitors to Yukon.

This federal, First Nation, and Yukon government partnership involves a \$34 million investment over the next two years.

And, as you have heard recently, the completion of the Erik Nielsen International Airport is scheduled for this spring, and Tourism and Culture will be investing funds for displays which showcase Yukon's history, art and culture to visitors entering the territory from international and domestic locations.

For the growing film and sound industry in the territory, we will invest \$625,000 for the Yukon Film and Sound Commission to advertise Yukon as a premier wilderness and snow filming location.

Investment in people & communities

This government has always recognized and reflected in its policy, the importance of a balanced society. This means while we focus on developing our economy, we have an equal focus on ensuring that the citizens of our territory are provided services which strengthen and support healthy individuals, families, and communities.

As a government we are working on a *Social Inclusion Strategy* which will build on all of the existing policy initiatives of this government including addressing poverty, homelessness, youth at risk, women at risk, senior's support, single parents, etc.

We are investing \$230 million for the provision of health care and social services to Yukoners. And we have successfully secured a two year extension of the *Territorial Health Access Fund*.

Many of the infrastructure initiatives I have spoken to earlier will positively impact the quality of life for Yukoners including seniors housing, affordable housing, hospitals, and improved corrections facilities.

Another major area that Yukoners' have identified as important to improving their quality of life and that is improved access to residential land. This year we will invest

in excess of \$15 million in residential and agricultural land development throughout Yukon.

And for municipal support services in our communities, Whitehorse and rural Yukon municipalities will receive an \$800,000 increase to the *Municipal Grant Program*. This brings the total investment in 2010/11 for the Yukon Municipal grant to almost \$15 million. And, in addition to this amount Yukon provides in excess of \$5 million to municipalities in grants in lieu of taxes.

We will again invest almost \$3 million in the very popular *Community Development Fund* which gives rural Yukon communities and Whitehorse access to funds for creative community based initiatives.

Finally, to minimize the possible impact to communities of wildland fires, we will once again invest \$1 million for our *Firesmart Program* which also results in local, short term job creation.

Investment in initiatives to protect our natural environment

We will continue with the development of territorial parks and accompanying management plans through partnerships with Yukon First Nations.

Pursuant to the First Nation Final Agreements, the development of Special Management Areas and Habitat Protection Areas is continuing.

We have also completed the North Yukon Land Use Plan and are now working on the Peel Watershed Land Use Plan.

On climate change, we will continue to be involved in national and international forums to raise the profile of Yukon and northern issues, and locally we will continue to implement our *Climate Change Action Plan* and *Energy Strategy*.

For mine reclamation, Canada's investment of almost \$39 million for remediation work at the Faro mine site, and other Type II mine sites, will create economic benefits for the community of Faro and Yukon generally.

Investment in energy & connectivity

Two major challenges face Yukon as we continue to grow our economy. Those are connectivity, and the production of energy.

The responsible development of green energy sources is a key underpinning for the development of a sustainable economy over the long term.

The approach we have taken today in investing in Yukon's energy infrastructure is through partnership to ensure rate neutrality for ratepayers and at the same time to develop infrastructure to allow economic growth today and into the future.

Mining sector developments cannot proceed in the territory without access to energy. Through successful access to the federal *Green Energy Fund* and Yukon investment, \$160 million will be invested in the construction of Mayo B and the transmission line.

This green energy project supports industry growth and averts increased dependency on diesel for energy and is in keeping with our *Climate Change Action Plan* objective of reducing carbon emissions in the territory.

And on the connectivity front, we continue our initiatives to build communications infrastructure in Yukon by investing close to \$1million in MRS and cell phone service throughout Yukon.

Investment in economic and natural resource development

The promotion of natural resource development is a major priority of this government.

In support of resource development we will continue to implement YESAA and work toward successful conclusion of the Five Year Review with Canada and Yukon First Nations.

We will complete Mayo B and the transmission line and work to develop alternative sources of clean energy over the long term.

To attract investment to Yukon in support of the mining industry, significant investment has been made to ensure that demand regions of the world are made aware that Yukon's mining sector is open for business.

We have been successful in soliciting private sector investment into the Yukon for resource development. The creation of a new mining web-portal will also assist to attract mining investment to Yukon.

On the infrastructure front, I stated earlier that we will be making an investment in transportation infrastructure, including access roads in support of industry access to areas with potential for resource development.

To further our work to create a forestry sector in Yukon we will invest almost \$4 million for forestry research and the establishment of a new Yukon Core Library. A further \$1 million will be put toward the expansion of Yukon's Forestry research infrastructure.

Investment in continued development of a skilled labour force

Investment in developing a skilled labour force is a key investment in economic growth. In that regard we will invest in excess of \$4 million under the *Labour Market Development Agreement* with Canada for the design and delivery of skills development and employment programs funded under the Employment Insurance Program. An additional \$1.4 million from the same Agreement with Canada will target the unemployed and underemployed clients including social assistance recipients, older workers, youth and persons with disabilities.

Based on feedback from Yukoners, we will also continue our investment in the *Community Training Fund* for NGO's and First Nations. An investment of \$1.5 million will be made to this fund for employment training.

In support of the mining sector \$500,000 over two years will be invested in the Yukon Mine Training Association from Northern Strategy funds.

And, in collaboration with First Nations and the private sector, there is significant investment from the Northern Strategy Fund in human resource capacity development throughout the territory. These initiatives include capacity development

in governance, initiatives in support of placer mining and resource management training.

In rural Yukon, we will invest an overall \$4 million for the Pelly Crossing, and Dawson City Community Campuses.

Closing

Ladies and gentlemen, my message to Yukoners today is that when this government took office a little over seven years ago there was much to be done to create the growing and dynamic Yukon which exists today. The past seven years have witnessed a remarkable shift in Yukon both economically and socially.

During the last 12 months we have seen Yukon's population reach its highest level since records have been kept at more than 34,000 people.

The value of building permits in Yukon last year was the highest on record at \$158.3 million, compared to just \$30 million in 2002, the lowest ever on record.

Retail sales in Yukon last year totaled nearly \$520 million, the second highest on record. An increase of well over \$100 million since 2002.

Today's Yukon draws the interest and confidence of consumers, and the business and investment community. Vacationers choose Yukon to explore its natural beauty, culture and history.

We have laid a solid foundation for this territory for growth in all sectors.

Our work has not gone unnoticed.

The profile of Yukon on the regional and national stage has increased dramatically as a jurisdiction of interest for private and public sector investment, as a leader on social policy, and as a jurisdiction with eleven self-governing First Nations implementing Treaties resulting in social and economic growth for their citizens.

With this budget we will continue that trend. Through investment in infrastructure, education and training, transportation, tourism marketing and infrastructure, energy

and resource development and our environment, health care facilities and services, we are strategically planning the economic and social future of Yukon.

Now and into the future, the public and private sector of Yukon will be very, very busy.