

**Economic Address by
The Honourable Premier Dennis Fentie**

Joint Whitehorse/Yukon Chamber Luncheon
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Introduction

Good afternoon ladies and gentlemen, members of the Yukon and Whitehorse Chambers of Commerce, invited guests.

Thank you for the opportunity to speak here today.

Of critical interest to all Yukoners is the current state of the economy, its effects on Yukon, and this government's response to the current economic cycle.

At no time in history has it been made so abundantly clear how synchronized economies have become, locally, nationally, and globally.

An impact experienced in one sector, whether negative or positive, has a ripple effect throughout all economies.

We are fortunate to live in a country which has been accorded a lead role in the G8 and G20 discussions on the current global economic cycle. Canada is recognized on the international stage for its responsible fiscal practices.

When it became evident that Canada was not going to be insulated from what has been referred to as a "synchronized recession", our federal government undertook a consultative process with all provinces and territories to inform it's response to the economic challenge.

In the last six months, Yukon has participated in discussions at First Ministers and Finance Ministers meetings.

Resulting from those discussions, a number of federal, territorial and provincial deputy minister committees were struck to provide advice on pensions, regulatory issues, labour market mobility, infrastructure investment, and access to business capital.

Within Yukon, our approach was similar. Seeking the input of Yukon economic stakeholders was given the highest priority.

Internal, within the government of Yukon structure, we established a Deputy Minister Committee on the Economy and mandated it to monitor and assess economic trends, identify and analyze Yukon opportunities to address impacts, and identify key strategic investment options.

Second, we established a Deputy Minister oversight committee on major capital projects. This committee is key, as it's role is to provide strategic advice on the implementation of our government's capital investment plan for Yukon. The priority objective is to ensure maximum benefit to Yukon. Both of these Deputy committees are chaired by me and the work of both committees is ongoing.

We sought advice from a broad spectrum of economic stakeholders in Yukon and their advice informs a great deal of the budget this government will be tabling tomorrow in the Yukon Legislative Assembly.

Economic Stimulus

Ladies and gentlemen, for the fiscal year 2009-2010, this government will be tabling a budget of \$1 billion, 3 million dollars. And, we will enjoy our seventh consecutive year end surplus.

A great deal of it is about economic stimulus informed by your advice.

It is also about continuing to foster and develop the quality of life for Yukoners by investment in the social side of the ledger and protecting and preserving our environment.

This budget is responsive to the current economic situation by making strategic investments which accomplish two things:

First, in the short term, these targeted investments create local employment and provide spin-off benefits to local retailers and suppliers in Yukon.

Second, for the longer term, these investments support our plan to grow, develop, and diversify the Yukon economy. They are an investment in the future.

We will not deviate from our commitment to stimulate and diversify the private sector economy.

In addition to natural resource development, we have focused our efforts on film and sound, research and development, information technology, tourism, trade, arts and culture, agriculture, forestry, manufacturing, trapping and outfitting, and small business development.

Overall, there are six major areas targeted in this budget. These are:

- Infrastructure;
- Marketing;
- Economic diversification;
- People and communities;
- Health care and our social safety net; and

- Protecting and preserving Yukon's environment.

Although I will provide investment highlights in each of these sectors, I emphasize that an investment in one of these areas has positive benefits for all other areas.

Our investment in infrastructure to create immediate stimulus and long term economic growth includes highways, bridges, airports, energy generation, transmission lines, information technology and a renewed focus on communication infrastructure.

Social infrastructure investment includes schools, health centres, hospitals, treatment centres, correctional facilities, social housing, seniors housing and other public infrastructure.

Environmental infrastructure includes climate change facilities, sewage and wastewater treatment, green energy initiatives, solid waste management and recycling to name but a few.

To build sustainable communities, our infrastructure investment includes sewer and water systems, recreation facilities, road and street construction, and upgrading, emergency response services, and land and lot development.

Let me highlight a few of these major economic infrastructure initiatives.

In transportation infrastructure we are investing \$56.7 million - a 13.8% increase over last year.

This investment will create hundreds of person hours of work for Yukon.

Targeted highways are the Campbell, Klondike, Dempster, and the Alaska Highways. The Atlin Road, and the North and South Canol Roads will also receive investment.

Bridge construction includes a \$14.25 million replacement of the Slims River Bridge.

Investment in airport infrastructure includes \$15.7 million over two years in a major upgrade of the Erik Nielsen Whitehorse International Airport terminal building to maintain the Whitehorse airport international status.

On the communications side, we are investing \$14.9 million for the Mobile Communications system, including the expansion of cell phone service to Ibex Valley and Lake Laberge.

On the energy front, we are seeking a partnership with Canada to invest in a green energy hydro project at an estimated cost of \$120 million, known as Mayo B.

This project involves the upgrading of the Mayo Dam, as well as an estimated \$40 million extension of the Whitehorse-Aishihik-Faro (WAF) grid from Pelly to Stewart Crossing.

The expansion of hydro-generated power in Yukon, reduces our carbon footprint by displacing thousands of tonnes of greenhouse gas emissions each year. Just as the extension of the Whitehorse-Aishihik-Faro grid to Pelly Crossing and Minto Mine, reduced Yukon's greenhouse gas emissions by 24,100 tonnes.

This initiative will also create hundreds of person hours of employment.

These are some of the infrastructure projects which have short term benefits and promote longer term strategic economic growth.

Further development of our economy includes major investment in marketing to promote Yukon as an attractive tourism destination, attract investment and encourage trade.

These investments are primarily through our Departments of Tourism and Culture, Economic Development and Energy, Mines and Resources.

We will be taking the opportunity presented by the 2010 Olympic Games to undertake one of the largest marketing initiatives of the decade.

We are investing \$2.632 million to participate in the 2010 Vancouver Olympic and Paralympic Games. These games will help us market Yukon to a world-wide audience.

An additional \$500,000 will be put toward Overseas Tourism Marketing in order to increase the awareness of Yukon as a destination of choice and promote unique tourism experiences.

To attract more meetings and conventions to Yukon, we are providing \$100,000 to market the territory through the Yukon Convention Bureau.

On seeking investment internationally, the work we have done to develop private and public partners to enhance business, trade and investment with Asia has paid off.

Our department of Economic Development will continue with its efforts to promote these beneficial partnerships.

Two Chinese companies have purchased Yukon Zinc's Wolverine property and plan to invest \$240 million to bring the mine into production in the third quarter of 2010.

Development of Yukon's natural resources in a responsible and sustainable way is a priority for this government and providing and improving infrastructure in support of mine development and exploration acts as a marketing tool to attract more mining companies to invest in Yukon.

So too is our \$1.1 million increase in funding for the Yukon Mining Incentive Program (YMIP) for a total allocation in 2009-2010 of \$1.8 million.

YMIP stimulates the discovery of new mineral occurrences and advances existing discoveries to a mature exploration stage. This investment, combined with current geoscience databases and a single regulatory process, has made Yukon a world-wide competitor for investment in the mining sector.

Again, investments create hundreds more person hours of employment in Yukon.

Some of the specific initiatives we will invest in which target economic diversification include:

- \$3.21 million in Economic Development Funds to support diversification;
- \$6.5 million for information technology;
- construction of Kwanlin Dun and Champagne and Aishihik First Nations cultural centres;
- \$987,000 for the “Growing Forward” initiative to support agriculture;
- working towards the implementation of Yukon’s new *Forest Resources Act* to promote the development of a forestry industry in Yukon; and
- and millions more in new green home construction, home rehabilitation, and energy retrofit.

Once again, targeted investments such as these create employment and make a contribution to Yukon’s manufacturing, retail and supply sectors.

Some community infrastructure highlights include a \$10.45 million investment in land development in rural Yukon and \$18.2 million for land development in Whitehorse, including \$8.2 million for the development of 132 lots in the Arkell subdivision and \$10 million for engineering and

design of off-site utilities and services for the Whistle Bend subdivision in Whitehorse that may ultimately house 8,000 people.

Dawson City will be receiving \$3.5 million for upgrading Front Street and \$4 million over five years for technical and structural repairs for the Dawson City Recreation Centre.

To preserve and protect our natural environment, we are investing \$3 million for the selection and planning of an appropriate option for treatment of Dawson sewage.

An exciting investment is the establishment of the Climate Change Research Centre of Excellence at Yukon College, in conjunction with the Yukon Cold Climate Innovation Centre. It now has a home.

One of the most important environmental initiatives has been reaching a consensus with Canada and affected First Nations on a preferred closure option for the Faro Mine that will maximize local job opportunities and will cost \$30 million per year for the 15-year construction phase and another \$10 million per year for the 15-year period.

Again, another initiative to create spin off benefits and many hours of employment in Yukon.

I spoke earlier about the importance of investment in people. As a government we have worked to ensure that our investment in the economy is balanced with our investment in the social side of the ledger.

Our priority education and health projects include planning for the replacement of F.H. Collins Secondary School in Whitehorse, a new Health Centre in Dawson City, an estimated \$11 million, 30-unit Whitehorse Affordable Family Housing Project built to Super Green standards, and a seniors housing complex in Watson Lake.

The largest social infrastructure project investment will be the new correctional facility to replace the Whitehorse Correctional Centre that will include a treatment centre. In this fiscal year we will be investing \$21.6 million to begin this major construction project.

Investing in people through education, training and capacity building are all important ingredients contributing to a healthy, sustainable economy and a better quality of life for all Yukoners.

Further, in order to build the required infrastructure and deliver the necessary professional and public and private sector services, Yukon needs a skilled labour force and skilled specialists, whether they be carpenters, electricians, heavy equipment operators, plumbers, engineers, geologists, medical doctors, nurses, teachers or social workers – all are going to be required.

Of note, there has been an increased representation of women in all trades including what has been referred to as “non-traditional trades.”

Yukon is investing in preparing Yukon to take advantage of Yukon opportunities. The Yukon currently has the largest number of registered apprentices ever.

Some education, training and capacity building highlights in the 2009-2010

Budget include:

- \$210,000 for Labour Market Framework Strategies for:
Comprehensive Skills and Trades Training; Immigration; Retention and Labour Market Information;
- \$1.5 million for Community Training Funds;
- \$286,000 for the Targeted Initiative for Older Workers Program;

- \$150,000 to implement a Curriculum and Special Programs Training initiative to provide training for counselors, learning assistants, and education assistants in dealing with the socio-emotional well-being of vulnerable students; and
- sending nurses to the Aurora College in Yellowknife to take the “Introduction to Advanced Practice” program, as well as expanding the nurse mentorship program to include Licensed Practical Nurses.

On capacity development, our government continues to work with First Nation governments in key areas, that will contribute to their further participation in the Yukon economy.

Capacity development is a priority for First Nations and Yukon is assisting with initiatives through the Northern Strategy and the creation of an office within the Government of Yukon to promote First Nation capacity development.

At the same time, we continue to work jointly with First Nations to ensure the federal fiscal priority in Yukon is the renewal of a responsible fiscal transfer arrangement with self-governing First Nations.

Finally, preserving, maintaining and improving Yukon’s health and social safety net is of paramount importance to our government.

To that end we are increasing our investment this year by \$20 million.

We have completed one major review project and are currently embarked on a second.

The first review was a major overhaul of the Social Assistance Program.

We are the first Yukon government to reform Social Assistance since the inception of the program.

The second major review concerns Yukon's health care system.

We commissioned a report, *The Yukon Health Care Review*, which examined the current and long-term sustainability of our health care system over the next 10 years.

The report is now being taken out to the general public, stakeholders and First Nations and municipal governments for comment and review.

Our government will be utilizing the findings of *The Yukon Health Care Review* report to develop a business case to present to the federal government for the continuation or replacement of funds, such as the Territorial Health Access Fund, a fund designed to meet the unique health care needs and challenges of the North.

The 2009-2010 Budget investment will include millions more toward our health and social services safety net including:

- \$3.5 million Capital and \$924,000 O&M for four years to implement a Teleradiology and Echocardiology initiative to improve x-ray services for all Yukon communities;
- \$200,000 for the very successful 811 – HealthLine that provides toll-free access to health care advice, symptom relief and information on a 24/7 basis from anywhere in Yukon;
- \$108,000 for an additional Environmental Health Officer to monitor and address food and waterborne threats and illnesses;
- \$100,000 for a psychologist for the Child Development Centre;
- \$176,000 increase in the Child Care Subsidy Program;
- \$612,000 increase for the Yukon Seniors Income Supplement; and
- \$2.08 million increase for the Social Assistance Program, including the recent raise in the food benefit.

Conclusion

Ladies and gentlemen, this is a brief summary of what your government is doing.

There will be many more initiatives our government will be undertaking in 2009-2010.

Given our healthy fiscal situation, and given the number of economic sectors that are functioning well;

Given the stimulus we created by the largest budget in Yukon history;

Given the focus on infrastructure and investment in people;

Given the emphasis on marketing Yukon;

Given the growing and developing work force in Yukon;

We are positioned to meet the challenges of today while we continue to build Yukon's future.

A prosperous future.

A better and brighter future for all.