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YUKON MINING: THE NEXT CENTURY

A REPORT OF

THE YUKON COUNCIL ON THE ECONOMY AND THE ENVIRONMENT

July, 1995



**YUKON COUNCIL ON THE ECONOMY
AND THE ENVIRONMENT**

Yukon Government Executive Council Office
P.O. Box 2703, Whitehorse, Yukon Y1A 2C6

July 12, 1995

The Honourable John Ostashek
Government Leader
Government of Yukon
P.O. Box 2703
Whitehorse, Yukon Y1A 2C6

Dear Mr. Ostashek:

As part of the sectoral conference series, the Yukon Council on the Economy and the Environment hosted a mining conference in Whitehorse on November 30, 1994 entitled "Yukon Mining: the Next Century".

On behalf of the YCEE, I am pleased to submit the conference report, which includes a summary of the submissions and presentations received and the Council's conclusions and recommendations.

Sincerely,

Tim Preston
Chair, YCEE



1. Background

The Yukon Council on the Economy and the Environment, (YCEE) is an advisory body to the Yukon Government created under the *Environment Act*. The Council has many duties prescribed for it under this legislation and the *Economic Development Act*. Members of the YCEE represent the interests of stakeholders in the Yukon's economy and environment. The Council's focus is to ensure that these diverse interests are balanced with a view to promoting sustainable development in the Yukon. Among the Council's key objectives is to provide ample opportunity for all interested Yukoners to make their views known regarding the topics under Council consideration.

The Government Leader asked the YCEE to conduct a review of the Yukon economy in October 1993. The YCEE decided to undertake this responsibility by sponsoring conferences that bring together interested individuals and key stakeholders to receive presentations and discuss issues around a given topic or economic sector. A goal of these conferences is to arrive at concrete recommendations to the Yukon Government in areas that the government may act.

The Conference was held in Whitehorse on November 30, 1994. Consultation with Yukoners on the Mining Conference began in September with newspaper advertisements to announce that a mining conference would be held and to invite all Yukoners to send written submissions to the YCEE. Invitations to the conference were sent to industry stakeholders, including mining companies and groups with interests in the environment. First Nations were invited to send delegates, consistent with the requirement in the Umbrella Final Agreement. Finally, advertisements were placed in the newspaper and on radio to publicize the conference and invite the general public to attend.

The conference was timely, given the recent encouraging news of advanced exploration work and the potential for new mines in the Yukon. The YCEE hoped to learn from mining industry stakeholders about the actions that the Yukon Government can take to enhance sustainable development of the mining industry.

The Council heard presentations and responses to questions from a broad spectrum of interests, including government, (both Canada and Yukon), industry stakeholder groups and First Nations people.

The YCEE has considered the information and views received from stakeholders and the Yukon public, through written submissions and presentations and delegate participation at the conference. On the basis of this information, the YCEE has arrived at 4 concrete and actionable recommendations to the Yukon Government that were attained through this process.

The balance of this report will summarize information received through the pre-conference submissions and at the conference itself. Themes that emerged from this process and the Council's interpretation and rationale are outlined in the conclusions and recommendation section; the final section of the report provides the Council's summary of recommendations to the Yukon Government.

2. Summary of Submissions and Presentations

Many themes and discussion topics were raised in the written submissions received by the YCEE prior to the conference date. Presentations and views expressed during the plenary session of the conference reinforced and complemented many of the ideas put forward in the written submissions. In particular, topics discussed at the conference, and raised in the submissions, include: the regulatory environment and the Development Assessment Process, (DAP); devolution of the Yukon's mineral resource from the Federal Government; the need for mining industry related training; community benefits; benefits relating to protected areas; and the need for balance between economic growth and environmental protection.

Issues relating to legislation and regulation were raised in both the written submissions and the conference. The Yukon and Federal Governments were encouraged to continue work on the Yukon Placer Committee (on the Yukon Placer Authorization) and encourage implementation of the Yukon Mining Advisory Committee (on the Mining Land Use Regulations). The importance of reviewing regulations to eliminate overlap and duplication was also discussed.

The conference heard that the land claims process and subsequent legislation could result in a clear and balanced regulatory regime, thereby providing for development and procedural certainty. The importance of ensuring First Nation participation at an early stage of mine development was noted.

During the presentation by the Yukon Chamber of Mines, the importance of a streamlined regulatory regime that is free of red tape and well coordinated between the Federal and Yukon Government was emphasized. It was argued that those involved in the industry on a day to day basis should be represented when DAP legislation is being negotiated. Mining industry participation in the YMAC process was cited as the precedent for industry participation in regulation development.

In addition, strong concern was expressed by the Yukon Conservation Society (YCS) representative that implementation of the Yukon Mining Advisory Committee recommendations has been delayed and may not be ready for the 1995 season. The YCS also indicated its support for mining land use regulation for the pre-production, production and mine closure phase of mining operations. While recognizing the industry's need for certainty, concern was raised in cases where low impact of exploration leads to high impact of mining on a land base that should be protected. In addition, it was suggested that nation wide statutory changes be made to ensure the development, financing and implementation of reclamation plans that return mine sites to self sustaining ecosystems.

The YCEE also heard mining industry stakeholders provide support to the Yukon Government to pursue devolution of mineral resources from Canada. Devolution was raised as one way that a regulatory environment suited to Yukon specific circumstances could be instituted, (e.g. effluent standards). A primary benefit noted at the conference was the shorter time frame for local decision-making.

Walter Segsworth, (of Westmin Resources) highlighted the need for certainty in the regulatory structure of Yukon's mining industry. He noted the importance of promoting a positive investment climate through the provision of infrastructure and the urgent need for regulatory certainty.

The role that opportunities for employment and job training in the mining sector can play in creating healthy communities was recognized. In particular, the importance of taking a longer term view on training that recognizes a lead time to ensure Yukon labour is available when the industry booms was noted. It was estimated that people trained in courses could find work on mining projects with production anticipated in the next two years. An action plan was suggested for the provision of local courses for the mining industry that includes participation by government, industry and communities with cooperation of Yukon College and human resource funding agencies. Specifically, it was suggested that Yukon College should offer training in mining and milling with a focus on

Northern climate technologies.

Employment opportunities were viewed as one of the main benefits that communities derive from mining activity in the Yukon. The importance of maximizing the benefits to communities from mining industry activity, especially as they relate to employment opportunity in the spin-offs of the mining sector was raised.

In addition to the benefits to the Yukon from mining activity, the economic and environmental benefits to Yukon communities associated with government designation of protected areas was raised during the conference. Land use planning processes could provide for public and community involvement in land use decisions, recognize all land use values and protect areas from development.

A written submission suggested that a mineral assessment on lands proposed for withdrawal for parks be legislated. This notion was discussed during the plenary session of the conference. The notion was also put forward that mineral staking withdraws wilderness and economic value thereby increasing the need for land use planning.

The benefit of a parks system plan that provides for varying degrees of protection was raised. The suggestion was made that core protected areas should be set aside and statutory changes should be required for amendments to existing protected area boundaries. A protected areas system plan was identified as one way to balance economic benefits from development and environmental and social benefits of wildland protection. To more fully balance the benefits and costs of mining activity, it was suggested that the Yukon Government could conduct mine assessments that take into consideration the following factors:

- costs and impacts of mining infrastructure (roads)
- mine rehabilitation costs
- mine shut down social costs
- long term environmental costs/impacts on wildlife populations, habitat and water quality

The Council also heard that the Yukon Government should allocate equal resources to assessing environmental, economic and social benefits of protecting wildlands and conducting mineral resource assessments in candidate protected areas. A comprehensive multistakeholder review that recognizes competing land use alternatives was suggested as one way that certainty could be provided to miners so that once initiated, a mining venture could proceed to production.

The recognition of competing land use alternatives and the need to balance these uses was a main theme that emerged during the conference. The concepts of balance and keeping ones focus on traditional values and fundamental principles was stressed by the First Nation presenters. The value of land to First Nation peoples as their economic base and the importance of ensuring that the land is protected if and when that land is developed was noted. The DAP provided for in the Yukon Land Claim, was explained by the presenters as the method through which First Nation peoples' interests in balancing development and cultural beliefs could be assured.

The YCS representative also noted the importance of balance recognized in the Whitehorse Mining Initiative's vision statement: a socially, economically and environmentally sustainable and prosperous mining industry, underpinned by political and community consensus.

3. Conclusions and Recommendations

The YCEE has determined that its sectoral conferences on the local economy should result in recommendations to the Yukon Government that are within that body's area of jurisdiction. Because of the overwhelming importance of the federal government in matters of mining and, in particular environmental permitting of mines, much of the discussion at the Mining Conference does not readily translate into recommendations to the Yukon Government. The following conclusions and recommendations result from this Conference:

1. All stakeholders agreed for the need for open, transparent, fair, and efficient decision making processes. Additionally, there was discussion of the Development Assessment Process (DAP) and concern over what this process holds in store for the industry. It is never clear what the future holds but it appears that DAP has the potential to help resolve industry and public concerns over development assessment and still remain consistent with the spirit and intent of the Land Claim Settlement. To achieve this goal will require considerable discussion between the broad spectrum of concerned stakeholders. We would therefore recommend that the Yukon Government use its influence to ensure that stakeholders are included in the processes that will determine the structure and requirements of the Development Assessment Process (DAP) Act, provided of course that the principles for DAP outlined in the Settlement Agreement are respected. It is particularly important that the mining industry be consulted to determine the practicality of the operational requirements that may be governed by this Act. On the nearer term we note that uncertainty in regulatory process leads to delay and unpredictability in the business of mine development. We therefore further recommend adoption and implementation of the recommendations of the Yukon Mining Advisory Committee (YMAC) on land use regulation of exploration activities on claims at an early date. Both these measures are intended to add clarity and certainty to both the mining industry and the public.

2. The YCEE adopts the premise that "healthy communities contribute to a healthy environment" and that healthy community structures are based on reasonable expectations of individual self-sufficiency and consequent self respect. In other words, the opportunity for a decent job. It is imperative that the Yukon community derive the maximum benefit from industrial development. We recommend that through Yukon College, and where practical through community campus organizations, training courses continue to be developed which will enable people of the Yukon to acquire the skills which will enable them to be a part of the skilled labour force. Due to the time required to create a skilled labour force, some urgency attaches itself to this recommendation.
3. The Council heard support expressed at the conference for the Yukon Government's overall initiative regarding devolution of the management control over mineral resources from Canada. Devolution is viewed as a way to increase local control over decision making that directly effects stakeholders in the Yukon's mining industry and therefore, indirectly, all Yukoners.
4. Conflicts that arise between industrial developments and environmental values frequently result from lack of information. We encourage the Yukon Government to hasten its inventories of critical wildlife habitats and populations, and to make this information widely available and compatible with that produced by the Geoscience Office. This would at least enable exploration and development companies to design mitigating options into their modus operandi.
5. The contentious issue of protected areas could again be addressed by encouraging government to complete their inventory of areas with significant social, scenic, or wildlife habitat values. Until this is done, arguments about the relative values of gold and gophers will remain hypothetical and tiresome.

6. The Yukon could benefit from a committee or commission that oversees industry issues and reports regularly to the public via the legislature, (similar to the *Environment Act* provision regarding the State of the Environment Report). Such a commission should include representatives of industry, First Nations government and other stakeholders. It should monitor the progress of mine developments and exploration, helping to identify and remove roadblocks to progress. It should also monitor the implementation of regulatory measures affecting mining and ensure that they effectively protect the environment without unduly burdening industry.



4. Summary of Recommendations

1. We recommend that the Yukon Government use its influence to ensure that stakeholders are included in the processes that will determine the structure and requirements of the Development Assessment Process (DAP) Act, provided of course that the principles for DAP outlined in the Settlement Agreement are respected.
2. We recommend adoption and implementation of the recommendations of the Yukon Mining Advisory Committee (YMAC) on land use regulation of exploration activities on claims at an early date.
3. We recommend that through Yukon College, and where practical through community campus organizations, training courses continue to be developed which will enable people of the Yukon to acquire the skills which will enable them to be a part of the skilled labour force. Due to the time required to create a skilled labour force, some urgency attaches itself to this recommendation.
4. We encourage that Yukon Government hasten its inventories of critical wildlife habitats and populations, and to make this information widely available and compatible with that produced by the Geoscience Office.