

YUKON ECONOMIC STRATEGY

SECOND PROGRESS REPORT

AUGUST 1990

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It has been over two years since the Yukon Government released its Yukon Economic Strategy. This action plan laid out an ambitious agenda for the territory based on the two year consultative process of Yukon 2000. In that time, significant progress has been made in its implementation. Major initiatives have been completed, and numerous steps have been taken toward realizing the many objectives of the strategy.

The annual public review of the Economic Strategy is now conducted by the Yukon Council on the Economy and the Environment (YCEE), a public round table organization, proposed in the Economic Strategy. The annual review and updating of the Yukon Economic Strategy will now also include a review of its new companion Yukon Conservation Strategy. Future progress reports will also report on the implementation of the objectives of this second major strategy as well.

NATURAL RESOURCES

Over the past two years, steps have been taken that will lead to a new approach to resource management in the territory. A new Yukon Conservation Strategy has been released after extensive consultations with a wide range of Yukoners. This plan is an attempt to balance many goals and interests in order to achieve long-term sustainable development. These include diversifying and stabilizing our economy, integrating resource management decision making, protecting our unique northern wilderness, earning more local benefits from development, and establishing more local control over resources. Departmental Action Plans are being developed for its implementation

A development assessment process is included in the land claim agreement. It is intended to streamline all federal and territorial regulatory reviews for the Yukon into one system. This process will look at all economic, social, and environmental factors together. It will be designed to give a greater local voice in whether projects are approved and what conditions they must meet. The government will be developing Yukon Development Assessment Legislation based on the provisions of the Land Claims Agreement and in keeping with the time-frames of the agreement. In the interim, socio-economic benefit provisions are being developed for new resource developments.

The government has made a priority of the devolution of provincial-type powers over resources such as forestry and oil and gas. As these are negotiated, management and use of resources will become less complex and more responsive to local needs. The responsibility for the fresh water fishery and for mine safety were taken over in 1989 by the territory.

Another major step in this direction was achieved when the governments of Canada and the Yukon signed an agreement-in-principle for a Northern Accord on oil and gas. Negotiations are continuing on the accord itself, and a formal Yukon negotiating position was tabled in July, 1990. It is intended to provide more local involvement in management of oil and gas resources and a share of the revenues when areas like the Beaufort Sea come into production.

The two governments have also made progress on joint land use planning for Yukon regions. In the Kluane region, a local commission has been appointed and is planning the best uses of different areas. A Regional Development Plan is expected to be completed this year. A similar planning process is underway for the north Yukon region. Public consultations on a Yukon government Dempster Corridor Study have been completed.

FINANCIAL AND BUSINESS SERVICES

The creation of the Business Development Fund was a major action taken in the first year of the economic strategy to improve business and financial services. This fund combines several programs into one process with one application form. Businesses can seek combinations of assistance for feasibility studies, financing, production, marketing, and other needs.

Rural business and financial services have been strengthened. Several communities have a Business Development Office and others have received funding for economic development workers. Faro and Mayo are receiving banking services through a government contract with the Bank of Commerce. A pilot project, unique in Canada, was begun in Ross River in November 1988. The Yukon Government and the Bank of Commerce worked with a local business to provide a part-time agency for basic services like taking deposits, cashing cheques, and providing application forms. It was so successful that it was extended to Beaver Creek and Haines Junction in March 1990. Extension of these services to other small communities, and the enhancement of the Faro service are being planned.

The Land Claim Umbrella Final Agreement confirms the Yukon government's commitment to community based funding approach to Indian economic development and will provide each First Nation the opportunity to develop their own economic plans. There is a special chapter on training to help Indian people benefit from the opportunities offered by a settlement, and Canada and the Yukon have agreed to pay \$3.25 million each into a training trust.

Yukon College has introduced several new programs relevant to Indian economic development including Indian Government Management, Community Administrative Skills Development, Native Teacher Education, Native Languages and cross-cultural programs. Community Economic Development Plans and Development Corporation Board Training have been funded for several Indian communities.

First Nations will, in future, have a quarter of the seats on the Yukon Council on the Economy and Environment (YCEE), the Board of the Yukon Energy Corporation, and at Yukon Economic Strategy review conferences, as well as proportional representation on the Yukon Development Corporation Board.

HUMAN RESOURCES

A Community Development Fund has been created to complement the Business Development Fund. The fund combines several programs so communities can put together packages to meet their needs. These can include job creation, community planning, loans and venture capital, and training.

The new Education Act, passed this year, devolves more responsibilities for education to local communities, guarantees Indian representation on all school committees, and gives communities the right to develop local curricula.

Yukon College, in conjunction with the Yukon Indian Women's Association, is expanding life skills training programs, and the government has funded life skills training in Old Crow.

After extensive consultations, a new Child Care Act was passed in May, 1990. Under it, services have been expanded to include child care centres, family day homes, child development services, school age programs, preschool programs, and optional licensing for small family day homes. 139 new spaces have been created, and programs now cover children up to the age of 12, and special needs children to the age of 16. Low income families are eligible for subsidies to assist with child care costs for their pre-school and school age children. Consultations are continuing on regulations under the act, and a Child Care Board, which will advise the minister on all aspects of child care and act as an independent appeal body for licensing and subsidy decisions, is being established.

A Health and Social Services Council for the Yukon has also been established to advise the minister on related health, social services and justice matters.

An Advisory Committee on Decentralization was started in January, 1989. It was chaired by a former commissioner and includes representatives of the Association of Yukon Communities, the Council for Yukon Indians, the Yukon Chamber of Commerce, and the Yukon Federation of Labour.

Several steps have been taken to improve access to training at Yukon College, including: a childcare centre, a student residence, career counselling, more mobile units, more support for community campuses, and a distance education pilot project.

In its efforts to become a model employer, the Yukon Government has introduced a new Employment Equity Policy, issued guidelines for part time work, expanded the Positive Employment Program, increased staff training expenditures, worked to reduce sex and race stereotyping, and recognized informal skills in hiring for the public service.

To assist in raising literacy levels in the Yukon, the Yukon Literacy Council has received funding, and literacy classes are offered at Yukon College. A federal/territorial 50-50 cost shared literacy project, using computer assisted learning, is underway in Whitehorse and Ross River.

To encourage greater Yukon employment through government contracting, a new Business Incentives Policy will provide rebates for Yukon employment, Yukon apprentice employment, and use of Yukon materials. Local Purchase Order limits have been raised in rural areas, and local sourcing of purchasing is actively and systematically encouraged. A community purchasing policy is in development. In addition, a Local Procurement Agreement has been reached with the federal government.

INFRASTRUCTURE

The Home Ownership Program was started in 1988. It includes a lease/purchase plan, extended mortgage guarantees (up to 90% of construction costs), several renovation programs for older houses (which are now being consolidated), and financial and technical support under the Owner-Build program.

The Yukon Housing Corporation also has a joint venture program for private developers to build single unit housing for resale. Multiple-unit housing development is eligible under the Business Development Fund for assistance as a strategic investment. In 1990/91 social housing funding was raised to \$6 million for new social housing units and an additional \$1.5 million to repair existing units.

To increase the benefits to Yukoners from construction projects, in addition to regular apprenticeship programs, a mobile training unit has been adapted to provide carpentry instruction, and the Apprenticeship Incentive Marketing program has been expanded. A pilot project has been implemented to require the employment of certified tradespersons and Yukon registered apprentices as a specification of a major contract.

Major investments have been made in land development. More than \$8 million is budgeted for this purpose, with almost \$6 million of this for residential lots. Lands are also being developed in communities for industrial, commercial, recreational, and agricultural uses.

This development is being backed by increased support for sewer, water, and other services. Capital block funding to municipalities has increased from \$7.5 million in 1988/89, to \$9 million in 1989/90, to \$10 million in 1990/91. As well, the government is working with several smaller communities on sewer and water systems, municipal roads, and recreational facilities.

To help communities manage their operations, Yukon College has programs in Community Administrative Skills Training and Indian Government Management.

Energy costs are being reduced by a power rate policy that reduced rates, and equalized them to the Whitehorse rate. Assessment of projects to develop local energy sources, such as wood chips and waste wood, geothermal, and microhydro continue. The existing power system is being continually upgraded and improved to increase productivity.

A five-year transportation capital plan is being developed in consultation with communities and industries. In 1989/90 the South Klondike Highway, the North Klondike Highway, and the Campbell Highway were upgraded. Reconstruction of the South Klondike will be completed in 1990/91.

The transfer of rural airports to Yukon control has been completed, and the transfer of the Dempster and the South Klondike highways is expected soon. As well, the Resource Transportation Access Program has been expanded to include air and water transportation. Major revisions to the Motor Transport Act have been completed and are in effect, the Highways Act has been redrafted and will be tabled in the legislature next spring, and the Motor

Vehicles Act is currently being reviewed. These revisions will make the Yukon regulations compatible with those in the rest of Canada.

Funding has been provided to 12 communities for local recreation directors, and workshops on community recreation are being developed.

INFORMATION & TECHNOLOGY

A Yukon Science Strategy has been developed in consultation with the Yukon Science Institute, Yukon College, and the Canada/Yukon Science Committee.

Yukon College began its unique Northern Studies Program in the fall of 1989. Courses will be offered in northern science, northern justice, Native studies, and northern outdoors and environmental studies. The program received a \$1 million endowment from the Yukon Government in 1988.

Telecommunications and broadcasting services are being substantially upgraded throughout the territory. Nine million dollars is being spent to replace the VHF mobile radio system with one that will extend and improve telephone and other communications services. Radio and television reception has been improved in several communities with new equipment.

AGRICULTURE

An overall Agriculture Policy, developed by officials in consultation with the industry is now under public review. The Agriculture Branch is actively assisting the development of this sector.

Several studies and demonstration projects have been funded, including a feasibility study on a local slaughterhouse, that will assess the viability of new types of agricultural pursuits in the Yukon. Regulations have been passed to allow the inspection and sale of local meat products.

The regional and district land use plans that are being developed will also identify the best lands available for agriculture. To date, these include the Klwane and North Yukon regions, and the Klondike and Hootalinqua North districts. Substantial transfers of federal lands to the Yukon Government should follow final land claims settlements.

After lobbying by the Yukon Government, federal farm credit programs are now available in the Yukon. A Canada/Yukon program for soil conservation was initiated in May 1990.

All land operations have been put together in one Lands Branch, and a code of fair practice protects the rights of land applicants.

CONSTRUCTION

The 1989/90 capital budget was reduced from past years in the face of strong private construction activity. More design design work is being done in advance to enable a quicker response when construction activity is required to stabilize cyclical swings. Reductions in formula financing, however, have reduced the ability to respond to cycles.

Government tendering practices have been modified to better suit local contractors. All tenders are advertised in the territory, and closure dates are staggered so firms can bid on several different jobs. An attempt is being made to stagger major capital projects to help ensure a more continuous volume of construction activity.

An annual capital budget briefing meeting provides contractors with capital project planning information for the coming fiscal year. As well, capital project forecast updates are provided to the Yukon Contractors' Association.

The new Business Incentives Policy (see Human Resources) will provide rebate incentives for the use of Yukon labour, apprentices, and materials. Yukon Design Guidelines are being developed that will allow architects to maximize the use of local materials. Where possible, Yukon products are named as standards of acceptance in specifications.

Capital agreements have been struck with some First Nations to increase local hire and training opportunities. Human Resource inventories have been conducted in several communities which will facilitate local hire and training on construction projects.

CULTURAL INDUSTRIES

A policy is being developed to allocate a portion of the budget for some new government buildings to acquire works of art.

Consultations with the arts community on an arts policy are about to begin. Other major actions, such as integrating program delivery, will flow from a new policy.

The distinct aboriginal culture is being recognized through increased cross-cultural training in the government, enhanced Native Languages programs, and the Indian Teacher Education Program at Yukon College. The Land Claims Agreement provisions for Self Government cover education, including culture and language, and spiritual beliefs and practices. It also provides for consultation in planning for aboriginal language services under the Languages Act and the Canada/Yukon funding agreement. A Heritage sub-agreement is also included.

A Yukon Museums Policy was released in December, 1989, and a Museum Artifact Policy is being developed.

The Fort Selkirk Management Plan has been completed in conjunction with the Selkirk First Nations, focussing on a community development approach.

The contract for the new Yukon Place was let in May, 1990.

FISHING

Federal management of freshwater fisheries was transferred in May, 1989. The federal government has committed an extra \$750,000 over three years to upgrade and compile inventories of fisheries and \$84,000 for operations and maintenance. A Fisheries section has been established in the Department of Renewable Resources. Regulations are being reviewed and a long term management and allotment regime is expected to be completed in 1991.

A complete study of fisheries management has been conducted. Public review ended in late 1988, and a new management policy and program for Yukon fisheries is in operation.

Several studies and projects have been funded to develop fisheries and start commercial production. These include arctic char and other fish farming, lake stocking, and developing new products such as salmon roe.

Discussions with the federal government are underway on an agreement for the development and administration of aquaculture.

FORESTRY

Forestry management is one of the Yukon Government's top priorities for devolution from the federal government. Model forestry legislation, including inventories, development, tenure, royalties, and reforestation, is being developed. Forest management guidelines for Commissioner's Lands have been developed.

Funding for some types of forest inventories is provided by the new Canada/Yukon Agreement on Economic Programming. Phase one of a forest management plan for the Southeast Yukon has been completed. A two and a half year Forest Habitat Program to assess the effects of forest harvesting on moose and caribou is underway. A fuelwood inventory study has been undertaken for the Whitehorse Block Land Transfer.

The salvage of timber cleared from agricultural lands for fuelwood is being promoted.

Several successful projects are under way to use waste wood as an energy source.

Lumber grading training has been conducted at Watson Lake.

MANUFACTURING

Several types of support for manufacturing - feasibility studies, marketing, capital and operating loans, venture capital, new technology, commercial use of renewable resources - have been rolled into one overall Business Development Fund (see "Financial & Business Services"). Business and training programs will continue to be available to new and growing manufacturers.

The Business Development Office has hired a trade and investment officer who can provide assistance to Yukon manufacturers. Work is continuing on the made-in-Yukon marketing campaign.

The new Business Incentives Policy (see Human Resources) will provide rebates for the use of Yukon materials. Yukon Design Guidelines are being developed that will increase the use of Yukon materials, and contracts are being designed so that architects maximize the use of local materials. Where possible, Yukon products are named as standards of acceptance in specifications.

MINING

The first year of the economic strategy also saw agreement on specific water quality standards for placer mining. This cooperative effort by the industry and the two governments will reinforce the regulatory certainty for placer operations.

In preparation for the devolution of mining responsibilities to the Yukon, a commitment has been made to redraft the Quartz Act and the Placer Mining Act by the federal and territorial governments, a need recognized by the Chamber of Mines.

The Yukon Government is contributing fully to the climate of certainty for mining in the territory by continuing its support for mining programs and for the transportation system.

Despite intensive lobbying with other organizations, the flow-through mining share incentives and the replacement Canadian Exploration Incentives Program were cancelled by the federal government.

The government has taken steps to reduce energy and fuel prices.

OUTFITTING, TRAPPING & GUIDING

Great effort has been made to protect and develop the territory's trapping industry. Time and money have been committed to the pro-fur lobby nationally and internationally. The government is helping to pay for the conversion to more humane trapping equipment and methods in 1989 and 1990. The fur enhancement program continues to provide funds and services for trappers.

A large package of amendments to the Wildlife Act has been drafted, to reflect the recommendations of the Legislature's Select Committee on Renewable Resources, and is being reviewed for compatibility with the Land Claims Umbrella Final Agreement.

Guidelines for outfitters have also been drafted and being reviewed for Land Claims compatibility

A compensation policy for trappers and outfitters to recover losses from development on Yukon lands has been developed and will be going to public review in the near future.

A pilot program on outfitter and guide training, developed with funding from the Canada-Yukon Tourism Subsidiary Agreement, was operated in 1988. In 1989, a trophy guiding course was held in Mayo. A horsepacking course is being run this year. A diploma big game guide program, developed with the Yukon Outfitters Association and Yukon College is underway at Yukon College and the Rose Lake Field Camp. Outfitters have committed to hire graduates.

A joint industry and government campaign is under way to market Yukon wilderness experiences throughout North America.

Feasibility studies and support for commercial uses of wildlife continues on such products as canned and pickled salmon.

More generally, public education and information about wilderness and wildlife is playing a large role in the implementation of the Yukon Conservation Strategy.

SUBSISTENCE

A study on native subsistence harvesting, funded by the Canada/Yukon Economic Development Agreement has been completed by the Council for Yukon Indians. A subsistence policy is being developed. The Land Claim Umbrella Final Agreement and its subsidiary agreements reflect native subsistence needs and practices.

A Traditional Knowledge workshop was held in May, 1989. The development of a local conservation strategy for Old Crow is underway, and a co-management agreement has been reached with the Selkirk Band for the McArthur Game Sanctuary. First Nations are being funded to collect traditional knowledge for use in developing community-based big game management plans.

TOURISM

A new joint marketing agreement, Tourism North, was signed with British Columbia and Alaska for the promotion of the regions as tourism destinations for highway travellers. This is in addition to the existing Alaska-Yukon Marketing Program Agreement. The Yukon Tourism Marketing Council developed a new marketing initiative - Destination Yukon - which will see tour wholesalers across the country package Yukon operators' products into all-inclusive packages. Rendezvous Yukon brought European tour wholesalers to the Yukon for a mini-market place at which Yukon operators introduced and displayed their products. This initiative is being expanded and continued.

Several major projects have been funded under the Canada/Yukon Economic Development Agreement, such as the Yukon Anniversaries Commission for the Gold Rush and the Alaska Highway, the Yukon Game Farm, a \$600,000 US advertising campaign by The Tourism Industry Association of Yukon, and feasibility studies for a Kluane resort, Mayo accommodations, and a Whitehorse convention centre.

Several regional tourism plans have been developed. Plans are completed for the Silver Trail, Watson Lake, and Kluane areas, and are near completion for Robert Campbell Tourism Area. A plan for the Carcross/Southern Lakes area has been started.

A marketing analysis and strategic plan for wildlife viewing has been completed, as well as a Tourism Business Guide and a Community Tourism Planning Guide. A Parks and Outdoor Recreation Policy, containing specific proposals for economic diversification and heritage protection, has been drafted.

The Yukon position of limited access to Kluane National Park has been incorporated into the final draft of the Kluane Park Management Plan and the Kluane Tourism Plan.

TRADE AND SERVICES

Banking services continue to be extended to more rural communities. Faro and Mayo are receiving banking services (See Financial and Business Services) through a government contract with the Bank of Commerce. A pilot project, unique in Canada, was begun in Ross River in November 1988. The Yukon Government and the Bank of Commerce worked with a local business to provide a part-time agency for basic services like taking deposits, cashing cheques, and providing application forms. It was so successful that it was extended to Beaver Creek and Haines Junction in March 1990. Extension of these services to other small communities, and the enhancement of the Faro service are being planned.

The government has taken a number of steps to improve contracting for services. Tenders are restricted to the Yukon when three or more local suppliers are registered. Consultation is taking place with specific types of service industries, such as travel, air charter, and moving for further improvements. Advance information is provided on new public works.

The Business Incentives Policy (see Human Resources) has been revised after consultation with industry and rebate-based incentives will be instituted to increase the use of Yukon labour, apprentices, and materials.

To help Yukon business to benefit from government contracting and purchasing, the Department of Government Services is conducting community tours to explain buying practices, supporting the Buyers' Show and the Trade Show, conducting seminars on contracting procedures and contract law, standardizing contract and tender procedures, and consulting with industry regularly on needed revisions. Contract Administration maintains a northern supplier/contractor registry, a directory of Yukon consultants, and holds monthly meetings with the Yukon Contractors' Association.

VOLUNTEERISM AND HOUSEWORK

The government's new Child Care Strategy, based on the report of the Childcare Consultation Panel meets a much wider range of needs and is backed by substantial new funding. The new Child Care Act provides a legislative basis for this new programming. As a result, child care spaces are expected to double by 1993, and many other services will be offered.

The Public Service Commission has modified several of its procedures to meet the recommendations of the Yukon Economic Strategy. Unused spaces in training courses are now available to community groups on a cost recovery basis. Unpaid experience is recognized in applications and interviews for the public service.

The government continues to make appointments to public boards and committees that reflect gender, racial, and regional balance.

A Women in Business Conference and Women's Entrepreneurs Workshop were held in 1989, and a second workshop was held in March, 1990.

Consultations are planned with the Family Law section of the Bar Association to review the Matrimonial Property Act.