

INFRASTRUCTURE
DRAFT ECONOMIC ENVIRONMENT
DISCUSSION PAPER

YUKON 2000

Disclaimer:

This discussion paper reflects the consultants viewpoints. It does not necessarily reflect the Yukon Government's viewpoints.

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Contents

	Page
Introduction	2
Yukon 2000 Strategy Goals	3
Transportation	5
Energy	13
Communications	23
Municipal Infrastructure	32
Housing	39
Recreation and Leisure	47
Background Reports	53

Introduction

This discussion paper is one of six written on the Yukon economic environment. It identifies objectives, suggests directions and recommends actions to guide future development in the following areas of the Yukon economy:

- transportation
- energy
- communication
- municipal infrastructure
- housing
- leisure and recreation

Each of these economic areas has been treated separately through a series of "linkage studies" published in the fall of 1986 as part of the Yukon 2000 development planning process. These linkage studies and the issues they identify serve as a background to this paper.

The objectives, directions and actions presented here for discussion attempt to reflect the broad goals for an economic strategy identified earlier in the Yukon 2000 Faro workshop. As well, they attempt to be faithful to the report of the Yukon 2000 fall conference where over 200 Yukon people from every region of the territory met to share their views on the direction, pace, costs and benefits of development in many of these areas.

What follows is a point of departure for future discussions contributing to a draft development strategy for the Yukon.

Yukon 2000 - Strategy Goals

A Yukon development strategy will have goals which Yukoners believe they can work for with confidence. The four goals listed below are ones for which general support has emerged through discussions in the Yukon 2000 planning process to date. They include:

1. The Option to Stay in the Yukon

Yukoners want to live in a place that remains a desirable and worthwhile place to stay, learn, work and raise families. This means development that will ensure stable and secure opportunities for people to support themselves and their families.

2. Control of the Future

Yukon people seek greater control over future economic development. This means more regional and local decision-making, greater community control and higher levels of Yukon ownership.

3. An Acceptable Quality of Life

Yukoners seek the protection and enhancement of their quality of life. They want wages that are comparable to national standards, a good return on capital investment, security for non-wage lifestyles that depend upon access to renewable resources and conservation of the Yukon's natural environment.

4. Equality

Yukoners widely agree that all people should have equal access to the economic opportunities available here.

In addition to these goals, Yukoners have expressed strong support for three related concerns. They are increased job opportunities, diversification of the economy-- particularly as it affects new developments in rural areas, and increased participation in decision making. Together with the goals above they frame the direction Yukon people perceive economic development taking in the future.

These goals and concerns are detailed in the Yukon 2000 Development Strategy Discussion Paper and the Fall Conference Report. The objectives suggested for each of the economic areas addressed in this paper consider and flow from these goals that define the general concerns which Yukoners hold for their economic future.

Transportation

Objectives for Management and Development

1. **Integrate the Yukon's transportation system with those of other jurisdictions.**

The Yukon's economy is primarily dependent on imports, exports and tourism. Consistent with the goals of enhancing the quality of life for Yukoners and improving infrastructure to further economic development, Yukoners need inexpensive transportation options and a high degree of accessibility to other regions for business, tourism and cultural purposes. This can best be achieved through reduction of transportation obstacles impeding traffic with Alaska, British Columbia, Alberta and the Northwest Territories, and the establishment of regulatory standards, taxes and user charges consistent with and integrated to these other jurisdictions. The development of new and improved transportation links with other regions is essential to reducing costs for shippers, carriers and passengers.

2. **Integrate management and development of transportation modes within the Yukon.**

If Yukoners are to exercise greater control over their future and have equal access to the economic opportunities available here, they require an integrated transportation system within the territory. This will require timely and cost effective transportation planning and development, identification of specific modal requirements necessary for

full integration of air, water, road and rail operations. Competing user conflicts must be given careful consideration and resolved so that local people, tourists and commercial carriers can all have access to safe, efficient, inexpensive and socially desirable transportation.

3. Assess the costs and benefits of transportation developments to local and regional interests.

Yukon people in communities throughout the territory want a greater voice in determining the nature and direction of economic development in their region. Transportation developments will need to be evaluated against local community needs and private interests. Maximizing community benefits in the maintenance and development of transportation corridors, facilities and services will hinge significantly on local job creation and spin-off benefits for local small businesses. Environmental and wildlife values, land use plans and competing resource uses will require careful consideration in allocating priority to transportation routes and modes.

Principles for Development

1. Recognize transportation as an economic development tool.

Transportation is an important instrument of economic development. It has not always been used in its proper capacity as a tool, but as an end in itself. Transportation crosses all economic sectors and can serve to support development in each of them with careful consideration of their specific requirements.

2. Adopt an approach to transportation development that considers a range of transportation options.

Participants at the Yukon 2000 Fall Conference suggested that support for economic development must be fully integrated with requirements for conservation. This can be best achieved in a transportation strategy that considers a range of transportation modes or options (road, rail, air and marine) and their linkages. With a range of choices, local and regional interests can better control development to meet their own needs and minimize environmental impacts through route and carrier alternatives.

3. Allocate priorities in consultation with local and regional interests.

Decisions for new transportation developments in considering local needs and the plans of other governments in the region can optimize cost effectiveness and efficiency, and avoid duplication of effort and service.

4. Rationalize funding, planning and program management.

Devolution of responsibilities from the federal government, particularly for highways and rural airports, will allow for the elimination of overlap and duplication of services that often make planning and development inefficient and expensive.

5. Government has a responsibility to assume an active and lead role in transportation development.

Public funds can be put to good use in building a transportation infrastructure that sustains local economies through capital projects during economic downturns. In addition, they can be used to reduce costs to private consumers through better and more cost effective transportation routes and services.

6. Maximize Yukon benefits.

Job creation and on-going support for Yukon residents, entrepreneurs and business services should be central criteria in guiding transportation planning and development.

7. Identify and resolve user conflicts in a fair and open manner.

Conflicts between competing public and private interests are best resolved in a forum or process that is accessible to all. Consideration of a broad range of transportation options as a part of the planning process facilitates accommodation of different interests.

8. Ensure safe, reliable and equitable service for all communities and regions.

Level of service and development will vary according to population size, distribution and extent of commercial development, but uniform standards and guidelines which

consider these differences between regions can provide services that are fair and equitable across the Yukon.

Discussion of Principles

In the past, northern development schemes have assumed that the construction of more transportation facilities and corridors was the most effective answer to the problem of development. Experience has often shown otherwise. In the case of the silver industry, the cost of installing a concentrator locally proved far more effective than large investments in a transportation corridor for the haulage of ore.

The narrow focus and emphasis on transportation historically as the engine of economic development obscured other factors which were more significant in limiting economic development than transportation itself.

The abandonment of the Canol pipeline was very much a result of the construction of the Skagway-Whitehorse line which made it cheaper to import oil from California than from Norman Wells which was one quarter the distance. New transportation initiatives have sometimes undermined existing developments and in some cases destroyed local industries by opening up local markets to large metropolitan centres where goods and products are cheaply mass-produced. Historically transportation has had to carry much of the same economic burden as the local primary producer: remoteness, severe geography, harsh climate and small markets. To expect that transportation should overcome these obstacles to development more readily than other economic sectors is both naive and unfair.

The recognition of transportation as a tool of development rather than as an end in itself suggests that transportation

planning and development can be most useful in the service of other sectors. In orienting to the requirements of specific sectors such as forestry, mining and tourism and how these requirements are linked, transportation planning and development should better define the options and the trade-offs which would best serve an individual industry without undermining the strengths or ignoring the requirements of others. An integrated transportation system is the result of careful planning across all economic sectors. Its benefit lies in the linkage of the most cost-effective options for a range of public and private interests, and fair and equitable support for all regions.

In recognizing the needs and concerns of each community, transportation planning can better meet development priorities to the benefit of local small businesses, job creation, and the protection of community values and wildlife resources. This can be accomplished in part by participation in environmental assessment and land use planning exercises.

Assuming a lead role in transportation planning and development, the Yukon Government is in a position to address the range of interests and requirements across industries and regions to ensure a more balanced approach which reduces inequities in cost and service to local people, manufacturers, forestry and mineral developments and other economic sectors. If the Yukon Government is to effectively carry out this role, its responsibilities must be clear. Overlap with federal programs and responsibilities serves only to confuse both the process and product of consultation with other territorial, provincial and state governments, as well as with Yukon communities. Devolution of responsibilities for highway and rural airport management, planning and development would allow the Yukon Government to better meet the territory's transportation

priorities. It would allow Yukon people to exercise better control over the flow and cost of goods in and out of the territory.

Recommendations for Action

1. Devolution of full responsibility for rural airports from the federal to the territorial government.
2. Establish a separate Yukon Government agency for management, planning and development of air services and facilities.
3. Devolution of full responsibility for roads from the federal to the territorial government.
4. Review the impact of proposed federal regulatory reforms on all transportation modes.
5. Review all standards and regulations to eliminate internal inconsistencies and harmonize the Yukon transportation system with other jurisdictions.
6. Conduct regular reviews with industry and community representatives to identify specific modal requirements for planning and integration of the Yukon transportation system.
7. Conduct an annual review with the departments of Community and Transportation Services, Economic Development, Renewable Resources and Tourism to identify existing and potential user conflicts.
8. Develop a policy outlining criteria for the provision and allocation of routes.

9. Develop a framework for assessing the costs and benefits of transportation developments to local communities and regions.

10. Participate fully in environmental assessment, and economic development and land use planning exercises.

Energy

Objectives for Management and Development

1. Substitute indigenous energy resources for imported energy forms where it is technically feasible and cost effective to do so.

Research and development of local energy supplies as a substitute for imported forms of energy - particularly oil - are consistent with the goal of Yukoners to secure better control over their economy and diversify its base. Woodchips, microhydro and other alternative energy sources offer a means for reducing the negative influence energy costs has on growth and improving the spin-off benefits to Yukoners through locally based energy developments.

2. Assess new energy developments considering the direct and indirect economic benefits to local communities through capital expenditures and job creation.

Yukon people seek an economic environment that affords them economic security and stability. Job creation and increased support for local businesses are economic spin-offs more likely associated with local indigenous energy developments than with imported petroleum products. New energy developments should be judged according to the degree they stimulate the local economy, not drain monies from it. Communities and the private business sector should have the opportunity to express their views of the benefits and costs attached to any energy development.

3. Improve the linkage between various energy forms to ensure maximum benefits between cost and supply.

Yukoners want an acceptable quality of life and equality of opportunity throughout the territory. This means they want a fair and equitable distribution of energy costs among Yukon consumers. For residents this affects incomes; for industry it affects competitiveness. The key is whether Yukoners are minimizing energy costs and are utilizing local sources to the most appropriate extent. Specific regional and local conditions must be given careful consideration if resources are to maximize economic benefits to energy users in each region of the Yukon. To this end, close consultation with communities and private business will ensure that local needs and expectations are best met.

4. Improve the cost effectiveness of existing energy sources through an examination of distribution costs and methods to ensure the cost-effective use of energy.

This objective seeks to enhance the Yukon economic environment by reducing the drain on personal and business incomes. It could accomplish this by reducing the delivered price of imported fuels and furthering conservation measures in the transportation and building sectors.

5. Establish an energy policy to ensure an equitable distribution of energy costs among Yukon consumers.

The interest of Yukoners in planning for the future is a desire to eliminate the boom and bust of development that has characterized Yukon economic life to date. Maintaining a secure source of supply and stable energy rates over the long term are vital in achieving this objective.

6. Provide education, information and incentives to consumers to encourage the efficient use of energy.

If Yukoners are to take control of their future, they must be encouraged to participate in the development of new conservation measures to reduce energy use and energy imports while maintaining or enhancing their quality of life.

Principles for Development

1. Recognize energy as an economic development tool.

Energy is a significant tool of economic development. Energy developments have often been viewed narrowly as ends in themselves or as serving a specific industry requirement. The benefits to one sector or region have often flowed at the expense of another. To view energy development as it impacts on all sectors is the first step in realizing an energy strategy that reduces inequities in cost for all users and builds on their mutual strength, while recognizing their individual needs and limitations.

2. Support for indigenous energy development.

The use of indigenous energy sources, where it is cost-effective, offers Yukon consumers security of supply and stability of costs free from dramatic fluctuations in world prices. Renewable indigenous energy sources offer Yukon businesses and communities a more stable economic environment in which to make their plans.

3. Reduce high energy costs for Yukon consumers and the outflow of financial resources.

More efficient use of energy and the substitution of indigenous sources for imported energy can reduce the leakage of money and improve job creation, business development, the purchasing power of local consumers and the competitive advantage of local business over outside interests.

4. Achieve an equitable distribution of costs throughout all regions and segments of the population.

If Yukoners are to continue to make their living in all regions of the territory they must also enjoy a comparable quality of life. Similarly, initiatives to diversify the economy rely upon an equality of opportunity whereby no region of the territory is placed at a competitive disadvantage through excessive energy costs.

5. Consultation with local community and business interests.

New energy developments raise interest in and concern over local job creation and support for small business through investment in capital projects, reduced operating costs through lower energy costs, and environmental impacts from infrastructure developments. These concerns are best understood and addressed in consultation with those affected. Local consultation is one way in which communities can assert local control over development in their region.

6. Government has an active and lead role in energy development.

In consultation with the private sector and community representatives, public funds can be effectively used in research and development into new options for development and in ensuring that the benefits which flow from new initiatives flow equitably to all regions. Research and development are expensive and require a long term financial commitment if they are to produce serious results.

Discussion of Principles

Energy has been identified in numerous studies as a major drain on the Yukon economy. Yukon residents and industry spent some \$92 million in 1985 to meet their energy needs, of which an estimated \$74 million or approximately 80% was for imported refined petroleum products. The extent to which energy has inhibited economic development is not clear, but it is quite obvious that energy has a negative influence on growth. Its high cost has adversely affected Yukoners's cost of living and cost of business, and its high import content has meant few spin-off benefits from energy spending in the Yukon.

The amount of money Yukoners spend on energy and the source of their energy supply are two key factors governing the impact of energy on the Yukon economy. Total energy spending for consumers is based on how much they use and how much it costs them by litre, kilowatt hour, pound or cord. The total amount spent by residents affects personal incomes; for industry it affects competitiveness, profitability and the incentive and ability to invest. Clearly the more that Yukoners can reduce their energy spending either through

more efficient use of energy or through lower prices, the less will energy restrict development in the region.

Source of supply is also important because it determines the extent to which energy expenditures support local or out-of-Yukon business. The more that energy needs can be supplied from local sources, the more energy will serve as a stimulus to the Yukon economy.

The basic energy issues, then, are whether Yukoners are minimizing energy costs and are utilizing local sources to the most appropriate extent.

There are only three alternatives that Yukoners can consider to reduce the adverse effects of energy costs on our economy: conservation, different sources of supply and more efficient (lower cost) delivery of supply.

Conservation is by far the most beneficial way to reduce energy costs and reduce leakages from the Yukon economy, particularly in the residential and commercial-institutional sectors. There is considerable potential for cost-effective space and water heating conservation in these sectors. Native housing offers large potential because of current low levels of retrofit and the potential for application of high energy efficiency standards in new housing. There is some potential for conservation in transportation- the single largest energy consuming sector in the Yukon.

Shifting away from costly imported energy sources such as refined petroleum products and diesel-generated electricity would also be beneficial to the Yukon economy. While practical opportunities are limited in the Yukon because of the small size and geographic dispersion of the market, there are a wide range of energy sources available in the

Yukon that could in principle substitute for oil (eg. coal, cordwood, processed wood fuels, etc.).

The development of domestic energy sources can enhance local job creation and improve spin-off benefits. Hydro, wood or coal resource developments may affect important local economic activities such as tourism or subsistence hunting, trapping and fishing. They can have serious localized environmental impacts if not planned or managed properly.

While best efforts should be made to conserve energy in the Yukon and to substitute new local sources for oil where it is possible and efficient to do so, it is clear that refined petroleum products will always be the most important energy source in the Yukon. Electricity, too, will likely remain the second most important source of energy in the Yukon. In this light, it is increasingly important to concentrate on the efficient delivery of these important energy sources.

Concern has been expressed about the high cost paid for refined petroleum products compared to other centres- high prices which cannot be explained by transportation costs alone. More efficient or more competitive delivery of refined oil products may reduce the energy costs borne by Yukoners. Also the impact of price subsidies in heating fuel outside Whitehorse needs to be examined more carefully.

With the transfer in ownership of the Northern Canada Power Commission to the Yukon Development Corporation, it is now important to analyze all ways in which costs for electrical energy can be reduced for Yukoners.

Conservation and fuel substitution activities currently underway have been influenced by government programs. Continued or further government intervention is justified where significant barriers or a lack of market support

impede the implementation of cost effective alternatives. Lack of information, uncertainty over the applicability or feasibility of alternatives and high front end costs are all barriers government can help to overcome. As well, the use of public funds in energy development may be warranted where the broader social benefits of increased Yukon incomes and economic development outweigh the costs of such programs.

Recommendations for Actions

1. Assess the impact of direct and indirect energy subsidies on energy use and the effectiveness of other government programs.
2. Assess the impact of electricity pricing structure on energy conservation and fuel substitution goals.
3. Assess the impact of industry structure on prices of imported fuels.
4. Improve conservation program delivery mechanisms for rural and native residents.
5. Conduct further research into the conservation potential in the transportation sector.
6. Continue support for education programs promoting energy conservation.
7. Conduct research into small hydro, grid extension, pricing and other options to reduce reliance on diesel and reduce electrical costs.

8. Establish energy conservation as a central component in the design and construction of all new public buildings.

9. Review building codes to determine where energy conservation can be introduced in a manner that is cost effective.

10. Consult with industry and community representatives to assess costs and benefits of new energy initiatives.

Communications

Objectives for Management and Development

1. Ensure a satisfactory level of broadcasting and telecommunications services for Yukoners throughout the territory.

Yukon people seek a quality of life and an equality of opportunity which make it attractive to live and work in any region of the Yukon. This could imply having access to a level of service more closely equivalent to other areas of Canada. Broadcasting and telecommunications services should enhance the social and economic life of Yukoners wherever they live by improving their communication with other Yukon communities as well as with outside jurisdictions. Lower telecommunications rates and improved broadcast programming could benefit all regions through an integrated communications system.

2. Generate new employment opportunities and support, and encourage local economic activity through the continuing development of a communications industry in the Yukon.

Efforts to improve communications services should consider how they can maximize employment and business opportunities for Yukoners. Support for local television programming and production could stimulate job creation in a local broadcasting industry.

3. Support and strengthen the Yukon economic environment through enhanced availability and quality of communications services.

Gaps exist in the availability of basic telephone service and in the availability of specialized telecommunications services. Programs designed to close these gaps could have direct economic impact to the extent that local residents and businesses gain access to basic telephone and related services (use of modems with computers), and larger volume users have access to services which allow them to operate more efficiently and productively.

4. Use emerging communications technology in the most appropriate manner for individuals, businesses and communities in the Yukon.

New communications developments should be sensitive to local conditions and preferences to enhance access for users.

5. Use communications as a means to preserve and enhance local native cultures.

Communications policy includes cultural matters. Just as the native economy demands special attention if its unique requirements are to be protected and developed, so the same special consideration should be given to native cultural requirements .

6. Support improved access to fundamental government services, such as education.

Improved communications technology can enhance both the delivery of government services and programs and the access of remote communities to them. The use of radio, television,

telephone and satellite links have far-reaching implications for improving the quality of life in many communities in the areas of distance education, remote sensing and health care services where data and information bases are made readily available to rural users.

7. Organize, maintain and operate an integrated communications network.

Participants at the Yukon 2000 Fall Conference saw communications as activity which could influence and assist development across a number of sectors including mining, tourism and cultural industries. An integrated and comprehensive communications policy can be a key component in developing a secure economy and a stable society for Yukoners.

Principles for Development

1. Recognize communications as a tool of economic, social and cultural development.

In addition to its own potential as an industry, communications, when viewed as an integrated system of technologies and services, has the capability of contributing to the efficiency and productivity of business and development opportunities in a range of economic sectors.

2. Consult with the communications industry, community and business groups and individuals interested in and impacted by communications developments.

The development of appropriate communications technologies and policies assumes consultation with those affected to identify local needs and regional requirements regarding the

nature and level of service, and the perceived costs and benefits of new developments.

3. Ensure access for all Yukon residents to broadcasting and telecommunication services at fair and reasonable rates where such services are technically and economically possible.

Conditions of extreme climate, rugged geography, limited infrastructure and remoteness of communities and markets are obstacles to development throughout the Yukon. Advanced communications technologies offer the opportunity to overcome many of these barriers. All communities should have the opportunity to take advantage of the social and economic benefits that new communications technologies may offer.

4. New developments must be based on a policy that ensures the realistic and cost-effective expenditure of public funds, while recognizing that social, cultural and quality of life needs must also be met.

Purely economic criteria may be offset in government decision-making by other factors such as quality of life or cultural considerations. Enhanced quality of life in Yukon communities is important both for the current residents and for those new residents that may be attracted to the communities as economic development occurs. Protection and enhancement of quality of life and local cultures may justify public investments where market factors alone may make such support difficult to justify.

5. Government has an active and lead role in the development and regulation of a communications system that is affordable and accessible to Yukoners.

In assuming a lead role, government is in a position to ensure that services and technologies are integrated to best serve all regions and all economic sectors in a manner that is equitable and cost effective. Lack of information on new advances and alternatives, high capital costs with a low rate of return are all obstacles government can help to overcome.

6. Participate in the federal-provincial-territorial communications policy development process.

Such participation is a vehicle by which federal policy can be sensitive to Yukon concerns over broadcasting and telecommunications developments, especially as they affect small remote communities.

Discussion of Principles

The impact of an integrated communications system cannot be assessed merely in terms of communications technologies or services. A broadcasting system which delivers programming from across the country and around the world and which, in addition, also enhances the exchange of information within and between small communities, must be seen as having significant social and cultural impacts. Furthermore, a telecommunications system which contributes to the efficiency and productivity of business will have significant economic impact.

In light of the pervasive influence of communications in modern society, governments, local communities and individuals who are planning for, and actively seeking to shape their own future must see communications as an instrument of economic, social and cultural development.

Government has the opportunity to play a significant role in enhancing local television programming and production as well as distribution services. This in turn, could stimulate growth of the local communications industry, improve the quality of life for Yukoners, create access to educational services, and provide better understanding and coverage of local and native culture and lifestyles. The combined efforts of government, industry and Yukon residents could lay the foundation for the long term future when it could become feasible to have a Yukon television network dedicated to the educational, informational and broadcasting service goals of the community in the next decade.

Programs could be established to address the disparity in broadcast services that exists between Yukon communities. Government could assume a role in increasing the choice of broadcast services available to residents of underserved communities. This might be accomplished in a number of ways including: encouraging private enterprise to extend service to underserved communities, provide an information and advisory service to assist communities in implementing local initiatives, and subsidizing provision of services.

As well, the extremely low level of Yukon-based programming constitutes a major gap in the local/regional service available to Yukoners in comparison to the level of service found in any other region of the country. Options to address this problem range from encouraging the CBC to support and carry more Yukon-based programming to establishing a heavily subsidized local television service carrying a full complement of Yukon programming.

A strengthened local television production industry will also provide opportunities for the sale of locally produced material to other regions, increasing the demand for local

services, local performing artists, and also enhancing the Yukon as a tourist destination.

In respect to both of these broadcast opportunities, government programs could not be justified in economic terms alone, and other policy objectives including culture and quality of life issues would demand consideration.

Gaps also exist in the availability of basic telephone service in the Yukon and in the availability of specialized telecommunications services. Programs to close these gaps could have direct economic impact to the extent that local residents and businesses gain access to services which allow them to operate more efficiently and productively. Such programs while not in themselves sufficient to attract new business to the Yukon, could, in conjunction with other government programs, improve the overall climate for business activity. To the extent that such programs increase access to telephone service for residents of remote areas, quality of life objectives could also be served.

Access to specialized voice and data telecommunications services presents particular problems in the Yukon. In many areas of the country, such services are provided on a competitive and increasingly deregulated basis. Such competition exists in the Yukon only on a very limited basis; most Yukoners do not have easy access to a choice in telecommunications services.

Advocates of increased competition in the provision of telecommunication services argue that market mechanisms will ensure that such services are provided in a more flexible and innovative manner at significant lower prices. Opponents of increased competition argue that significant deregulation of services and pricing will reduce the ability of telephone

companies to extend telephone services to uneconomic areas and to maintain low local rates.

Today, competition is an emerging reality in the Yukon. Fundamental questions concerning the nature and extent of competition and the implications for basic telephone services in the north must be answered. This is an area where the Yukon Government could make an important contribution as a participant in the federal policy and regulatory process.

By providing for ongoing consultation between the government and Yukoners on these questions and issues, the government will be in a better position to respond to the communications needs of Yukoners and determine whether local service providers are meeting these needs. This consultation will also assist the Government in national policy and regulatory processes in ensuring that the special and unique needs of the Yukon are considered.

Recommendations for Action

1. Establish a mechanism for on-going consultation with interested community, industry and business representatives.
2. Establish a mechanism for monitoring and reviewing advances in communications technology as they might apply to other government goals.
3. Participate in federal-provincial-territorial communications policy development and regulatory processes.

4. Develop, with the Department Education, a strategy for increasing the availability of broadcasting and telecommunications services in distance education.
5. Evaluate the costs and benefits of improving the amount of Yukon produced broadcasting available to Yukon and national audiences.
6. Develop a framework to assess the costs and benefits of improving specialized telecommunications services to all Yukon communities.
7. Develop a policy to improve access for Yukon communities to a choice in telecommunications services at reasonable rates and consistent with national standards.
8. Adopt an integrated communications system policy.

Municipal Infrastructure

Objectives for Management and Development

1. Utilize infrastructure development to promote local employment and business development and enhance the quality of life.

Municipal infrastructure development provides the services which make most communities viable. Roads, water supplies, waste disposal, electrical power, communications systems, recreation and educational facilities are basic to the quality of life of most Yukon people. They are the bedrock upon which the social and economic life of the Yukon sits. A community's infrastructure contributes to making it an attractive and desirable place to live, work and play. Adequate infrastructure contributes to a stable community life and a stable work force through the services it maintains, the jobs it creates and the local business development it supports and attracts. Government support for infrastructure development, especially when it is used to stimulate local employment and business development, is a powerful economic tool in stabilizing local economies across the Yukon.

2. Devolve and decentralize responsibility for infrastructure management and planning, and delivery of municipal services to local communities as they request it.

Decentralizing responsibility for management, planning and delivery of municipal services is essential if local people are to benefit fully from infrastructure development. It is the means by which services are maintained and developed locally. This ensures that local job creation and the use of

local materials, supplies and services are maximized. Devolution of authority for municipal infrastructure to communities gives local people full control over their own affairs to ensure that they reap the full benefit of community development.

3. Establish infrastructure requirements through community based economic and land use plans.

Community-based economic and land use plans offer local people a guide for short and long term economic development in their region. As a reflection of local ideas about the direction, type and rate of development that is desired, economic and land use plans are a framework for decision-making. They contribute to development that will promote and respect local lifestyles, traditional and preferential resource uses and economic activities.

4. Support the development of skills, knowledge and resources of community groups, elected officials and administrative personnel to enhance management capability.

Support for human resource development is essential if local people are to assume full local control of their own affairs. Without this support, the burden of responsibility for management of municipal planning and development upon local administrators will be excessive.

5. Maintain and develop community infrastructure according to recognized standards.

To ensure an acceptable quality of life in Yukon communities, capital standards should be consistent both within the Yukon and with those in other provinces. This includes band infrastructure as well as municipal infrastructure.

6. Establish design standards to reflect regional conditions.

To enhance the quality of life in Yukon communities, capital standards should incorporate design standards that reflect regional conditions and cultural preferences. In this way new capital projects can better reflect regional differences and local preferences.

Principles for Development

1. Upgrade infrastructure in existing communities prior to undertaking new developments leading to the establishment of new communities.

The Yukon 2000 Faro Workshop made strong recommendation that public funds could be best applied to improving the quality of life in existing communities, particularly where services are limited.

2. Avoid the development of single industry towns.

This principle reflects the view of Faro Workshop participants that communities should be established upon as diversified an economic base as possible. Recent experience in Faro has demonstrated the fragility of a Yukon community built in response to a single industry boom development. Community life is vulnerable to the same economic downturns as the industry upon which it depends.

3. Municipalities have a lead role in managing infrastructure planning and development.

Management of municipal infrastructure is properly the responsibility of the municipalities. There are communities

that rely upon the the management support of the Yukon Government, but, in the first instance, local people have the responsibility for deciding what level and type of services they desire, and what kind of facilities they wish to construct.

4. Support local human resources development.

In assuming increased local responsibilities, many communities face an increased burden for a small population of people. Local people are entitled to the financial resources and training opportunities that will allow them to assume more local control without hardship.

5. Establish community-based economic and land use plans.

To exercise better local control, especially in response to large external developments, community planning exercises offer a means for local people to set their own social and economic agendas. Such plans offer communities a vehicle for maximizing benefits and minimizing or preventing the negative impacts associated with a development project.

6. Consult with the private sector.

On-going discussions with private business will ensure that business and employment opportunities and spin-off benefits are maximized.

7. Provide to Yukon communities the necessities for a safe, healthy and comfortable life comparable with those provided in other parts of Canada.

Comparisons with services in other jurisdictions must take into account the unique character of the Yukon, costs

associated with development, the climate and the remoteness of the region. Maintaining comparable services is essential if residents are to stay in their communities as well as in the Yukon.

8. Maximize local employment and local materials.

Public funds can be most beneficial to local economies if careful consideration is given to how the maximum benefits to local residents, workers and businesses can be best achieved.

Discussion of Principles

Today, municipal infrastructure development and housing are important areas of social and economic life for Yukon residents. Municipal infrastructure and its development determines the kind of communities Yukoners live in. It affects their decisions on where they wish to live, make a home, raise a family, work and play. It affects their decision on where they want to stay and for how long.

In making these decision, Yukon people want to know that they will be comfortable, safe, secure and well cared for in their homes, at school, on the road and at work. Municipal infrastructure development must meet all of these concerns. It can best do so, if, in each community, the people who hold the concerns are directly involved in meeting them. This means strong local control over the planning, delivery and development of municipal infrastructure. It requires that local people have the financial support and human resources to exercise these local responsibilities. This support for the development of local human resources will require a significant commitment on the part of government if the needs of the residents in rural communities are to be met.

With the support they require to assume more local control, Yukon people can undertake planning exercises in economic development and land use planning to establish guidelines for development in their region that reflect their desires and interests. In this way, environmental values, as well as traditional resource uses and certain economic activities are protected. Infrastructure development, as well as large development projects, can respond to community needs and interests.

Infrastructure developments, when planned locally, offer a tremendous opportunity to use public funds more effectively. The use of local materials and local employment offers increased support and stability to local economies. This in turn provides communities with the degree of economic stability that allows them to consider a broad range of economic opportunities. With good planning, infrastructure development can provide a strong base for a more diversified local economy and a decreased reliance upon single industry developments that narrow a community's overall development options.

Recommendations for Action

1. Conduct research into new developments in northern and rural infrastructure to reduce operating costs.
2. Establish local training programs for residents in municipal management.
3. Establish a business incentives policy for local government.
4. Establish a local materials policy for local and territorial governments.

5. Establish on-going review and status reports for all community infrastructure.

6. Identify gaps in present community infrastructure by community.

7. Encourage community-based economic and land use plans.

8. Integrate design and capital standards in community capital plans to reflect local conditions and cultural preferences.

9. Establish community strategies to promote the devolution of responsibilities for infrastructure to communities.

Housing

Objectives for Management and Development

1. Provide access for all Yukon residents to good quality, appropriate and affordable housing.

Good housing is fundamental to individual well-being and to full participation in the day-to-day activities of our society. Safe and sanitary housing is a basic human need. Like proper food and clothing, it is impossible to live a full and productive life without adequate shelter. Poor quality housing is a significant barrier to achieving economic equality for many groups, including natives, women, seniors and young people. Some of the worst housing conditions in Canada can be found in the Yukon. Many households live in conditions well below those in the rest of the country. A housing policy to identify and initiate new programs would assist Yukoners in catching-up with housing standards in other regions. Improved housing will help make Yukon communities more attractive and should contribute to population stability.

2. Devolve and decentralize responsibility for administration and delivery of housing programs.

Increased responsibility for communities and individuals of housing development and housing programs can stimulate local community development. Participation by individuals in the delivery of their own housing through housing co-operatives and tenant involvement, and the development of community organizations through training and contracting of services can produce more cost-effective operation and more appropriate services. The roles of bands, the Council for Yukon Indians, local housing authorities and associations

can be enhanced to provide more local control by residents of housing in their community.

3. Support the training of resident Yukoners in the building trades and in housing administration.

A resident work force reduces the leakage of capital construction dollars from non-resident labour and enhances support for local suppliers and retailers. Support for human resource development in housing administration is essential if local people are to assume full control of their own affairs.

4. Adopt a housing policy to better integrate management of private and public housing developments in response to identified housing needs.

Without a clear definition of the roles and responsibilities for the private and public sector in meeting housing needs, the delivery of new housing will be inefficient and inadequate. Where incomes are sufficient, and especially in Whitehorse and the larger communities where the housing market is robust, the private sector can likely provide the most efficient delivery of new housing. With profit as the bottom line, the private sector can usefully find the appropriate innovations in home building and use which will appeal to the needs of Yukoners.

If incomes are insufficient for many Yukon residents and needs studies confirm serious housing deficiencies, then public effort may be warranted through the Yukon Housing Corporation and the Canadian Mortgage and Housing Corporation to deliver social housing. Government should work closely with community-based groups in these efforts and only assume direct delivery when there is no other legitimate group to provide the program or service.

5. Utilize housing development to promote local employment and business development, and enhance the quality of life.

The purchase of a house, especially a newly constructed house, has positive impacts on the economy and on the local community. In most cases, it results in the household achieving a better standard of housing. Housing construction and renovation can create useful employment, especially if it's organized around small projects within the local contracting and business community. The use of Yukon materials in log and frame construction, use of Yukon manufactured items (cabinets, etc.), and the use of wood for space heating also provide an opportunity to stimulate northern industry and the renewable resource sector.

6. Establish alternate financing arrangements.

The creation of alternate financing arrangements, particularly for rural communities, would encourage more individuals to assume responsibility for home ownership and promote stability of residency in the Yukon. Alternate financing programs would assist communities in overcoming the difficult financial circumstances many of their residents face in home construction and renovation, and reduce reliance on social housing and other "social net" programs.

Principles for Development

1. Encourage self-sufficiency.

With communities, bands, co-operatives, families and individuals taking primary responsibility for the provision and maintenance of shelter, reliance on outside forces will be reduced and local control enhanced.

2. Assistance for households in need.

It is the role of government to assist individuals and families who cannot obtain adequate, appropriate housing at an affordable price. Government can encourage and materially assist the efforts of households to solve their own housing problems.

3. Support for community planning.

For housing to play a positive role in the social and economic development of the community, there needs to be a process whereby community needs and desires related to housing are considered.

4. Address unmet housing needs.

A significant number of Yukoners have unmet housing needs. Policies and programs which assist these households should be reviewed and up-dated on an on-going basis to improve their quality of life. Special consideration should be given in the design and delivery of housing programs for people with special needs. It is the responsibility of government to ensure that the quality of housing is improved to meet national standards, and Yukon conditions and cultural circumstances.

5. Encourage local control of housing developments.

To ensure the integration of housing developments within communities and that housing programs deliver the type of dwellings that residents desire, local people require the responsibility to make their own decisions along with adequate financial resources and training.

6. Encourage energy conservation in home renovation and construction where it is cost-effective to do so.

With energy as a major component of shelter costs, there are often sound economic reasons for adopting energy conservation measures to make housing more affordable. Linking this reasoning to the use of wood as a low cost heating source, further benefits are passed on to local stove wood businesses.

7. Maximize local and Yukon economic benefits.

Housing programs can provide a strong stimulus to local economies through the use of local labour and local materials.

Discussion of Principles

Shelter is an essential element for any society because it supports all other aspects of health, education and general welfare. In the cold climate of the Yukon and other parts of the north, quality housing is comparatively more critical to human existence than anywhere else in Canada. Inadequately sheltered people suffer from a variety of health afflictions, and their children find it difficult to learn well, so they are less able to acquire the skills to extract

themselves from a similar situation. There is a tendency for poor housing conditions to be repeated across generations.

While mining has been the traditional mainstay, shelter has been a constant and significant element of the Yukon economy. In the context of resource extraction development, housing is often seen as a peripheral item of the economy. Taking a longer and broader view, however, housing can be seen to be necessarily functioning at all times, during boom and bust, during the good years and the bad years.

While great progress has been made in many parts of the country and while Canada now has one of the best housing stocks of any nation, many Yukoners still lack adequate and appropriate housing at prices they can afford to pay. Some of the worst housing conditions in Canada can be found in the Yukon, and many households live in conditions well below those of the rest of the country.

Housing conditions and the need for additional housing can best be viewed as an opportunity, rather than simply as a problem. A well thought-out and carefully implemented housing strategy presents an opportunity to contribute to economic development, improve the quality of life, and achieve greater economic equality.

The instability of the Yukon economy is a major factor for the dependence on imported goods and services, making it difficult to build stable businesses serving Yukon needs. Little of what is consumed in the Yukon is produced in the Yukon. A small guaranteed annual level of residential construction would become a small but stable part of the Yukon economy, contributing to much broader economic activity when combined with the use of local materials and supplies.

A social housing policy which allocates annual financial assistance for renewing and building houses makes a positive contribution to economic development and is not a drain on the budget and the taxpayer. As a component of a carefully planned economic development strategy, social housing can produce numerous benefits for many people and businesses in the local community and the economy in general.

Housing is much more than shelter. It is the place from which we live our lives. Without good quality housing it is difficult to perform to the fullest extent of our abilities. As a result, the individual, family and friends, and the community at large suffer. The Yukon's poor quality housing stock presents an opportunity to build new housing and renew existing housing to current standards and to enter the 21st century with an adequate stock of quality housing for all Yukon people. One of the most basic elements of the "quality of life," good quality housing, will thereby be addressed and increasingly eliminated as a factor contributing to population instability.

The quality of housing is an important consideration for the Yukon in view of the need to attract new residents and to keep existing residents. The population of the Yukon is relatively young. While older, long time residents may have become accustomed to existing housing conditions, it is unlikely that younger residents will find such considerations acceptable as they think about their futures and, where, in the long term, they wish to settle. Employment opportunities are a primary consideration, but the quality of the living environment is not far behind. It must be addressed in an economic development strategy.

A policy aimed at improving the quality of housing for Yukoners will play an important role in addressing economic

inequality. Poor housing is usually one of the problems experienced by groups facing barriers to achieving equality. These groups include natives, women, seniors, rural residents and young people. There are particularly large disparities between the incomes of males and females, and natives and non-natives. A policy which addresses the need of these groups for adequate, appropriate and affordable housing will contribute to a social climate based on a greater degree of understanding, co-operation, harmony and equality. This will help create a social environment from which much more dynamic and prosperous communities can result.

The problem of achieving greater economic equality has an additional dimension in the Yukon: the major cost of living disparities between communities. The higher cost of living often combined with lower average incomes in some communities means there is less money in the household budget for housing. A housing strategy must take this into account.

A housing program can contribute to an overall development strategy in important ways. In addition to the direct jobs and economic activities associated with the construction of housing, important indirect and long term benefits for other sectors of the economy can also result. The forestry, manufacturing and service sectors would benefit the most by a more stable residential construction sector.

Recommendations for Action

1. Establish strategies to decentralize and devolve housing programs to community organizations and individuals as they are requested.

2. Develop information systems that will develop factual and measured statistics on the status of Yukon housing at regular intervals.
3. Conduct research into better meeting the requirements for adequate, appropriate and affordable northern housing.
4. Establish training programs for local residents in housing administration and building trades.
5. Establish a local materials policy and identify construction materials and supplies that can be economically produced locally.
6. Encourage the development of community plans.
7. Encourage the construction of super-insulated homes.
8. Review housing programs on a regular basis to ensure they meet the demand and the need in a cost-effective and efficient manner.
9. Develop alternative strategies and programs to meet housing demand including the construction of rental units and housing co-operatives.
10. Consider increasing residential densities in larger communities to reduce the overall capital cost of building new housing and longer term space heating requirements.
11. Develop alternative financing programs to encourage home ownership, especially in rural Yukon.

Leisure and Recreation

Objectives for Management and Development

1. Integrate recreation and leisure planning into community and territorial economic development strategies at the community and territorial levels.

Recreation and leisure activities, including sports and arts activities, contribute to the economic life of Yukon communities through the purchase of equipment and services, as well as by enhancing the general quality of life for their residents. In addition, the volunteers participating in recreation activities represent a significant element of the non-wage sector's contribution to the Yukon economy. The recreation industry is growing largely in response to the importance of quality of life, increases in leisure time, and the availability of a broader spectrum of opportunities to a wider segment of society. Recreation activity tends to be labour intensive and has followed the overall growth of the service sector. Opportunities for leisure and recreation activities are now important considerations in attracting new residents and businesses to a community, and in stabilizing the population by attracting existing residents to stay. Potential linkages of recreation to tourism need to be given careful consideration in recreation and tourism planning, if benefits for local job creation and the general business climate are to be maximized.

2. Enhance local control of recreation and leisure activities through increased emphasis on human resource development.

The development of recreation is properly the responsibility of local government and community organizations. The

residents of a community are best placed to plan, develop and implement the activities and attractions that will both meet their needs and reflect the broader development decisions of their community. Government has a role to play in ensuring that community groups, elected officials and administrative personnel have the skills, knowledge and resources to carry out their responsibilities effectively. Without this support, the burden on local residents and organizations, particularly in the volunteer sector, will become excessive. In addition, responsibility for capital spending provides communities with the opportunity to develop local recreation facilities that can best meet their overall development objectives, and maximize local employment and use of local materials.

3. Encourage the participation of all Yukoners in recreation and leisure activities, especially with respect to cross-cultural development.

All levels of government will need to give special consideration to those groups that are socially and economically disadvantaged. The increased involvement of these groups in sports and arts activities meets both cultural and educational needs that lead to more effective participation in Yukon economic life. Recreation provides a vehicle through which both native and non-native cultures can freely express themselves to better define their identity and work co-operatively.

Principles for Development

1. Enhance the quality of life for Yukoners.

Recreation serves to meet the physical, social and psychological needs of a community. Viewed as a basic social tool, recreation is an integral part of Yukon society.

2. Encourage the definition and development of Yukon identity.

Recreation contributes to the preservation and enhancement of the Yukon's cultural past and present. Recreation gives expression to the identity of the Yukon community as it is understood by residents and recognized by visitors. It is an important element of the cultural fabric that holds residents and attracts tourists.

3. Encourage local control to ensure development of a supportive infrastructure that maximizes local social and economic benefits.

To further their skills and enjoyment in recreation and leisure activities, communities require recreational infrastructure and, most importantly, recreation professionals and community control of recreation planning. The public funds allocated to construction of local facilities can be most beneficial to local economies if careful consideration is given to maximizing the economic benefits to Yukon residents, workers and suppliers. Yukon communities hold responsibility for developing community services and managing community affairs. Local governments require strong support for human resource development in management and leadership skills if they are to effectively carry out their responsibilities and maximize benefits to residents.

5. Equality of opportunity.

All regions and all people of the Yukon are entitled to equal opportunity to participate in and benefit from recreation and leisure activities. In this way, Yukoners can improve the social stability in their communities and

develop a more diversified economic life reflecting a rich variety of cultural preferences.

Discussion of Principles

Recreation and leisure activities have only rarely been considered economic tools. Seen as past-time diversions from work, their economic significance has frequently been overlooked.

For Yukon people, recreation and leisure offer three essential benefits to Yukon economic life: 1.) they stabilize Yukon communities by making them attractive places to live and locate, 2.) they create employment opportunities in the service and construction industries, and 3.) they create strength in a Yukon cultural identity. Recreation and leisure planning, when considered in the context of an economic development strategy, can maximize these benefits.

A diversified economic base rests on a population of people with diverse interests and skills. Recreation and leisure activities can encourage the development of these skills in communities throughout the Yukon where local cultural traditions and the physical environment are influential factors in shaping the course of economic development. Leisure and recreation can contribute to diversification through a) support to the tourism industry and b) actions designed to improve upon the leisure and recreation industry.

Tourism is an important sector of the Yukon economy and recreation and leisure have linkages to it. Recreation facilities and programs can also be considered tourist attractions. Due to its local nature and the variety of programs offered, unique recreation opportunities help residents to enhance and develop skills for tourism

opportunities (canoeing, skiing, etc.) and attract tourists to participate. The recreation professional and community planning processes are vehicles which can encourage a closer link between tourism and recreation. Recreation and leisure can make a substantial contribution to the tourism industry if linkages are sought, identified and developed.

Recommendations for Action

1. Establish local training programs for residents in recreation management planning.
2. Integrate recreation planning and development into community economic development initiatives.
3. Develop a strategy to identify and develop the links between tourism and community recreation programs and facilities.
4. Identify the significance of the volunteer sector as an integral part of the economy and as central to a healthy community.

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