

Whitehorse, Yukon**Tuesday, December 5, 2006 -- 1:00 p.m.**

Speaker: I will now call the House to order. We will proceed at this time with prayers.

Prayers

DAILY ROUTINE

Speaker: We will proceed at this time with the Order Paper.

Are there any tributes?

TRIBUTES**In recognition of International Volunteer Day**

Mr. McRobb: I rise on behalf of the official opposition to pay tribute to International Volunteer Day.

Volunteer -- it's a simple word, yet a word of tremendous action, a word that represents a fundamental building block of all aspects of our society. As Yukoners, we have a strong tradition of volunteerism in each and every community.

The commitment of a volunteer -- the donation of a person's time, energy, talent and experience for the benefit of others, and in particular the benefit to their community, is indeed a gift.

Volunteers are the lifeblood of any community. Volunteers help with our seniors, our youth, hospital patients, local food banks, animal shelters and numerous charity organizations, such as United Way and the Cancer Society. Volunteers are often the critical requirement to hosting events. In rural Yukon, volunteers are even more critical. For instance, in the Kluane region alone, events such as the Silver Sled dog race, the Alsek Music Festival, the Bluegrass Mountain Festival and Kluane-Chilkat Bike International Relay could not be held without volunteers.

Of course, there is one upcoming event that overshadows all others. In the next few months, our territory will host the 2007 Canada Winter Games. This will be a prime opportunity to showcase our Yukon hospitality to the world. The games will require a massive volunteer effort, and we know that our volunteers will make us proud. If you are not already involved, contact someone at the games office on First Avenue. Alternatively, you can visit the games Web site at 2007canadagames.ca to sign up.

For those of you who just can't wait until March to contribute, there is an early opportunity that you won't want to miss. Starting this Friday afternoon and continuing all weekend for the next two weeks, volunteers are needed to help unload and set up 1,800 beds for the athletes. The Friday hours are from 5:30 p.m. until 7:00 p.m. and the weekend hours are in two shifts from 9:00 a.m. until 1:00 p.m. and from 1:00 p.m. until 5:00 p.m.

For more information, contact Nick Cogger at 393-5592 or by e-mail: nick.cogger@2007canadagames.ca.

From the bottom of our hearts, we salute all of our volunteers.

Mr. Cardiff: It's an honour to rise on behalf of the third party to pay tribute to volunteers. When we think of volunteers and volunteering, what most likely comes to mind are the well-known organizations that rely on volunteers for administration and to carry out their mandates.

We all appreciate the work done by these organizations for children, seniors, the disabled and even animals. We will see volunteerism on a grand scale when the Canada Winter Games come in just a few months. The current Share the Spirit campaign calls on many people to donate, gather gifts and food and deliver Christmas to needy families.

Without volunteers, emergency medical services in our rural areas could not operate, and these are just examples of the many organizations working with thousands of volunteers to fulfill much-needed services.

However, we'd like to salute those people who volunteer without belonging to an organization, who simply find themselves helping out because it is the thing to do when they encounter a need. It brings to mind the person who stops to help a motorist with problems on the highway, the mother who babysits for her neighbour in an emergency, the friend who listens when we're unhappy, the musicians who bring joy to seniors in continuing care, the teenager who shovels snow off the walk and doesn't want to be paid. Their acts of kindness remind us that a basic selflessness that is the basic foundation of our common humanity -- these are acts that are at the heart of volunteerism. In the stress of our modern times, it's good to know that volunteers are there for us and to remind ourselves that we are there for others.

Thank you.

Hon. Mr. Hart: I rise today in honour of International Volunteer Day, a day that is celebrated in more than half the countries of our world. Volunteers around the globe are enhancing the quality of the community by selflessly giving both of their time and talents. I'd like to pay particular tribute to the Yukon volunteers who generously dedicate their time and abilities toward so many positive and enriching activities in and around our communities.

We have a strong history of volunteerism in the Yukon, steadily combining our talents to successfully host large-scale community events such as the Arctic Winter Games, Rendezvous, the Kluane Chilkat road relay and the Frostbite Music Festival. Art shows, writers festivals and theatre events are no different in that they owe their success to the dedication of hundreds of Yukon volunteers.

Our communities take comfort in knowing they're well protected as a result of a group of dedicated volunteers working with our search and rescue organizations and our community volunteer fire departments. Then there are those who volunteer to support Yukoners needing a compassionate hand or a safe place to share, through such organizations as Hospice, the Learning Disabilities Association Yukon, the Fetal Alcohol Syndrome Society Yukon, the Golden Age Society and other similar groups.

We are truly rich in the desire to ensure our Yukon and our people are cared for. The Kinsmen, Lions, Elks, Rotarians and United Way are all evidence of the desire as they provide services to Yukon communities with a goal of enhancing our society in a number of diverse and beneficial ways.

Mr. Speaker, no one can argue the immense benefits our volunteers are providing to the quality of life here in Yukon and around the world. I am proud to say that one of our own fire chiefs took time to assist in the Katrina cleanup. Acts like that are what we as Yukoners see as defining the qualities of our people.

This has been highlighted even more in the last year, as we prepare for the 2007 Canada Winter Games. In just a few months, the Yukon will host over 10,000 people from across Canada. Our current accomplishments and the upcoming success of the games are a result of the dedication and determination of Yukon volunteers.

Volunteers have held and continue to hold the key decision-making positions to determine what work is to be done. Some of these volunteers have been fully engaged for one, two, three and four years already.

This government sincerely thanks them for their work. To ensure that the games are a success, and we know it will be, we continue to look for support from Yukoners in the form of timekeepers, ticket-takers, readers, medical staff, cafeteria service, baggage handlers and so on. There are 50 different job descriptions in all. Government can help fund the games and lend expertise, but the 2007 Canada Winter Games will only happen if we all step up to the plate.

We know that the Yukon is a proud place, which is why, in just a few months, we are confident Yukoners will rally and bring forth the additional 2,000 needed volunteers. The Canada Winter Games is building on the Yukon's strong volunteer tradition and will proudly show Canada that although we are small in numbers, we make up for it through determination and heart.

I am sure that these games will bring forward an enormous opportunity to build a legacy for all future volunteers -- a legacy of skilled, engaged citizens who will share what they have learned through their experience with the games and in all future volunteer activities.

I would like to take this opportunity to sincerely thank all Yukoners who have volunteered in so many other ways over the years. I would also like to commend the efforts made so far by many volunteers eagerly dedicating their skills for the success of the 2007 Canada Winter Games.

I invite all members of this House to join me in celebrating our past and current volunteers on International Volunteer Day. I will close with a quote from the UN Secretary-General Kofi Annan: "At the heart of volunteerism are the ideals of service and solidarity and the belief that together we can make the world a better place".

Thank you, Mr. Speaker.

Speaker: Are there any further tributes?
Introduction of visitors.

Returns or documents for tabling.

TABLING RETURNS AND DOCUMENTS

Mr. Edzerza: I have for tabling the CMHC affordable housing agreement.

Speaker: Are there any other documents for tabling?
Reports of committees.
Petitions.
Are there any bills to be introduced?
Notices of motion.

NOTICES OF MOTION

Mr. Nordick: I rise to give notice of the following motion:

THAT this House urges the Government of Yukon to work in conjunction with the City of Whitehorse and the host society to make the 2007 Canada Winter Games in the Yukon a resounding success and a memorable experience for Yukoners and our guests alike that leaves a lasting legacy at Yukon College and provides facilities for future sport venues.

Speaker: Are there any further notices of motion?
This then brings us to Question Period.

QUESTION PERIOD

Question re: Bonnet Plume Outfitters

Mr. Fairclough: I have some questions for the Minister of Justice. Six weeks ago a lawyer in the minister's department wrote a letter to Bonnet Plume Outfitters. The minister's employee wrote to the outfitter about buildings that have been constructed at Copper Point. The letter stated that the company was occupying the land "without legal authority". It was six weeks ago that the letter was sent. Now we are waiting until December 15 for a response from the outfitters. The outfitter said publicly that he had verbal approval from someone in government to go ahead and build.

My question to the Minister of Justice is this: will she direct her department to investigate the statements made by the outfitter and find out if someone in the government gave this approval?

Hon. Mr. Fentie: Mr. Speaker, I will answer this based on a list of facts. Fact one: a complaint was registered with respect to a building on Yukon land base in this particular region. Fact two: the complaint has been acted upon. Fact three: a request to the outfitter by the department to provide documentation that shows legal standing for occupancy. That documentation is to be forwarded to the government by December 15. If not, the last fact on this matter is that the government will be seeking a court-ordered removal.

Mr. Fairclough: My question was to the Minister of Justice. It was about a letter written by the Justice department employee. It is interesting that the Premier is unwilling to let the Minister of Justice answer questions in this Legislature.

The Yukon Party has really taken a hands-off approach to this issue. We are asking for action. This government's integrity is on the line. So far, they are failing the test.

The outfitter in question was given a verbal approval by someone in government. This is something that needs to be looked into. Who gave this so-called verbal approval? Will the Minister of Justice launch an investigation to determine who gave this approval and under what authority?

Hon. Mr. Fentie: I find it really interesting that officials who are charged with the responsibility of acting on complaints and dealing with matters are somehow in question with respect to integrity. Simply put, Mr. Speaker, this is a process that we will follow, because we must.

Fact one, a complaint was registered. Fact two, the complaint has been acted upon. Fact three, a request of the outfitter in question to provide legal documentation of the authority to occupy the site has been demanded by December 15. The last fact in the matter is that if no documentation exists, government will be seeking a court-ordered removal. Those are the facts. That is the process. That is the issue -- hardly anything to deal with integrity on these matters.

Mr. Fairclough: Someone in this government is running around giving out verbal approvals to outfitters telling them they can build lodges on land they don't even own. To us, that is a big problem and it is probably going to end up in court. What is the Minister of Justice's response so far? Nothing -- no response, Mr. Speaker.

When something like this happens, the minister has an obligation to look into it and find out who did it. The minister is failing to do so. The public has a right to know: what is the minister afraid to tell us? The minister has an obligation to find out who gave approval for this project. Will she investigate and get to the bottom of this issue?

Hon. Mr. Fentie: Mr. Speaker, the first thing that is important here is that the Minister of Justice is not going to act on comments coming from across the floor that pertain to reportedly some conversation at some time.

Secondly, the propensity here for discussing facts that are incorrect is something that we all have to recognize.

Now, this particular issue is being dealt with in accordance to due process and, indeed, the law, so all involved here responsible for a matter such as this are doing their jobs.

So I will repeat: fact one, a complaint has been registered; second fact, the department has acted on that complaint; third, a request for documentation proving authority to occupy has been asked of the outfitter and it must be provided by December 15, and if no such documentation exists, the government, under due process and the law, will be seeking a court-ordered removal. Now, that would mean anybody involved in this, should we get to the courts, would have the opportunity to present their case. That's due process. That is the law. That is their right.

Question re: Substance abuse

Mr. Mitchell: There was a very disturbing incident in Upper Liard this week that has really shaken the community. A home invasion has left people talking about the level

of leadership in the community and its commitment to addressing the issue of substance abuse.

Two men were shot, and one has since been medevac'd to Vancouver. People are extremely concerned about the escalating violence, and they are looking for answers. They are also looking for leadership. The Chief of the Liard First Nation is calling on the Premier to take action. Has the Premier spoken to the chief since this incident occurred, and what is the government doing to respond to this urgent call for help?

Hon. Mr. Fentie: The facts are that the government and the community have been actively pursuing measures in Watson Lake and in all communities in the Yukon to address what is a terrible social ill: substance abuse. Second, this incident is now in the hands of the RCMP. There is an ongoing investigation as we speak. To speculate and make comments that will impact or compromise investigative processes in any way, shape or form would be inappropriate.

The last point I'd like to make to the member opposite is that the member fully recognizes that conversations of this matter, done through the public domain such as the media, serve little purpose in addressing real problems in our society.

Mr. Mitchell: The Premier campaigned on a policy of zero tolerance for drug dealers. He cannot now simply delegate this responsibility for fulfilling his public promise to the RCMP or the community. He said, "Our government will have zero tolerance for drug dealers." He took responsibility for it personally. This government promised zero tolerance, but what we are seeing is an explosion of drug-related violence. We need action.

The Chief of the Liard First Nation is calling on the Premier to act. What does the Premier intend to do about this extremely serious incident?

Hon. Mr. Fentie: The one thing we're going to do is allow the RCMP to do their work. That's critical to dealing with this matter. To suggest this incident somehow diminishes a commitment by the Yukon Party government to deal with this issue through enforcement is incorrect. We are doing our work as we speak. The members well know that we recently announced the opening of our safer communities and neighbourhoods legislation office; enforcement people are in place; so the steps are being taken, as we speak today, to address this terrible ill in society.

If the members opposite want to make insinuations to the contrary, I encourage them to do so. That would be their business, but at the end of the day, one must understand that dealing with these matters is not a one-issue approach. This will take a lot of work by all concerned, and in the forefront will be the RCMP.

Mr. Mitchell: Mr. Speaker, this is not about making allegations or anything else. This is about public accountability, which is what we do in this Assembly.

The chief has said that this is a big-city issue that has come to a small rural community. With the onset of alcohol and drugs, these things are bound to happen but it has to be discussed publicly to try to shed some light on what should

be done. The Chief of the Liard First Nation is calling on the Premier, the Minister of Justice and the entire Government of Yukon to get engaged. This is a call to action. What has been done so far is obviously not working. It is not sufficient. More needs to be done. When will the Premier and the Minister of Justice be meeting with the Chief of the Liard First Nation to address this escalating violence?

Hon. Mr. Fentie: Mr. Speaker, I think we have to recognize here that what the member is saying is that suddenly here in the Yukon there is escalating violence. This is an incident of a terrible nature and it is being dealt with through investigations done by the RCMP.

What is the government doing about this? Have the members opposite not been engaged in debate over the last number of months when it comes to substance abuse action, the four main pillars of education -- prevention, harm reduction, treatment and enforcement? These are all processes that this government has implemented and is taking forward. To suggest that somehow these measures are not working in today's Yukon and in our society, once again I point out, is incorrect.

The example in Watson Lake is testament to why we must continue with the path we are on in dealing with these matters, these social ills in our society, and you can bet, Mr. Speaker, that this government is going to take zero tolerance when it comes to enforcement regarding drug dealing and all its residual effects.

So, steps have been taken -- the SCAN and there is more to come -- and we are doing all the work. That is how this government will approach this matter and any other.

Question re: Whitehorse Correctional Centre rebuild

Mr. Cardiff: I have a question I'm sure the Minister of Justice has been eagerly anticipating. It has now been four years since the Premier abruptly cancelled the process of replacing the Whitehorse Correctional Centre. I mentioned the other day the condition of the facility and how bad it is and that it basically belongs in a Third World country. It's pretty poor.

Since that time, we witnessed the ongoing saga called "correctional reform", but we haven't seen any progress on the new building. The new minister very quickly picked up on the Premier's mantra about not just building a warehouse for inmates, but we would like something a bit more substantive.

I am going to ask the minister this question. This is pretty focused. Will the minister at least tell us where the new correctional facility will be located? Will it be in the current location, some other Whitehorse location, or is she considering relocating it to Teslin?

Hon. Ms. Horne: First of all, I would like to say that to build a warehouse is not the Premier's mantra; it is my personal mantra as well. I am very concerned about the Yukon and the inmates in the correctional facility.

As I stated many times before, the question the opposition should be asking is: what is the government doing about the safety of Yukoners -- not the correctional facility. The

planning for the correctional facility has been ongoing. We have had extensive meetings throughout the Yukon on the corrections facility. The plans are put in place and we will be going ahead with the correctional facility in the very near future.

Mr. Cardiff: I don't think anybody in this room wants to build a warehouse. Everybody recognizes the need to protect the safety of the workers and the inmates as well as the public.

Yesterday in her remarks on the supplementary budget, the minister indicated there is money for a new facility in the budget if one looks for it. Indeed, there is an item in there called corrections infrastructure, and the amount is \$577,000. Interestingly enough that is exactly \$432,000 less than we originally voted in the main estimates last spring. It is hardly a great leap forward; it is actually a big step backward. Perhaps the government decided to unbuild the old jail rather than build a new one. I don't know what they are doing.

When can we expect to see a serious financial commitment to this important project? What year will the actual construction of the facility begin?

Hon. Ms. Horne: I am sure no one imagines having the cost of the new Whitehorse Correctional Centre within this supplementary budget; nor would we be putting it forward right now. We will get into the cost in the budget later today, and the questions can be asked then.

When I imagine tomorrow, I see a place where people who struggle with drug and alcohol abuse have received the help they need. The point of the exercise here is not to see how many people we can lock up; the goal is to make the Yukon a safer, healthier and happier place.

A new correctional facility is one component of a much broader strategy. It is one part of our response to criminal activity. Modern correction administration supports moving from simply a secure facility that detains inmates to a multi-level structure place of healing.

We recognize that many of our offenders have issues that stem from the abuse of drugs and alcohol or who suffer from FASD. One of the options that we are looking at includes addressing mental health issues. Our goal is to bring healing. We will bring healing by offering support for victims.

Mr. Cardiff: Well, four years ago, the Premier appointed himself as the Acting Minister of Justice and abruptly put the new correctional facility on ice. At the time, he made a big deal about involving the Kwanlin Dun First Nation. He didn't notify the minister at the time. She actually found out about it in the media, I believe. Now, he was going to involve Kwanlin Dun in the process. There was a memorandum of understanding, and there was lots of talk about partnerships, partnerships, partnerships. As my colleague pointed out yesterday, the Government of Yukon is legally obliged to give Kwanlin Dun an opportunity to participate in any government capital project worth more than \$3 million in the First Nation's traditional territory. My question is this: what is the minister doing to honour that obligation under the Kwanlin Dun self-government agreement?

Hon. Mr. Fentie: Mr. Speaker, one of the elements in the *Kwanlin Dun First Nation Final Agreement* that is distinctly different from many other final agreements with Yukon First Nations is the substantive measures that have been built into the final agreement with respect to public government's capital investment within Kwanlin Dun's traditional territory. I applaud the First Nation for recognizing that there are tremendous opportunities, whether it be jobs or business opportunities when it comes to government capital investment. This government is the government that concluded the land claim and the self-government agreement with the Kwanlin Dun First Nation. We're well aware of our obligations under the final agreement. We're well aware of our obligations under all the agreements in the territory, and we'll never deviate from those obligations. With respect to the correctional facility, the members opposite should well know -- the third party, given their newest member -- that a process has been embarked upon that is an intensive consultation process with Yukoners in partnership with First Nations, with co-chairs leading the process. In fact, a steering committee, a building advisory committee, was created long ago to advise public government on the investment for the facility and so on. So that's the answer.

Question re: Social housing

Mr. Edzerza: The Minister of Health and Social Services can't help being aware of the crisis in housing we have been pointing out to the minister responsible for the Yukon Housing Corporation. I would remind him about the families who are on the Housing Corporation's wait-list for social housing -- 71 and counting.

These are families who cannot afford the affordable housing the housing minister talks about. These families awaiting social housing are vulnerable to poor health, violence, substance abuse and child neglect. Needless to say, having no home is a burden.

The Minister of Health and Social Services has a responsibility to address these social problems. Does the Minister of Health and Social Services agree that there is a housing crisis for low-income families? What does he intend to do about it?

Hon. Mr. Cathers: In answer to the question asked by the Member for McIntyre-Takhini, I need to point out to the member that the social housing programs provided under Yukon Housing Corporation are but one element of the total spectrum we provide in assisting individuals who have lesser incomes or who are unable to work and must rely on social assistance.

Within social assistance, we provide the contribution both in terms of the rates and the housing allowance that is within the program. I would point out to the member opposite that we have reviewed this. As I've stated before, we're once again reviewing the adequacy of social assistance rates, and particularly, we are taking a look at the financial disincentives that make it difficult for people on social assistance to fully integrate into the workforce.

I would remind the member of that fact, when he's reviewing this problem, and I look forward to further debate on this topic.

Mr. Edzerza: The Yukon Housing Corporation apparently has been relying on a faulty consultant's report, which said that there was no need for increased social housing. The fact is that the need for social housing is even greater than the corporation reports. The Grey Mountain Housing Society also has a wait-list. Its units are full and 52 families are on the waiting list. These are just the ones who haven't given up after waiting, on average, one year for housing. Many others may still be looking but the society has closed their files. We can't even calculate how many rural families are living in unhealthy and unsafe housing or are sharing with other families.

What is the Minister of Health and Social Services doing to address this obvious need that is affecting the health and well-being of Yukon families, or is he content to believe that there is no crisis?

Hon. Mr. Cathers: Again, I point out to the member opposite that the social housing as provided under the Yukon Housing Corporation is an augment to the services provided through social assistance.

The study he refers to is a matter within the Yukon Housing Corporation. I would remind the member of the very obvious fact that any review done under previous governments would be reflective of the fact that, at that time, there was an exodus of population from the territory. There was a decreased demand across the board in the territory in demand for housing spaces. Today, the reverse is true: the Yukon population is growing, the workforce is growing, and we are very pleased, of course, that our unemployment rate remains one of the lowest in the country. In addition to that, however, we are committed to ensuring that our social assistance system and our social safety net is strong enough to do the job and provides for the needs of those who are forced to rely on it and thus do so adequately. We are reviewing that, as I stated it.

I would once again remind the member that the social housing programs within the Yukon Housing Corporation are in addition to the services provided under the Department of Health and Social Services. The Department of Health and Social Services does provide funding through social assistance for housing of other types, such as rentals, for those individuals who need it.

Mr. Edzerza: Perhaps the Minister of Health and Social Services could assist his colleague to understand the need and to come up with some solutions. The housing minister has repeatedly told this House that it is Ottawa that decides what "affordable housing" means.

One should reread the agreement that I just tabled. One would see there is absolutely nothing preventing Yukon Housing Corporation from charging whatever it wants for housing as long as it is at or below average market housing rents. It could charge \$1 a month if it wanted. There is absolutely nothing preventing Yukon Housing Corporation from converting all its so-called affordable housing to social hous-

ing. It is a matter of simple semantics and simple commitment by this government.

In the spirit of the season, will the minister make a commitment right now to sit down with his colleague and work out a solution to this very serious social issue?

Hon. Mr. Cathers: I would draw the Member for McIntyre-Takhini's attention to the book that may be in front of him on his desk right now -- certainly it was tabled in this House. The 2006-07 supplementary budget includes the reflection of the northern housing trust, a total of some \$50 million. For First Nations alone, I believe that is \$32.5 million. There is significant investment, in cooperation with the federal government through its funding assistance and our cooperation with First Nations as agreed to at the Yukon forum. We are working on the strategy for dealing with the northern housing allotment, and we are committed to continuing the investment in this area.

I would point out to the member that this is an augmentation to the critical programs that we provide to those in need within social assistance. We provide that under the Department of Health and Social Services. We are committed to ensuring that that amount is adequate and, once again, we are reviewing the adequacy of our current funding arrangements. At this time there is the ability for the officials within the department, based on emergency need, to provide additional funding. We want to ensure that the base rates are adequate to do the job, and we will do so.

Question re: Education reform

Mr. Mitchell: I have a question for the Minister of Education. Sometimes people deal with a serious problem by ignoring it, hoping it will go away. That strategy rarely, if ever, works. It's certainly not the way a government should operate.

The minister has inherited a mess. We have a reform project studying a study, we have consultants hired to do what the department's officials are quite capable of doing, and we have First Nations so frustrated that they're contemplating drawing down education or forming their own school boards.

My question to the minister is: when is enough enough? This government has had four years to put a plan in place. No more smoke and mirrors -- what is the plan?

Hon. Mr. Rouble: When is the plan a plan?

Since taking office about a month ago, I have sat down with all of our partners in education. This has included the Chiefs Committee on Education, the Association of School Councils, school administration, the Department of Education staff, the Yukon College Board of Governors, the French language school board, the Yukon Teachers Association, the education reform team, not-for-profit organizations, and many of the other NGOs that we have in the territory.

As the member stated, there are certainly issues in education and issues that we are advancing on as we speak. There is action being taken on education reform. There is action being taken on improving the curriculum in our schools. There is action being taken on improving the quality of schools we have in our system now. We are committed to

improving the education system and that is what we are going to do.

Mr. Mitchell: Clearly the minister has been very, very busy since taking office. The education reform project people have also been very, very busy over the past year. Surely the education reform project is ready to table a draft report of their recommendations. Position papers can follow later but the time for action is now.

Will the minister give this House his undertaking that he will table a draft copy in this sitting so that we can at least commence the process of addressing many of the outstanding issues facing education?

Hon. Mr. Rouble: Yes, there are issues facing education right now. Many of those issues came up when the previous Liberal Party was in power and they started their ill-fated *Education Act* reform.

We've heard that parents want to have a higher level of involvement in their child's education, we've heard that we need to make curriculum changes, we've heard that we need to involve First Nation languages, and we've heard many other issues.

We are committed to providing all Yukon students -- First Nation students and Yukon students not of First Nation ancestry alike -- with the fundamental skills necessary to prepare them to lead a meaningful life, to prepare them for jobs, for responsible citizenship and for life-long learning.

In our platform, we put forward our commitment to implement our major education reform project, and that's what we're working on and that's what we're going to do.

Mr. Mitchell: I guess the answer is no, we're not going to see it during this sitting because the minister didn't answer the question.

Mr. Speaker, there's a pattern we see and are continuing to see, and that is constant reference to what happened under the former Liberal government, what happened under a previous NDP government. I'd like to remind the members opposite and this minister that the immediate preceding government for the past four years was the Yukon Party government.

Members of the official opposition and the third party have raised the issue of a new school for Copper Ridge only to get a different version of the answer every time.

Now the Kwanlin Dun First Nation has given up on this government. They're saying enough is enough. Today the Kwanlin Dun chief said the government is talking to us and ignoring us.

My question to the minister is: what is the intent of this government? Is it to get the First Nation so stymied by this apparent inaction that the First Nation will build its own school and thus solve the problem of what to build, when to build and where to build?

Hon. Mr. Rouble: Mr. Speaker, I am very anxious to talk and to listen to all of our partners in education. Mr. Speaker, since taking office, I have sat down with many of our partners in education and had some very good discussions, identifying those issues that are working and those issues that do need significant change. We will continue to

sit down and talk with the Kwanlin Dun First Nation and all other Yukon First Nations. Mr. Speaker, I'll sit down and talk with the members of the opposition, if they so choose, as I've already extended that offer to the leader of both parties -- to sit down and discuss education issues. We're all legislators in this Assembly here, Mr. Speaker, and we're all acting in the best interest of all Yukoners. Let's get down to the business of reforming education to best meet the needs of all Yukoners, today and in the future.

Speaker: The time for Question Period has now elapsed. Official opposition House leader, please.

Notice of opposition private members' business

Mr. McRobb: Mr. Speaker, pursuant to Standing Order 14.2(3), the official opposition for December 6, motion day, will call Motion No. 57, standing in the name of the Member for Kluane.

Mr. Cardiff: Mr. Speaker, pursuant to Standing Order 14.2(3), the third party won't be identifying any items, in order to expedite debate on the supplementary budget and hopefully provide time for the corporations to appear in the Legislature.

Speaker: We will now proceed to Orders of the Day.

ORDERS OF THE DAY

Hon. Mr. Cathers: Mr. Speaker, I move that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Speaker: It has been moved by the government House leader that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair: Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 3, *Second Appropriation Act, 2006-07*. Do the members wish to take a brief recess before we begin?

Some Hon. Members: Agreed.

Chair: Committee of the Whole will recess for 15 minutes.

Recess

Chair: Committee of the Whole will now come to order.

Bill No. 3 -- Second Appropriation Act, 2006-07

Chair: The matter before Committee is Bill No. 3, *Second Appropriation Act, 2006-07*.

Hon. Mr. Fentie: Mr. Chair, I am pleased to introduce Bill No. 3, *Second Appropriation Act, 2006-07*, for general debate.

I will not speak at any length about this supplementary funding request, as much of what I need to say was addressed in my second reading speech. As well, ministers will expand on their funding requests in further detail, once we get into departmental, line-by-line debate. The ministers responsible for the various departments are, of course, well briefed on their departmental funding requirements and will be very pleased to answer any and all questions from the opposition.

This first supplementary estimate for this fiscal year seeks authority to increase operation and maintenance expenditures by just over \$29 million and capital expenditures by \$76.5 million. The government's revenues, transfers from Canada and other third party recoveries are increased in total by \$66 million.

The resulting expenditures, once approved, will increase the total expenditures of the government by just over \$105 million to approximately a total of \$898 million. Revenue and recoveries are forecast to increase to \$852.7 million. A large part of the revenue increase is due to the fact that we receive funding from Canada in the form of trusts for housing, transit and education purposes. These amounts were announced in the federal budget in the spring but were not made available to the Yukon government until about a month ago.

Because of the accounting policy guidelines, we must now record all trust monies in the year they are received, even if they are expended over a number of subsequent periods.

As is the norm for the first supplementary budget of the fiscal year, a significant component of the requested expenditure authority comes about because departments are seeking capital and O&M revote authority from the previous year expenditure lapses. These revotes -- both O&M and capital -- make up about \$34.3 million of the budgetary authority sought.

Mr. Chair, the largest expenditure increases for operation and maintenance are included in the Department of Health and Social Services budget at \$14 million, the Public Service Commission with \$4.8 million, and the Department of Community Services with \$3.9 million. Lastly, the Department of Education is seeking a total of \$2.9 million.

On the capital side of the appropriation ledger, the largest increases are in the Executive Council Office at \$32.5 million, Highways and Public Works at \$18.3 million, and the Department of Community Services with \$12.6 million in their budget request.

This supplementary estimate details the expenditure changes that require legislative appropriation authority. It also provides the Legislature and the general public with the most current information on the forecasted financial position of the government to the year-end.

I have outlined in detail the changes in the financial position of the government during the second reading speech. The one number that is perhaps the most critical for the pub-

lic and members to be aware of is the one that shows our net financial resources position rising to almost \$85 million by year-end.

I should caution, however, that a good portion of this increase is due to the provision of one-time trust funding from the federal government. These funds will be invested over the next several years causing the net financial resources to decline. I will not go into the highlights of specific expenditure initiatives that are contained in this budget. Some of them were already outlined in the second reading speech. Ministers will be able to go further into detail when their departments are called. If they are interested and request it, I will be pleased to provide the members opposite with an update on the status of the territorial formula financing arrangements, commonly known as TFF, and highlight for members the excellent pan-territorial cooperation on this particular file.

Mr. Chair, as members may be aware, there is a meeting of finance ministers planned for mid-December. We are hoping that we may have an answer from the federal minister on how they intend to respond to the very positive recommendations contained in the O'Brien and Council of Federation reports on the TFF arrangements with Canada.

If there are questions of a general nature, I would be more than pleased to respond. I encourage all members to keep the debate constructive and focused.

Mr. Mitchell: I will be relatively brief as well. I think we addressed many of the things that we would have liked to have seen in this budget or the concerns we have about this budget during our second reading speeches as well. One thing I would like to correct for the record. I was a little concerned when the Minister of Finance responded yesterday that perhaps I had misspoken, but in fact I hadn't. He was referring to the 2001-02 figures, and I had referred, when I made the comparison of estimates to estimates, to the 2000-01 estimates that had shown some \$86,218,000 in own-source revenues and said that there hadn't been significant change to this year, five years later, when it was \$84,536,000. So the numbers that he referred to later were slightly different numbers based on the public accounts at the end of a fiscal year.

I guess, overall, the comment I would like to make is that we are now seeing the largest budget ever in the history of the Yukon, and that's not necessarily a bad thing because, as is always pointed out, there can be many good things in a budget. But between the main estimates from the spring and this supplementary budget, just under \$900 million -- some \$898 million -- in total spending authority has been sought. Again, we are therefore somewhat disappointed that we are continuing to hear the "Trust us, don't worry, be happy, it'll come later" response when we talk about some of the issues that not only we have raised but this government raised during the election campaign in their platform -- albeit their platform came out just a few days before the actual election. Nevertheless, they did have a platform that did talk about a number of issues, including the social assistance rates, child-care, the correctional facility, a new school in Copper Ridge.

We feel it's legitimate to raise the issues of what's not here, not only what is here, despite the fact the Finance minister would prefer for us to only talk about what is here. It's the nature of general debate and certainly the nature of second reading speeches to refer to some of the things that haven't been here that we think could have been here.

To get into some specific questions rather than to just go on and say the same things I said yesterday -- which I don't think is of any great benefit as we only have three days next week and two more this week, so another five days after today to debate this, and there are a lot of departments to get through -- I wonder if the minister could clarify the situation with the northern trust monies. There has been some clarification and there were some references to it last Thursday and again in his remarks yesterday and today. There will be \$3 million actually spent in the current fiscal year -- is that what I heard, that \$3 million has been put in? Could he clarify if any decisions have been made as to where that \$3 million will be spent?

Hon. Mr. Fentie: Mr. Chair, it is correct. We have, through estimate, booked \$3 million, with regard to an off-setting expenditure, on the northern strategy trust of a total of \$4 million. The projects, given the partnership arrangement we have with First Nations, are being dealt with as we speak. Once our respective officials on the technical team have brought forward recommendations, the principals will convene to the Yukon forum and the decision will be made to go forward with the investment. We will not do that outside of that relationship and partnership -- it is government to government -- nor will we preclude it.

Mr. Mitchell: I thank the minister for the clarification.

I believe that there is a scheduled meeting of the northern forum. Is it this Friday? If so, will this be dealt with on that day? If so, will the minister be returning next week to this Assembly to update us on those expenditures?

Hon. Mr. Fentie: Yes, a date has been set. The date is December 8 for the Yukon forum. The investment plan for the northern strategy trust is on the agenda. The discussions will take place with the principals. Once they are concluded and agreement is reached, we will move forward and most certainly be able to provide this House and, indeed, the public with an announcement as to which projects will get the first instalment or first investment from the trust.

Mr. Mitchell: Just to clarify, are the discussions this Friday solely on the investment plan or are they also project-specific with regard to the \$3 million that has been booked, recognizing that the final amount might be less or greater than that once the parties have agreed to the project? Will we also be in a position to learn this coming week what those projects are?

Hon. Mr. Fentie: Yes, of course. The investment plan essentially is about the partnership jointly developing an investment plan. The specific projects that we will be dealing with are going to be coming forward in the Yukon forum on December 8.

Mr. Mitchell: Well, since we're talking about the trusts and we've heard, as we understood, that the large portion of the increase in the net financial resources from beginning of the year to end of the year is the trust money that has been booked, it brings us to the much discussed northern housing trust. Now, what we've seen in the budget is the \$50 million being booked. It has been explained to us that the entire \$50 million has to be brought in, according to the Auditor General, at once. We've seen the \$32.5 million, which will be transferred to the First Nations, accounted for. Out of the other \$17.5 million, where is that sitting at this point within the budget? Is that just sitting here as part of net financial resources in general revenue, or is it already attributed to a particular location and department?

Hon. Mr. Fentie: First, let me go into the portion that will be allocated to First Nations directly. I think it is fair to say there is a need here to move and advance as quickly as possible. So what we've agreed to do is book in this supplementary the \$32.5 million of the trust that we will be directly allocating to First Nations so that they can immediately begin investing in building affordable housing. The balance remains in consolidated revenue, because there has been no decision on what areas of investment for affordable housing the public government will be making with the \$17.5 million that will be addressing public needs, which would include the number of housing units that we are responsible for that house also Yukon First Nation people who may not be living, for example, in their home communities. Public government does address that, in particular, here in Whitehorse.

Mr. Mitchell: The Finance minister says no decisions have been made. That is interesting because when I attended the Council of Yukon First Nations General Assembly this past summer, there were speakers who spoke about the housing trust in an open forum. I recall one speaker indicating that it looked like it would be agreed that \$32.5 million would go to First Nations and \$17.5 million would be retained by the Government of Yukon. There was some discussion about a large portion of that going to a major overhaul of the Alexander Street residence -- or perhaps a renovation and expansion -- and several other projects. Do I hear the minister saying that no such decisions have been made and that these are possibly just ideas that were floated?

Hon. Mr. Fentie: That is correct, Mr. Chair. We haven't made any decisions on investing the \$17.5-million portion of the housing trust. And I am sure, other than recognizing the housing needs, First Nations have not made decisions on exactly which house is getting built when, but we are going to flow their portion of the investment as quickly as possible, while public government does its work.

It is also important to recognize that Yukon Housing Corporation and other departments would have been charged with the responsibility of at least doing the preliminary work of assessing an inventory of public housing needs that gives us something to work with. Some of that conversation is the direct result of that preliminary work in assessing what areas of public housing require attention now.

Mr. Mitchell: Moving on, one of the more significant things that we saw in terms of changes in the supplementary budget -- and I know that the minister responsible addressed this in his remarks yesterday -- was the downturn in the revenue coming out of the Kotaneelee, and indeed it appears, for all practical purposes, that those wells are finishing their useful lifespan. I know that the second well was drilled, and I gather that that is now watering in.

I'm wondering if the Finance minister or his colleague, the Minister of Energy, Mines and Resources, can provide us with any information on whether they see, through the good work of the oil and gas branch together with industry and the meetings that both the Premier and the Minister of Energy, Mines and Resources have attended, some optimism for a replacement of those gas revenues from the energy sector.

Hon. Mr. Fentie: I'm sure the member can get into much more detail when the Department of Energy, Mines and Resources is called for debate. This is fairly consistent with what happens in the production of natural gas in this particular region because of the water content that is housed in the sedimentary basin. The real challenging problem is the fact that, as the water content increases with the extraction of natural gas -- although they have the capacity in the plant to remove water from the natural gas, under all regulations that must be followed, and environmentally, especially here in Yukon -- the company is required to re-inject the water into an injection well in the particular vicinity of their gas plant. The problem with that is that, as more and more water is coming out of the extraction process from the wells, there's more difficulty in being able to re-inject those volumes back into the injection well, so it becomes a matter of economics.

At some point there will be a need for drilling new injection wells, and that's where the economics become dicey. These are things I'm sure the corporation is grappling with now. They're still producing and, hopefully, will continue for some time yet, although the revenues will drop, as we've seen.

Our purpose is, recognizing the tremendous potential in southeast Yukon, ensuring we can move forward on creating a disposition process in southeast Yukon that addresses the situation we're in. There is no federal mandate to negotiate and/or conclude a land claim.

By law, we must negotiate accommodation agreements. Under our law when it comes to oil and gas, YOGA -- the *Yukon Oil and Gas Act* -- contains a consent requirement, so it adds more responsibility to government dealing with the matter. This is something we feel is important. Frankly, the production of gas in the Kotaneelee is very real. The revenues that can accrue from that production are very real. Under our arrangement here in the Yukon, self-governing First Nations all receive benefits from whatever revenues accrue from the Kotaneelee gas fields because of our sharing arrangement under the *Umbrella Final Agreement* in terms of the royalties that flow to the Yukon government. Each First Nation that is self-governing and finalized gets an investment every year from the Kotaneelee production.

Mr. Mitchell: I am certain that the First Nations will be more than disappointed to hear that about the greatly diminishing returns from the Kotanelee field, because that is a significant source of revenue to First Nations.

Yesterday the Minister of Energy, Mines and Resources also made some statements similar to what the Premier has just made referring to moving forward in southeast Yukon in conjunction with the First Nation and industry to see what we could do to expand on that. I'm wondering if any specific agreements or memorandums of understanding have been entered into or contemplated.

Several years ago we had the much-lauded bilateral agreement, which was going to be the be-all and end-all and solve a lot of problems, and a lot of concern was expressed by other First Nations regarding their agreements under the *Umbrella Final Agreement* versus this different approach with the Kaska First Nation.

In the discussions with the First Nations, is there something akin to the bilateral that is again being contemplated, or does the minister have hopes that somehow Canada is going to renew the mandate and they will be back at the table? How does the Premier, first of all, contemplate moving forward with this?

Hon. Mr. Fentie: Mr. Chair, there are always discussions. In southeast Yukon, under the stewardship council process, an agreement that was reached some years ago with the Kaska, work is being done on forestry. There are discussions on land disposition in the southeast Yukon, of course. It is not just one First Nation however. Multiple First Nations are affected because of the transboundary and overlap questions. The bilateral was an arrangement that had a sunset date. It was all about moving forward at a time when there was no land claim finalized. Part of the bilateral was to conclude. That didn't happen. The bilateral reached its sunset. We are not engaged in discussions at this time to create another one or renew that one. It is an instrument that served its purpose, considering the involvement now of the Kaska First Nation in development in their traditional territory, be it mining -- they were very much involved in the drilling of the well in southeast Yukon, which was the first drilling project in 30 years -- or forestry, in which they are very engaged. These are processes that are ongoing.

Mr. Mitchell: Well, one of the joys of this form of debate is that we can actually ask questions and see them answered. With the TV cameras not running, we find that people pay more attention to the questions and answers, rather than to the excitement of asking or answering. Perhaps we will explore some things that have been asked, but not quite clearly answered during Question Period.

One that has been outstanding -- and it is something this government spent a great deal of effort studying in its first term -- is the Whitehorse Correctional Centre facility. What we think we have heard from all sides of this House is that there is general agreement that the current facility is increasingly dysfunctional. It does not provide for a great deal of rehabilitation. Its aging infrastructure continually requires stop-gap measures to shore it up. We have heard complaints

from employees that there are unpleasant and sometime unsafe working conditions. Just a few years ago, we had sections of ceilings falling down in the washrooms. Fortunately, no one was making use of those areas at that time.

And we've seen people tunnelling in and tunnelling out, so to speak. It's one of the few correctional facilities in Canada, I would think, that people break into as opposed to just break out of.

So again, we've seen the report that came forward and the recommendations that were presented during the 31st Legislature. I'm wondering if the Minister of Justice can give us some form of general timetable -- 2007, 2008, or 2009 -- as to when she sees something happening to actually replace this facility. I know that since being elected, she has spoken publicly and said that this was a top and first order of priority for her. It was certainly in the platform during the election, so perhaps she can elaborate on that here now.

Hon. Mr. Fentie: I don't think I have to remind the leader of the official opposition that he's asking a specific question on a specific department, in this case the Department of Justice. That is best left to departmental debate. That's where you can engage.

But let me point a couple of things out. The member's comments around the correctional facility and the building itself being the problem fly in the face of all the evidence. The problem is the system. Otherwise the recidivism rate would not be at the high level that it is.

Mr. Chair, this government embarked upon a meaningful correctional reform process, because it had to happen. The members opposite take exception to the issue of building warehouses. Well, that's what we've got. Essentially that's what was coming under the former Liberal government -- another warehouse. We've taken the time to do the hard work. I would encourage the member not to diminish the role that hundreds of Yukoners played, not to diminish the role that First Nations played in this process. It was probably one of the best consultation processes the territory has ever conducted, considering the outcomes.

I encourage the member opposite not to diminish the role our joint building advisory committee is playing right now. They are doing the work to provide the options to government for such a facility, inclusive of what goes on in it, inclusive of community initiatives and of our approach to reforming our corrections system to address the recidivism rate and, as the minister responsible for Justice today in Question Period so aptly pointed out, it's time to start healing people, not warehousing them.

Mr. Mitchell: I would be more than happy to see this carried out in detail during department debate, and that's fine, but since the minister has responded, I also have a couple more comments to make. The first is that the minister should listen to the questions, because nothing in the question was diminishing the role of the many people who volunteered their time to take part in the study. Nothing in the question diminished or denigrated the results of the study. Nothing in the question suggested that we on this side, any more than the Premier and his colleagues on that side, want

to see people continue to be warehoused. Nothing in the question suggested that we thought the hard-working people who have worked jointly on this were not valued.

What we asked was: having taken the time to do this work, was there now a timeline for the next steps? Surely if the Premier and the Justice minister are concerned about recidivism and concerned about the effectiveness of the Correctional Centre to rehabilitate people, then they would not want it to drag out endlessly for many more years because, whatever negative effects there are with the current situation, they will continue.

Again, the question was simply -- and this is a fairly broad question -- about a timeline: can we anticipate that there will be a decision made in the coming year? Is that a reasonable expectation? If not, then tell us that no, we need two more years to study it. We'll have our comments on that but at least we'll know.

Hon. Mr. Fentie: First and foremost, as the process of consultation took place here in the Yukon, investments in programming were being made in the existing facility. The member should know that. There has been work in that area.

I don't know how the member is coming up with this point of study. This is not a study. This is a work in progress to address our corrections system in partnership with First Nations. That's the point I am making. To imply that these hard-working individuals are simply studying something diminishes the role they are playing. They are playing a significant and meaningful role in recommending to government the way forward. If the member wants to anticipate, anticipate the budget. There are already values in the budget toward this process, and indeed a new facility. I think we have to clear up all these matters with regard to the debate and ensure we are comparing apples to apples. This is not something to hurry about. The facility's structure itself can be addressed and utilized until a new building is built, but you have to get it right, Mr. Chair. This is a process that must get results. There must be improvement in our corrections system. The one thing not to do is get in a big hurry because the opposition is applying some pressure to government based on whatever rationale they may have.

The issue here is doing the hard work, making the right decisions, getting the job done in a manner that will produce results and truly address the recidivism rate and the ability to provide options to the justice system so that rehabilitation can be the mantra, not warehousing, and that we have other available options and programming to assist individuals who shouldn't be incarcerated in the first place, but require other forms of assistance, programming and help as far down as the community levels.

All that is there and, as I said, money is in the budget. The Department of Justice and the minister will provide great detail on these matters. In a general term, my job is to discuss, in an overview approach, the supplementary budget that has been tabled. Much of that has already been disseminated in my remarks, both in second reading and now in introductory remarks for the Committee debate. The government side

is trying to stick to the facts, and we hope that the opposition will too.

Mr. Mitchell: I know that the minister has his very capable officials with him, and I know the minister has a very deep understanding of these general financial issues, so we will go back to one of the general questions. On page S-2 of the supplementary budget where we have the line increase/decrease in net financial resources, in 2006-07 it was a negative number -- \$19,474,000. Now there is a change that reduces that negative number to \$15,006,000. Can the minister describe in his view what that number means? That there has been a decrease this year from prior years in net financial resources.

Hon. Mr. Fentie: On page S-2, if we look at the numbers -- and of course the end-of-year totals for net financial resources are very important -- I see an increase, not a decrease. It is written right there in the columns.

In fact, the 2006-07 vote for the main estimates shows a net financial resource position of \$14.7 million. The revised vote as presented by Bill No. 3, *Supplementary Estimates No. 1* for fiscal year 2006-07, show a positive change of some \$69.7 million. This changes the net financial resource position to \$84.5 million based on revised vote for the year-end March 31, 2007. Let's start with the surplus/deficit of the year: effective change in tangible capital assets plus acquisitions, less amortization expense, less deferred capital contributions, plus amortization of deferred capital contributions, less write-downs and disposals, increase/decrease in net financial resources, net financial resources at beginning of the year -- all these factors, through accounting, contribute to a bottom-line number.

At the end of the day, no matter how we slice this, Mr. Chair, the net financial year-end position is an increase of \$14.7 million to \$84.5 million. If the member is talking about the net non-financial -- and I repeat, net non-financial -- resources at the end of the year, it also includes a number that generates an accumulated surplus for the territory, which also is an increase of \$460 million to \$512 million. So, this is all about increase, not decrease.

Mr. Mitchell: Well, looking at the same document, if one looks at those voted to date, before the changes are reflected, the net financial resources at the beginning of the year was listed at \$34,271,000 and the net financial resources at the end of the year was projected in the mains as \$14,797,000, which is why we discussed that it was less than \$15 million that was projected to be available at year-end. Would the large increases that the Finance minister has attributed to this come largely from booking the trust monies that have come in? The corresponding numbers are \$99,542,000 at the beginning of the year. At the end of the year, it is \$84,536,000. Is that not a decrease, even with the extra funds that have come in -- both projected and realized now? It was projected as being \$99,542,000 for the beginning of the year, the adjusted figures, and \$84,536,000 at the end of the year.

Hon. Mr. Fentie: Well, the thing about accounting is that it is all-inclusive. We have to use all factors and all

values. Otherwise I don't know what kind of accounting system you would have.

If one looks at the shaded column, it shows the net changes, whether increases or decreases. In total, all these factors create a situation where, as booked as far as fiscal year 2006-07, there are increases.

Of course, one of those areas, as the member points out, is the booking of the northern housing trust monies, as we are directed to do. So if the member is trying to make the case based on some number that the member pulls out of some area from some document and tries to correlate that with a budget document, all-inclusive, I would suggest to the member that that is not a good approach to financial management. Quite the contrary, that is how we get into situations that this territory was in a few short years ago, when there were qualified audits, we were not reporting all our liabilities, we were paying overdraft charges to cover our cost of program service delivery and wages, and we were earning very little in interest because there was no cash in bank -- a dramatic change in the finances of the territory today.

Mr. Mitchell: I would have chosen qualified audits that reflected the fact that, in our practice in the Government of Yukon, we weren't booking all future liabilities the way we now are, as well as the fact that we were not using the full accrual system -- existed under more than one government, including previous governments of his stripe. So I don't think that that really establishes much of anything.

Again, there have been some monies indicated in the budget under the municipal rural infrastructure fund, or MRIF, and I'm wondering whether perhaps the minister's colleague, the Minister of Community Services, can let us know whether some of those funds are going toward actually moving forward with the Hamilton Boulevard extension project, or whether that project is being deferred again to some future time.

Hon. Mr. Fentie: I have to address something here, Mr. Chair. The member's comments on why the former Liberal government was receiving qualified audits, by making the statement that there was some kind of different accounting system, are simply incorrect. Qualified audits were being given to the Yukon Territory because of violations of accounting practices and principles. It has nothing to do with whether we had full accrual accounting. It has nothing to do with that at all. It has to do with violations of accepted accounting practices and principles. Those are set by the Public Sector Accounting Board.

I don't know what the member may think, but we are not an island unto ourselves here. There are rules and laws and regulations we have to follow, as government. One of the things that was very disturbing was that, at that time, the Yukon government was not even fully reporting leave liability benefits for its employees. This is not sound financial management. This is not an indication of a Finance minister who has the best interests of Yukoners in sight.

We have to do the appropriate thing. We must follow the law and the regulations and the accounting practices and

principles we are obligated to follow. That's what we had to address first as a government -- to put our financial house in order. That has happened and we are no longer receiving qualified audits. Why? Because we're no longer violating the rules, regulations, principles and practices we must follow.

As far as MRIF, that's another question that is specific to a department and should be brought up in departmental debate.

Mr. Mitchell: In fact, I believe what the minister was referring to wasn't some new accounting practice that was invented under the former Liberal government's term but rather was the previous practice of the Government of Yukon. I don't think that it suddenly changed at that point in time. I know that the officials are discussing this with the minister and perhaps he could respond to that.

I think what we've looked at is an evolution over time from one approach to a different approach. In any case, his own predecessor, the former Yukon Party government leader, was actually critical of the way in which this minister was making use of the Auditor General's suggested changes to in some way confuse what the public sees rather than make it more transparent. I know the goal is to be more transparent not less transparent.

I am at a bit of a loss here because this minister has decided that it's up to him to determine which questions are appropriate and which questions he would rather have asked at a different time. Again, I would like to come back to the theme of the things that were promised during the campaign and again ask whether there are any plans to move forward with some -- I won't get specific -- of the many promises made during the campaign, which would add up to, no doubt, many millions of dollars. Are any of those reflected in this budget or is it simply an accounting of the spending that has occurred since the main estimates, increases requested by departments in order to operate and that we will have to wait for a future supplementary budget to see any reflection of the things that were promised during the campaign? Or can the minister identify in broad strokes some of the areas where there is spending anticipated in this supplementary budget to accommodate some of the promises made during the election campaign?

Hon. Mr. Fentie: Yes, commitments were made in the election campaign, as they should be. The government side has five years to deliver on those commitments. The supplementary budget reflects our financial position at this time. To suggest, though, that most of the commitments that the Yukon Party made during the election are not a continuation of what we've already been doing in this territory over the last four years would again be incorrect -- entirely incorrect. Throughout this budget document are examples of the vision and the plan that this government has for the Yukon. Our investments will continue in that vein.

Again, the member is making comments out of context with respect to the past financial situation of the Yukon and the present. The member would well know that governments, such as the former Liberal government, took steps to report the finances of the territory in a manner that did not provide

full disclosure. There was no transparency. The member will recall that this government, recognizing the problem immediately, brought forward an amendment to the *Taxpayer Protection Act* to resolve that problem. Past governments used to do things like cap leave liability -- money that was owed and it was a liability -- to its employees to stay under the threshold of the *Taxpayer Protection Act*. We removed that problem. The result is that, regardless of full accrual accounting or whatever the member might want to come forward with, we have provided full disclosure to Yukoners. There is full disclosure to the Auditor General. We are no longer getting qualified audits, which is important and is a demonstration of fiscal management. But what is more important than those items is the fact that the Yukon's financial position today is so dramatically improved. We have many more options now in terms of what we can do in this territory when it comes to infrastructure, education, health care, our social safety net, taking care of Yukoners, dealing with stimulus that we have deliberately injected into the Yukon economy, immediate, short- and mid-term stimulus helping to create an environment that is optimistic and positive, and generating further complementary investment from the private sector.

These are all linked initiatives that stem from sound financial management. Taking care of the territory's money is a prerequisite and a priority of this government. That's something that was lacking in the past.

Mr. Mitchell: First of all, the changes the minister refers to that were made in the *Taxpayer Protection Act*: I would remind the Minister of Finance that the *Taxpayer Protection Act* was actually put in place and passed by his predecessor majority Yukon Party government, by the former Yukon Party government leader and Minister of Finance, who, at the time this Finance minister made his proposed changes, spoke openly and wrote a column in the media suggesting these were negative changes, that the minister was -- I'm not sure if I can say "gutting" or "eviscerating" in here -- diminishing the effectiveness of the act.

That was the effect of changes he made, as far as his predecessor was concerned.

This business of qualified audits has been thrown at us quite a few times. The minister knows full well that, actually, the members on this side weren't here at the time in any case, so it makes it a little more difficult for us to get into this discussion, because we didn't sit as part of the government of the day. I would point out that, when it comes to overall spending, what the unqualified audit says is the accounting conforms to the generally accepted accounting principles. It doesn't speak to the quality of the use of the money or the effectiveness of the programs that are being put forward.

So it's not a panacea. It's rather simply saying that the Auditor General feels that the way in which the statements are presented conforms with the generally accepted accounting principles. I think that this Minister of Finance should stop looking at it as an endorsement or a talisman of all things in the budget being good.

It is apparent to me that we will be more productive by getting into department debates where the minister will no

longer be able to say it's inappropriate to ask the question. So I think that I'm not going to drag this process on. We have this *Reader's Digest* fall sitting to begin with, and we all have to be mindful of our time. I think I have already expressed my disappointment that some of the proposed vision of climate change action plans and schools and land-based treatment facilities and childcare improvements are not in this budget. So that's an overall comment. I will have more to say when we get into the particular departments.

Hon. Mr. Fentie: Mr. Chair, the leader of the official opposition has just made a comment that the Auditor General's assessment of the Yukon's finances does not speak to the quality of the investment. Well, first the Auditor General pointed out publicly, right here in Whitehorse, that the Yukon's finances are among the healthiest in Canada.

Secondly, I'll tell the member what speaks to the quality of investment: the historic lows in unemployment, people moving back to the Yukon, huge increases in investment in sectors like mining, retail sales up, property values up, GDP up. In fact, it has been stated nationally that the Yukon has one of the fastest growing economies in the country by measurement of the GDP. If the member wants to get into a debate on what the GDP is, the member will quickly find that expenditure is a major component of what dictates the GDP, gross domestic product.

That all speaks to the quality of investment.

With the greatest respect, the member can try to refute those claims but nothing changes the evidence. It's there and all around us. Furthermore, with respect to predecessors, there is no discrimination in fiscal management regardless of who did what and when. We have to be mindful that we have a duty and responsibility to appropriately manage the finances of the territory. When such things as the *Taxpayer Protection Act* require a very benign amendment to resolve issues, it must be done. But I would remind and stress to the member that the integrity of the *Taxpayer Protection Act* has not been changed one iota. We still, by law, cannot go into accumulated deficit. That has never changed.

What has changed though is how we do our books and how we report our liabilities. We now provide full disclosure to Yukoners, transparency for Yukoners in their fiscal position -- the finances of the territory. The member opposite may place little priority in qualified or unqualified audits, but I can tell you that this government -- the government side -- places a great deal of emphasis on ensuring that we are going to continue to get unqualified audits from the Auditor General.

Mr. Mitchell: First of all, for that portion of the credit or responsibility that the minister's government can claim for the upturn in the Yukon economy, fine; I commend him. But I think that the minister knows full well that, during the same time as he is talking about lowering unemployment rates, increasing GDP, increasing housing prices, increasing retail sales, these very same trends were occurring in British Columbia and Alberta -- across western Canada -- for many of the same reasons. Perhaps in each case it had to do with good governance to a certain extent. It also had to do with

historic changes in the ability of the Government of Canada -- thanks to the former Finance minister and then Prime Minister, Mr. Martin -- reducing and eliminating the federal annual deficits and actually tabling successive surplus budgets so that the federal government -- the Government of Canada -- after taking difficult steps, was in a position to actually deal with the requests of this Premier and other premiers to adjust how the Government of Canada distributed portions of tax revenue back to the other jurisdictions.

That wasn't possible before because the Government of Canada was spending some 36 cents of every dollar, I believe the figure was, simply on interest payments, so they weren't in a position to respond to requests by this Premier or former premiers. I know every premier went to that table to try to make the case, along with many of the very same Finance officials who went there to ably assist them in making the case on why Yukon needed a different per capita formula than the one that was looked at previously.

Second, if the minister wants to go back and actually look, he will find that retail sales had already turned positive in Yukon prior to his election as Premier of this territory. In fact, I think it was in 2000 and 2001 that retail sales began to move up year to year. That is, generally speaking, a leading indicator. Things started to turn a little sooner than November 4, 2002, or as I think the minister has previously said, the date in December when they were actually sworn into office.

As far as the upturn in housing prices, you can't open a newspaper or look at a television set without having seen that trend across North America. There are reasons having to do with interest rates; there are reasons having to do with shifting populations; there are reasons having to do with a reaction to disappointing equity markets and people deciding that perhaps it was better to invest in real estate during that period of time than in other forms of investment, that have led to that. If this minister really believes that he can convince us that the change in housing prices -- largely the change in the City of Whitehorse I should say, because it has been a lot less dramatic in the smaller communities -- is a function of government policy, that is quite amazing.

Second, the same Statistics Canada articles that we were referring to -- I think the figure was 5.3 percent; I'm sure the minister or his officials have them; I don't have them in front of me -- regarding the upturn in GDP in Yukon was more than half attributed to government spending.

We're all glad that we have the funds to spend, but it's not necessarily attributable to increased private sector spending in Ross River, Mayo, Haines Junction, Carcross, Teslin or Watson Lake. I think the minister had better be cautious about simply referring to national trends as proof in the pudding of his financial management, because those trends work in two directions. We have already seen, in the United States, a quite strong correction in housing markets. We have begun to see it in some Canadian markets. The minister might be hoist by his own petard if we should see that occur again.

I have lived in the north long enough to watch housing prices move up and housing prices move down and then up again. I have lived here long enough to see mines open and

close under all governments in the Yukon. Yes, indeed, we all look forward to a mine opening in this coming year. A mine certainly did not open over the past four years and the minister would likely not blame that on the private sector, which was doing the exploration and the work of junior companies trying to get larger companies to invest in these projects. Rather, at the time, he would have said that it is the metal prices that are not allowing the mines to open. Those things work in two directions.

The minister would be well-advised to not simply sit back and say that everything has improved since the day he arrived on that side of the House.

Hon. Mr. Fentie: Well, Mr. Chair, the one thing we can glean from that dissertation is that at least 50 percent of what is positively happening in the Yukon can be attributed to government investment, which goes back to the member's earlier comment about quality of investment. I want to congratulate and thank the member -- the leader of the official opposition -- for recognizing the good that has been done through our government's financial management and our investment policies as far as this government is concerned.

He has now put on the public record that is the case, so I congratulate the member for recognizing that, for moving out of the shackles of liberalism and recognizing that the approach of the Yukon Party is the right one. The member has stated that at least 50 percent of the growth can be attributed to the government.

Thank you very much to the leader of the official opposition.

Mr. Mitchell: I believe the actual comments were that the large and massive increases in the budgetary amounts that were available has allowed the GDP of Yukon to grow, and that is as a result of the fact that two former prime ministers saw fit to address the serious problems that were occurring in Yukon, and we hope the current Prime Minister will continue that trend.

I would also have to say it's difficult to see the fine fiscal management in the Dawson health care facility. There have been some large sums of money spent there and, to the best of my knowledge, there hasn't been a shovel of dirt turned or one piece of construction undertaken. Although there were plans, I think those plans have been shelved and are no longer the current plans or, now that there's a different Health and Social Services minister and, Mr. Chair, now that you are representing the people of Klondike, perhaps this process will flow more smoothly.

I'm not sure that was good fiscal management. It's difficult to see that there was good fiscal management in the pace of construction and the amount expended for the Watson Lake facility, in the Premier's own riding, to get to the stage it's at today. One would think that spending \$3.4 million out of an initial proposed \$5.2 million to get to the stage the facility was at a few weeks ago is questionable, because I don't think that project will come in underbudget, and it has no chance of coming in on time.

So we'll have to see whether the future projects that are being considered for Teslin and proposed for Haines Junc-

tion will reflect good fiscal management. Those projects certainly didn't seem to.

I guess the other question would be: has the amount of money that has continued to be expended to move forward with the still incomplete new Tantalus School in Carmacks, for which I believe we've seen additional money in several budgets -- and that school was supposed to be opened initially by early summer and then, before the commencement of school this fall, and then I believe the discussion was for it to open over the Christmas break. Now I'm not certain what the current date is, whether it's during the Canada Winter Games break or whether it will be next summer. But I know the school is going to cost a lot more than was budgeted and, you know, we used to see members stand up on the other side and talk about bringing projects in on time and underbudget, and what we seem to see lately is projects coming in long overdue and long beyond budget.

Hon. Mr. Fentie: Mr. Chair, we work with what's happening within industry, whether it be access to materials and so on and so forth. What we won't do is create situations that allow the City of Dawson to incur the debt that they did. What we won't do is allow the Energy Solutions Centre to get into a situation where the Auditor General had to audit. What we won't do is create a situation such as the Mayo-Dawson inter-tie, which, by the way, is going to probably cost the Yukon taxpayer millions of dollars because of the fiscal management of the former Liberal government.

The member also made a statement about past prime ministers. Well, the three territories were receiving absolutely nothing until we made a stand. I'll never back down from this one because, if we had not made that stand, we wouldn't be in the fiscal position we're in and the improved situation that the Yukon finds itself in today. We had to fight for it.

We can go back and forth and on and on and on, but the contrast is clear. The fiscal management of the Yukon Party and the Yukon Party government must be compared to the fiscal management of past governments. There is a difference. There is an improvement; the evidence shows that. We have more money in the bank. We have broadened and increased the options of investment and the quality of that investment is generating good things for Yukoners, beginning with historic lows in unemployment, and the list goes on.

We have a situation where we are no longer getting qualified audits. We are providing full disclosure to Yukoners and transparency of the fiscal position that the Yukon Territory is in. We work for Yukoners. We are doing all those things. It may not fit with the view of the member opposite, and that is fine. That is the official opposition's business. We will continue to conduct our business in the manner we have and we will continue to try and strive to always improve the fiscal position of Yukon.

Mr. Mitchell: The minister mentioned the Mayo-Dawson interconnect and says it will likely cost us millions more dollars. I think the minister usually is very quick when any issue comes up that is before the courts to say we won't discuss it because it is before the courts. I would think he wouldn't want to prejudice the outcome of the cross lawsuits

in that one by saying what it is or isn't going to cost and whose responsibility it was.

As members opposite like to point out frequently when we talk about the Yukon Housing Corporation and other corporations, those decisions, and the decisions that were made having to do with the Energy Solutions Centre, were decisions made by boards of directors of Crown corporations, not decisions made by government ministers.

As far as the power line itself, perhaps the construction was not done as well as it should have been and there should have been different approaches taken. I think that the Auditor General also said that, net, it was beneficial to Yukon to have constructed it. This minister has, I think, previously taken pride in talking about reduction of greenhouse gases and that was certainly one of the projects that led to reduction of greenhouse gases, based on the fact that there was no longer a need to burn the diesel generators in Dawson that had previously been present.

Mr. Cardiff: Just when we think things are moving along, we get engaged in something other than what was intended.

I don't have a lot of questions to ask. I think a lot of it has been covered. I do have some points that I would like clarified, however, about comments made earlier. The minister talked about the northern strategy trust, the investment plan, the Yukon forum agenda and specific projects coming up. Then he went on to discuss the northern housing trust. I am just wondering if the minister could briefly outline how the \$32.5 million directly allocated to First Nations and the retention of the \$17.5 million figures were arrived at? Was it done at the Yukon forum? Also, how will the \$32.5 be distributed among First Nations? Is that something for which the arrangements are being worked out? Are they working it out or is the government playing a role?

Hon. Mr. Fentie: Well, with respect to the northern housing trust, the Yukon forum convened and a discussion by the principals took place. It was agreed to charge respective officials -- both First Nations and public government officials -- with the work on developing a joint investment plan. The outcome of that was to allocate directly to First Nations \$32.5 million and will allow First Nations governments to then distribute the money where it's most needed, which I am sure they will do. The remaining portion will be allocated to public housing needs.

Mr. Cardiff: Do we have any information about allocations that will be made and what kinds of projects are going to be distributed?

Hon. Mr. Fentie: That is entirely up to First Nation governments. We recognize that, given the fact that the northern housing trust was intended to provide assistance where needed, a significant number of housing needs in Yukon are in First Nation communities. That is why the large majority of the fund is being directly allocated to First Nations, but they will decide on how many houses and where, with respect to a process they will go through, but we are more than comfortable in allocating these funds directly to First Nations for their use, as we work on what we must do

with respect to public housing -- and not just in this area. That is an ongoing process that we will continue to be involved in in this territory probably over the long haul. Needs for housing are always going to be there at some point in time.

Mr. Cardiff: I don't disagree with the minister. The need for adequate housing in Yukon communities is in dire straits in a lot of cases. I don't know if I would call it timely; it would have been timely if some of these needs had been addressed years ago.

I would like an explanation for some of the other items on page S-4 on transfers from Canada. There is the post-secondary infrastructure trust. I am wondering what those monies are intended for. There is the public transit capital trust, and there is an affordable housing trust as well. I am wondering if this is the same money or new money that is not the same as the affordable housing program that has been the object of much controversy. So, those are the three items, I believe. Could I have an explanation?

Hon. Mr. Fentie: The post-secondary infrastructure trust, public transit capital trust, affordable housing trust and northern housing trust are all elements of Bill C-48 -- a federal bill that passed Parliament. Once done, the monies allocated within Bill C-48 specific to Yukon can flow to Yukon. There has been no decision on post-secondary infrastructure trust; there has been no decision on public transit capital trust, although one would recognize that probably the biggest public transit system in the whole Yukon Territory is right here in Whitehorse. There has been no decision on the \$760,000 for affordable housing trust. All we have done is book the money because we have recently -- one month ago, I'm told -- had the confirmation come forward that the monies would be flowing.

Whatever processes the federal government went through were concluded, and we were given formal notice of this one month ago.

Mr. Cardiff: I understand the need. You have the confirmation; hence it has to be in the budget document. This contributes to the overall health of the finances of the territory, and ultimately the money may not be spent in this fiscal year.

I guess I could go to the federal bill and find out what the money was intended for. Does the minister know and can he explain what the intent behind these trusts is? I think we understand what the northern housing trust is. There was quite a bit of fanfare about that, but I'm unfamiliar with the other three. I'm wondering if he can offer an explanation of purpose behind the federal government sending this money to the territory. I assume, by extension, the provinces received money also. What were the purposes?

Hon. Mr. Fentie: Mr. Chair, even if the member were to pull the bill off the public record -- I'm sure it is posted somewhere -- the member would find that the bill is very big. Even in the areas of this post-secondary public transit and affordable housing and northern housing trust, there is no finite detail, term or condition. Although there are some elements of timelines, that in itself is somewhat, I

guess I could say, big also. So there is a lot of latitude here. That is why we went immediately to First Nations, because the member would find in the bill that there is no specific condition that this housing money was to be directed to First Nation housing.

So this government immediately went to First Nations to say, look, this is how the federal government has set it up, and here's what we would like to do. That is what transpired when we got into the Yukon forum and moved ahead with the process.

But I want to go back to the opening comment by the member that this is booked because it was creating a healthy financial position. The real issue here is that we will not book any values of any kind unless we have been given confirmation that they indeed will flow.

I can give examples to the members opposite of other jurisdictions that have done these things -- booking money up front to address their financial picture -- only to find at a later date that they have made a drastic error because the money they thought was flowing did not. This is not what we would ever do. This government will continue to book only what it knows will be incoming and, of course, we've already gone through the debate of full disclosure. We will continue to book fully our liabilities.

Mr. Cardiff: I understand that. I think that's what I said. All I said was that it contributes to the health of the finances. I understand that you're not going to book it until you know it's coming. That makes sense to me. I wasn't saying that the minister was trying to make the picture rosier. I think the point is that the money may not be spent this fiscal year. I am just wondering what benefits may accrue. I am not going to go on any further. There are probably lots of other questions we could ask in departments as well.

The minister talked about the northern housing trust again in the Yukon forum. With respect to the other three trusts that are flowing out of this bill, will there be discussions at the Yukon forum about how these monies should be spent?

Hon. Mr. Fentie: In those instances, these monies are direct allocations to public government to deal with public systems or infrastructure. What we discuss at the Yukon forum are issues that are mutual to both First Nation and public governments.

I can assure the member opposite that we as a government would have much rather booked these sums spread out over the timelines that the trusts were set up for instead of having it all up front, but we are not allowed to do that. We have to book it in this manner. The preference would have been to spread out the booking in accordance with a corresponding expenditure so that the balance was reflected in the budget document.

Chair: Is there any further general debate? Seeing none, we will move to Schedule A.

I would like to ask for some direction. Which departments should we do first?

Hon. Mr. Fentie: Perhaps we could have a five-minute recess, so that the minister and his officials can get

their information brought into the Legislature. I believe we begin with the Department of Economic Development.

Chair: Mr. Fentie has requested a five-minute recess. Are we all agreed?

All Hon. Members: Agreed.

Chair: We will take a five-minute recess.

Recess

Chair: I will now call Committee to order.

Department of Economic Development

Chair: We'll continue with general debate on Vote 7, Department of Economic Development.

Hon. Mr. Kenyon: I'm very pleased to introduce the supplementary budget for the Department of Economic Development. In 2003, this government fulfilled its commitment to Yukon to reinstate the Department of Economic Development. It is an honour to continue leading the department as Yukon continues on its pathway to long-term, sustainable prosperity.

Our vision for Yukon's economic growth is one where, with steady increasing employment, overall economic output increases on a year-to-year basis, and boom-and-bust swings will be largely mitigated by sound economic and regional development efforts. Yukon's economic growth will be fuelled by an explosive demand for the territory's abundance of mineral resources, oil, gas and other resources. We are seeing tremendous demand for Yukon's resources today, of course. Mineral exploration in the territory has increased substantially again in 2006. An estimated \$80 million will be spent on mineral exploration in the Yukon this year. This is a significant increase from the \$55 million spent last year, and it smashes the record mineral activities of 1996. Again, Mr. Chair, I wonder at those who feel that the economic prosperity that we're seeing right now is due solely to increased world mineral prices and interest rates. Last year, mineral exploration and mine development in Canada went up a little over 16 percent in Canada, but nearly 148 percent in the Yukon -- almost 10 times the national average. Certainly it is not world mineral prices that are responsible for the economic boom that we are seeing today.

Our vision for economic prosperity also includes growth in trades, professional and financial services, cultural industries, the knowledge sector and tourism. We are already seeing growth in those sectors. For example, the value of permitted building construction in the territory has surpassed the total 2005 levels already in the first three-quarters of 2006. Commercial construction in the Yukon has jumped significantly this year, increasing from \$19.4 million to \$24 million in the first three-quarters of 2006, compared to the same period in 2005.

The Yukon film industry continues to be strong, providing Yukoners with employment, as well as training and other business opportunities. The film industry generated \$4.1 million in economic activity for the calendar year 2005.

Two Yukon residents have developed and produced television series for CBC and APTN. We anticipate another Yukon producer to go into production for a six-part series for the Discovery Channel. The Yukon International Film Festival, held this summer, attracted 3,500 participants and showcased the Yukon through indigenous film, hospitality, culture and, of course, locations. Yukon filmmakers pitched story ideas, participated in panel discussions and workshops, and networked with industry professionals.

This growth in Yukon's economy has not occurred simply by chance. Since its re-inception, Economic Development has invested more than \$4.8 million in Yukon business through program funds and has approved more than \$10 million in community development fund contributions.

It is important to note that this spending is an investment in Yukon's future economic prosperity. We believe the best way to ensure sustainable economic development in the Yukon is to encourage the development of primary and value-added industries -- businesses that capture external dollars.

Economic Development's role really is three-fold: one, to encourage the diversified development of wealth-generating primary industries that will capitalize on the strengths of economic infrastructure, policies and regulations; second, to facilitate the growth of secondary and tertiary industries that derive from and support primary industries; and third, to further develop economic infrastructure, policy and regulations that support opportunities and are flexible enough to respond to changing circumstances.

This supplementary budget seeks total revotes and supplementary approvals of \$10,000 for the operation and maintenance expenditures, \$2,994,000 for capital expenditures, and general revenues of \$8,000.

This budget highlights just some of the many activities of the department, and I would like now to speak to a few of these activities within the budget.

With our commitment to promote small business, trade and investment in Yukon, we are continuing to move forward with a number of initiatives. As competition to attract foreign direct investment has become highly complex in the global marketplace, a focused, strategic approach is required.

Economic Development is developing a three-year investment attraction strategy with an action plan that will enable the Yukon to leverage and capitalize on emerging investment attraction initiatives in Asia and elsewhere. The investment attraction strategy is also intended to provide focus and to streamline future marketing efforts in other key global markets. The enterprise trade fund was developed to stimulate and support the growth of Yukon business activity through market expansion and business development. The program is designed to enhance the ability of Yukon businesses to generate sales of Yukon products and to expand beyond existing markets.

We are also committed to ensuring that Yukon communities receive benefit from economic activity in their areas, so our regional economic development fund provides funding to foster regional and community economic development. Total approved funding for this fiscal year to date is

\$155,000, with another \$210,000 in funding allocated for future identified projects throughout Yukon communities to assist with capacity development and regional economic development.

Yukon government and Yukon First Nations have also drafted and signed a joint investment plan for \$30 million from Indian and Northern Affairs Canada, INAC, called the target investment projects fund, or the TIP fund. This investment consists of a mix of major projects, targeted investments and a call for proposals. With Yukon First Nations and INAC we have also agreed on an approval process for projects that include Yukon government and First Nation representatives.

We are now working with First Nations and INAC to implement the TIP funding plan. The strategic industries development fund also supports this government's commitment to foster the development of Yukon's sustainable, competitive advantage. This fund allows us to identify and facilitate development opportunities within the Yukon's strategic industries and to assist strategic projects with potential for broad-based economic benefits.

We are committed to facilitating the development of strategic infrastructure that will support long-term sustainable economic development within the Yukon.

Work is continuing on the Alaska-Canada rail link and the port access strategy studies. The Alaska-Canada rail link feasibility study is near completion and will identify costs and benefits for a variety of rail and port development options and can help us plan future development in other transportation-dependent sectors of the economy.

The Yukon port access strategy study will provide objective and quantified information to enable public and private investors to take a serious look at developing port facilities and related transportation links.

The Yukon port access strategy study was done jointly with the State of Alaska and was directed by two bilateral committees involving industry, government, the City of Skagway and the Borough of Haines.

The port access strategy study, I'm pleased to say, is now complete. The study will be released publicly once the Government of Yukon, the State of Alaska, the City of Skagway and Haines Borough have had the opportunity, as they should, to review it.

In closing, I would like to point out that this budget represents the continued hard work of the staff of Department of Economic Development to support Yukon's long-term economic prosperity. The business people of Yukon deserve specific recognition for their dedication to a strong Yukon economy. Together we are building an economy of primary and value-added industries that will capture external dollars and capitalize on the strengths of our geography and our people.

This economy will be sustainable, diverse and flexible enough to mitigate boom-and-bust swings, providing sustainable economic development for Yukoners.

That is a synopsis of the supplementary estimate for the Department of Economic Development. I thank you for your rapt attention.

Mr. Inverarity: I would like to thank the minister for his opening remarks. That was a nice update. I guess it would have been nice to have been briefed prior to the actual debate here in the House. Unfortunately, I guess, that wasn't going to be.

I have to say that over the next four or five years I am looking forward to having more of these sorts of debates with the minister. I think we both come from sort of a business background and I think we should be able to go back and forth and see how it happens. I am really looking forward to it, I have to say.

It is my first time standing and I have to say that I'm a little bit nervous here. If you'll bear with me, I would appreciate that.

My first question: is it possible for you to give us an overview? Four years ago you came out with an economic development blueprint. It was a nice 8x12 colour glossy photo. I was wondering if you could give us an update as to where that is and if a new update will be coming out in the near future.

Hon. Mr. Kenyon: The department has been working on an update to the document that I think the member opposite is referring to. Of course, any document like that is a work in progress and is constantly being looked at and updated. One of the things that arose from the ashes of the Department of Economic Development was the need to look at the long-term overview of where the Yukon is going, what strengths and weaknesses we have and how we are going to address them. We are incredibly rich in minerals. That is a given. What is above the ground is equally rich in terms of our environment and what that brings to us. We have to use our strengths to our best advantage in order to develop our economy based on that, because, of course, we cannot have the boom-and-bust cycles that we have had in the past.

The document that came out of that, entitled *Pathways to Prosperity*, outlines the government's vision for the next 20 years -- from, I think, 2005, when it started, to 2025. The Pathways document provides a framework for the private sector, First Nations, governments of all orders and citizens to engage each other in a shared view of Yukon's future and where we want to go with it. We have looked at that document in terms of all the other things we have developed, and we continue to work with those stakeholders.

One of the things that we have to develop, as I'm sure the member opposite knows, is infrastructure for business. No business can survive if there is no infrastructure, in terms of how it is going to develop, get raw materials and market the product. I say that not only in a sense that might be easy to make the transition to minerals, but also in terms of environment and other things. One has to have a way to market the product. The infrastructure to do that is needed in order to do that. In that sense, anything from improvement to the roads and possibilities for rail and where that can go and

what it can do for us -- these are all very important things to look at.

Interestingly enough, within our mineral wealth is the simple fact that we are five sailing days closer to Asia than most of the west coast, and therefore this gives us an amazing ability to market our product into an area that desperately needs the minerals. I think it is an interesting comment on the world economy right now that, normally when Ford and General Motors announce a downturn, the price of zinc plummets. The last time that there were down-turning sounds from Ford and General Motors, the price of zinc actually went up because most of the zinc is actually being used in Korea and Japan and, to a degree, China.

So we have to look at where these things are going. We have that proximity to the Asian Pacific market. We have a strategic link with Alaska and with the rest of the North American continent, particularly the Pacific Northwest. It is for that reason that I have been very, very pleased to get involved with the Pacific NorthWest Economic Region, or PNWER. PNWER looks at transportation corridors that go beyond the boundary of any single jurisdiction. It is something that all of the PNWER jurisdictions have looked at.

With that infrastructure developing, it basically allows us to begin to look at where we're going with the rest of the economy. Right now, in terms of infrastructure for high-speed Internet, we stand at the moment with something like 98 percent of Yukon homes having the ability to connect to broadband Internet. In fact, about 51 percent of Yukon homes have high-speed Internet already installed. This compares with 62 percent, in the Province of Ontario which was the last statistic I saw. So you would think that Ontario, with all of their infrastructure -- in fact, we're well ahead of them on that.

Our problem, of course, is the high-speed Internet coming down to a goat path to connect with the rest of the country -- not exactly a goat path, but it is a significantly slower microwave system. One of the things the department will be looking at is increasing that. An example of the importance of that is a visit to Keno City to find that, of 12 people living there, two of the people have small businesses with Web design so, therefore, high-speed Internet is of great importance to them, and I am pleased to say that, through cooperative efforts, we actually do now have high-speed Internet in Keno City.

I suppose that's talking around it, but it gives the member opposite an idea of where we're going with the infrastructure in support of business. Simply trying to support one or two businesses, or one or two sectors, isn't going to be as effective as supporting that whole infrastructure and the ability for everyone to have a good opportunity to develop business.

Mr. Inverarity: I'm still learning my way around here.

Mr. Chair, in the minister's opening remarks, he alluded to the fact that the Yukon's national average of growth in the mining industry was 10 times the national average. I really have a problem when we start talking about percentages,

because sometimes percentages don't really reflect what the true numbers are. I'm wondering if the minister has the actual difference in dollar value that represents that tenfold increase over what the other jurisdictions have done in mining, oil and gas, as opposed to what the Yukon is doing in oil and gas.

This reminds me of the time when I had my Radio Shack store in town. We had the largest associate store in Canada and it was very difficult to make significant increases of five or 10 percent over the course of the year, whereas the brand new store was seeing 50- and 100- and 500-percent increases over the same period of time, because they were so small to begin with.

If the minister could actually give us the dollar values of those increases, that would be very helpful.

Hon. Mr. Kenyon: The dollar values, overall, the national values -- I refer the member opposite to the Mining Association of Canada. It's all on the Web site -- page 19, I think it is. I don't have it in front of me.

In terms of the dollar value within the Yukon, when this government took office in 2002, the figure was around \$6 million. This year's estimates -- of course, the year isn't completed -- range anywhere from \$80 million to \$100 million. That is a very significant increase.

Mr. Inverarity: I was wondering if the minister could provide us with an update on the Dawson City bridge?

Hon. Mr. Kenyon: The Dawson City bridge remains in the same state that it was before. It was examined in great detail as a potential P3. It was determined at that point in time that it was really not feasible. But really, the construction of that lies with the Department of Highways and Public Works and not within the Department of Economic Development. Our job was to look at it as a potential P3 project. The construction would be done by Highways and Public Works.

Mr. Inverarity: So has it been completed? Are we going to go ahead? What is the status? Is there going to be any money put into it? Have you got P3 partners?

Hon. Mr. Kenyon: Last time I was there, there wasn't a bridge. The ferry was still in operation.

But again, it's a Highways and Public Works matter and I would refer him to that department.

Mr. Inverarity: I am being corrected on some of my form here. I keep calling you "you" and I'm not supposed to be doing that. I'm still just learning my way around here, but I appreciate the help.

Recently in the newspaper, the minister -- I'm just going to read a bit here from a CBC news clip regarding his trips to China: Minister Kenyon describes Yukon's relationship with China as incredibly important. He estimates several million dollars have been invested in the Yukon by Chinese businesses in the last five years and he is expecting millions more this summer.

I am just kind of curious if the minister would tell us what those projects were -- the past millions -- and what is coming up in the future that he knows of.

Hon. Mr. Kenyon: Certainly we have worked very hard to form the relationship with China. I am pleased to

announce that one company has had a presence, an office open, in Whitehorse for several months now. They have been actively looking at investments. There are other groups from Shanghai and Beijing that have been in discussions with a number of the mining companies. We look forward to those mining companies making some good announcements in the future.

The member opposite has to understand, however, that they are within the private sector. As I suspect he would be upset to hear politicians announcing his private business, I think they would be a little upset if we started publicly announcing their business.

Mr. Inverarity: Just out of curiosity, would the minister tell us what his travel costs have been since the election?

Hon. Mr. Kenyon: Again, I don't have those figures directly in front of me. I could probably dig them out. For the member opposite, since the election there have been two trips, both relating to the Pacific NorthWest Economic Region and done, really, for those purposes. There was one to Idaho and the winter meeting was at Whistler. The total cost on those is probably in the neighbourhood of \$2,000. I don't have the dollar value in front of me.

However, recognizing that the member opposite is a bit new, those are publicly disclosed annually and published. They will be distributed to everyone in the House right down to the penny. So that is certainly coming.

Mr. Inverarity: Perhaps the minister could tell us what the outcomes of those trips were and how successful they were in terms of creating new economic development?

Hon. Mr. Kenyon: Maybe I should take this opportunity to explain what the Pacific NorthWest Economic Region is. The Pacific NorthWest Economic Region was formed by statute, I believe around 1991, and encompasses the states of Alaska, Washington, Oregon, Montana and Idaho, as well as the provinces of British Columbia and Alberta, and the Yukon, of course.

PNWER maintains its corporate offices in Seattle, Washington, although we are in the process of opening a Canadian office, for financial reasons, in British Columbia. I can certainly get into that discussion.

The Pacific NorthWest Economic Region, which encompasses a large enough number of people that, if it were a nation on its own, it would have the tenth largest economy in the world -- it allows us to look at a wide variety of issues in a regional sense and not just with a single jurisdiction. In other words, a problem that we have in terms of dealing with cross-border issues of Skagway and Haines -- Idaho has exactly the same problems. Then we find that this puts us into a forum so we can talk with Washington and find that there are border crossings in the State of Washington that have similar things.

It allows us to go to each jurisdiction during the time frame and during the year, during each annual trip, going to each state or provincial capital with the officers to discuss regional issues and to promote looking at this in a regional sense. It also puts us into Washington; it also puts us into

Ottawa -- again, not going to complain to Washington about something that is happening, but to go to Washington with Americans from those states and jurisdictions where we have access to much better meetings.

I am very pleased to say that I have been in Washington, I believe, four times now and, unlike the leader of the official opposition who went down to, I believe, go to a demonstration on the drilling in the Arctic National Wildlife Refuge, I had the opportunity to meet with senators from Alaska, from Oregon, from the State of Washington, to meet with the Attorney General of the State of Oregon, to meet with a wide variety of these people and to discuss the issues personally. That is the venue and the ability that having the relationship with PNWER gives us.

Normally, PNWER runs with an elected president and two vice-presidents from each jurisdiction. Currently, as I mentioned, I have the great privilege of serving as the PNWER president. The two Canadian vice-presidents at this point in time are the Hon. John van Dongen, Minister of State for Intergovernmental Relations for British Columbia, and Mr. Mel Knight, who is MLA for Grand Prairie-Smoky in Alberta. The two American vice-presidents include Senator Lesil McGuire, from State of Alaska and Representative George Eskridge from the State of Idaho, who will become the incoming president at our annual meeting.

The leadership forum in Whistler, which was one of the trips that the member asks about, covered a wide variety of areas. Almost half a day was spent looking at border initiatives and border crossings. Again, it's not just talking about those subjects among ourselves. We had representatives from the Department of State, the United States Department of State. We had representatives from Homeland Security, from the Canadian border crossing people. In the summer, we also had a chance to sit down, one on one, and discuss the border issues with the Hon. Stockwell Day of Canada as well as Secretary Michael Chertoff of Homeland Security in the United States. This is what PNWER does for us. This is what it gives us the ability to discuss -- for instance, the western hemisphere travel initiative, which will have a significant impact, I would say, on tourism and on economic development. We're already seeing some of the things on that. When we travelled to Washington last year, we met directly with the Canadian director for the U.S. Department of State and had a chance to talk with her, one on one, in terms of what this was going to do for us and to get her level up.

We talked about production of a pass card or a wallet card that would potentially replace the passport -- although that's the media's take on it. The reality, of course, is that they don't want to replace the passport. It would simply link to the passport. We had a great chance to sit in the office of the two people who were designing that card and producing that card, to look at prototypes and to really look at what's happening.

Those lobbying efforts were successful in extending the deadline 17 months to June 1, 2009, and at least getting some of the delay for air travel delayed over the Christmas holidays this year so people aren't going to get caught.

These are the sorts of things that PNWER involves us in. The ability to go down to the Idaho National Laboratory -- INL is one of the series of national laboratories in the United States that includes the Argonne National Laboratory and Oak Ridge. It allowed us to go in to tour their facilities. We hosted the private sector and hosted legislators from across the region to go in and look at what those laboratories have in mind and what capabilities they have, from nuclear to bio-fuel development, such a wide range -- high temperature energy production. Since then we have been able to put people and researchers from the Idaho National Laboratory in touch with some of the mining companies, et cetera, to look at cheaper ways to produce energy and cleaner ways to produce energy to protect the environment.

This is an overview, basically, of what I managed to accomplish while I was involved with those two trips. There are more to come.

Mr. Inverarity: Just out of curiosity, I noticed in your comments -- I have to say thank you very much for that update, because I didn't know that. I'm sure if we had a departmental briefing, we probably wouldn't have had to go into that much detail.

Mr. Chair, the minister made a comment about ANWR and I was just wondering what the minister's position is on ANWR in these discussions that he had.

Hon. Mr. Kenyon: I am just reminded that normally there is no standard or protocol for giving briefings on supplemental budgets.

In terms of ANWR, we support the Vuntut Gwitchin and their good efforts. My own personal feeling, again, is inappropriate at this time. It is in the Standing Orders that it is inappropriate to ask for a personal opinion. As a minister, I do my good work as a minister and not as an individual.

I am certainly glad to update the member opposite on the activities of PNWER, and I direct the member opposite or anyone else to take a look at PNWER.org. One could spend a couple of days lost in their Web site. Normally, the membership within PNWER is restricted to elected officials. We do have a private sector council to represent the private sector. We have representatives from banks and professional engineering societies and that sort of thing. It's a very good organization. I certainly recommend that the member opposite spend some time looking at that Web site, because what we have accomplished in the last 19 years is pretty impressive.

Mr. Inverarity: Mr. Chair, I was wondering if the minister could tell us how many employees are currently with the Department of Economic Development?

Hon. Mr. Kenyon: There are 48.

Mr. Inverarity: How does this compare to four years ago?

Hon. Mr. Kenyon: I thank the member opposite profusely for that opening. Four years ago, the Department of Economic Development did not exist. The former Liberal government thought their best shot at developing the economy was to completely disband the department. I still wonder what their rationale was on that. So the answer simply was

that the department was created under this government's watch.

Mr. Inverarity: Could the minister tell us what that represents from an investment point of view over the last four years?

Hon. Mr. Kenyon: I think the simple answer to that is to look at the budget documents and see what's there, and to look at the economy of the Yukon, which is growing rapidly -- double-digit unemployment compared to the second lowest in Canada; a declining population with people leaving to an increasing population; going door to door in 2002 and finding household after household with single parents, the other parent outside the Yukon trying to make a living and sending money back, something that did not happen during this election. We never ran into a single house where the spouse was Outside working.

The biggest complaint I got was the active economy, trying to avoid knocking on doors at dinnertime and finding that, when I went out at 8:00 or 8:30, people were just getting home from work because they had too much work to do. What we've accomplished in terms of investment has been substantial.

Mr. Inverarity: I don't think the minister understood my question because he didn't answer it. I'm trying to determine the dollar value that has been invested into economic development in the last four years.

Hon. Mr. Kenyon: There are certainly some figures that I could throw out -- like \$10 million or \$10.3 million into the community development fund alone, even though the leader of the official opposition's predecessor referred to the community development fund as a slush fund. It has certainly gone to very good use across the board.

I remember in the early days, and not under the Liberal Party, the way that you create -- again for the member opposite -- a department or create a program is to create a budget for it and put one dollar into it. There were comments about a loony department, but it was a quality loony, Mr. Chair. But I recommend that the member go through the four budgets and add the amounts up and that is what I have put into it, and I think it has been an exceptionally good investment.

Mr. Inverarity: I find it interesting that he can't tell us what the overall investment has been in economic development since the beginning of their mandate. I guess coming from a business background, as the minister has, the real issue here is that I am trying to determine what the return on investment is within the Department of Economic Development. Has it been paid back? Has there been a substantial return on investment for the monies that have been invested into that department?

Hon. Mr. Kenyon: Again, I am sure that some documents survived the office move that would -- if not, I am happy to send copies of the last four budgets over to the member so he could actually add it up and have a better confidence in terms of the number.

We have seen the gross domestic product increase almost 3.7 percent -- very good return. Look at the unemployment, which is the second lowest in the country; the influx of

people coming in; Yukon students getting jobs in their fields and being able to return to the Yukon; better programs with health care and the good work of the Department of Health and Social Services; new schools built. We could do a study and try to quantify all this, but I don't think it takes a huge quantum leap to look at what has happened in the last four years over the investment that has come out of the Department of Economic Development and the people working in there and the planning that is going to reflect in the future.

Mr. Inverarity: I would just like to come back to China if I could and re-address the question I asked earlier. I don't think I got an answer to the question I asked earlier, just looking at my notes. The minister had indicated that there was at least \$5 million invested in Yukon businesses. I would like the minister to give us some indication of the companies that were invested in here. Which Chinese companies invested and in whom did they invest? Or was this just a number out of the air?

Hon. Mr. Kenyon: Again, for the member opposite, it is an interesting statistic. Actually, 80 percent of Economic Development's direct capital budget goes directly into the communities and business structures.

In terms of names, again, I think it would be inappropriate to start discussing his business on the floor of this House, just as it would be to discuss others. Also, large percentage of these companies are listed on the securities exchange. It would be inappropriate to announce anything that they have not announced themselves.

Mr. Inverarity: I keep coming back to the question. The minister has alluded to this investment. It is public money that is coming into the Yukon. We just want to know what the return is going to be. Where is it going?

I can appreciate him not wanting to talk about future endeavours, but these are people who have invested in the Yukon. He has come up with this number from somewhere, so he should at least respond.

Hon. Mr. Kenyon: Actually, the member opposite referred to \$5 million. I believe I actually said a \$10 million or \$10.3 million investment, and that comes primarily through the community development fund. The CDF has been a really good thing to put into the community. I don't know how you would even begin to look at that in terms of how to break it down and look at the good things.

The CDF is broken down into three tiers: tier 1 is up to \$20,000, tier 2 goes from \$20,000 to \$70,000, and above that is tier 3. The program budget was set at \$4 million in 2003-04, \$3.5 million in 2004-05, \$3.8 million in 2005-06, and, I believe, \$3.3 million in 2006-07. Some of those projects go into future years if it's not accomplished within a single year and, consequently, it will come out in the next budget as a lapse.

Are these direct into business? No. Are they direct into the health of the community and what we're trying to do to build an economy and a diverse way of life for people? Yes, very much.

When you start looking at some of the things that have gone into the communities, you see: coronary health im-

provement projects, or the CHP program, in Beaver Creek; in Burwash Landing, an activity centre for \$150,000; community beautification within Burwash Landing of \$53,630; Carcross community revitalization, \$10,360. I'm just picking a few of these as I go through, and these are all on the public record.

In terms of business, realize that it's Yukon businesses that are doing these projects, so that's another part of it. Whether you're talking about a walking trail for \$8,000 in Carmacks or the construction of bleachers for the City of Dawson -- near and dear to your heart, I'm sure, Mr. Chair -- which was \$9,000, or upgrading the soccer field for \$20,000, this was all work that was done locally. For instance, the Dawson City Arts Society renovations and additions to the old liquor store cost \$377,195.

And then KIAC, phases 3 and 4, in the same thing of \$257,000 and \$275,000 -- all done by local people, all injecting money into the economy, and all giving us that vital infrastructure that we need to continue. So, it's not just something that's going out.

When you start looking at some of the other infrastructures that we're putting together with the Yukon Film and Sound Commission -- it is still very strong. This year, it will generate \$4.1 million in economic activity -- that's actually in 2005. We've developed and produced TV series, as I mentioned before, for CBC, APTN, and another one upcoming for the Discovery Channel. I can go through some of the individual projects, but what it does is give us the infrastructure in order to continue and to attract those various businesses.

So, looking over, in terms of how you gauge what we've accomplished, the simplest way -- again, look at the enterprise trade fund. Now, the enterprise trade fund, as of November 1 this year, has approved \$348,041. This includes funding for 58 private enterprises for projects ranging from marketing strategies, attendance at conferences and events, catalogues and CD production, participation in trade missions, operation expansions, and a host of other activities.

The program is really designed to enhance the ability of Yukon business to generate sales of Yukon products and to expand beyond existing markets. The enterprise trade fund was developed to stimulate and support the growth of Yukon business throughout the Yukon. Applicants are eligible for up to \$50,000 toward marketing and business development and up to \$10,000 toward the development of business plans and professional development opportunities.

The first enterprise trade fund application intake commenced in August 2004, and there are no deadlines for intake. That can be put in at any point in time. It was developed following extensive consultation and it continues to work with key industry partners to determine the best strategies for accessing external markets for Yukon goods, services and products, as well as strengthening the ability of Yukon business to compete through business development opportunities.

An advisory committee has been established and assists the department in assessing the projects for approval. The

committee is comprised of one private sector representative, nominated by the Yukon Chamber of Commerce, and two public sector representatives, nominated by the Deputy Minister of Economic Development.

The advisory committee makes recommendations for approval on applications between \$10,000 and \$50,000. The Deputy Minister of the Department of Economic Development is the approval authority on that. For applications for less than \$10,000, the approval authority is the director of the business and trade branch for Economic Development. This fund can be used in a wide variety of ways. For instance, if the member opposite has a business idea but limited resources and needs the documentation to bring it to a bank, funding agency or elsewhere, the enterprise trade fund allows us to put these people in touch with experts who can help develop the business plan and documentation that goes to the bank or lending agency.

There is also the strategic industries development fund, to which the member opposite is alluding and the debt on that. The strategic industries development fund keeps this government's commitment to foster the development of the Yukon's sustainable competitive advantage. This is the group that looks at the larger projects. The purpose of the fund is to identify and facilitate development opportunities within Yukon's strategic industries, and to assist strategic projects with potential for broad-based economic benefits. Nine projects have been approved for funding for fiscal year 2006-07, totalling \$730,000.

Since the 2004 inception of the fund to date, over \$2.19 million has been approved for 46 projects across the territory. Proponents are eligible for funding for projected planning from the concept development stage through to commercialization. Proposals can be submitted to the strategic industries branch at any time during the year.

Yukon business, within the context of all this, really is defined in the Yukon government contracting directive as registered with corporate affairs branch. First Nation development agencies, whether structured as a corporation or a trust, are eligible. Business-related organizations, either for profit or not-for-profit -- not-for-profit organizations must be registered under the *Societies Act* and be in good standing, or can be created under other legislative authority.

We have two tiers within strategic industries. Tier 1 funding is up to \$100,000. The senior business advisor will work with the proponent prior to submission of the proposal to develop a statement of work and cost sharing, which will form part of the proposal. The approval authority will be the director of strategic industries branch or the Deputy Minister of the Department of Economic Development, within their respective departmental signing authorities, and that varies.

Tier 2 funding goes up to \$500,000. The senior business advisor will work with the proponent to develop a strategic project economic assessment on which to base the proposed cost share of the proposal. An advisory committee will make recommendations to the Minister of Economic Development for approval on tier 2 funding. An advisory committee with sector experience is established and is required. The commit-

tee is comprised of two private sector representatives who are representative of the type of project under review, and two public sector representatives.

The budget for strategic industries development fund this year is \$1.45 million.

We work with other branches on all these projects, but I hope this gives the member opposite an idea of the broad range of things we do and the difficulty in attaching a dollar value to what we accomplish.

What we have accomplished is a drop in the unemployment rate from double digits to the second lowest in Canada. We did that with an increase in mining development and exploration almost 10 times the national average. We've done that so people will return to the Yukon; the population is going up; and I would suggest that is the measure, rather than focusing on a dollar and cent value.

Mr. Inverarity: So what you're saying is the \$5 million or \$10 million are really just vapour dollars coming in from China.

I'd like to turn my thoughts here for a moment to the port study that was mentioned earlier in the debate. I'm going to read a statement the minister made yesterday in the House.

"In investing in infrastructure, we will utilize the recommendations of the port access study to ensure Yukon has tidewater access to Skagway, Haines and the Beaufort Sea, and work with White Pass & Yukon Route and the City of Skagway to establish a common-user port facility, Mr. Speaker. I am pleased to mention that the port access study is essentially complete, and it is now being reviewed by Yukon, Alaska, Skagway and Haines."

My question for the minister: as it seems everybody in the countryside has access to the study but us, when can we expect to have the study?

Hon. Mr. Kenyon: For all of those various funds that I have outlined on matters within the budget of the Yukon territorial government, the money coming in from China that has flowed into the territory and will continue to flow, again, is part of the private sector, and I would think that the member opposite would be just as upset discussing his private business here as discussing theirs. That simply is not going to happen.

In terms of the port access study, if the member opposite were a partner to that study and had contributed a significant number of dollars to it, then he too would likely have a copy of it, but it is only fair that the funding agencies -- the Government of Alaska, the Government of Yukon and the extreme participation of the Borough of Haines and the City of Skagway -- get a chance to review this before it is publicly released. That is only good practice and that is something that we will adhere to.

Mr. Inverarity: Can the minister give us a time frame for when that is going to happen?

Hon. Mr. Kenyon: I would expect, considering that the documents are already in their hands, that early in the new year would be a safe bet on that, but again, it is complete and it will be released publicly once the Government of

Yukon, State of Alaska, City of Skagway and Haines borough have had an opportunity to release it.

To give the member opposite some background on this, the call for proposals for the study closed on January 10, 2006. On February 1, 2006, KPMG was awarded contract A, which is the lead consultant responsible for producing the final report. The Whitehorse office of Gartner Lee Ltd. was awarded contract B and is responsible for the environmental analysis.

The port study consultants are working closely with consultants responsible for the Alaska-Canada rail link study. There is a lot of overlap between the rail link project and the ports access project, since the rail and ports share, really, the same markets. We also are very pleased that they were able to share offices and facilities during this time so that they could work together on a very close basis on that. As soon as the report has been approved by the various groups and jurisdictions, then we will be very happy to release it.

Mr. Inverarity: I have to thank the minister for actually answering one of my questions that I didn't ask earlier on regarding the ETF. He went into great detail, providing me with the background and all of the insights into the fund. So by way of that, he certainly has answered some of my questions regarding the fund.

I know he did mention a number of the projects that were approved and perhaps he could give us that number again, but I'm also interested in the total number of projects that were submitted and the total number of projects that were unsuccessful, and perhaps there is some document they can send me later on -- I can't remember the name of it, a ministerial briefing note or something -- as to why they were unsuccessful in their application.

Hon. Mr. Kenyon: The answer to that, really, is quite easy. The projects that aren't approved don't meet the criteria. Again, we don't keep records of that because most people do a very good job. They understand that this is a learning process, particularly with the enterprise trade fund. They come in, they talk to the director, they talk to the consultants in there, they work out potential proposals, and they know fairly early on whether the project is going to go or not go. That's the way it should happen. We do get the odd one who simply comes in and drops off an application.

I would highly recommend anyone through the enterprise trade fund or the community development fund or any of the other funds in this or any other department to come in and talk with the administrators. They are very good people with a lot of experience in this field, and by the time the application gets to a decision-making process, the vast majority are approved. But in terms of how many discussions occur before that and where they occurred -- whether in the director's office or at Third and Main or at Tim Hortons -- there are a number of ideas that don't fly. Again, most of those are never submitted.

Mr. Inverarity: Perhaps the minister could tell us what the role of the full-time weather technology centre is and how it will be a catalyst for economic development in their future plans.

Hon. Mr. Kenyon: That's a very valid question. The cold climate technology research cluster -- it's important to remember that word "cluster" because that has great significance in terms of national funding from the National Research Council. Clusters are groups of industries or groups of research labs, or however you want to phrase it, that really look at an individual topic -- be it grains or things along the Atlantic provinces. In this case, our feasibility study is looking at a northern innovation cluster headquartered in Whitehorse that would look at cold climate technology.

Again, as I've said in this House many times, while we're trying to keep the cold out, there are other jurisdictions a little further south from us that are trying to keep the cold in. Often the technology is the same.

But there is a wide range of technology -- be it keeping a car warm while you're in shopping without letting it run for an hour and a half and spewing carbon dioxide into the environment. There is a wide range of things that could be looked at with that.

So far our contributions total \$137,050. The government is developing and supporting an investment-ready business case and then securing the funding partners with that contribution. The project steering committee, through the Yukon Chamber of Commerce, has engaged Gartner Lee Ltd. as the project director. The next step will be an investment-ready business case and securing funding partners, which can be the National Research Council, but it could also be individual private partners.

Clusters exist at this point in time in British Columbia, Regina, Edmonton and St. John's. They deal with fuel sales, oil seeds, grains and fish. So far, there has been no commitment to do this in the north. We have had in-depth discussions with both the Northwest Territories and Nunavut. They have not posed any open objections to Whitehorse going after that opportunity. It is probably the better place to put such a cluster.

We are the lead in the development of the feasibility study. The Yukon Chamber of Commerce is administering the project on behalf of the project steering committee. The feasibility steering committee is made up of the National Research Council, Energy, Mines and Resources, Yukon Housing Corporation, INAC, the Yukon Chamber of Commerce, and three individuals representing the private sector. We have charged them with developing that investment-ready business case, and then basically we will go from there. We have looked at other ways of doing this and funding it. I can't really give any more detail on that, because the committee is doing its good work as we speak.

Mr. Inverarity: If I understand the minister correctly, he has just said that the platform for building a cold climate research centre is now not going to go ahead?

Hon. Mr. Kenyon: If I understand the member opposite, what he said was that he wasn't listening when I said that we have struck a committee to be looking at this. And again, for the member opposite who missed it a moment ago, the project steering committee, through the Yukon Chamber

of Commerce, has engaged Gartner Lee as the project director.

The feasibility steering committee is made up of the National Research Council, Energy, Mines and Resources, Yukon Housing Corporation, INAC, Yukon Chamber of Commerce, as well as three individuals representing the private sector. That committee is looking at the feasibility study as we speak.

Mr. Inverarity: I'm just about done here, I think. I've got a couple more questions, and then we should be wrapping it up.

What is the minister's plan to develop a knowledge worker strategy?

Hon. Mr. Kenyon: Perhaps the member could define what his definition of that term is, because it's not one that fits any of our programs.

Mr. Inverarity: Well, I guess from my perspective, a knowledge worker strategy is to be able to expand the Yukon's economy in the area of electronic and media transfers. An example might be one that was cited, where lawyers could telecommute, or telework, with Outside jurisdictions. That one was cited earlier, during the election, and there are others. There are a number of what we might call "lone eagles" and "high flyers" who actually live in the Yukon but work in other jurisdictions Outside. It's a growing area in the economy and it would certainly help in developing what I might call a knowledge-based manufacturing industry.

Hon. Mr. Kenyon: I'm glad he re-asked that question, because I was reading into that a totally different direction. There are a number of programs on this outside the Department of Economic Development, but certainly one that we're very proud of that I've had peripheral involvement with is the BizPaL program, which allows anyone who is interested in establishing a business or looking at feasibilities can go to a single Web-based site and, after answering a series of questions, be told all the permit people whom they should talk to, permits to file, offices to go to, et cetera, et cetera. It's going to one place to accomplish a wide range of things. Again, that could be accessed from Whitehorse, from Carmacks or from Timbuktu. Being Web-based, anyone who has an interest in the Yukon and looking at what's going to be potentially feasible up here, BizPaL is a marvellous place to do it.

I should mention and certainly would be remiss not to mention that BizPaL was a shared effort between -- and I apologize to the jurisdictions if I miss one -- Ontario, British Columbia, Yukon and a number of different municipalities and the federal government. First of all, any time that you can get that number of governments in one room and agree on something, that alone is an incredible accomplishment. But Yukon was certainly the lead on that. The Canadian Information Productivity Awards, or CIPA -- and in this Web-based economy, I direct the member to cipa.com -- is a huge organization that awards, much like the Academy Awards every year, various programs that have used information technology to develop really anything. There is a wide range of things within there -- BizPaL is one. It could be a more

efficient use of personnel; it could be scattering of personnel around the country but working out of a common virtual office and the things that the member alludes to. Of all the jurisdictions and all the some 150 submissions last year, BizPaL and specifically the Yukon was singled out for their Diamond Award of Excellence. It's the best project in all of Canada for the year. I was very honoured to go to Toronto to receive that award on behalf of -- I won't mention the individual's name, but our staff members here were very key in promoting that. They should be very proud of that.

We also continue to work on all of the telecommunications, and as I mentioned before, almost 98 percent of all Yukon homes are able to access high-speed Internet with approximately 51 percent of Yukon homes actually using it. Blackberry service, of course, was introduced into the Yukon on October 17, and I understand Latitude Wireless has just come live as well as Bell, so that is a good sign.

We are one of the most connected jurisdictions in all of North America. In terms of various technology partnerships, we have budgeted a total of about \$217,000. Right now we are examining options to improve the bandwidth into the Yukon, reducing the cost of bandwidth to Yukon communities.

One of the problems we have is that while we have such incredible connectivity within the Yukon, we do have some definite problems. One of our real focuses is to complete the fibre link to the Yukon and increase capacity since the microwave system that connects us with the rest of the world is nearing saturation -- if we can reduce the cost of bandwidth to the communities and increase coverage, including cellular coverage, to areas other than Whitehorse, which is now beginning to happen under MoCS program.

The fibre optics project is being scoped and initial discussions are underway with the Government of Canada regarding possible funding under one of their national programs. Negotiations have begun with Northwestel to optimize the service and reduce the cost of day links to the communities. Options are being explored on how cellular service might be even further expanded.

Again, I mentioned earlier that during our community tours last year it was brought to our attention that high-speed Internet would be a very valuable thing to have in Keno City. After we all sort of stopped laughing at that, we found that two individuals up there are involved in Web-based technological businesses and it would be of great benefit to them. We asked that that be looked at and shortly thereafter high-speed Internet was in fact brought into Keno City.

I agree with what the member opposite is inferring. When we look at the knowledge base and the resources that we have up here, I think we are well ahead of most other jurisdictions and we are probably getting ahead of even where we are now. I am really proud of that and very proud of the department for continuing to promote that and continuing to push it as we go along.

We are looking at assistance from the federal government to improve community access. We are looking now at improving access to Internet-based, print and possibly broad-

cast media into smaller communities to bring the information even closer to Yukoners so they can access it from homes and access it from around the world if they have an interest in coming up here.

Mr. Inverarity: I don't know what to say. He didn't answer the question. We are talking about knowledge-based manufacturing and a knowledge-based industry and it was great.

By the way, I live within 60 miles of Whitehorse and I can't get high-speed Internet.

I guess I have one last question here. I am curious about when you are going to find a new Film Commissioner and what the status is on that position that was terminated, I guess, just before the election.

Hon. Mr. Kenyon: I am deeply sorry to hear that the member opposite is part of the two percent that doesn't have access to that. We are very happy, however, to have it all through Porter Creek South, Porter Creek Centre and Porter Creek North. So, obviously, there is the two percent that we've missed.

In terms of the Film Commissioner, my understanding is that person was hired yesterday.

Mr. Inverarity: I should clarify that it was my summer residence that I was referring to, not my in-town residence where I don't have Internet. Nevertheless, I think it's time for me to pass it over to the Member for Mount Lorne.

Mr. Cardiff: I have a few questions for the minister in this department. I am going to start with something that, in itself, is probably a little confusing.

It's about a government council or board. It's interesting, when you go to the boards and committees handbook there is a full board -- I can't remember the number of people on it, but it's substantial. I think it's 10 or 12 people.

If you look at the terms of reference for the Yukon Council on the Economy and the Environment, it has been around for a long time, and I don't know if it's because, through some of the renewal processes, some of these responsibilities have shifted.

Apparently, the departments that it's linked to are Energy, Mines and Resources and Environment. But just by its name alone -- and if you look at the function of it -- the Yukon Council on the Economy and the Environment, YCEE, is an advisory council that makes recommendations to Cabinet on economic development and environmental matters.

YCEE undertakes projects referred to it by Cabinet and reviews government progress on the attainment of its goals and objectives in the areas of resource management and economic development. It's a broad grouping of people from business, mining, organized labour, First Nations, women, municipal governments and environmental groups.

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YCEE meets approximately five times a year. I recognize that it's not tied to the Department of Economic Development, but it seems that it would be a valuable tool to the minister -- and they do get their marching orders from Cabinet -- if this body were to meet.

It's my understanding that they haven't met. I am just wondering if the minister has any information on that.

Hon. Mr. Kenyon: The YCEE -- Yukon Council on the Economy and the Environment -- was started or founded a number of years ago and really hasn't been supported by any government of any stripe to a large extent.

The current committee includes representation by the Council of Yukon First Nations, Association of Yukon Communities, Yukon Aboriginal Women's Council, the Yukon Status of Women Council, the Yukon Chamber of Commerce, the Yukon Chamber of Mines, the Yukon Federation of Labour and the Yukon Conservation Society, just to give the member some idea of the breadth of it. While the secretarial support currently resides in the Department of Economic Development, normally it would serve mostly the Department of Environment. For better answers, therefore, I would refer the member opposite to that department.

I think two things should be noted. First, the YCEE has not received much support from any political stripe, which is unfortunate. Second, the Yukon government does not determine when they meet or how often, so that's not something that comes from either department. It comes from the committee itself.

Mr. Cardiff: This group has done some good work in the past. It has done work for Yukon Party governments in the past, it has done work for NDP governments in the past, and it has provided reports to Cabinet. I think there is a role for this board to play in economic development. What we are looking for is diversifying the economy. We are looking at regional economic development. These people come from across the territory, from communities. I think it would bode well for the minister if he were to encourage it to meet.

I have been of this understanding for some time but haven't had the opportunity to ask the question, but has the chair of the board actually been discouraged from calling a meeting? I find that unacceptable. We have appointed these people; they have a mandate; they have tasks that they could perform. They could encourage sustainable development; they could review policies of the government and evaluate their implementation. There are lots of things that this body could do, and they have done good work in the past. What troubles me is the fact that apparently this government and the previous Yukon Party government actually discouraged them from meeting. Here we have a group of people who are sitting there, willing and ready, to make their contribution to Yukon and its economy, to their communities, and we're discouraging them from meeting. They have done some good work in the past. They could be working on forest strategies. They could be working on conservation strategies, or agricultural policy. There are all kinds of things around economic activities here in the Yukon where these people would be valuable and the input would be, I think, welcome. I think the minister actually suggested that I ask these questions of the Minister of Environment, and I'll remember to do that.

I don't have a lot of questions. I'll try to wrap this one up today. I do have one subject that has come up, not just during the election, but it has been raised in the past. We know that

our economy is somewhat insulated from other economies. There is kind of a lag effect, it seems, from what I recall in my 30 years here. There is a lot of discussion about a possible downturn in the U.S. economy, and it will lead to a downturn in the Canadian economy.

I'm just wondering what planning the minister and his department have done or are in the process of doing to try to insulate our economy here in the Yukon from the possible effects of such a downturn?

Hon. Mr. Kenyon: There is a really easy answer to that, of course, in terms of where we are looking and what we are looking to develop. First of all, the diversification is a huge part of it. But when you start looking at what we have, and the tourism and the environmental thing looks to tourism from the States and from Europe, and the good work of the Department of Tourism and direct flights from Condor, which I believe are going up next year to an even higher level -- again, I refer the member opposite to our partnerships in prosperity document, which I'm sure I've tabled in this House but I could easily send down another copy.

But the Asian countries have become the world's largest consumer of metals. China's economy is expanding at a rate of 11 percent. We have to look at what we can do in terms of marketing to Ohio, Kentucky or Tennessee, but our market is Asia. So that's a huge insulating factor in terms of keeping it insulated from North American economy and looking more at the global and world economies.

Chinese and Korean investors, for instance, are currently in discussion with Yukon industry representatives on specific investment properties and other opportunities within the Yukon. The department recently organized a contingent of six Yukon mining-related organizations to travel to China and participate in the China Mining 2006 Conference, the Canada-China Exploration and Mining Forum, and the China-Yukon mining workshop and mining in Canada symposium. One of those, of course, was a huge international event that drew hundreds from all over the world.

We feel that our markets are mostly in Asia. China Minmetals Corporation, KORES, or Korea Resources, and Korea Zinc are currently evaluating opportunities for direct investment in a major zinc company.

Over the past three years, the Yukon government has facilitated several high-level exchange visits between private sector and Chinese and Korean and, to a smaller degree, Japanese investors. Again, we have capital funding within the business and trade branch to look at those things.

We work closely with the Department of Energy, Mines and Resources on that. Of course we look at it with a slightly different bent, because the Department of Energy, Mines and Resources, while promoting mining, is more of a regulatory body, whereas we are looking at the investment potential and looking at all of that.

Again, for the member opposite, it is a combination of the diversification of the economy and looking at where our primary markets are, and we feel our primary markets are within Asia and not within the United States for these resources. For other things, yes, absolutely, but again to look at

the possibility of a downturn in the States and such, we are looking at where it is very distinctly an upturn.

Mr. Cardiff: I think that there are some complicating factors in the minister's analysis, not the least of which is that China's economy is in some ways going to be affected as well by a downturn in the U.S. economy. The biggest market for a lot of the products that China produces is North America. That will have an effect on their economy.

The minister mentioned diversification and then went on and on about mining, so it sounds to me like the focus of the department is on resource development, possibly as opposed to other diversification measures, but I would like to raise something that we raised during the 31st Legislature and also during the election campaign.

I know that the college has initiated something with regard to looking at degree-granting status, but I think that the government also has a role to play in this for the general public of the Yukon. There are some economic advantages or opportunities that would accrue to Yukon through the creation of a university or moving the college toward university status.

I know we have to be really careful about ensuring that the services currently provided by Yukon College throughout the Yukon are not diminished by the creation of a university or a degree-granting institution here in the territory, but I see a lot of advantages, and I think it would be worthwhile for the Minister of Economic Development to work with the Minister of Education on something like this -- and to work with Yukon College.

This might actually be another good one for the Yukon Council on the Economy and the Environment, because it is a pretty environmentally friendly endeavour. It is sustainable, and I think it would meet the criteria. Increased educational opportunities for Yukoners speaks a little bit to what my colleague over here was speaking about previously -- knowledge-based industry. You would be bringing in instructors and students, and there would be a lot of ideas floating around.

Opportunities for research -- which fits with what the minister was talking about -- the innovation cluster. Edu-tourism, which is already being done here, but there would be increased opportunities in that area as well. I'm sure the Minister of Tourism and Culture would be interested in what that could provide to the tourism industry, as well as the cultural exchange that takes place when you bring students from other jurisdictions -- from other countries.

The Minister of Economic Development seems to be really interested in what's going on in Korea and China, and there are lots of opportunities, not just for us to export resources to those countries, but for us to export our knowledge by bringing those people here and sharing it with them, providing opportunities for them to learn English, study business and study all kinds of things that they may be interested in.

I think that an idea like a university is an excellent opportunity to diversify the economy and diversify the place

where we live. We can share our knowledge and gain benefits for Yukoners all round.

I realize that we are coming close to the end of the day. I have one more quick question. I am hoping that the minister will respond and allow me time to ask that question.

Hon. Mr. Kenyon: I would like to get into a few of the questions that the member asked. First of all, in terms of a university, obviously the Department of Education is the lead on that. It would be interesting to get a better handle on that. I am troubled by his comment that he thinks that it is a good idea. Not very many businesses, as the Member for Porter Creek South is aware, would invest in something they "think" is a good idea. We would like to make a better case than that.

One of things the member opposite commented on is that the Chinese economy may be more dependent on the United States. I beg to differ on that. With 1.3 billion people, they tend to have their own market. That's not even including Japan, Korea, Laos, Vietnam and all the rest of Asia and Southeast Asia. North America is a player. We were in a small factory when someone in the group asked where all this product was going. One of the workers looked up and smiled and said "Wal-Mart". Wal-Mart now has outlets in China and other countries.

There are two interesting bits of statistics that would give the member an idea of what is over there. First of all, I had someone mention to me that they were in China and there were lots of bicycles -- no cars. I have been in the worst traffic jams of my life in downtown Beijing. They obviously weren't there recently. The economy is massive over there.

With 1.3 billion people, it's interesting to note that a line of Chinese people walking past you would never end, because they would not be walking fast enough to exceed the birth rate. They have their own market. There are nine primary television stations over there, with different cultural emphases. One is in English and one is on travel and one is strictly entertainment. On the entertainment channel, they had a program last year called *Super Girls*. *Super Girls* was sort of a takeoff on *American Idol*, and it was a talent contest. The night that they chose the winner of that, in a country that admittedly does not have a huge number of televisions per capita, it was estimated that the number of people watching that show exceeded the combined population of Canada and the United States. They have their own economy. They have their own production abilities, and they are, while undoubtedly influenced a bit by the North American economy, profoundly independent of that economy.

Those were the comments I wanted to make on that. The member opposite wanted another question, so go for it.

Mr. Cardiff: As far as the university goes, I do more than think. All you have to do is look at other jurisdictions, other towns that have universities, and look at how much benefit they derive from the fact that they have those institutions in their communities.

I have some questions around some of the funds listed in the department. There is the regional economic development fund, there is the enterprise trade fund, the strategic indus-

tries development fund. I'm just wondering a couple of things. I think the Member for Porter Creek South asked some questions about what the uptake was and all that. I have a question that is more of a concern, I guess. It has been raised with me by people in the business community. I think it is the department's job to facilitate and work with businesses and groups of businesses to ensure that whatever proposals are being put in are as successful as they can be.

The question I have is that when you are working with these people, you need to respect what it is they are trying to do as well. You need to respect the fact that what they are trying to do is promote their business. I have heard concerns about the department requesting information about business endeavours from various companies that are working with the department to access some of these funds -- whether it is for marketing or developing businesses -- and basically this information is proprietary to what their business is doing. I don't think that that is fair; it is jeopardizing what it is that they are trying to make their living at. I wonder if that is the standard practice and what the reasoning is behind asking them to share information that is basically proprietary to their endeavours. There are a few businesses that have raised this issue in the past, and I have not had an opportunity to ask this question before, so I would like to ask it now.

Hon. Mr. Kenyon: First of all, all such dealings are treated completely in confidence, very much as if you're going to a bank for funding and they want to see your bank account and information on your business and everything else. That's all part of the process.

We do, however, cost share consultants and the development of business plans and these sorts of things. So, we're actually helping them out on that. Again, in order to make business decisions -- for instance, in order to prepare that business case and that business plan that's going to be taken to a financial institution, if you cut out all information that you just don't feel like you should be asking on there, the chances of its success are pretty minimal. I think the proponent should know that up front, that unless that information is in there and treated very confidentially, it's going to have a real limitation on what we're dealing with.

The other thing, too, is that we do have limited funds to work with, and we are accountable to the public for the funds we put out. It would make very limited sense to not look at some of the important parts of a proposal that are going to go forward to a funding agency or decision-making body of some sort, and to do it in such a way that it stands a higher probability or possibility of failure, but to expend public funds knowing that. That's not something that I think any thinking consultant or person would do. That's not what they're asked to do.

They do a very good job of doing the evaluations and doing these things to get the best information and the best probability that that is going to be successful. That's the same whether it be the enterprise trade fund, or whether it be the strategic investment fund where they have to look at a much wider range and probably have to look at a much wider range of potentially proprietary information. It has to be done in

complete confidence, and it has to be done with the cooperation of both sides to make the business a success.

Mr. Cardiff: I would like to thank the minister for that answer. I will review the Blues and see just what the minister said there and relay that to the people who have those concerns.

I would like to ask the minister one more question, seeing as I still have a little bit of time. It is about the regional economic development fund. I think this is important because so much of the business activity seems to be centred in Whitehorse. There is a lot going on here. But without economic development, especially sustainable economic development located outside of Whitehorse, communities struggle. They struggle with housing issues and they struggle with having to come to Whitehorse to receive services because there is a lack of services.

I think it's important that we maintain and work with those communities.

I would just like to know what the minister sees as a priority. When one looks at the amount that is allocated, it really doesn't seem to be a lot compared to some of the other funds. I suppose it's not that much different. It has its own importance in ensuring the survival of our communities. There has been talk of something new in Watson Lake recently. We haven't heard much about that, but there are other communities that are struggling to maintain their economic base and make services available. Hopefully, the minister can provide a short answer to that, and we will say goodnight.

Hon. Mr. Kenyon: There are three funds available, all of which are available in the regional areas. In fact, the regional fund isn't available to Whitehorse, so the regional people do have a bit of an advantage on this. For instance, the regional economic development fund comes in, in a variety of different ways. I was just trying to look to see if I could come up with some actual numbers for the member opposite, since he does like numbers.

The regional economic development fund is basically to foster regional economic development. The total approved funding to date is \$155,000, with another \$210,000 in funding allocated for the future. This is all this fiscal year, for funds throughout Yukon communities to assist with capacity development and regional economic development. The branch, which is separate, has its own people who log a fair number of frequent driver miles, I might add. They continue to develop a strong network of contacts within Yukon communities, within the First Nations and within the development corporations.

It was established in recognition of the need for effective coordination of planning and economic development efforts by all parties with regional economic interests. With that, Mr. Speaker, perhaps seeing the time, I move that we report progress.

Chair: It has been moved by Mr. Kenyon that we report progress.

Motion agreed to

Hon. Mr. Cathers: I move that the Speaker do now resume the Chair.

Chair: It has been moved by Mr. Cathers that the Speaker do now resume the Chair.

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

May the House have a report from the Chair of Committee of the Whole?

Chair's report

Mr. Nordick: Mr. Speaker, Committee of the Whole has considered Bill No. 3, entitled *Second Appropriation Act, 2006-07*, and directed me to report progress on it.

Speaker: You have heard the report from the Chair of Committee of the Whole. Are you agreed?

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

Hon. Mr. Cathers: I move that the House do now adjourn.

Speaker: It has been moved by the honourable government House leader that the House do now adjourn.

Motion agreed to

Speaker: This House stands adjourned until 1:00 p.m. tomorrow.

The House adjourned at 5:31 p.m.

The following document was filed December 5, 2006:

06-1-3

Affordable Housing Program Agreement: letter of agreement (dated November 5, 2004) amending the agreement between the Canada Mortgage Housing Corporation and Yukon Housing Corporation (Edzerza)