

Whitehorse, Yukon**Tuesday, November 13, 2007 -- 1:00 p.m.**

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

Prayers

Withdrawal of motion

Speaker: The Chair wishes to inform the House that Motion No. 84, standing in the name of the Member for Mayo-Tatchun, has been removed from the Order Paper as it is now outdated.

DAILY ROUTINE

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

Tributes.

TRIBUTES**In recognition of Hockey Canada Week**

Hon. Mr. Hart: Mr. Speaker, I rise today to pay tribute to part of our national identity and heritage, a phenomenon that galvanizes enthusiasts and supporters and divides households equipped with only one television set. Of course, I'm referring to our national sport and celebration of Hockey Canada Week.

Members will probably have to forgive me. I might say *Hockey Night in Canada* in a few spots where I mean Hockey Canada Week. For some Canadians, Saturday, hockey night, is an institution equal to paying homage to their faith on Sunday mornings. As the old saying goes, there's a thin line between Saturday night and Sunday morning. Some enthusiasts go as far as having the famous theme music for *Hockey Night in Canada* as a ringtone on their cellphones.

Hockey can be the inspiration for many young people in their sporting activities. Many begin by playing road hockey, stopping only when the approaching car prompts players to pick up the goal net and move aside to let traffic pass.

This local introduction to our national sport is oftentimes the first quasi-organized team sport these young players are involved with. Some are captivated to play at an organized level, and some are encouraged to play by parents who get up early in the morning to take their kids to peewee or bantam hockey practice at the local rink.

The philosophy behind our Sport for Life program begins at the early stages when young people are introduced to the enjoyment and the fun of team competition. Hockey is one of the sports that a player stays with for many years.

We encourage Yukoners to continue to participate in activities such as hockey throughout their lives, so the benefits of good health and physical ability remain with them so that they may enjoy all of what life has to offer.

Many of us get a good workout by helping our children to play hockey on the neighbourhood outdoor rink. That's because, before the game begins, the snow must be shovelled off the ice. Once the snow has been shovelled off the ice, as if by magic, the neighbourhood kids show up to start playing. And

then you lace on your blades and try to keep up with these little dynamos.

Hockey is a sport that promotes good physical health. It also helps to develop team values and the benefits of working together in a team environment. The Yukon Sport for Life program looks to build upon these values, where the excitement and enjoyment of participating in sports remains with individuals throughout their lives.

Hockey is one of those sports where you may be able to participate in organized play at any stage of your life. At all ages, both men and women have found hockey to be rewarding for the health benefits, as well as for the fun and excitement and the esprit de corps associated with team play.

Hockey in the Olympics has become one of the premier events, commanding the highest price for tickets for gold medal matchups in either women's or men's competition.

In fact, I am reminded of Canada's strong performance in their sport every day. In my office, I have an autographed picture of Team Canada from 2002, Salt Lake City Olympics, in which each man holds a nice, bright gold medal.

Thank you, Mr. Speaker.

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

Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. Lang: I have for tabling a legislative return in answer to an oral question by the Member for McIntyre-Takhini on November 6, 2007, regarding woodcutting permits.

Speaker: Are there any further returns or documents for tabling?

Reports of committees.

Petitions.

Are there any bills to be introduced?

Notices of motion.

NOTICES OF MOTION

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

THAT this House urges the Government of Yukon to develop a strategic action team within the Executive Council Office comprised of a team of professionals with expertise in preparing business proposals, establishing joint training initiatives, establishing financial systems and information technology links to assist Yukon First Nation governments in capacity development upon request.

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

THAT this House urges the Yukon government to make representation to the Government of Canada on behalf of Yukon consumers that reflects

(1) that the value of the Canadian dollar has increased dramatically in recent months and that prices in the marketplace have not reflected that change; and

(2) that the Yukon government will review its purchasing policy to reflect and acknowledge companies that are adjusting

their prices to reflect the increased value of the Canadian dollar and encourages Canada to do likewise.

I give notice of the following motion:

THAT this House urges the Yukon government to make representation to the Government of Canada on behalf of Yukon employers and workers that reflects

- (1) the current surplus in the employment insurance fund is now some \$51 billion;
- (2) that this represents a deterrent to employers against job creation;
- (3) that this represents an excessive job tax for workers; and
- (4) that employment insurance rates should be reduced immediately.

Mr. Edzerza: Mr. Speaker, I give notice of the following motion:

THAT this House urges the Yukon government to encourage and support the youth of the Yukon to become strong capable adults by approaching education of the whole person and providing career counselling, employment opportunities, training, and social education that promotes both personal and spiritual development.

Mr. Hardy: I give notice of the following motion:

THAT this House urges the Yukon government to increase funding and establish long-term contribution agreements with non-government organizations dealing with women's issues, so that

- (1) the availability of shelter and support programs for women in domestic violence situations is assured;
- (2) the effects of federal government cutbacks in funding for Status of Women Canada and the elimination of its advocacy mandate can be offset;
- (3) effective advocacy is available to Yukon women dealing with legal, support and custody questions; and
- (4) concerns of First Nation women, including cultural identity rights, are recognized and supported.

I give notice of the following motion:

THAT this House calls upon the Government of Canada to express its disapproval of the imposition of martial law in Pakistan by immediately imposing an economic embargo on the country and by supporting the immediate expulsion of Pakistan from the Commonwealth of Nations until the current crisis is resolved and a freely elected democratic government is in place.

Speaker: Are there further notices of motion?

Is there a statement by minister?

This then brings us to Question Period.

QUESTION PERIOD

Question re: Government investments

Mr. Mitchell: I have some questions for the Acting Minister of Finance on the Premier's decision to risk \$36.5 mil-

lion of Yukon taxpayers' money in the bond market. The Premier decided to make this risky investment. He is responsible and must be held publicly accountable for it. Besides, he often has said that the buck stops at his desk.

The *Financial Administration Act* stipulates parameters that must be followed on how the government can invest the public's money. One requirement is that the government must have a guarantee that is backed by a bank. The Premier has insisted he has followed the *Financial Administration Act* when he made this decision.

Will the acting minister produce for this House a copy of that guarantee that the Premier claims he has and make it available today?

Hon. Ms. Taylor: I would just like to put a few points on the record for the information of the members opposite. One is reiterating the Minister of Finance's position with respect to this particular issue. In fact, the investments that the member opposite, the Leader of the Official Opposition, makes reference to indeed have the highest rating available -- a rating that has been regarded as the same as Government of Canada treasury bills. These investments are categorized as low risk; therefore, they have a low rate of return.

I would just also like to inform the member opposite that the Auditor General is fully cognizant of the government's investment policies and was advised in detail of the actual third party asset-backed investments and the proposed restructuring and that the Auditor General states that, in her opinion, the transactions of the government that have come to her notice have in all significant respects been in accordance with the *Financial Administration Act*.

We are certainly abiding by the letter of the law, which is the *Financial Administration Act*. We have the utmost confidence in the Department of Finance officials making investments and wise decisions on behalf of the Government of Yukon.

Mr. Mitchell: The acting minister never answered the question. We asked a very simple question: will the minister table the guarantee, if there is one?

The buck stops at the Finance minister's desk. The officials whom the acting minister refers to only make recommendations. The Finance minister is responsible for decisions. The government can't produce a guarantee because they apparently don't have one. That's the whole problem with the Premier's decision to put taxpayers' money into this risky investment -- it wasn't guaranteed.

The law is very clear on these types of investments: they must be guaranteed by a bank. If the government continues to insist they were guaranteed and that they are in compliance, it must prove it. Let's see it; let's see the piece of paper that proves these risky investments were guaranteed by a bank.

Will the acting minister provide that information to Yukon taxpayers?

Hon. Ms. Taylor: The asset-backed commercial paper held by the Yukon government has been given the highest rating possible by the rating service DBRS. That is the primary rating service in Canada. It is secured by assets.

A restructuring proposal calls for issuing of longer term notes to replace the asset-backed commercial paper. As the Premier made reference to, it is expected we'll know the actual maturity date then, or around December 14.

There has been no loss on the investment and the third party asset-backed commercial paper is secured by assets, unlike other commercial paper, which is not, and is backed by the banks.

The ABCP has bank liquidity backup facilities to ensure against liquidity risk.

Again, the Auditor General has stated that, in her opinion, all transactions that have come to her notice have been in accordance with the *Financial Administration Act*.

I would also like to add that the Government of Yukon has been making similar investments all the way back, dating to 2001.

Mr. Mitchell: I will point out that it received that high rating from one -- and one only -- bond rating service, not the required two and that that bond rating service has been under attack widely for those ratings.

Several CEOs have resigned over this type of mismanagement in recent weeks. I'm sure Yukoners were once again embarrassed about Friday's *Globe and Mail* story about the Premier's decision to risk taxpayers' money. The Premier has said repeatedly that these investments were backed by a bank, yet the government continues to not provide evidence to prove this claim. Yukoners already know the answer. There is no guarantee from a bank. There never was. That's how we got into this mess in the first place. We need to get to the bottom of this mess. Since the acting Finance minister is making reference to the Auditor General, would the acting minister give us her commitment to ask the Auditor General to investigate whether or not the Premier followed the *Financial Administration Act* when he approved these risky investments at this time?

Hon. Ms. Taylor: I'll reiterate for the member opposite's reference. The Auditor General is fully cognizant of the government's investment policy and was advised in detail of the third party asset-backed investments as well as the proposed restructuring. The Auditor General -- again, for the member opposite's reference -- states that, in her opinion, the transactions of the government that have come to her notice have in all significant respects been in accordance with the *Financial Administration Act*. We have full confidence in the Auditor General of Canada and that which she has made known to the Government of Yukon. With respect to the member opposite's record in finance -- there really is no question that, for the fifth consecutive year, this Government of Yukon has received a full, clean bill of financial health from the Auditor General of Canada. We certainly have the utmost confidence in and respect for the Department of Finance officials and will continue to place our trust and our faith in those officials in doing the right thing on behalf of the Government of Yukon.

Question re: Government investments

Mr. Mitchell: Mr. Speaker, I'd like to follow up with the acting minister on the Premier's decision to invest \$36.5 million again in the risky bond market. I'd like to point out that the references she makes to the Auditor General are references

to statements the Auditor General made prior to the meltdown in the bond markets this year, not since then.

Now, Mr. Speaker, this was a 30-day investment. At the end of the 30 days, the minister tried to get this money back, but he couldn't because the investment was not guaranteed by a bank. The net result is that we do have great uncertainty with respect to a large portion of our surplus budget. The *Financial Administration Act* allows this type of investment under three circumstances: (a) it's guaranteed by Canada or a province; (b) it is guaranteed by a bank; or (c) it is rated at the highest level by at least two rating institutions. In this case, we believe it was: (d) none of the above. Which section of the act did the Premier rely on when he made this decision to reinvest \$36.5 million?

Hon. Ms. Taylor: Again, Mr. Speaker, as the Premier has pointed out very succinctly in this Legislature over the last week or so, the investments that the members opposite make reference to certainly have the highest rate possible. It's a rating that is equivalent to the Government of Canada treasury bills. It is a rating that has been deemed by DBRS as the primary rating service in this country. These investments have been categorized as low risk and therefore receive a lower rate of return.

Mr. Speaker, as I mentioned, the Auditor General of Canada is fully cognizant of these investments, is fully cognizant of the proposed restructuring and has been fully advised of the detail of these investments. The Auditor General again states in her opinion that, from what has come to her notice, these investments have in all significant respects been in accordance with the *Financial Administration Act*.

Mr. Mitchell: I would point out that it's only DBRS that has stood by that rating, although they have indicated that they may have to re-evaluate it. I'd also point out that DBRS was taking commissions on the sales of the instruments they were rating, so that's why there is a problem.

Now, the buck stops at the Premier's desk. Companies across Canada that have made similar investments have admitted that money has been lost. Most companies are taking a loss of 15 to 20 percent. Even a best case scenario will see our money perhaps tied up for years to come. We would not be able to access more than \$36 million for years if these are restructured.

The law is very straightforward, an investment must be: (a) guaranteed by Canada or a province. This one is not. (b) guaranteed by a bank. This one is not. If it were, we would have our money back. (c) rated at the highest level by at least two rating institutions. Finance officials have admitted it was only rated by one agency, not two, as required by law.

Which section of the act did the Premier rely on when he made this decision to invest \$36.5 million?

Hon. Ms. Taylor: I would just like to refer to the member opposite's comments regarding this particular issue.

Again, as I have stated on the floor of this Legislature, the rating agency is, for the member opposite's information, the primary rating service in Canada. This rating agency reconfirmed as early as November 6 of this year that all the supporting assets backing the commercial paper held by the Yukon

government remain and, in fact, are rated AAA, the highest rating available to any jurisdiction.

Other governments, government agencies and pension plans are regular buyers and holders of asset-backed commercial papers. For example, one has only to take a look at the Ontario government, which holds \$700 million in similar asset-backed commercial paper.

The Yukon government runs a very cautious, methodical, articulate, well-diversified portfolio of investments in managing cash needs. These are not high-risk, high-return investments. They are, in fact, low-risk investments.

And with respect to the member opposite's accusations regarding the collection of a fee for rating this particular investment, this is a standard procedure for all rating agencies in Canada and the United States.

Mr. Mitchell: Well, Mr. Speaker, let's look at the facts and summarize them. First of all, Yukoners elected Yukoners to represent them and look after their affairs. They are not concerned about what is happening in Ontario. We have a *Financial Administration Act* that sets out how we must invest our money. The acting minister insists that the government has followed it, but has no proof to back up that claim.

Investments of this kind are supposed to be guaranteed by a bank. There is no guarantee from a bank. If we had one, we'd be able to access our money. I don't believe there ever was a guarantee, and I have written the Auditor General of Canada asking her to investigate.

It is simply not acceptable to have taxpayers' money tied up like this. It may be years before we can access it -- even if we get it all back. This money won't be available to Yukoners because of the Premier's poor decision to authorize this risky investment. Will the acting minister take responsibility for this decision, demonstrate some accountability and agree to have this specific matter reviewed by the Auditor General of Canada?

Hon. Ms. Taylor: Mr. Speaker, the Auditor General has been made full cognizant of the government's investment policy, has been advised in detail of the third party asset-backed investments and the proposed restructuring. Again, for the member opposite's information, the Auditor General states that, in her opinion, the transactions of the government that have come to her attention have in all significant respects been in accordance with the *Financial Administration Act*.

Mr. Speaker, I would just further point out that the Government of Yukon has been making similar investments as far back as 2001, when the previous Liberal government held office. Mr. Speaker, as the Premier has made reference on a number of occasions, these investments continue to have the highest rating available by the primary rating service agency in the country. They continue to be categorized as low risk with a low rate of return. There is no loss on the investment. We will continue to place our utmost faith in our departmental officials, who in turn make wise decisions on behalf of the Government of Yukon.

Question re: Government investments

Mr. Hardy: The recent decisions about the government's investment in asset-backed commercial paper have

raised a number of questions about how this government invests taxpayers' dollars. A lot of Yukoners want to know more about where this government invests and how secure these investments are. Will the Acting Minister of Finance provide the House a breakdown of the Yukon government's current investment portfolio, including a list of all investments made over the past year?

Hon. Ms. Taylor: I certainly do not have that information at my fingertips. What I do have at my fingertips is the utmost faith and confidence in our department officials in the Department of Finance.

For the fifth consecutive year in a row, we have been able to garner a clean financial bill of health from the Auditor General of Canada. We have a very healthy financial accumulated surplus in the territory as a result of the good work of the Premier and our respective colleagues in the Government of Yukon. We are very pleased with the work that has been provided by the Department of Finance and we are very confident in the results, as indicated in the public accounts, which were earlier tabled in this Legislature, and certainly in the Auditor General of Canada's comments.

Mr. Hardy: I have heard the same answer now for the seventh time even though we have asked particular questions. We are focusing on the investment portfolio. If the acting minister can't provide this information right at the moment, would she commit to providing it over the next day or two? I would appreciate it.

The *Financial Administration Act* spells out the conditions the government must meet for investing in the marketplace. Unfortunately, the act is very silent on the matter I attempted to raise with the minister on Thursday -- the question of ethical investments. Perhaps the minister wasn't listening or didn't understand the question, so let me follow up with the acting minister. I hope she is listening to the question.

Is the acting minister aware of any policies that restrict the Yukon government from investing in companies that are involved in the manufacture or distribution of such things as military material, toxic chemicals or tobacco products, for example?

Hon. Ms. Taylor: As members can fully appreciate, I do not invest taxpayers' dollars on behalf of the Government of Yukon. That is why we have a Department of Finance; that is why we have very well-respected individuals housed in the Department of Finance under this administration.

We'll continue to place our confidence and respect in the decisions of those officials, based on firm information made available at their fingertips, and we depend on their expertise and experience in the financial realm.

I will continue to house those decisions within the Department of Finance, as will the Premier and the Government of Yukon.

Mr. Hardy: Eight times and still striking out; it's the same answer for different questions.

The minister's answer on Thursday also missed the point entirely, and this acting minister is not doing much better. The fact is many Yukoners don't want their government investing in things that are not socially or environmentally responsible.

They don't want their tax dollars supporting businesses or countries that allow the exploitation of women and children or other human rights abuses.

They don't want their tax dollars supporting activities that destroy the environment. They don't want their tax dollars supporting the arms trade or products that endanger human or animal health. Just a note, Mr. Speaker: Canada is the sixth-largest arms dealer in the world, so obviously some investment is going there.

Does the acting minister agree that an ethical investment strategy should be part of the Yukon government's policy on investing taxpayers' dollars, and should even be included in the *Financial Administration Act*?

Hon. Ms. Taylor: Mr. Speaker, what we have done and what we will continue to do as the Government of Yukon is to abide by the letter of the law, and that is the *Financial Administration Act* that has been in place for many, many years -- prior to the previous government and thereon before. What we will do is to operate the government in a fiscally sound, responsible manner, and that which we have been able to garner for the fifth consecutive year in this territory's history -- an accumulated surplus as well as a clean financial bill of health. That is exactly what we have done. That is exactly what we will continue to do.

As a result of those investment decisions and garnering a healthy financial surplus, we have been able to make those sound decisions and investments on the social side of the ledger, whether it be in childcare, whether it be in extending the continuing care, whether it be in terms of providing outreach support on our streets. Mr. Speaker, we will continue to make those sound, healthy financial investments in areas of need and where we see priorities as identified by Yukoners.

Question re: Hamilton Boulevard extension

Mr. Edzerza: Mr. Speaker, the \$15-million project to extend Hamilton Boulevard through Kwanlin Dun traditional territory is being funded by the municipal rural infrastructure fund, or MRIF. This is a joint Yukon-federal fund that all Yukon municipalities and First Nations can apply to.

The Kwanlin Dun First Nation was very interested in being a partner in a Hamilton Boulevard project and held talks with the government for over two years about the route. Then suddenly the discussions ended and the route was changed. In January the Minister of Community Services said the revised route will elbow around the Kwanlin Dun lands and come out pretty much to where it would have come out before.

My question to the Acting Premier is: why did the Yukon government elbow Kwanlin Dun out of the Hamilton Boulevard extension project?

Hon. Mr. Hart: The Government of Yukon was in negotiation with the First Nation with regard to going through the First Nation's land with regard to extending Hamilton Boulevard. Those negotiations were done in good faith and we tried to negotiate with the First Nation for that route. However, given the time limit we were under, we were unable to come to an amicable agreement and the alternate route was chosen.

Mr. Edzerza: This is a classic case of bullying. The Premier --

Unparliamentary language

Speaker: Sit down. The honourable member knows full well that that terminology is not appropriate.

Withdrawal of remark

Mr. Edzerza: I take back the mention of "bullying". The Premier likes to boast about his great relationship with Yukoners.

Speaker's statement

Speaker: There is no point in repeating it. If I asked the honourable member not to use that type of terminology, I don't expect him to stand up and repeat it. So if the honourable member does that again, his question is over.

Mr. Edzerza: The Premier likes to boast about his great relationships with Yukon First Nations. In 2005, the Kwanlin Dun First Nation final agreement was signed by Canada, the First Nation and the Premier on behalf of Yukon. It contains a section called the "Yukon asset construction agreement". Clause 13.1 says that where the Yukon intends to build a capital asset worth \$3 million or more on Kwanlin Dun traditional territory, the First Nation will get some of the benefits in terms of jobs and contracts.

Is the Acting Premier satisfied that the government has lived up to its side of the agreement with Kwanlin Dun?

Hon. Mr. Hart: I'm very satisfied that this government has lived up to the negotiations and up to the terms and regulations of the *Umbrella Final Agreement* with the Kwanlin Dun First Nation. We have, for example, provided an agreement with the First Nation on working on a project within their traditional area in which they did get work on the development of lots in the Whitehorse area.

Mr. Edzerza: For the record, the Kwanlin Dun First Nation is of a different opinion. A government that commits to something on paper shouldn't turn around and do the opposite in practice. Yukon First Nations signed land claims and self-government agreements in good faith. They saw the agreements as a way to build their capacity and raise their people out of poverty through jobs and economic development activities.

Kwanlin Dun and the Yukon government talked for two years about building the Hamilton Boulevard extension together, and then, at the eleventh hour, the government pulled the rug out from under them and signed an MOU with the city that effectively cut Kwanlin Dun out of the project -- shame on the government.

Can the Acting Premier explain why the Yukon government used a loophole in the *Kwanlin Dun First Nation Final Agreement* to bypass its commitment to provide jobs and business opportunities to the First Nation citizens?

Hon. Mr. Hart: With regard to the negotiations with Kwanlin Dun on Hamilton Boulevard, members on the other side will also know that the Hamilton Boulevard extension has been on the plate for almost two and a half years -- almost three, I would have to say, by the time we had the original extension proposed. So the Hamilton Boulevard extension has been under process for some time.

We had an agreement with the City of Whitehorse that included the Hamilton Boulevard extension long, long ago. What we had was inclusion -- working with the First Nation to try to get the route to go through an area adjacent to their specific lands, which would benefit both of us directly. It involved getting some additional land from the First Nation set aside so we could make the roadway meet the appropriate standard in order to have the extension go through their area.

That did not arise, thus an alternate route was given and we have assured the members of the Kwanlin Dun that they are able to get onto that route, should they plan to develop that area in the future -- they would be able to hook on to that line at a future date.

Question re: Workers' Compensation Health and Safety Board customer service

Mr. Inverarity: Recently, the Canadian Federation of Independent Business released the results of a survey where Yukon businesses were asked a series of questions about the Yukon Workers' Compensation Health and Safety Board.

When asked if Workers' Compensation Health and Safety Board treated Yukon businesses like valued customers, 50 per cent of the businesses responded no. What is even more disturbing is that none of the businesses responded yes.

Does the minister think this is something to be concerned about, and does he plan to address the issue?

Hon. Mr. Cathers: I do appreciate the concerns that the Member for Porter Creek South is bringing forward, albeit noting that, once again, the member is using terminology that doesn't reflect accurately the relationship between the Yukon government and the Workers' Compensation Health and Safety Board. It is, of course, set at arm's length by legislation and, as minister responsible, I do not have the ability to interfere with daily operational issues.

However, on the point that the member brought forward in reference to the Canadian Federation of Independent Business' survey of Yukon businesses and the results of that, those were certainly not positive results. I will be discussing that matter, in a positive manner, recognizing that when issues are identified, it's always important to strive for improved customer service.

Question re: Mayo landfill

Mr. Elias: I have a question for the Acting Minister of Environment. In March 2006, the government asked for and received at least one bid to remove and remediate approximately 2,500 cubic metres of contaminated soil from the Mayo landfill site.

In April 2007, the government asked for and received at least one bid to remove the very same contaminated soil from the Mayo landfill site.

It is now November 2007. A year and a half has gone by, and the pile of contaminated soil is still sitting at the Mayo landfill site. When is this government going to clean up this environmental hazard?

Hon. Mr. Kenyon: That, of course, is an operational issue. It's not something I have at my fingertips at this point in time, but I would be happy to get back to the member opposite

on that. I am familiar with the situation; I have toured it, and I will get the information he needs.

Mr. Elias: The reason this issue has not been dealt with is because the cost of cleaning it up was higher than expected, and the government withdrew the contracts. The environmental hazard in question is diesel-soaked material that was removed as part of the Mayo dike project. Back in March of 2006, all of this contaminated soil was supposed to be removed from the Mayo landfill and brought to a land treatment facility for cleanup. In October 2007, the government received yet another bid to remove and remediate only a portion of the contaminated soil from the Mayo landfill.

Will the acting minister undertake to resolve this matter and report back to the House?

Hon. Mr. Kenyon: I am very pleased to hear the member opposite has all of that information at his fingertips. Unfortunately, I don't have the facts at my fingertips, but I would be happy to get back to him with the facts.

Mr. Elias: That's no excuse, Mr. Speaker. The acting minister should have important facts like this, because we are talking about 300 truckloads of contaminated soil that haven't been dealt with. An environmental hazard has been left unattended in the Mayo landfill site for a year and a half.

Over that period, the amount of petrochemical contamination is downgraded to match the amount of money available for cleanup. Tenders to remediate the contaminated soil were put out and then withdrawn. Winter has set in, and this pile of contaminated soil is frozen solid. What is the acting minister going to do about this, and when?

Hon. Mr. Kenyon: What I intend to do is get the facts and get them back to him.

Speaker: The time for Question Period has now elapsed.

INTRODUCTION OF VISITORS

Hon. Mr. Rouble: Mr. Speaker, we've been joined in our Assembly today by some guests, some students from Vanier Secondary School and their teachers, Mr. Deuling and Mr. Willoughby. I'll ask all members to join me in welcoming them to our Assembly.

Applause

Notice of opposition private members' business

Mr. McRobb: Mr. Speaker, pursuant to Standing Order 14.2(3), I would like to identify the items standing in the name of the Official Opposition to be called on Wednesday, November 14, 2007. They are Bill No. 105, standing in the name of the Member for Copperbelt, and Motion No. 176, standing in the name of the Member for Mayo-Tatchun.

Mr. Edzerza: Mr. Speaker, pursuant to Standing Order 14.2(3), I would like to identify the items standing in the name of the third party to be called Wednesday, November 14, 2007. They are Motion No. 226, standing in the name of the Member for Whitehorse Centre, and Motion No. 213, standing in the name of the Member for Mount Lorne.

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. 8, *Second Appropriation Act, 2007-08*, Department of Economic Development. Do members wish to take a brief recess?

All Hon. Members: Agreed.

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

Recess

Bill No. 8 -- *Second Appropriation Act, 2007-08* -- continued

Department of Economic Development

Chair: Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 8, Vote 7, Department of Economic Development.

Hon. Mr. Kenyon: I am very pleased today to be able to introduce the supplementary budget for the Department of Economic Development. It is certainly an honour to continue to lead the Department of Economic Development as Yukon continues on the pathway to long-term and sustainable economic prosperity.

The supplementary budget seeks total revotes and supplementary approvals of \$290,000 for operation and maintenance expenditures, \$1,545,000 for capital expenditures, and capital recoveries of \$70,000. This budget highlights some of the many activities of the department. I would like to now speak to a few of these activities within this budget and the mandate under which these activities have been undertaken, and hopefully save a little bit of time in line-by-line in answering questions for the members opposite.

To put things into context, I would like to remind members that Yukon is currently in a very exciting economic time. Real gross domestic product, or GDP, growth in 2006 in the Yukon was above the national average of 2.7 percent. There has been significant growth in the totality of our economy. I think anyone living in the territory certainly understands this.

Yukon's economic growth is being fuelled by an explosive demand for the territory's abundance of mineral resources -- oil, gas, and other resources. Mineral exploration in the territory has increased substantially again in 2007. An estimated \$135 million will be spent on mineral exploration in Yukon this year, with an estimated additional \$50 million spending on mine development. So we are starting to bear down quite nicely on

the \$200-million mark, up from \$6 million when this government first came to office.

These are significant increases in spending compared to previous years and, absolutely, as I mentioned, they smashed the record mineral activities of 1996. Gosh, I believe that was the Yukon Party government in 1996.

Since 2003, more than \$300 million has been spent on Yukon exploration projects. The Department of Economic Development was pleased to have recently facilitated a joint venture between a Chinese investment company and a Yukon mineral company. This is of course a partnership between Yukon-Nevada Gold Corporation and the Northwest Non-Ferrous International Investment Company Limited, a subsidiary of the Global Northwest Geological Exploration and Mining Bureau for Non-Ferrous Metals of Shaanxi Province of the People's Republic of China.

With basically a whole new set of problems of labour shortage, et cetera, the joint venture will further contribute to Yukon exploration and development spending by exploring for and developing Yukon mineral resources. Economic Development worked to facilitate the investment deal by initiating and facilitating a number of meetings and visits for the Northwest Non-Ferrous International Investment Company and Yukon-Nevada Gold and, of course, other Yukon mineral companies.

New investment capital is critical to the growth of Yukon's economy. Economic Development works with private and public partners to enhance business, trade and investment opportunities in Asia -- China, in particular -- for strategic reasons.

Developing trade links to China and the Asian region is an important initiative. In fact, as I speak, the Department of Economic Development is attending meetings and conferences in China and meeting with investment groups over there.

These trade links manage Yukon's global economic risks by diversifying our trade partners and building trade and investment opportunities with growing economies. Our close proximity to tidewater means our products are quicker to reach Asian markets than products from other regions of North America.

New patterns of global trade are emerging, and Yukon is strategically positioned to access them.

China's economy continues to grow. In 2006, for instance, it grew at a rate of 10.7 percent -- its fastest pace since 1995. China accounted for over 70 percent of global growth in metal consumption in recent years.

Asia and China, again in particular, now place a growing reliance on imported mineral resources. Growing Asian economies are looking for partners to develop long-term, secure supplies of mineral resources.

Yukon's large and high potential ore deposits allow us to benefit from Asian mineral demand growth. Our major deposits of lead, zinc, copper, gold, tungsten, uranium and iron ore are in high demand by China and other countries in Asia. This partnership between Yukon-Nevada Gold Corporation and the northwest investment group is just one example of how the Department of Economic Development's investment attraction strategy can and does yield results.

This joint venture shows how the Yukon government can encourage private sector growth that supports wealth-generating activities in the natural resource sector. The next steps will be to fully implement the investment attraction strategy. The goal of the investment attraction strategy is to support the development and diversification of the private sector economy while focusing on key areas of opportunity in the mining and tourism sectors.

While we have tremendous resources and a strategic global location, the Yukon is competing with many other jurisdictions seeking to attract investment. These are times of significant change and opportunity in the global economy.

Broadly described in economic terms, such as increasing GDP, growth rates or sales indicators, this economic growth does provide tangible benefits to Yukoners. For example, the value of permitted building construction activity increased by almost 35 percent last year, topping \$100 million. Behind the numbers, this means that Yukoners have been able to work at quality jobs, providing for their families and taking advantage of a wide range of new opportunities in the construction business. These jobs are also likely to have contributed to other areas of economic growth such as retail spending and restaurants. I could go on and on.

Retail spending is also up considerably with year-to-year growth of over four percent. Many of the tangible benefits of this economic indicator are visible to us, with many new retail outlets and considerable energy and enthusiasm in the retail sector across Yukon. I remember being at a ribbon-cutting ceremony for one of the big box stores in Whitehorse and, when asked by the media what I thought about it, my response -- which was never reported, of course -- was that it was the best economic study I had ever seen -- to have a chain that large seeing the future in the Yukon.

The economic sector provides good jobs and real opportunities to Yukon. Yukoners are not the only people who are seeing effects of our growing economy. With more than 350,000 crossings at the United States-Yukon border each year, tourist guests from around the world continue to enjoy the benefits of Yukon's strong economy while contributing their own spending toward the services and businesses of Yukon entrepreneurs.

All over the world, people are also seeing the growth of Yukon through the many film projects being written, developed and shot in the Yukon. The Department of Economic Development continues to work cooperatively with the Yukon film industry in order to provide Yukoners with employment and training opportunities. Some examples, Mr. Chair: *Out in the Cold* is a six-part series for Discovery Canada about people working in extreme weather situations. It's being produced by Yukon resident Arthur Tookie Mercredi of Individual Films, with a total budget of \$1.2 million. Another exciting project is *Anash and the Legacy of the Sun Rock*, episodes 1 through 6, written and directed and produced by Teslin resident Carol Geddes, which shot in the Yukon in November of 2005. It has received the green light for development of seven additional episodes, episodes 7 through 13, and this project has a total budget of \$2.4 million. For those listening or watching, Mr. Chair, episode 1 of *Anash and the Legacy of the Sun Rock* ac-

tually aired last week, the end of last week, and then again at seven in the morning, I believe, on Friday or Saturday. The broadcast schedule is there. It's on APTN, their youth thing. By referring to a "green light," the humour there is the shots that were done in Yukon were all done in green screen -- in other words, the actors on a solid green background did the acting on plywood platforms, empty rooms, coloured green, et cetera, et cetera, and then the animation was done later. If anyone wants to see what technology can be done with a computer right now, that's a good example. It's just an amazing series.

Approximately 200 Yukon residents worked on these productions.

In the 2006-07 fiscal year, there were 21 projects approved for funding under the Department of Economic Development's film incentive programs. These projects will generate an estimated \$1.2 million in economic activity in the Yukon. Ten projects were approved under the Yukon filmmakers fund. Some examples of the projects funded include a documentary on the Paddlers Abreast team, produced by Yukoner Werner Walcher, with the National Film Board. *Paddlers Abreast* was an official selection of both the Montreal and Calgary film festivals this year.

Darlow Smithson filmed one episode of *I Shouldn't Be Alive*, and spent a total of \$130,088 while in the Yukon. Eleven Yukon residents worked on this production.

The National Film Board filmed the live action animation, *How People Got Fire*, and spent a total of \$214,672 in the Yukon. A total of 46 Yukoners worked on this production during principal photography and throughout the post-production period.

A Yukon company, Northscape Productions, produced *Land Unlocked*, which aired on the Aboriginal Peoples Television Network, or APTN, in February of 2007.

Faced with a strong economy that is providing real benefits to Yukoners across a range of sectors, it would be easy to draw a simplistic conclusion that the work of the Department of Economic Development is finished or that there is no role for the Department of Economic Development in our growing economy. I would submit that these are very naively simplistic statements and very erroneous to the extreme when we consider the full and broad purpose of economic growth outlined in our commitment to reinstate the Department of Economic Development in 2003, after the previous government exhibited its vision of economic development by closing the Department of Economic Development and closing some of the funds that were involved in that.

At that time in 2003, when this government came into existence, we made a commitment to Yukoners to develop a prosperous, diversified, sustainable economy, a commitment we continue to honour to this day.

We know first-hand from the boom-and-bust economic cycles of the past that economic growth requires careful stewardship. We require now, perhaps more than ever, a considered and thoughtful approach to managing the growth of Yukon's economy.

The departmental objectives of Economic Development reflect and highlight this thoughtful approach. First, the depart-

ment is tasked with developing a sustainable and competitive Yukon economy that enriches the quality of life of all Yukoners. Numbers on charts and percentage increases in economic indicators can mean very little if Yukoners haven't experienced tangible benefits from the growing economy.

We need to continue to ensure that all Yukoners benefit from economic growth in very real ways. An example of this is the Department of Economic Development's efforts to assist the Selkirk First Nation in maximizing benefits from the Sherwood Copper mine project. Economic Development has provided funding to the Selkirk First Nation to enable it to identify specific opportunities with a direct economic potential and to conduct the necessary due diligence to take advantage of these opportunities. Economic Development continues to work with the First Nation in an advisory role and is actively involved in a training initiative being undertaken by the Selkirk First Nation. Four direct business opportunities have been entered into by the Selkirk First Nation as a direct result of this project, which will yield an approximate rate of return of about 15 percent.

Included in the operation and maintenance expenditures of this supplementary budget is a revote of \$136,000 for strategic industries development. This revote includes a project similar to the work with the Selkirk First Nation, the industrial benefits initiative. The industrial benefits preparedness initiative seeks to optimize Yukoners' benefit from large-scale industrial development in Yukon. We do this through: (1) supplier development initiatives to increase the number of local suppliers; (2) procurement initiatives to increase their success in bidding work; (3) education and training initiatives to increase the number of local employees; and (4) identifying and facilitating infrastructure and industrial synergies.

The industrial benefits initiative is just one example of the work of the Department of Economic Development to ensure that the growing economy enriches the quality of life of all Yukoners. The second departmental objective is to pursue economic initiatives with shared vision of prosperity, partnership and innovation. I think we all have come to realize that there truly is strength in partnerships. In managing Yukon's economic growth, the Department of Economic Development has been able to develop innovation through a number of successful partnerships.

This summer the port access strategy study was released by both the Yukon and the Alaska governments in conjunction with the Alaska-Canada rail pre-feasibility study. One significant result of this study has been the efforts of the municipality of Skagway to establish the Port Development Steering Committee. The Government of Yukon has been invited to become a member of this committee and to participate in the establishment of the development of a comprehensive port development plan. I would submit, Mr. Chair, that is much more far-seeking than buying a building and hoping we get a chance to use it.

The Government of Yukon has made a commitment to secure tidewater access for Yukon. The completion of the Yukon ports access strategy and the participation of the Yukon government on the Skagway Port Development Steering Committee are very important steps to meet this commitment.

The Yukon port access strategy study provides the kind of objective and quantified information public and private stakeholders need in order to take a serious look at developing port facilities and related transportation links. Secure tidewater access is a prerequisite to the viability of many resource developments in the Yukon. Included in the capital expenditure of the supplementary budget is a revote of \$268,000 for technological partnerships.

One of the partnerships supported by the department is the Yukon Cold Climate Innovation Centre developed around the commercialization of cold climate research. Cold climate technologies will provide important economic opportunities for Yukoners and provide another avenue of diversification for Yukon's economy. The Yukon government is working with industry stakeholders and academia in developing the Yukon Cold Climate Innovation Centre.

The final department objective is to forge partnerships with the First Nations in the economic development of the Yukon. Thoughtfully managing the growth of Yukon's economy, we are committed to working with Yukon First Nations, of course.

Included in the capital expenditures of the supplementary budget is a revote of \$25,000 for the eCommerce Yukon project.

Now, the eCommerce Yukon project is designed to increase the use of e-commerce in Yukon communities. The program is focused on increasing the relevance of e-commerce by assisting people with eBay, and this is actually a little bit more complex than it may sound.

The eCommerce Yukon project is delivered by the Council of Yukon First Nations and is directed by a steering committee with representatives from the Council of Yukon First Nations, industry, and Yukon government.

This project is just one of many projects under the strategic industries development program, which we are submitting for capital expenditure revotes of \$549,000 in this supplementary budget. I would remind the members opposite that a good number of revotes on this are projects that had been approved but not completed in the fiscal year, and that we are completing them now, and this is very much a normal process within the Department of Economic Development.

With those comments, I will save other comments as we go for questions. Again, after the synopsis, I will entertain questions on the department's good work.

Mr. Inverarity: I found the minister's words quite enlightening. As you know, the Department of Economic Development -- or economic development in the Yukon -- has always been near and dear to my heart. I think it's important that we have a very diversified economy. I'd like to say that I'm a little bit encouraged by what I'm hearing from the minister, but I won't go quite that far, mostly because he's not really addressing the issues regarding small business.

He's talking about some pretty grand ideas -- mining, oil and gas -- and while I think those are very, very important to deal with, clearly the single biggest issue for small businesses today is labour shortage. In fact, 87 percent of businesses that

were surveyed recently noted that labour shortage is their single biggest restrictor to economic growth.

I don't think I heard anything in the minister's opening remarks regarding how he plans on dealing with labour shortages. I think that if that's the number one topic on small businesses in the Yukon, then I think it should have been a little bit higher up in his opening remarks.

I also find it interesting that in discussing other issues that are of importance to small businesses in the Yukon -- and that seem to have missed his whole focus -- the second one is the tax burden. I didn't hear the minister saying anything about reducing corporate income tax over the coming months. I know we have a bill before us on general income tax reductions, but it would be nice to see the corporate taxes dealt with as well. Clearly, that's the number two issue of small businesses in Yukon.

Surprisingly enough, another very big issue is red tape burden, or bureaucratic processes that seem to go on within government. Trying to reduce that burden for small business is important. In fact, just last week I was meeting with the Canadian Federation of Independent Business and they went out of their way to indicate that, in other jurisdictions when any new piece of red tape or new bureaucracy is introduced to small businesses, at least one has to be taken off the books.

Now, I know we do have some strides going forward in terms of the Yukon with regard to reducing some of this burden, but clearly 50 percent of small businesses still think that it is important. It would be really nice if we could get to the issue of trying to streamline all the actual paperwork from all the levels of government that people have. I know when I was in business, I used to get phone calls from the Bureau of Statistics, looking for surveys; I would get them in the mail from the federal government; I would get other ones from the CFIB, for that matter, which was also serving that, along with all the other paperwork that we had to do. Some of it had to give somewhere along the line.

Mr. Speaker, I'm not going to spend a lot of time, because I think that a lot of the questions that I'm going to have to ask I will probably have to bring up in the line-by-line. However, I would like to draw to the attention of the minister something that I asked him on May 7 of 2007. I noticed it in the current budget. There is an additional \$70,000 in revenues that have come in to the community access program. I had asked the minister if he could provide a legislative return for full accounting of the community access program over the past three years. I'm interested in what was revoted, where the money was spent, how much is actually left in revotes that may not have been spent and, in fact, what the programs are in the current budget that you're going to be doing under the community access program.

I have to admit that I do have an ulterior motive here. This particular program was a sister program to one that I was involved in, computers for schools, that the minister is fairly aware of. I hold these programs, as I said, near and dear to my heart. I'd like to stay on top of them to make sure that these programs continue. I find them very valuable. I honestly believe that both of these programs should have been under the

umbrella of one individual group or one organization. I was never able to accomplish that through my requests, but it would certainly add strength if both of these programs -- computers for schools and the community access program -- were taken out of the hands of government and placed into a not-for-profit society. That is what has prompted my interest in it. I think that it's pretty important that I stay on top of it, if only from a historical point of view.

So I am going to leave that at this point. I think that as we get into line-by-line, we can probably answer most of my other questions.

Thank you.

Hon. Mr. Kenyon: I do appreciate the member opposite's comments that he appreciates the work of the Department of Economic Development. I do hope very much that he communicates that to the rest of his caucus who seemed to, in the past, have had such a limited appreciation of what a department of economic development could do.

I am curious about some of the comments about the long-range plan and the global overview of the economy not addressing small business and that somehow, every time a mine opens or a major project starts or construction crews are working -- or the level of building permits go up or anything else -- that is more people who are eating in restaurants, who are going to go down to Northern Metallic or Canadian Tire or Wal-Mart and buy something, and go to a sports shop and buy some fishing gear because they can afford it now. I think all this long-range planning is very much a part of working with the small business community. Supporting the small business community is not always restricted to simply doing one or two things very specifically for that group, which may help them. Again, it's a little bit limited in what it can do in terms of the global economy.

In terms of the corporate income tax, Yukon is one of the lowest in Canada. I don't believe it is the lowest but it certainly is among the lowest. I am curious why the member would think this was, again, a major concern. There are other ways to address that.

Certainly, we do continue to work with the Chamber of Commerce and the business community to identify priorities for review. The tax levels and red tape and everything else are certainly part of the long-range strategy and the next step in looking at all of these things. Things like BizPaL -- I would invite anyone with a small business to take a look at this on the government Web site -- is a process that was done by a number of territories, provinces and the federal government. But Yukon was very much in the lead and, in fact, it won the diamond award for the best bit of information technology in Canada for the year it was launched.

One of the nice things about being a small jurisdiction is the fact we manage to get it out a lot earlier. You can go in with a series of questions on the type of business you want to go into, or the sideline you want to go into and, by answering some simple questions, it will then give you a list of all the different offices to contact, all the permits you need, et cetera. It walks you through that process very quickly. I commend anyone to take a look at that.

I do commiserate with the member's concern about surveys in the mail and everything else. I probably get more than my share, and it goes on and on. You find, after awhile, you're ready to just chuck these things in the garbage, but they do have some value, which we have to look at.

In terms of labour shortage, again, that's a very big part of what we're doing. We realize -- and anyone in business does -- that it's both in skilled labour and unskilled labour, as well as entry-level labour. We're short of everything, and we do realize there's a lot of pressure from the business community for government to address the labour shortages.

I was fortunate to have some time, about a week ago, to talk about this with Minister Chuck Strahl when he was in town and to get him to bend the ear of Minister Monte Solberg, who I will be calling later this week and with whom I'm meeting in Ottawa in January, to talk about some of our challenges on that.

In September of 2006, a steering committee was formed to determine how best to approach skills shortages. The committees of government and industry representatives emerged as a result of concerned business people and service providers, meeting to discuss growing labour shortages in the Yukon. Basically the committee approached the Department of Economic Development for funding to support a preliminary study. We wanted to focus on identifying and examining programs and services currently in place to address labour market issues. We have to focus on recruitment; we have to focus on retention. It makes no sense if we get somebody to enter the workforce from within or outside, and then turn around and leave again.

Skills development and labour market information solutions will likely require all levels of government and orders of government to work together to identify and implement both short-term and long-term solutions. One of the interesting challenges of this, of course, is that immigration -- and part of this is currently split between two different departments. So administratively, it becomes a challenge sometimes to get everyone working together. So to that end, we are in the process of creating a one-stop group to look at labour shortages and how we're going to best provide the people working. I know if we don't come up with some workers, literally, in the spring, that some businesses in town are very much in danger of closing.

So we're not alone. We're not the only place that has a shortage of business workers. We know that. We have record low unemployment rates and potentially fewer people entering the labour force than leaving, and that's a huge challenge. Again, it's interesting that we were as low as, I believe, 2.8 percent unemployment at one point, and many statisticians and economists that I talked to consider full employment in the 6.5-percent range. In other words, the balance is people who are simply not capable for one reason or another -- long-term or short-term, they are not able to enter the workforce. So basically, a 2.8 and the three- and four-percent range that we've been experiencing -- we are in a lot of trouble on that.

There is a high demand for well-paying jobs in Alberta and British Columbia, and that is not helping the situation. But we have one thing going for us, and that's the environment and the Yukon in general. You can make good money going down to

Fort McMurray, if you don't mind spending \$1,000 to \$1,500 to share a trailer with somebody. Here you can make maybe not quite as good money, but you can get a reasonable place to live, good recreation, good programs and good support.

So a conscious effort is being given to increase the labour force participation -- part number one -- that participation of underutilized groups in Yukon society. So we are setting up initiatives to have older workers, retired workers, First Nations who are underemployed, youth, and persons with disabilities, playing a greater role in the labour market. There are a number of examples of how this could be done by looking at basically how much money you can make before it affects social assistance rates, how much money you can make before it affects a pension -- and these are all things that we're investigating very quickly.

We have one example where we signed an agreement with Canada on a targeted initiative for older workers that could bring up to \$660,000 in federal funds over a two-year period to address the training needs of older workers. This fund is just starting to get underway.

Yukon College is facilitating the innovation and initiative that will ensure that both Whitehorse and rural residents will be able to participate, and community training funds continue to be used for employment-related training, skills development, literacy and upgrading. Training is delivered through three avenues: community based, economic sector based and project related. Yukon recently provided Yukon College with \$363,000 to renovate its trade wing to address the growing demand for trades training.

The Yukon nominee program is a national initiative under immigration agreements, and this program has a business investor category and a skilled worker category. Recently the Department of Education developed a critical impact worker category under the Yukon nominee program in line with this government's platform promise to assist employers in filling entry level positions that they found difficult to fill. Employers will find this mechanism easier to use than the federal government's temporary foreign worker program, and we are working to get things clarified on that at the same time. The Department of Education will continue to partner with First Nations on measures to address training needs, but that falls under the Department of Education.

For instance, a \$75,000 contribution has been made to the Kwanlin Dun House of Learning; \$50,000 to Liard First Nation for a women-in-apprenticeship work experience initiative; and \$57,500 to Carcross-Tagish First Nation for heavy equipment training. The Yukon government has helped facilitate the establishment of the Yukon Mine Training Association in order to avoid duplication of services. Yukon, with industry support, will close down the existing Yukon mine training and exploration fund and transfer its remaining funds to the Yukon Mine Training Association.

In July 2007, the Yukon government received a report it had commissioned from the Chamber of Commerce on labour market initiatives, and that report will help to direct the framework of a labour-force strategy.

So that, Mr. Chair, is a bit of an overview of some of the initiatives we're doing, in terms of the labour force.

The member opposite refers to the community access program, so I'd like to spend some time on that for his information. For the past 10 years, the community access program in Yukon has been providing free Internet and computer access to those in our communities who need it. The program exists to provide computers and access to the Internet for people who would not normally have access at work or at home. This is quite interesting in the Yukon, of course, because we are the most connected jurisdiction in all of Canada -- there are some who would argue the most connected in the world -- with better than 98 percent of Yukoners having access through this and other programs to broadband Internet.

There are very few in the Yukon who don't have access one way or another.

The goal was to close the so-called digital divide that's forming between the people who know how to use computers and those who do not. Five groups affected by the digital divide are identified by Industry Canada as predominantly First Nation people; people with a low education; people with a low income; people living in rural communities -- and we all know that rural communities take on a new meaning in the Yukon -- and interestingly, francophones. That comes out of federal statistics.

The department manages the 25 community access program sites in the Yukon. Industry Canada funds 20 of these sites, located in 14 communities. The Yukon government funds an additional eight sites and three sites are currently offline. The funding for this program is provided by the federal government through a contribution agreement with the Yukon government. The contribution agreement for fiscal 2007-08 provides \$70,000, which is increased from \$40,000 in 2006-07.

Yukon provides network access for the community access program sites and the cost of this access forms Yukon's contribution to the program. The community access program is a Government of Canada initiative and it's ministered by Industry Canada and only managed by the Yukon government, which aims to provide Yukoners with an affordable public access to the Internet and the skills they need to use it effectively.

Under the community access program, public locations -- like schools, libraries and community centres -- act as on-ramps to the information highway and provide computer support and training. The Yukon government continues to provide support in the following areas. The community access program intern program has placed an intern in almost every Yukon community. In addition, the francophone community has benefited from the program for the past three years with a community access program intern being placed with the l'Association franco-yukonnaise.

The Yukon government continues to invest in the telecommunications infrastructure to all communities that makes up the Internet backbone. Without this support, all the funding would go to connection fees rather than running special programs, hire youth, and bridge the digital divide.

The public libraries branch of Community Services hosts the community access program site in a number of communi-

ties and the Yukon network access is supported by Highways and Public Works, of course.

That gives some of the background on that, but to finish that off in terms of the community access program and the partnership and to give you a breakdown of the annual program funding received from the federal government and the annual expenditures, in 2004-05 the federal funding was \$217,000, with a fund of \$137,000 coming from the Yukon government. Federal funding -- just to look at that -- in 2005-06 was \$100,000, it dropped to \$40,000 in 2006-07 and it was back up in 2007-08 to \$70,000.

Yukon provides network access for these sites and the cost of the access forms the bulk of Yukon's financial contribution to the program, which really isn't reflected in the table of expenditures, which is why I really didn't want to get into that part of it. It is very difficult to estimate.

But there has been a dramatic decrease over the years. In this fiscal year there was a jump in funding, which the member opposite noticed, of 75 percent from the previous year. This gives us optimism that the Government of Canada recognizes the importance of the program now and in the future.

If we look over the years, this has been a very good program, and I've hit some of the highlights. But, in addition, there are ongoing areas of support that the community access program has taken on.

In terms of specific projects -- again, to bridge the digital divide -- in 2006-07, under community radio, there was a partnership with Yukon College to run a radio project in the communities. The project saw the purchase of recording equipment and editing software necessary to produce a radio segment. The college went to four communities to train people on how to find a story and tell it in a radio-friendly format. Part of this training included learning how to use the computers to edit and produce the final piece. Each of the pieces produced were broadcast on CHON across the Yukon.

In 2005-06 -- the 2006 summit -- the Yukon government sponsored 13 people to go to a national community access program conference in Vancouver. The workshop served to give the Yukon's community access program site administrators a view into what other sites are doing across Canada -- a very valuable exercise. The administrators have since become key players in programs. Really, the birth of those programs can be attributed to this particular trip, so it was worthwhile.

It also supported the development of the Council of Yukon First Nations community portal for the Yukon. This portal is still very active -- due in part to the community access program's initial investment into the program, and the portal helps Yukon entrepreneurs, businesses and community groups get the message and products out to the world.

Also in 2005-06, the Carmacks tech program provided funding to the Carmacks library board to support a community-driven project to start a technology program. The participants, who are all youth in the community, are encouraged to explore technology-related ideas and learn about entrepreneurship.

In 2004-05, we go back to recognizing that when a computer failed in the communities -- and, boy, we all know they fail occasionally -- it could take weeks before a technician was

able to fix the problem. So, the community access program approached the Yukon Entrepreneurship Centre Society, which runs Computers for Schools Yukon, to set up a fleet of computers that could be sent at a moment's notice, if one should stop working at a community access program site.

This is just an overview, Mr. Chair, and we look forward to continuing the support to the sites around the Yukon by providing operational as well as connectivity support. The program is also expected to continue funding youth positions in the Yukon communities. A key priority of the community access program is to undertake a comprehensive survey of Yukon's communities to determine how the digital divide is affecting those outside of Whitehorse. The results of this survey will set the direction for the program in the Yukon for the next several years, and a study will also have the important benefit of providing a snapshot of current needs as well as the baseline that all future activities can use to gauge their success and reach. Any future projects for the program will use the findings of this survey to design a project that addresses a real need at the community level, and the survey will also be made available to other organizations that have a goal similar to the community access program. So for the member opposite, that is, I hope, a reasonable overview of the program -- where it has been, where it's going, and one that is very, very worthwhile and one that our department certainly hopes expands the penetration of computers into the rest of the communities to replace some of the old, tried and true but very slow and limited ways of getting information out.

Mr. Hardy: I have just very brief comments. I look forward to actually going to line-by-line debate more than anything else. It's more specific; it's more directed, and maybe we can speed up the questions and answers. I've noticed over my eight or nine years in the Legislative Assembly that both opposition and the government side -- and I've been on both -- have a phenomenal amount of information and preamble that doesn't actually answer the question. Also the question itself can often have a tremendous preamble, just as I'm giving right now. So hopefully we will cut out a lot of the preamble, because we hear enough of each other, and sometimes it's not that necessary.

Cutting to the chase, very specifically, talking about labour shortages, what is the analysis of the economic development in regard to a minimum wage increase? That wasn't mentioned, and I feel that is something that, from an employee's perspective, is of significant importance. It is also important from an employer's perspective. I have been on both sides so I understand the impact that could have. Has the Department of Economic Development taken a look at that?

On the China investments, I think everybody knows my position about investing with companies that may not have a good track record in environment or arms procurement, making it very clear about ethical investments and support in activities around that. As well, there are people who have been in the Yukon previously and left a huge environmental mess and tremendous cost to clean it up because they weren't responsible, and they are being welcomed back. I have problems in that area. If the minister wants to talk about that and give me some

great comfort around that, I would be quite happy to listen to him.

Where are we at with the railway study? Where does it sit now? Has more money been spent on it? Are we continuing to pursue this? I could ask about the pipeline, but I think everybody in the Yukon has noticed how quiet it has become on that file. The Liberals really made a big deal about it. When they were in government, they thought it was coming the next day. Of course, we are many years past that now. The Yukon Party seems to have stopped talking about the pipeline and the impact and benefits it would have.

I wouldn't mind hearing from the minister a little about the foreign worker program.

These are the general questions. He can either address them to me or say he will get back to me on them. It doesn't matter to me.

One question I have -- and it might be my faulty memory. Unfortunately, with the drugs I take to deal with my illness, one of the side effects is what they call chemo-memory. It is very common. If the minister could nod his head on this one -- the microloans are in this department, aren't they? Yes. Could the minister give me a very quick update about whether or not there has been enough of an uptake on this? Has it not been marketed enough or promoted enough? Are people really not interested in that very small microloan area? I would appreciate that information as well.

I won't repeat what my colleague from the Liberal Party has already mentioned, which is the Canadian Federation of Independent Business and their concerns that I think I've heard for 10 years straight now and they have never changed -- it doesn't matter. I think they could actually send a tape up now and we would know what they are talking about.

So, if the minister could just touch on those I would appreciate it and I would love to go into line-by-line.

Hon. Mr. Kenyon: I agree with a lot of what the member opposite has to say. When you talk about chemo-memory, there is also senility. So, trust me, it gets much worse -- absolutely.

In no particular order -- and if I miss one, please throw it back at me. But on the member opposite's first point on the minimum wage, I would remind the member opposite that it is set by the labour board and not by the government so it is completely out of the purview of my department or any other department. Right now I think the economy is setting the minimum wage substantially higher than where it is in law. When you can make minimum wage at one place, you can go down the street and pour coffee for an extra few bucks an hour; the minimum wage is a bit of a moot point.

In terms of ethical investments -- I certainly understand where the member is coming from and I can get into a number of things on that, of course, when you deal with mutual funds and everything else. I know people who are deeply involved in that and they still have no idea of what is involved in some of their mutual funds. So I'm not really sure where that is going, but certainly if the member opposite is alluding to some of the Asian investments and such, one thing that I can assure the member opposite is that while, yes, there are problems -- and I

would never suggest that everything has been perfectly solved -- one thing that is absolutely amazing in travelling -- and trust me I've been lost so many times in China that there is no way that I was directed into anything because we have gotten horribly lost over there. There is a definite effort to -- they understand the problem, they know the problem and they know where they are going with it and what they have to do with it. It has actually been a rather enlightening thing to see on a number of things. I was rather heartened and I felt much better, for instance, when the president of Mattel apologized for design flaws and specification flaws that were blamed on the Chinese but which in fact the Chinese had nothing to do with.

In general, I certainly agree with the member opposite in terms of ethical investments and that we should aim in that direction, but the difficulty is there for a number of different reasons.

In terms of the railway study -- it is complete. As the member opposite should be aware, it was a \$2.35 million investment on the part of the Yukon -- which contrary to some member opposite the other day -- that was given to Alaska. In fact, it was not given to Alaska; the office was in Whitehorse, just down the street here, and the people who were involved in coordinating it were all living in Whitehorse, some of whom moved to Whitehorse. We've also started looking at a preliminary tourism opportunity and impact appraisal, and we are sort of looking at what a phased-in rail route would actually do. I think the member opposite is well aware of the fact that the idea of the study wasn't to build a railway. We're not going to build a railway, but we need to produce the business-ready case so that the private sector or federal governments can take a look at this and get an understanding of what that railway would mean to the overall economy of the north and the overall economy of Canada. Basically, we want to continue working collaboratively on issues; we will continue working with Alaska on this, but the study is effectively in the can. We've presented the study to the federal government, but we haven't heard anything back yet, which is no huge surprise.

The extensive research and data compilation and a preliminary feasibility analysis was completed as what some called the "phase 1 study" or a "feasibility study" -- they are basically the same thing -- which looked at four main areas: market research, technical and engineering research, business case assessment and then a full and phased investment business case. I had the good fortune, during the gold show in Dawson City, to spend some time with the Governor of Lapland from Finland, who had done a rail study looking at connecting Finland to Russia, or I should say "reconnecting", since I believe it was done at one point. The study consisted of basically asking people what they thought of it. It was a nice little five-page study that said, "Yes, people want it." This was much more involved -- 3,000 pages of spreadsheets -- analyzing every little thing that would potentially go down that line.

We looked at both a full route investment and we looked to a degree at a phased approach, or what we call the short track solution. In other words, there are many areas in here where, now that we know the economics of the overall route, we can look at shorter track solutions that would look and say, okay,

we can do this to that, but do it in terms of the overall project so that we can be building that project as we go along. So it looks at the examination of the long-term transportation infrastructure development that will support the sustainable economic development of Yukon and Alaska, looking at the shorter segments as a way of building toward that.

Examining a range of route options and phased development scenarios, the study provides a foundation to guide infrastructure development necessary to fully realize the natural resource and economic development potential of both jurisdictions. The management working group, with representatives from Yukon and Alaska governments, First Nations and industry, met regularly through the project to receive updates and ensure coordinated progress. The study was jointly managed and financed by the Government of Yukon and the State of Alaska and, as I say, it was a joint effort, and the contributions over 2005-06 and 2006-07 were approximately \$2.35 million; \$101,000 from the 2006-07 contribution was revoted into 2007-08 -- again, work that was just finishing off to produce that report.

Alaska's share toward the study is also \$2.35 million, of which \$1.15 million has been paid to the Yukon government to put into there. So we saw a lot of benefit on this as well. The balance of Alaska's share is work that is being done by the University of Alaska at Fairbanks, and actually it was part of the money that had come through the federal government, and it was a routing thing to make sure everybody was happy with it and that it met the accounting requirements.

The report was publicly released on June 19, 2007. We're continuing to take a look at this as an ongoing study. But the work is in the can, and now we can make a lot of different decisions, from highway construction, to short track solutions, to interconnections, to port development -- it's a study that certainly isn't just sitting on the shelf, collecting dust. It's being very heavily used.

In terms of foreign worker commitment, the foreign worker really comes under the federal government, so we continue to lobby the federal government to move forward in that and get things moving so we can start getting people in by next year, hopefully, to relieve some of the shortage. Is that the solution? No, but it's a big part of it. Is training the solution? No, but it's a big part of it. Is getting people off social assistance and into the workforce, or out of retirement and into the workforce, a solution? No, but they're parts of the puzzle and we have to continue to work on that.

The microloans situation -- yes, that does fall within our purview. That was a fund established in March 2000, with the support from the Yukon government, DIAND and Dana Naye Ventures. The program is designed to support the creation of small and home-based businesses to which the banks have shown limited interest in providing loans.

The program targets an area that has not been adequately serviced by banks because of the high transaction cost of administering small loans. I'm pleased to report to the member opposite that, as of June 30, 2007 -- which is where my statistics end -- a total of 94 loans valued at \$258,342 were distributed. The number of loans outstanding is 10, valued at \$18,698; the

default rate since inception of the program is 15.32 percent. I would argue it is still a pretty decent investment, looking at where it's going.

The maximum initial loan amount is \$2,000 but, over a period of time, this amount can go as high as \$8,000 as credit is established. The participants are not required to provide collateral but are required to take business training and to take joint responsibility and liability for the loans approved in each peer lending group.

The peer lending group model allows each peer group participant to receive a loan, but each participant is partially responsible to each of the other peer group participants for repayment. Group members take on the part of lenders by approving another's loan, which in turn must be approved by the program administrator, which is Dana Naye Ventures.

The economic situation in the Yukon has changed dramatically since the program was launched in 2000 and, as the member opposite notes, there has been a reduction in the number of people who have applied.

We will be evaluating that program in 2007-08. The evaluation will be done both by the Department of Economic Development and by Dana Naye Ventures to see where exactly we are going with that program.

In terms of the Canadian Federation of Independent Business, I do have to agree with the member opposite. I have only met with them for four years now but, quite frankly, it all seems to be one meeting with the same questions and the same surveys that come out saying exactly the same thing. I have a few concerns about that. I will end there and throw it back to the member opposite.

Chair: Is there any further general debate?

On Operation and Maintenance Expenditures

On Corporate Services

Mr. Hardy: Could I have a breakdown of the \$54,000, please?

Hon. Mr. Kenyon: That involves collective agreement impacts from January 1, 2007, to March 31, 2008. It's all collective agreement costs; there is nothing else in that.

Corporate Services in the amount of \$54,000 agreed to

On Corporate Planning and Economic Policy

Mr. Hardy: Could I have a breakdown, please?

Hon. Mr. Kenyon: The \$51,000, again, is collective agreement impacts from January 1, 2007, to March 31, 2008.

Corporate Planning and Economic Policy in the amount of \$51,000 agreed to

On Business and Trade

Business and Trade in the amount of \$25,000 agreed to

On Regional Economic Development

Regional Economic Development in the amount of \$24,000 agreed to

On Strategic Industries Development

Mr. Inverarity: Could I have a breakdown on that?

Hon. Mr. Kenyon: Of course. \$56,000 is, again, collective agreement impacts January 1, 2007 to March 31, 2008. The remaining \$80,000 is a revote on a contract for industrial benefits strategy, and that's a carry-forward from 2006-07 to

2007-08, as it was simply not completed by the year-end and had to be paid in the next year.

Strategic Industries Development in the amount of \$136,000 agreed to

Total Operation and Maintenance Expenditures in the amount of \$290,000 agreed to

On Capital Expenditures

On Corporate Planning and Economic Policy

On Economic Infrastructure Development

Mr. Inverarity: I'm just curious as to why there is such a significant drop in this particular area. Perhaps the minister could just give us some reason why it has been dropped down.

Hon. Mr. Kenyon: \$201,000 is a revote of the *Alaska-Canada Rail Link Feasibility Study* and associated ALCAN RaiLink Incorporated contribution. However, \$500,000 is less the economic infrastructure projects. There were simply fewer projects that year than anticipated, leaving \$299,000 in the negative.

Mr. Inverarity: Could you elaborate on which projects didn't go? Were they projects that no one had submitted?

Hon. Mr. Kenyon: Yes, the member opposite is right. The fund anticipates an intake, and when the intake doesn't occur, that's money that wasn't spent.

Economic Infrastructure Development underexpenditure in the amount of \$299,000 cleared

On Business and Trade

On Business Incentive Program

Business Incentive Program in the amount of \$3,000 agreed to

On Dana Naye Ventures Business Development Program

Mr. Inverarity: I notice, Mr. Chair, that this is an increase of about 205 percent, approximately. I was wondering if the minister could go into a little bit of detail as to why that is such a significant increase over what was budgeted for the year and give us some details as to the programs that are being developed there.

Hon. Mr. Kenyon: To remind the member opposite, this really is the Dana Naye Ventures business development program. Payment required is based on terms of agreement to the fund at 85 percent of the amount remitted to the Department of Finance on the defaulted loans -- or delinquent loans -- portfolio. The estimated collection 2007-08 was about \$705,000. The main estimate approval was \$200,000, so we need an extra \$400,000 in there. Dana Naye was just very good at collecting the money. There is a revote in there, as well, of \$9,000. That's the \$409,000. That's the Dana Naye Ventures business development program, and that was recoveries that were booked but not received at the end of the year.

Mr. Inverarity: If some of these were the -- quote -- "loans", how much is now outstanding on those? Do you have any estimate of those?

Hon. Mr. Kenyon: The way it's structured is we make the payment into Dana Naye and this sort of thing, but the loans are actually under the control of the Department of Finance and Dana Naye Ventures. So in terms of what's out-

standing and who that is, we don't know. We just take the money and put it to good use once we get it back.

*Dana Naye Ventures Business Development Program in the amount of \$409,000 agreed to
On Enterprise Trade Fund*

Mr. Inverarity: I'd like a detailed breakdown on that. I realize it's an increase in a fund, but perhaps the minister could go into some detail as to why it's an increase?

Hon. Mr. Kenyon: The enterprise trade fund funds a wide variety of things: preparing business documents, marketing and this sort of thing. Twenty projects weren't completed by the end of the year; they had been approved in the previous year, but they were paid out in the following year. So, it's much like the community development fund, where you approve it, but it gets spent after the end of the fiscal year, so it becomes a revote in the next.

Enterprise Trade Fund in the amount of \$132,000 agreed to

On Regional Economic Development

On Regional Economic Development Fund

Mr. Inverarity: I guess the concern I have is that a lot of these increases are fairly substantial. We're seeing 200-percent increases; some are 52 percent; this particular one I believe is a 55-percent increase. Are the programs that well-subscribed? I think in the spring, we were looking at an under-subscription and a revote situation. I'm just trying to get an understanding of the overall picture.

Hon. Mr. Kenyon: I suppose in a word -- yes -- they are very popular, but again, when you mention previous revote situations, this is historically the way it goes: the projects -- in this case, nine different projects within regional economic development -- were simply not completed by the end of the year. There will be other projects this year that won't be completed until next year and will be revoted again, so these things are recurring every year. For instance, take tier 3 of the community development fund -- I believe the intake is in January -- many of these projects are scheduled for summer, so that alone could be a couple hundred thousand dollar project that would be booted into the next fiscal year, but it was probably booted into the next fiscal year, last year as well. So this is constantly trying to deal with a fiscal year-end, which may involve labour shortages; it may involve weather; it may involve any number of things. The projects simply weren't completed -- in this case 2006-07 -- so nine projects will slough into this year and be at a revote at \$235,000.

Mr. Hardy: Will the minister supply a community-by-community breakdown or an updated one? I have a list already, but it is only until March 31. Have there been changes in this area? What are the projects it is funding? When I look at the past, there seems to be a lot of sessions and a lot of planning. I don't see it as a labour shortage at all, as the minister may have indicated in the previous question. I'm not sure how many strategic plans we actually need in our life and how many times we keep paying for them.

Hon. Mr. Kenyon: I'm sorry for the confusion here: is the member talking about the regional economic development

fund or the community development fund, which is the next item up?

Mr. Hardy: The regional economic development fund is the one I'm talking about, not the community development fund, which is quite substantially different and does engage a lot of labourers and tradespeople in the communities. I'm talking specifically about this fund, which seems -- if I go down previous descriptions and look at what the money was given out for -- there were a lot of plans: economic plans, business opportunity research, capacity building, planning sessions, needs assessments, business opportunity identification, capacity building. These don't necessarily generate a tremendous number of jobs for unskilled people. I'm just wondering how many times we repeat these strategic plans. Isn't there a concern in this area?

Hon. Mr. Kenyon: The department certainly tracks this very carefully because there is that problem in terms of repeating things. Again, my confusion there was that I thought the member opposite was talking about the community development fund and I can certainly give more information on that.

But within regional, again, the community development fund also falls under the purview of regional economic development, but it is a separate line, and we will get to that in a moment.

If we look at some of the programs, a lot of this is building capacity within the communities and within the First Nations. The labour shortage still comes into place in there. We have had a few things where we have needed a good qualified consultant to look at a program, and are told that there are none for another six months -- they are all busy. Rather than go Outside and bring someone in to try to educate them about the Yukon, my preference would be to use people who are here.

Within the revotes, specifically, since that is really what we are talking about, we have an executive leadership program within the Champagne and Aishihik First Nations. We have actually hired someone to undertake that labour market initiative for the Yukon. They have done it through the Whitehorse Chamber of Commerce. That is another \$20,000.

Looking for opportunities and long-range planning for the Carmacks Development Corporation, there is \$30,165. To the Ta'an Kwach'an Council, there is \$37,500 to assist them with capacity building. The Southern Tutchone Council will receive \$17,025 for a needs assessment to try to determine what exactly the needs are within the Southern Tutchone community. There is roughly \$4,600 for strategic planning sessions within the Challenge community vocational program.

The opportunity identification and capacity development amount is \$38,800 for the Selkirk First Nation. The Vuntut Development Corporation will receive \$22,478 to look at opportunities and build capacity. L'Association franco-yukonnaise will receive \$47,420 for a pilot youth labour market project -- again, relating to labour shortage and developing those capacities.

Again, we monitor the funds and expect detailed reports on what was accomplished and where these things are going, so we can either build on them or learn that that wasn't the direc-

tion to go, which I am suspicious is where the question was leading on that.

Regional Economic Development Fund in the amount of \$235,000 agreed to

On Community Development Fund

Mr. Inverarity: I'd like a breakdown on the \$188,000 and what they're projecting for an increase. Also, I think just last week I mentioned that I thought that perhaps this fund should have been increased. I suggested \$5 million for the year. Clearly, in pretty much all the circumstances we're looking at, these funds are badly underestimated, and I'm wondering if, rather than going through this revote process, you are projecting an increase in these funds every year, then perhaps you might want to look at that from a management perspective.

Hon. Mr. Kenyon: It's not underestimating. A lot of this is catching up on things that were approved in one year but were actually being paid out in the next year. This is a syndrome that we will be seeing every year.

I would certainly enjoy the member's suggestion that we increase this to \$5 million. I think we could do a lot with it. But that's one of the challenges of government -- to try to prioritize and figure out how to best use our resources.

In terms of the community development fund and the collective agreement impacts -- January 1, 2007 to March 31, 2008, with four employees, that's a \$10,000 increase. Interestingly, with the community development fund, we had final costs less than anticipated on some projects by \$100,000 and fewer tier 2 applications in April 2007 than anticipated -- of 150 -- so we're looking at a decrease of 250. One of those applications was a project that had been approved. We had some concerns about its location. The proponent, quite on their own, agreed with those concerns and will be resubmitting. So again, rather than spend the money to put something that isn't needed in the wrong place, we're working with that group and we'll come to a good resolution on that. So that money will be back, no doubt.

Revotes into the community development fund -- again, 33 projects are not complete by 2006-07 fiscal year. So, that's another \$428,000 and that revolves around not being able to get carpenters to build a small building or projects that were very good but we just simply couldn't find the people to complete them. We will complete them. They're still on the books. But, again, the money will revote into the next year, so that leaves a total of \$188,000 overall.

Mr. Hardy: I'm very familiar with the community development fund. It was developed and brought forward under an NDP government, and it has evolved. I remember very clearly when the Liberal government wanted to cancel it, and they began to dismantle the fund itself and shrink it down. I was very pleased to see the Yukon Party government reinstate it and then actually put more money in as the needs have grown. I support that.

But it has evolved and, at times, I have to question the applications that come forward and whether they meet the original and existing guidelines for acceptance of those applications. Maybe it's time for this fund to be looked at and possibly split again.

It was mostly for job creation -- originally the intention of it was for job creation, especially in the rural communities where not much was happening and to give an opportunity for community projects to be put in place. It was often for structures, community centres, trails, some training, and stuff like that.

But now I look at this list of the ones that have been approved -- and they're all good projects. I'm not criticizing the projects, but I'm not sure if they actually meet the requirements for acceptance under the community development fund.

Could the minister restate what the community development fund is supposed to be -- its goals and the criteria for acceptance?

Then we can discuss where it may not be working any more but still needs to work, and the possibility of taking this fund and splitting it so that there might be two categories, or another category, to recognize some of these applications that may not fit very well within the description today.

Hon. Mr. Kenyon: The member is partially correct on the community development fund and this is a concern that we have and this is why we are in the process of looking at the mandate -- not so much the structure but the terms of reference of the community development fund.

The primary goal is basically to fund projects and events that provide long-term benefit and value to Yukon communities, not necessarily simply job creation -- there are a lot of other ways to do that. If job creation is a result of it, than that is just spectacular. For instance, just to think back to some of the projects, the fund created a storage shed and a place to sell hot dogs for a ball diamond for one community and that suddenly made it much more amenable to the community.

The member mentioned trails -- and certainly the creation of trails or that infrastructure allows the tourism of the area: maybe people coming to Carcross, for instance, will stay the extra day or afternoon or whatever because there are trails there that they can go out and bike, or walk and have some fun on Montana Mountain -- that was another project.

There have been a number of other projects in terms of community gardens, both in Whitehorse and in quite a number of our rural communities, that not only teach people about gardening, they provide a food source and community recreation, as much as anything else.

We always have to be cautious with the community development fund -- and that is one of the biggest problems that we hit -- that we don't fund something that is going to be in competition with the private sector. One thing that was turned down, for instance, was renovating a kitchen for a publicly owned building, which would then compete for catering with existing local caterers -- that is something that we would not fund.

We have some problems with training -- we are not a training fund -- but there are some aspects of training that make sense in a small community. Part of the application process is to go into detail about what they want to do. They need letters of support for different groups that are impacted or departments that are impacted. They need a 10-percent equity in what they are putting through.

The one change that we made after much discussion, soul-searching and navel gazing -- it makes much more sense with something like the community development fund to enlighten and educate people in terms of what is there and what the fund is capable of doing. I am so pleased to hear the Member for Porter Creek South speak in favour of the community development fund and even the thought of expanding it, because the party position has in the past referred to this as a slush fund. It is anything but that. I do hope that he isn't in trouble for saying that.

As people get to know the fund and understand it, it's a fund that will have more value. To that end, what we have done is to ask the community development fund staff to go out into the communities and actually hold public meetings. They have been out now to a number of communities. They have gone out and explained to people what the fund is, how it can be utilized, how to apply for it, and they have worked with them on the applications and, to that end, the fund is getting more utilized.

We did see a dip in the fund for a time period. My feeling at the time was that it was due to the Canada Winter Games. There were a lot of groups that were a little busy at that point in time. There were also a lot of so-called RIF funds -- the MRIF, and this RIF and that RIF fund -- and a lot of major projects going on that kept a lot of people busy and will do so in the future. But at that point in time, we did see a dip in the number of applications.

There was some thought about reducing the fund. My feeling at the time was to please not do that to me; this is simply a temporary thing. In fact, it has proven to be the case. The intake has come right back up again.

Again, for the member opposite, I hope that answers some of the questions. Actually, yes, he's quite right that this should be reviewed, and that's what we're in the process of doing. But we're not looking at the process of splitting it. At this point, we're just looking to nail down a little bit more concretely what the uses are and basically what the mandate is and how it progresses through when it's evaluated. It's amazing how good some of these projects are, and it's amazing how unusual some of the projects are that are turned down.

Community Development Fund in the amount of \$188,000 agreed to

On Strategic Industries Development

On Strategic Industries Development Fund

Mr. Inverarity: I'd like to know what specific projects have been funded to date under this particular project. I'm also curious as to whether or not any of the rail link studies and whatever were under this particular line item or if they're under another particular line item. A breakdown would be fine.

Hon. Mr. Kenyon: Mr. Chair, the strategic industries development fund tends to look at the larger projects. It supports the government's commitment to foster the development of Yukon sustainable competitive advantage by funding strategic projects and initiatives that create a secondary spinoff to the economy. The total funding for 2007-08 to date is, I believe, about \$233,350. Since the inception of the fund, approximately \$2.97 million has been invested on 55 projects across the territory. I don't have a breakdown at this point, but basically the

types of businesses and organizations eligible to apply are Yukon businesses that are registered with Corporate Affairs; Yukon First Nation development agencies, whether structured as a corporation or trust; and business-related organizations, either for profit or not for profit.

There are two tiers involved in this: tier 1 funding is for up to \$100,000 and tier 2 funding is for up to \$500,000. The branch's business development advisors are working with their colleagues in the departments of Tourism and Culture, Energy, Mines and Resources, Community Services, and Highways and Public Works, as well as others, depending on the type of project under consideration.

To give the member opposite some of the revotes approved in here: the Chamber of Commerce, to basically administer recommended steps and a feasibility study for the development of the northern innovation cluster; opportunities identification in the Minto mine project to Selkirk First Nation holdings, \$35,000; Northern Native Broadcasting, \$10,000 to assist in developing a Yukon First Nation film and television production fund; Great River Journey, \$298,000 for implementation stage and strategic tourism project, and that is, of course, a consortium of First Nations and others; \$48,000 to Takhini Hot Springs on a joint venture proposal, which I believe is still in the works; and Pacifica Resources, now known as Selwyn Resources, \$62,200 on the Selwyn project and various things related to that.

There have been a number of others but those are the actual revotes. To just give you an overview of some of the others, there is: a scoping study for the Mactung project and North American Tungsten Corporation; Tagish Lake Gold, a definitive feasibility study for the Skukum Creek project; strategy and action plan, Tourism Industry Association of Yukon. These are the ones that I mentioned in general, and the first ones were the actual revotes.

Mr. Inverarity: I am curious as to whether or not any funds have been allocated for any research or studies for the Alaska rail link? Under what line item would they occur?

Hon. Mr. Kenyon: No, there were no funds from this fund expended toward the rail link study. That came under different funds that we've already cleared. No, it wouldn't be a part of the strategic industries.

Mr. Inverarity: The reason why I'm asking that is that there was a contract let this month for \$159,000 to a company called ALCAN RaiLink Inc. The description of the project was for Yukon resource supply chain research, and I believe -- from the name -- it has something to do with the Alaska-Canada rail line. I'm wondering if the minister could comment on that sole-source contract for \$159,000 and why it was sole sourced?

Hon. Mr. Kenyon: I was just looking through this. Under capital expenditures, Corporate Planning and Economic Policy, there was a revote there for the Alaska-Canada rail link feasibility study and associated ALCAN RaiLink contribution. That relates to what we refer to as the short-track solution. Looking at now having that study in the can, are there parts of this that would be of benefit to mines as they develop or other businesses as they develop? There is great value in continuing to utilize the office, which is sitting there and hasn't been dis-

banded yet. So the people are in place and everything else is in place and the knowledge base is there. Rather than put something out that's going to have to recreate that knowledge base, it made sense to continue with the existing personnel, but that's for what we refer to as the short-track solution; that's not the overall rail study by any means.

Mr. Inverarity: So, why was this contract sole sourced and not put out to tender for that value of money?

Hon. Mr. Kenyon: The reason for that, again, is that you have a group or an individual -- however you want to look at it -- with all the skills and knowledge and, having worked on this over the past two years, to do anything else would mean that you would have to potentially bring someone else in who would start from scratch and would have to duplicate the knowledge gained over a couple of years.

So, I think that was really the basis for that discussion and that decision. It also was an existing business that's here in the Yukon, set up and ready to go. There was nobody else with that kind of skill set available.

Mr. Hardy: I do have -- well, the same question in that regard, and it has already been asked. I don't buy the sole source position; however, this government is notorious for sole sourcing. We have seen that, not only in this department, but in various departments. I wish the minister would give a little bit stronger answer, instead of his "no one else is qualified, and we'd have to hire somebody new." Well, you don't know until you put it out to tender, do you? Maybe they could win it on their own.

But speaking of sole-source contracts -- and I can't seem to find it right in front of me -- there were two \$75,000 sole-source contracts, one to Dr. Zhou, the special advisor to YTG on China and one to his company, Sino-QZ Group Limited -- again, more sole-source contracts. Can I get an explanation about those as well?

Hon. Mr. Kenyon: Yes, Dr. Joe Zhou -- we just refer to him as Dr. Joe -- is an individual who is located in China. He has done quite a bit with Canada and is very well respected within the mining community -- and we have been working with him for a long time.

To put out anything but a sole source on that -- someone from North America could not do the work that needed to be done. We needed somebody who was on-site in China with those contacts. So, it made perfect sense to continue the relationship.

We had a relationship with this individual, who is both a geologist and has a Ph.D., and god-knows-what. In fact, he is working with us, as we speak, at the geosciences forum in Beijing. He is our man-on-the-ground over there. He is the only person with the skill sets -- particularly over there, being fluent in English -- very fluent in English with all the technical terms. We have seen -- for instance, with one company we worked with on my first trip over there, they were most interested in buying, I will just say a mining company, without mentioning it, and they had no concept of what a non-binding contract was and how to go about dealing with a publicly traded company. By the time we convinced them that they really needed somebody other than a linguistics professor as the translator, the

deadlines had closed and somebody else bought the company, and things changed.

To have someone, again, with that skill set involved -- perfectly fluent in English, perfectly involved with financials, geological training, et cetera -- it's an amazing skill set and a very rare one.

Mr. Hardy: I am not going to beat this one up too much. I am going to move on.

I am just looking at the strategic industry funds list here. The member opposite has indicated that the Great River Journey, which is a \$407,000 contract, has a \$200,000-plus revote. Is that what it is, a revote? It's not an addition? Because I have here that the whole contract was \$407,000.

As well, Pacifica Resources Ltd. shipping assessment project is almost \$100,000. You mentioned that \$60,000-some was paid out into that and there was some \$67,000 of that as a revote, as well. Is that correct?

Hon. Mr. Kenyon: As the member opposite is aware, one of the things in dealing with the Chinese is that it is very much relationship oriented. The last thing that you want to be doing is bouncing around with different people. Again, Dr. Zhou has an amazing ability to do the work and he is very well known and well respected.

In terms of the Great River Journey, for those who aren't familiar with that project, we continue to support Great River Journey. It is an excellent example of Yukon First Nation participation in the development of Yukon's tourism industry. We've supported the Great River Journey through contribution agreements, focusing on investment attraction, project management, planning and the implementation stage. We've worked closely with Great River Journey, assisting with the exploration of new avenues of funding, monitoring the next stages of the implementation process, et cetera.

The Great River Journey is a unique, eight-day, world-class geotour on the Yukon River, focused on fairly affluent travellers. The Great River Journey is a corporation with two shareholders: The Great Northern Journeys Inc., which owns 67 percent, and the First Nation Investment Corporation, which owns 33 percent. The First Nation Investment Corporation is basically three Yukon First Nations -- or their development corporations: Kwanlin Dun Development Corporation, Ta'an Kwach'an Council and the Tr'ondek Hwech'in Nation. The Selkirk First Nation is negotiating to join the partnership, and I believe that if that is not done, then it is pretty close to it. That would change the percentage of ownership to 55 percent for Great Northern Journeys Inc. and 45 percent for First Nation Investment Corporation.

A third party market assessment conducted by Western Management Consultants was very complimentary and confirmed that the project is very well planned and very well targeted. A comprehensive independent financial review by BDO Dunwoody LLP considered the financial assumptions underlying the business plan and financial model as being sound.

Great Northern Journeys Inc. has spent approximately two years developing the business case and generating investment support for the interested First Nations. Over the past two years Great Northern Journeys Inc. and the First Nation Investment

Corporation have obtained funding from Indian and Northern Affairs Canada, and most recently Great Northern Journeys Inc. made an application to access money under INAC's targeted investment program.

Great River Journey has completed the implementation stage with what they call "patron soft tours" -- approximately 80 to 90 people running through to the end of September to basically work out the bugs. We hope they will be quite functional soon after that in the spring. There was a \$500,000 contribution agreement from the strategic industries development fund, \$93,000 for attraction investment and project management planning in 2005-06, and in 2006-07 a further \$407,000 for implementation stage.

Tourism and Culture is assisting with funding programs within their department, and Canada as a federal government has come in, I believe, in the \$1-million range in support of this project, which will see tourists go by boat to stop at various landings, guided by primarily or perhaps exclusively First Nation guides to showcase and to explain the Yukon and the First Nation heritage. It's an exceptionally good program, and one we're very much in support of.

Mr. Hardy: So you're talking about an investment of over \$2 million, from both the federal and territorial governments, for affluent travellers?

Hon. Mr. Kenyon: For affluent travellers who will provide an incredible insight into both Yukon history and First Nation cultures, involving four First Nations, involving employment opportunities at every stage of the way. I believe we're up around the \$8 million point now -- built facilities along the way, all by Yukon labourers, Yukon carpenters. Yes, it's a very good project.

Mr. Hardy: I think we're going to have to explore it a little bit longer. I need to get more information about it, because that's \$2 million for affluent travellers and I guess all the other travellers can't participate. Is that what you're saying? If you're identifying just one type of traveller, it must be an extremely expensive trip.

The other question I had -- I appreciate the minister giving me this information, by the way. I'm asking these questions with sincere intent to find out about the money trail, and so far it has been a very good response from the minister. Pacifica Resources Ltd., shipping assessment project, \$97,000 plus -- and then I turn it over and I see they also have an application under the enterprise trade fund, mining conference, \$11,000-some. Could the minister tell me what Pacifica Resources Ltd. is, and what are we actually seeing for the money?

Hon. Mr. Kenyon: For the member opposite, we don't control what the cost of any tourism project is, and our Department of Tourism and Culture has a niche market for high-end tourism. In terms of who can afford it, I would remind the member opposite of the cost any time anyone comes in -- the airfare and expense of renting motorhomes for German tourists coming in on Condor. I'm sure the member opposite isn't saying we should subsidize only the poor to come in and not spend money here.

All of this puts money into the economy; it all gets jobs going; it involves First Nations; it involves the First Nations

being able to enlighten the world about their culture and showcase what they have. There's a cost involved with that and it is a niche market, but it is one that will bring excellent rewards into the Yukon. We've done that for about \$500,000 -- we've actually put that into it and the feds have put in much of the rest.

It also positions the Yukon as a destination point. That was the whole idea of all the ads that were done through the Canada Winter Games on national and international television. The more people we can bring up and showcase our culture, way of life and what we have to offer up here is a good thing.

The other thing the member opposite asked was regarding Pacifica, which is now Selwyn Resources. We participated in a major component of a feasibility study on access to the market and working with the company to assess the various options. The revote is only to complete that review. The review was actually in last year's budget.

When the member opposite asks what it is, I would refer him to the Web site. It is the largest lead-zinc deposit in the world, by almost a factor of 10. The largest lead-zinc mine in the world right now is Alaska Red Dog, and Selwyn has proven resources of five times as much and inferred resources of almost 10 times as much. It's in an area that has incredible potential for that and it is developing along quite nicely.

Again, our concern is that to promote that is one aspect of it, but we don't want to get into the boom-and-bust sort of thing. So, while we're promoting the one large mine, we certainly have to work with smaller mines, tourism, Condor for bringing more air traffic through, and all the various components to keep a diversified economy.

Mr. Hardy: I agree with the minister on that -- the final statement -- about diversifying the economy, but when I look at this list, I see the majority of the funding goes toward mining. Not that I have a problem with the mining companies being involved in our economic future; that's where I made a lot of my living as a young man here. My family has a long mining history as well.

However, there are a couple of points. I believe subsidization of the rich doesn't sound that pleasant. I agree with the partnerships with First Nations and that, but to indicate that the rich need subsidizing kind of goes against my grain.

The mining issue -- the amount of monies that go toward -- I guess what the problem is, historically -- and what I remember -- mining companies used to do their own feasibility studies and pre-feasibility studies and I'm sure they still do. I'm wondering if there has been a shift over the years. I don't say this just for the Yukon, but for Canada, North America -- government is doing a lot of the feasibility studies to attract mines. If that's what the mindset is now out there in order to compete, then that's what the government needs to do: lend a helping hand to some major mining companies that make billions at times, hundreds of millions; lend them some money to help them with a feasibility study, to have them continue the work in the Yukon.

The minister just mentioned the largest lead-zinc mine indicated in the world. I would suspect that there is a massive amount of money available to this company and I'm wondering

how much of a role we actually can play -- and should play -- when they are already financially pretty strong?

Hon. Mr. Kenyon: I am still scratching my head because of the member's comment about economic subsidization of the rich. To carry that argument through, I guess we shouldn't have enlarged the airport runways to bring the Condor flights here. That brings in a massive amount of money for tourism, but we are just subsidizing all the German tourists who are coming here. This is where they spend their money -- darn right we are going to help by doing that sort of thing. If we can assist a company to bring in the higher end tourist to spend money here, that is definitely something to look at in terms of subsidization. We are not going to sit back and say, "Well, you know, we are not going to do anything in terms of putting things in place that would allow the tourists to spend money up here." They spend enough money just getting here. But we are not going to say, "Well, gee, you can afford the airfare, so we are not going to do anything to help you while you're in the Yukon to educate you about Yukon First Nation culture." I suspect that the member opposite, upon thinking about that comment, will see that that really doesn't make an awful lot of sense.

I will go back to the enterprise trade fund as a smaller end of the example. I suspect that the member can understand it better, perhaps, if I put it that way. The enterprise trade fund allows people to go for more modest things to stimulate and support the growth of a business activity by focusing on the development and expansion of external markets and by attracting investment capital. You can't just say, "We have something here," and people are going to line up with a chequebook.

To attract that investment capital for the business, there is business training in such areas as the business planning and marketing. The program supports marketing and export projects that enhance the likelihood of Yukon businesses generating increased production and sales of Yukon products, thus further diversifying and expanding the economy and enabling job creation.

To basically put that into context, Mr. Chair, since you're looking a little confused there, Yukon businesses that are registered with Corporate Affairs, et cetera, et cetera, are eligible to apply to the enterprise trade fund. Applications may be submitted at any time, and the department maintains ongoing consultation with key industry stakeholders to help Yukon businesses develop and maintain a competitive advantage in external markets and to help raise the profile of Yukon business and industry and products.

Now, that's on the small end. If you want to start a small business, even a medium-sized business, this is a fund where you can go. We will help you market it. We will help you develop the documents, the business plan, help you to look at where to go for that investment. What if this is a several million-dollar or tens of millions of dollars business? Where do you go with that? You go to the strategic industries branch. We do the same thing on a larger scale. We assist in developing the business case. Yes, there is a lot of money out there right now, but you don't just go out there and hold out your hand. You go out there with business cases, with business plans, with basi-

cally data and information on the Yukon, what the Yukon has to order. You go out there showing and showcasing your transportation corridors. You go out there and make the case for that investment to then come.

The current economic climate certainly has led to renewed interest in industrial opportunities in the Yukon. When you're up in that range, many of these projects are mining or mining-related. However, I would remind the member opposite that, in talking about Great River Journey and tourism, to then turn around and say that this is a fund that only benefits mines, is short-sighted. In order to ensure the wealth generated from large industrial developments remains in the Yukon, Economic Development has developed an industrial benefits preparedness initiative. It falls under this same area. The industrial benefits preparedness initiative seeks to optimize industrial benefits through supplier development initiatives to increase the number of local suppliers, procurement initiatives to increase their success in bidding, education and training initiatives to increase the number of local employees, and identifying and facilitating infrastructure and industrial synergies.

The initial phase of the industrial benefits preparedness initiative has three components: (1) an environmental scan of the current programs within government that relate to the industrial benefits; (2) an awareness campaign that provides information to government and non-government stakeholders on the positive aspects of industrial development; and (3) a case study assessment of current developments to identify potential secondary business opportunities and gaps in local support sectors. In other words, we can often fill in a lot of these gaps and assist with the supply chain.

We have engaged a consultant to provide project management support and related expertise on this overall project, and it's anticipated that expenditures to support the industrial benefits preparedness team will be up around \$150,000 in 2007-08.

So, yes, when you're dealing with the larger projects like this -- often, they tend to be mining-related but sometimes not. Great River Journey is an excellent example of that and it should bring in a very reasonable return and employ a large number of First Nation guides. It has already employed a large number of carpenters, plumbers and contractors with all sorts of backgrounds in the construction of the facilities. In general -- to prepare the business case for these companies to go out and get proper funding. So, we're not simply chugging money into a mine. We're allowing the structure to be there so the group can go out and get funding in the future.

Strategic Industries Development Fund in the amount of \$549,000 agreed to

On Northern Strategy - E-Commerce

Northern Strategy - E-Commerce in the amount of \$25,000 agreed to

On Technology Partnerships

Mr. Inverarity: I'd just like a departmental breakdown on that, may I, please?

Hon. Mr. Kenyon: There are three aspects of that. First of all, on the \$70,000 for the community access program that the member asked about previously, new funding was approved in 2007-08 for projects. That is 100-percent recoverable

from the federal government and, of course, provides public access to computers in communities. Two revotes are involved in this area: Yukon College Technology Innovation Centre for Innovative Projects -- approved, but again not completed, overlaps that year-end -- as well as the community access program, 100-percent recoverable from Industry Canada for monies that were not spent in 2006-07, revoted and will be used after that time.

Mr. Inverarity: Is there a revote for the community access program?

Hon. Mr. Kenyon: Yes, \$146,000 for community access, 100-percent recoverable from Industry Canada. And then the new funding approved for 2007-08 projects, again, 100-percent recoverable from the federal government.

Mr. Inverarity: Perhaps the minister could tell us what he is going to spend that money on?

Hon. Mr. Kenyon: Some of the core activities that we have supported, if the member missed it earlier -- and, of course, this is always a moving target as it should be. The Yukon government has in the past three years provided additional support to Industry Canada's CAP youth intern program. This funding has allowed the Yukon communities to hire a youth from the community to help run the community access program site and provide training for its users. Over the past three years the community access program, with the help of Yukon College, has placed an intern in almost every Yukon community. In addition, our francophone community has benefited by the program through the placement for the past three years of an intern at the l'Association franco-yukonnaise.

The community access program has benefited greatly from the Yukon government's investment in the territory's Internet backbone that connects all the communities. Because of this investment, the territory has a penetration rate of 98 percent for broadband Internet, which is by far the best in Canada and perhaps the world.

The Yukon government's contribution is the root of the success for the community access program. For without it, all the federal funding would go to connection fees. Instead there is funding available to run special programs, hire youth, and bridge that digital divide that we talked about earlier.

The Yukon government supports 28 community access program sites -- in a total of 14 communities -- and provides support to maintain and make improvements to the computers. For sites whose Internet connection is not fully covered by the government, community access program provides some financial assistance to offset the connectivity charges. Within the communities, the community access program has upgraded all of the computers in the library system and provided funding for First Nation community access program sites that we're looking to upgrade.

We can go back through some of the programs that we've done in the past and, again, this will be a moving target. In 2005-06, the Yukon government sponsored 13 people to go a national CAP conference in Vancouver. The workshop served to give the Yukon community access program site administrators a view into what other sites are doing across Canada. The community access program site administrators have since be-

come key players in programs, whose birth can really be attributed to that trip.

The community access program supported the development of the Council of Yukon First Nations community portal for Yukon. This portal is still very active, due in large part to community access program's initial investment in the project. The portal helps Yukon entrepreneurs, businesses and community groups get their message and products out to the world.

The community access program also provided funding to the Carmacks library board to support a community-driven project to start a technology program. The participants who are all youth in the community are encouraged to explore technology-related ideas and learn about entrepreneurship. The community access program fleet -- in 2004 it was recognized that when a computer failed in the communities, it could take weeks before a technician was able to fix the problem. CAP approached the Yukon entrepreneurship and, with their good help -- it runs computers for schools, of course -- set up a fleet of computers that would be sent at a moment's notice if one should stop working at a CAP site. I think we've all experienced that one. In my case, it was one monitor that actually made a loud sound and a large cloud of smoke, giving a whole new meaning to the phrase "smoking computer".

To keep the community access program site operators abreast of what is currently going on in other sites around the territory, the community access program network wrote a series of profiles of community access program sites. These profiles were circulated to all the sites.

The Yukon government recognized that simply providing a computer in a community may not fully address the needs of those in the community, especially those with disabilities. The community access program commissioned a study to see what sort of accessibility issues exist in the community CAP sites. The study recommended some equipment for each CAP site that would make them more accessible.

The Yukon government acted on those recommendations and enhanced all the identified sites. The 2004-05 community access program workshop was similar to the workshop that was done in 2006. We sponsored a workshop where all 28 site administrators could come to Whitehorse and meet other Yukon administrators to learn more about what the program is doing in other communities and regions outside of Yukon. The workshop was a success in that many operators were able to share their stories and learn how to make the site more user friendly and serve the public better.

As we look forward into the future, the community access program continues to support the sites around the Yukon by providing operational and connectivity support. The program is also expected to continue funding youth positions in Yukon communities. A key priority of the program is to undertake a comprehensive survey of Yukon's communities to determine how the digital divide is affecting those outside of Whitehorse. The results of the survey will set the direction for the community access program in Yukon for the next several years. The study will also have the important benefit of providing a snapshot of current needs, as well as a baseline that all future activities could use to gauge success and reach.

Any future programs for CAP will use the findings of this survey to design a project that addresses the real need for the community level. The survey will also be made available to other organizations that have similar goals to the community access program.

So that gives you an idea of where we've been in the past, and it gives you a good idea of where we're going in the future to maintain this network. And, as I said before, we are looking at taking a more detailed and advanced look at how we can better penetrate into communities on everything from contracts to press releases to employment opportunities that would allow us to get information out to the communities in a more succinct and quick way.

Mr. Inverarity: If I understand your numbers correctly, Mr. Chair, this year we got \$70,000 from Industry Canada, and in the previous year it was \$44,000. My understanding is that these Industry Canada funds are to be spent in the year in which the monies are received, yet it appears that there is an additional \$114,000 from 2005-06 -- or, I'm sorry, \$102,000 from 2005-06 -- I'll go through the numbers again just to make sure that I'm right -- that have now been rolled over for two consecutive years.

In 2005-06, we got \$102,000 that had been revoted, which I don't believe is allowable under the Industry Canada guidelines. In fact, if the money isn't spent -- because it's federal dollars -- in the year in which it's received, it has to be given back.

In 2006-07, we have an additional \$44,000, and in 2007-08, I see we have \$70,000. So, I'm curious as to how you revote this money when it's actually supposed to be turned back to the federal government at the end of the fiscal year if it's not used.

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

Recess

Chair: Committee of the Whole will now come to order. The matter before Committee is Bill No. 8, Department of Economic Development.

On Technology Partnerships -- continued

Hon. Mr. Kenyon: Basically, to give a rough explanation of how this works -- and I admit that it's a bit convoluted -- the community access program is a shared funding arrangement between the Yukon government and Industry Canada. It's basically to do the in-community sort of work, not necessarily Whitehorse but working within communities and working with people and computers.

The connection to and from the communities -- that connection cost per year is shared. It is substantially more than what we are talking about here. It includes using the remainder of the Industry Canada contribution, and by spending that money -- and this has all been done through the Auditor General and approved -- we are now taking out of that pot and revoting the \$70,000, in this case, of Yukon government money. The federal money we are talking about has already been spent, but we're leveraging that money out to support the computers and infrastructure within the communities. It is not necessarily the connection charges.

We are talking about \$70,000 going into probably a pot of a quarter of a million dollars, and then pulling the money back out to use it for the actual infrastructure.

Technology Partnerships in the amount of \$268,000 agreed to

On Film and Sound Incentive Programs

Film and Sound Incentive Programs in the amount of \$35,000 agreed to

On Total Other Capital Expenditures

Total Other Capital Expenditures in the amount of nil cleared

Total Capital Expenditures in the amount of \$1,545,000 agreed to

On Capital Recoveries

Capital Recoveries cleared

Chair: That concludes the Department of Economic Development, Vote 7.

Department of Economic Development agreed to

Chair: Order please. Committee of the Whole will now recess for five minutes.

Recess

Chair: Committee of the Whole will now come to order. The matter before the Committee is Bill No. 8, *Second Appropriation Act, 2007-08*, Department of Tourism and Culture, Vote 54.

Department of Tourism and Culture

Hon. Ms. Taylor: Mr. Chair, I am pleased to introduce supplementary estimates for the Department of Tourism and Culture for 2007-08. This supplementary budget supports tourism industry interests aimed at growing our tourism economy as well as sustaining our commitment to culture and heritage in Yukon. Preliminary visitor statistics for 2007 have shown that visitation exceeded expectations with Yukon faring better than many other parts of Canada. It is a testimonial to the people who work within this vibrant industry that we did so well in spite of the many challenges that face tourism today.

Our continued commitment to work in partnership with the private sector, non-government organizations, First Nation governments, municipal governments and other government departments means we are able to maximize socio-cultural benefits for Yukon residents and visitors.

The Department of Tourism and Culture requests an increase of \$916,000 to its operation and maintenance budget and \$623,000 for its capital budget.

\$568,000 in operation and maintenance will go toward the new and increased funding for the arts programming. I am pleased to be able to share with members today that according to the most recent Statistics Canada figures, Yukon enjoys the highest per capita funding for arts and culture in Canada at over \$400 per person. This increase in funding to the arts sector will certainly provide additional stability to and support for arts organizations, artists and art educators in the development of

their creative and outreach programs that contribute to the well-being of all Yukoners.

The \$568,000 in new and increased funding consists of \$243,000 toward the Yukon arts funding program that was established to provide support for arts groups with annual and ongoing programs. \$150,000 is going toward the Dawson City Arts Society to assist with its operations for the advancement of the arts and to consolidate their funding previously received under the arts fund.

\$100,000 in new funding will go toward a touring artist fund, which will assist our Yukon artists to tour outside Yukon and reach new audiences, thereby elevating their exposure at national and international levels.

There is also an increase of \$75,000 for the Artist in the School program that engages students in learning about and experiencing the arts.

\$56,000 in capital funding is being directed toward an internal budget reallocation within the museums program to increase support to existing cultural centres. Just this past summer, I was pleased to announce additional funding for Yukon museums needed to help them in offsetting expenditures associated with costs, such as rising utilities, insurance, staffing costs and so forth.

The Museums Advisory Committee met and endorsed the distribution of the new museums contribution program funding, which allows new museums under the program to enter at a level of \$30,000 in support.

The department is also requesting \$30,000 in new capital funding for the Champagne and Aishihik First Nations cultural heritage centre, known as the Da Ku Centre -- "our house" -- which now qualifies for support by the department.

I'm very pleased that the Champagne and Aishihik First Nations are moving forward with their cultural heritage centre and that we're able to continue to support their efforts to provide interpretive programs, exhibits and traditional arts workshops to the community and to visitors.

This is the fifth First Nation cultural heritage centre to receive support from the department under the museums program.

The Department of Tourism and Culture requests that a variety of projects be revoted, due to a number of factors that prevented the projects from moving forward. The cultural services branch within the department has revoted capital funding that includes \$13,000 for historic sites maintenance, directed toward the reproduction and restoration shop to correct air flows so a safe working environment is maintained. There is \$66,000 for the historic places initiative, which is 100-percent recoverable from Canada. This includes \$16,000 carried over from 2006-07 and \$50,000 as additional one-time funding authorized by the federal Minister of Environment for this fiscal year.

Yukon government values its partnership role with Canada in this program, which enables Yukon to perform historic sites reviews and assessments at the request of the federal government.

Under the terms of a contribution agreement with Canada, Tourism and Culture is now eligible to receive a total of

\$291,000 in 2007-08 for projects under the historic places initiative. This funding is being used to fund two positions, including assisting Dawson City to develop a heritage management plan, making improvements to the Yukon historic sites inventory database and public Web site, to carry out research of prehistoric moss houses in northern Yukon, and generally to promote the conservation and appreciation of Yukon's unique heritage.

\$8,000 will go toward the Yukon Sawmill Company office for a public consultation on the eventual use of this important heritage asset. \$7,000 will go toward the Yukon Beringia Interpretive Centre for audiovisual upgrades that were put in abeyance so heating upgrades could be completed. The audiovisual upgrades can now move forward.

The Yukon Beringia Interpretive Centre is in its 10th season of operation and the centre is proving to be an important research and scientific mainstay for Ice Age history, especially as it relates to climate change and global conditions that impact not only our northern habitat but humanity as well. To ensure the Yukon Beringia Interpretive Centre remains a strong and respected member of the scientific community, work is necessary to upgrade infrastructure within the building.

\$58,000 will go toward the Mount Logan virtual museum, which is 100-percent recoverable from Canada. Canada has agreed to the funding being carried forward to this fiscal year so the project can be completed. The Yukon Beringia Interpretive Centre, working in partnership with Parks Canada and with input from the Kluane First Nation and Champagne and Aishihik First Nations, contributed to the content for the virtual museum Web site. The Mount Logan site combines climate change and mountaineering and geology in a way that is entertaining and educational for a variety of public users, including students and researchers.

I'm pleased to announce the official launch of this particular Web site will take place in the new year.

There is \$193,000 being dedicated to the arts fund, due to commitments not completed in the same year. The arts fund is one of the most accessed funds within the department, with more than 55 applications each year. Because of its attraction as a funding vehicle, it has been overextended in recent years with some worthy applications going unfunded. I am very pleased with the increase to the Yukon Arts Centre. This will allow the arts fund to free up funding for projects that otherwise could not receive funding in the past. This is testimony to the growing interest and vitality of Yukon's strong arts community and our government's commitment to support artistic endeavours.

There is \$155,000 for Yukon Archives preservation projects, including skylight and lighting fixture replacement, design specs to replace the Halon fire suppression system, installation of ambient lighting in the research room, as well as a number of other things.

The Yukon Archives regularly acquires archival material from private individuals, churches, businesses, societies, First Nations and Yukon municipalities. Its documented history is an important legacy to Yukoners and it's important that we con-

tinue to recognize its value by supporting the particular building and infrastructure designed to preserve it.

The tourism branch within the department has revoted O&M -- operation and maintenance -- funding that includes \$58,000 for marketing North America. This comprises \$24,000 for the gateway cities marketing program; \$14,000 for the 30-second television ads that were on the national campaign that followed the Canada Winter Games and \$20,000 for the Larger Than Life signage.

These projects were delayed due to timing constraints, as well as installation of signage.

The tourism branch, as well, has revoted capital funding that includes \$22,000 for the tourism cooperative marketing fund due to commitments not completed in the same year. The tourism cooperative marketing fund continues to be a strong marketing tool, allowing collectives and marketing partnerships to partner on initiatives that market and promote Yukon as a destination of choice to Outside audiences. The fund was first announced in March 2004 and this is the fourth year we have assisted with cooperative funding.

As of September of this year, approximately 50 applications from 36 businesses, regional tourism associations and other non-government organizations received funding. This concludes the supplementary estimates for the Department of Tourism and Culture, and I certainly welcome questions coming forward from the member opposite.

Mr. Elias: The tourism industry is the largest private sector employer in the Yukon. How is the government working with industry partnership to make sure government initiatives are reflective of the industry? We all know very well that there has been a shortage of employees to draw from in the workplaces and this has also translated into the tourism market. Are employment numbers rising in the industry? Has the minister consulted with employers in the tourism industry to find out what is needed in order to acquire and keep quality Yukon employees here in the Yukon? That is one question that I have.

I have just received the new 2008 *Yukon Vacation Planner* and the travelYukon.com Web site has been updated to include more scenic drives that the government would like to explore. One drive being promoted is the Campbell-Canol route, and the South Canol is a very treacherous road at times. I've even seen many experienced Yukon drivers in their four-by-four vehicles stuck on various portions or having difficulties. The government is now promoting this as a scenic drive for an RVer. All that is mentioned with regard to this road is that the South Canol is a winding, narrow road not recommended for large motorhomes.

I didn't see anywhere in the supplementary or in the original budget that there was any funding to go into upgrading the South Canol Road on the surface, or for signage and interpretation and whatnot. Safety comes into question for tourists because there are also a lot of roads that come off of the South Canol Road, like the Sidney Creek road, the Evelyn Creek road, the Groundhog Creek road, the Sheep Creek road, and when you look at these roads, they initially look safe for people to travel on, but being in a dangerous situation can happen in a hurry. If the Department of Tourism and Culture is going to be

promoting the South Canol Road, there is other work to be done and I didn't see it mentioned anywhere.

I am very familiar with this road. I have helped Yukoners and tourists who just decided to take this scenic Yukon roadway and they were not prepared to do so. I am just worried about safety for non-resident Yukoners who come unprepared and, all of a sudden, find themselves on a road that has no services and no proper signage and whatnot. I just want to know how we are going to ensure the safety of drivers on the South Canol Road if we are going to be promoting it as such.

I will just start with those two questions and we will go from there -- about the employment numbers rising in the industry and the addition of the South Canol route to the Campbell Highway in the new 2008 *Yukon Vacation Planner*.

Hon. Mr. Lang: In answering the member opposite, certainly the South Canol has its limitations, but as far as signage is concerned and resources spent on the road, the government, through the Department of Highways and Public Works, maintains the road to a certain level. We recommend caution on the road. As the member opposite realizes, it is not the Alaska Highway, but it sees a certain amount of tourist and local traffic. It is a busy road during the season, but we recommend that people are aware of the nature of the road, which is that it has limitations. As far as a camper or unit going up there, we work with those kinds of volumes on a yearly basis.

The Department of Highways and Public Works has a budget put together. We are working on bridges and other things that have issues on the South Canol. This year, the North Canol, which is also a little-used road going from Ross River to Macmillan Pass, is used mostly for the hunting population, which includes mostly local people who go there in the fall and the outfitters who work from there. They utilize that road as access to trail their horses in and things like that.

Next summer, we will be working to ensure that we do some clearing in the ditches to maximize the view, so that people travelling on the highway can see what's happening in front of them. The North Canol at this point certainly needs a thorough review. We are committed to spending the money on that section of the highway to enhance the driveability of those roads.

I remind the member opposite that they are secondary roads in the Yukon. They are being resourced and we work within our budget to maintain them. As far as not being accessible to the general public, I think it is unfair to say that. I think it's all about accessibility and common sense.

People understand when they're on a secondary road they don't have to be -- anyone who has taken a drive up the South Canol understands speed restrictions and other things like that.

Hopefully, the member opposite was talking about signage on the road. I hope the road is properly signed. We are aware of any lack of signage and would certainly work on that. We certainly have signs available, so I would say we would be very astute at making sure those questions are answered.

As a secondary road in the territory, it has its limitations but is not without its benefits. The benefits are that, if the travelling public takes advantage of that secondary road, the traffic isn't heavy so they can maximize their attention and the

chances of seeing the scenery in that area, including Quiet Lake and the watershed in that area. You also have access to viewing animals and other things that live in our forests, and that has its plus side for tourism.

For us to say it's not fit for tourist traffic is wrong; it is. It's a secondary road and we encourage everyone who utilizes that highway system to be careful and drive within reason, and we will be working next year on the South Canol again, maintaining it. We'll be looking at the North Canol from a safety point of view, clearing out the ditches and making sure the vision is proper so anyone travelling that highway has the safety of knowing what's ahead of them, and that's important when you're on a secondary highway.

I hope that covered all the questions the member opposite had regarding the Canol Road being a secondary route for tourists.

Mr. Elias: The concern was about a tourist not knowing the dangers of the Canol Road. I'll just give you two examples. There is a turnaround by the Nisutlin River lookout. It's being undercut by water, and it's a fairly big pullout. But if you drive in there with a reasonably sized motorhome, it's exceptionally dangerous. There is no signage, but we're promoting tourists to go up there, and it's just off the main road.

The other one is -- I'll use the access to Sidney Lake. It's right beside the South Canol Road. On a couple of occasions, I had to help people back up the hill because, again, their RVs and their motorhomes -- they could make it down, but they couldn't come back up. That's all I'm saying. If we're going to be promoting a route in the Yukon, there is still more work to do -- point made.

One of my first questions that I didn't hear an answer to: are the employment numbers rising in the industry? And has the minister consulted with employers in the tourism industry to find out what is needed to acquire and keep quality employees here in the Yukon? That's in response to the shortage of employees around the Yukon, which has also translated into the tourism market. What are we doing about that? Maybe I'll let the minister answer that question before I move on.

Hon. Ms. Taylor: The member opposite raised a number of questions, which I'll endeavour to address in a number of different areas.

With respect to our collaboration -- our ongoing commitment to working with industry -- three key phrases come to mind: industry-led, market-driven and research-based. And that is primarily what our mandate is in terms of tourism marketing, in partnership with industry.

With industry, we have formalized our process for obtaining strategic direction with respect to marketing Yukon, where to best place our dollars, where the best return on investment is, and what are the strategic priorities on a year-to-year basis, but also three years out -- whether it be on the marketing side or the product development side.

That formalized mechanism is actually what we have called the Senior Marketing Committee. It's a committee that is comprised of individuals holding expertise in marketing, experience in tourism marketing. They provide strategic direction to the Tourism Industry Association of the Yukon. They make

recommendations, and then their recommendations are forwarded to me, as the minister responsible for Tourism and Culture.

We have been working alongside the Senior Marketing Committee and TIA Yukon over the last number of years, and they have made recommendations on a number of different fronts, in terms of providing more resources to product development and the creation of the tourism cooperative marketing fund, which has been very well received by industry to help market their products and to help further leverage that private investment.

In terms of other marketing efforts, we continue to work with the SMC. As well, TIA has received some funding through the Department of Economic Development for the creation of their business plan. It's a very large exercise being currently undertaken by industry. They have been very busy consulting with industry and stakeholders throughout the entire territory to further determine what the priorities are for tourism. Of course, within that, one of those priorities is the labour market initiative and the current climate that we do find ourselves in these days.

As the Department of Tourism and Culture we have much vested and much at stake in this particular area, whether it be the retail sector, hospitality sector, hotel or motel -- you name it. We're certainly experiencing pressures right across the board in terms of labour shortages. When I say that, I say that we're experiencing shortages all across the board, not just in this particular area.

We as a department have been working with a number of other departments on this particular file. It is a very important matter that continues to receive the full attention of our respective departments -- I'm referring primarily to the Department of Economic Development, the Department of Education, as well as other peripheral departments.

We have been working through an interdepartmental committee. They in turn have been engaging with a number of employers in the Yukon -- identifying the challenges, the barriers and how we can address these. Through the Department of Education and the Department of Economic Development, a number of initiatives are currently underway. Some are being looked at, some have been announced already, and some are being worked on -- a work-in-progress, I would say.

From the older workers initiative -- again that was a project that was identified through the federal government, of which I think we're receiving over \$600,000 through the Department of Education to target the workforce of 55 and older -- I believe it is -- to re-engage that particular target market, as well as working with our federal government to look for further incentives to keep our older workers in the workforce and to leverage that corporate memory, which is so vitally important to the continuation of business.

Making use of our training trust funds -- we were very pleased to be able to reinstate that after they had been reduced significantly by the previous government. We have actually been able to build that up on a community basis.

Just the other day, a new initiative was announced by the Minister of Economic Development and that was the further

funding of a pilot project with l'Association franco-yukonnaise. It's in terms of getting the word out and being able to reach not only francophone Yukon students, but all students, to be able to promote the Yukon as a destination of choice in terms of being able to work and to come back home to work.

So there are a number of initiatives. Certainly I have been very engaged with this particular file. It is a very important file for industry and there are a number of different fronts. Immigration is but one small piece of the puzzle, but that is also part of the puzzle. So there are a number of different initiatives that are being undertaken by respective governments, working with First Nation governments to further build capacity in our communities, to be able to make more resources available. In terms of working, we'll continue to work with industry to address these issues and to certainly get progress.

The member opposite made reference to the scenic drives initiative. We were very pleased to come forward with new funding -- \$350,000 per year -- over the last number of years for the development of scenic drives. It's basically an initiative to increase visitation and length of stay to Yukon by raising awareness of the Yukon as a destination, highlighting transportation cultural corridor assets to potential visitors. A big piece of that particular initiative is going toward interpretive signage. In addition to signage that may be made available through the Department of Highways and Public Works, interpretive signage is really housed within our Department of Tourism and Culture. Over the last several years a number of plans have been made available to take a look at what kind of interpretive signage is required along our major corridors.

Unfortunately, because of funding shortfalls or fiscal restraint, many of those plans have just sat on the shelf for many years until recently, when we were able to make new monies available. In fact, this year alone, \$230,000 has been made available for interpretive signage in Yukon. This is a significant boost in funding for interpretive signage. I certainly congratulate the department for their very good work over the years in ensuring that we tackle bits and pieces.

In terms of this year's projects, as I mentioned, we have identified \$230,000 for interpretive signage, site construction and improvements housed in our department. Yukon-wide, we are working on the "welcome to Yukon" signs of course, refurbishing and replacing all the panels, as well as installing new signs.

On the Alaska Highway, east and west, priorities include installing interpretive panels at Takhini Crossing, Mendenhall Landing and the Icefield Range, and installing two interpretive panels and two outhouses at the White River Bridge. We are also looking at the Klondike Highway south and the Tagish Road. Part of those investments include installing, replacing and/or repairing interpretive panels, signs, and platform work at Fraser, Bove Island, Carcross Desert, Tagish and Robinson Roadhouse.

For the north Klondike Highway, this year we have identified the installation, replacement and repair of interpretive panels at Montague Roadhouse, Five Finger Rapid and Crooked Creek Valley, as well as developing the pullout at the Stewart

River and installing, again, two outhouses and three interpretive panels.

You can see that we are very much in the outhouse business.

In terms of the Silver Trail investments, this year we have identified the installation of two interpretive panels of the Stewart River outlook. We are also looking at gold field signage, stabilization of signage and paint backs along the Klondike gold fields loop.

On the Campell Highway, we are installing interpretive panels at Frances River Lodge, Jade Mountain, Frances Lake viewpoint, Hoole River Canyon, Ross River Road junction, and the Ross River bridge. We are also installing bear-proof garbage cans at Frances River Lodge and Frances Lake viewpoint.

Along the Canol Road, as the member opposite referred to, we also are installing and/or replacing interpretive panels at Sidney Lake, Nisutlin River campground, Quiet Lake, Quiet Lake grader station, Lapie and Rose lakes, Dragon Lake, Sheldon Lake, and the army dump.

In addition to the signage the Department of Highways and Public Works puts up, this is just a matter of paying attention to -- unfortunately -- unpaid attention in previous years. We are now having to look at new signage and replacing and maintaining our older signage.

Under the scenic drives initiative, we have also identified \$170,000 for advertising and promotions. This is going toward the completion and launching of the Silver Trail, the Dempster Highway, the Southern Lakes circuit and the Campbell-Canol roads scenic route.

As I said previously, the marketing campaign refers to the electronic marketing campaign, targeted rubber-tire leads and re-contacting previous inquiries through the scenic drives initiative.

So this, of course, builds on the many other investments we have dedicated for rubber-tire traffic in the Yukon. We were, by the way, very pleased to see that the visitation certainly did all right. In January to September of this year, we were looking at the year-to-date, and private vehicle was up, as well as motorcoach. These are indicative of increases to all respective target markets in this area. In fact, visitation was up by about five percent. So, that really calculated to about almost 15,000 additional visitors.

In terms of talking about private vehicle and motorcoach, it's a significant investment, but one of many multi-investments we continue to work on to drive rubber-tire traffic to the Yukon.

The member opposite made reference to the Canol Road and all the subsidiary areas -- places of interest for visitors to go. Within the *Yukon Vacation Planner*, we certainly do our best to put in a caution for visitors when they are considering taking these other roads.

Certainly our Department of Highways and Public Works does its utmost to address many of our significant needs. Sometimes not all areas of concern can be addressed immediately, but what can be said is that there is a significant investment -- up to \$30 million -- made available for highway improvements along the Campbell Highway, which will certainly benefit visi-

tors travelling that highway -- not to mention the significant investments made by the Department of Highways and Public Works for bridge replacement, bridge maintenance and other significant funding investments along our major corridors.

So I think the scenic drives have been a very creative investment. I think the department has worked very well with our respective communities to ensure that the content is relevant and responsive to the local area visitors.

I would be very remiss if I didn't mention that, in addition to road/highway maintenance construction, we are also continuing to make significant investments in airport improvements. One only has to take a look at the Whitehorse Airport and look at the very specific improvements being made at our international airport terminal building -- the parking lot included. Again, these investments are really critical in terms of being able to meet the growth of the international market and continuing to facilitate their traffic to the Yukon.

Tombstone Territorial Park -- I'm really excited about the interpretive centre that is going up as we speak. It is very exciting. I think we have identified about \$2 million for this specific project. We actually broke ground earlier this summer and it is going to be an incredible addition to the product being made available through the park; we're very pleased to partner with the Tr'ondek Hwech'in First Nation on making this a wonderful facility.

Celebrating Yukon Parks is another initiative that we have been able to partner with Department of Environment, celebrating all the numerous territorial parks that have either recently been designated or have been for some time. We continue to also make available new investments in the way we do business and how we market the Yukon, whether it is through Web site enhancements, through enhancements to media relations familiarizations tours, or the way we provide information through the *Yukon Vacation Planner*.

So we are working on a whole host of different fronts, not necessarily right within the Department of Tourism and Culture, but right across the board, to continue to advocate in the interest of the tourism industry.

Mr. Elias: I thank the minister for being thorough in her answer. I did have questions related to many of the topics that she mentioned in her response. In the interest of time, I'll just get straight to the point and ask a couple more.

Has the minister started to work on a new visitor exit survey with industry partners? Since it's now going on four years since the last update, this would provide up-to-date performance measures for the government. This is one of the reasons why I'm bringing it up. In light of our high dollar in the recent months, have the priorities for the upcoming winter tourism market changed? If so, what are they -- in reaction to our high dollar, especially as it affects our U.S. domestic market visitors?

Preserving heritage-related sites and First Nation cultures integral to the growth of arts, heritage and our communities in any culture -- if the government really believes this, then the \$2,000 increase to artifact inventory and cataloguing really doesn't do much to ensure preservation of culture. The amount

is definitely one that should be increased in the budget, in my opinion.

I noticed a \$155,000 increase to funding for Archives preservation projects. I was wondering how much, if any, will be going to the ice patch studies. In the supplementary budget there has also been an increase to the funding of First Nation cultural centres. The minister did say -- unless I missed it in her response -- that \$30,000 would be going to the Champagne and Aishihik First Nations, but there's \$86,000 identified in the line. I was just wondering which other First Nation cultural centres are being funded through these extra funds?

Again, in the interest of time, those are the last few questions I have for the minister.

Hon. Ms. Taylor: The member opposite made reference to a number of different areas. I will endeavour to address each of the questions raised.

The first question referred to the visitor exit survey. As members opposite know full well, we endeavour to undertake a comprehensive visitor exit survey every five years. One of the things made known to me by industry is whether or not we are able to better address visitor exit surveys in a different format; that is, instead of having one large survey once every five years, is there a more responsive way for seeking input from visitors on an annual basis?

This is one thing where we are actually taking the direction from industry on this particular front. We have certainly said that we are interested in whatever works for our industry and communities with respect to providing responsive and relevant information -- if in fact we should be instead dedicating funds on an annual basis, rather than one large survey done every five years and then having that information not so relevant or responsive in the fourth year out from that visitor exit survey. We have been discussing and asking the views of industry to give us the best delivery of options for the visitor exit survey.

So, that could, in fact, mean a new visitor exit survey: either the way we have done business in the past, or delivered in another way. So, certainly, it is on top of our mind and we're working with industry to ensure that the best way of conducting research and information is relevant and responsive.

In terms of winter tourism, it was really quite interesting -- I was just at the Wilderness Tourism Association of the Yukon's annual general meeting about a week ago. It was really quite incredible to see the number of new operators around the table, as well as the growth in the number of operators around the table. It's really indicative of a very healthy tourism industry, and I refer specifically to wilderness tourism in the Yukon.

Many of the wilderness tourism operators have, in fact, been able to expand their businesses. Some of them -- a fair number of them -- have recently sold to new investors, new operators. The good news on that front is that not only do we have new operators here in the Yukon providing new product, but we're also going to be able to continue to draw from the expertise of these former operators delivering new products in different places in the Yukon.

So, we've really been able to grow tourism in this regard and the wilderness tourism fund. And winter tourism certainly continues to grow.

Through a number of different mechanisms, including the Canadian Tourism Commission, we have a number of Canadian specialist tours, which brings up a number of different media and travel writers to the Yukon to experience our product first-hand. That has been growing, and our partnership with CTC has been very good, in terms of getting the word out on what we can deliver in winter tourism product offerings.

What we have been seeing is a good amount of tourism product. We would always like to see growth in all kinds of products but I think Yukon has been very much growing as a destination of choice. Working with our two sister territories, Northwest Territories and Nunavut, we have been able to do a lot of collaborative marketing. More recently was the national marketing campaign. Again, this has really heightened awareness of the Yukon in terms of what we have available, not just in the summer, but also in the winter product offering.

We will continue to work very strategically with not only industry but our two sister territories, as well as promoting Yukon and, in particular, winter tourism. Whether that means showcasing the Yukon at specific media-related events or at different travel tradeshow in some of our key markets, I think we have the best return on investment by working with our counterpoints in the north to be able to compete very effectively with some of our competitors elsewhere.

The member opposite, I think, just raised a question regarding artifact funding. This supplementary budget includes a number of different infrastructure-related pressures that Yukon Archives has been receiving. It's really critical that we do address some of these infrastructure needs and pressures because we are obligated to house a number of these archival records. We are certainly obligated to preserve, restore and work respectively with our partners in this regard.

We continue to work with the Yukon Archives in making more information available in terms of making available more collections and exhibits and raising awareness in the public domain. As well, I know that we have been able to recently work collectively with the Teslin Tlingit Council. They just received some additional funding made available through the northern strategy for their First Nation's archives diffusion records, being able to reflect on the archives -- their respective information -- and take their information back home and artifact and preserve.

So that is a really good initiative that was recently announced. In terms of ice patch funding, I know that Department of Environment makes funding available each year -- I can't recall off the top of my head how much that funding is. The Department of Tourism and Culture recently increased that funding -- I think they were receiving about \$15,000 to about \$50,000 per year. So we've actually been able to increase the funding made available to ice patch First Nations and we are working in partnership on this very important initiative.

Also through the northern strategy -- I think it was recently; not this recent round, but about six months ago -- there was a fair dollar figure approved by the respective partners around the table to make available more research and collaboration on the ice patch front. So it is very important indeed.

In terms of the cultural centres, as the member opposite knows full well, we were very pleased to be able to come in with the new funding program available for First Nation cultural centres at \$220,000 a year when it was initially announced, and that funds four First Nation cultural centres. This supplementary actually reflects an increase of \$86,000 to that particular funding program.

Again, it's reflecting our response to the growing interest in preserving First Nation heritage and culture. It's also in response to meeting our obligations under chapter 13 of the final agreements. Currently, we provide assistance to the Selkirk First Nation for their cultural heritage centre. We also provide funding to the Tr'ondek Hwech'in First Nation, as well as Little Salmon-Carmacks First Nation and the Teslin Tlingit Heritage Centre. This new funding will also make available new funding for a First Nation cultural centre in Champagne and Aishihik. Again, I am very pleased to be able to provide new funding for this particular First Nation.

This money, I should also add, was recently increased through our museums assistance program. We were able to increase it by 35 percent, if I am not mistaken. So, as a result, we were able to bring in a number of different increases. Again, in particular, I just referred to the Teslin Tlingit Council and the Tr'ondek Hwech'in First Nation. Their funding, I believe, was just recently increased from \$80,000 to \$100,000. The funding for the other two was also recently increased.

We are very pleased to be able to meet these additional pressures. This is particular funding for operation and maintenance support to meet some of the rising challenges experienced by museums. When I speak of museums, I talk about cultural heritage centres but also our community interpretive centres, which we've been able to add to the museum community. In all, we have about 16 heritage institutions and we're really pleased to provide funding in this regard. That, as well as \$200,000 in new funding, has been made available through a special project assistance fund specifically designed for artifact and cataloguing of inventories pertinent to First Nations -- so that has really gone a long way. I don't have a list of all of the recent funding initiatives that were just recently approved by the museum advisory panel, but again, they were very well received.

We continue to work with our Executive Council Office on identifying new dollars available through land claims implementation secretariat for funding of new particular projects for First Nations -- whether it's the repatriation, preservation or protection of heritage sites.

As I mentioned, we provide assistance with operating costs of First Nation cultural centres, assistance and support on planning of First Nation cultural centres. So there are a number of different items that we do continue to work on. We are working to implement objectives as set out in chapter 13 of the *Umbrella Final Agreement*.

I think I mentioned before -- we have undertaken a number of different initiatives from workshops, training opportunities, internships, and mentoring opportunities for First Nation institutions. And in fact, this funding for the First Nation Training

Corps through the Public Service Commission was recently increased by, I think, an additional \$300,000.

That funding has actually really been enhanced over the last number of years. Again, a number of these particular secondments or training positions have been made available directly for First Nation heritage cultural centres in the past, and it has been very well received.

We have been working on a number of different fronts and we certainly have a lot more to do.

Mr. Edzerza: I don't intend to spend too much time in general debate but there are a few questions I would like to ask the minister. Seeing the time, I move that we report progress.

Chair: Mr. Edzerza has moved that we report progress.

Motion agreed to

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

Chair: Mr. Cathers has moved 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. 8, entitled *Second Appropriation Act, 2007-08*, and directed me to report progress.

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 Government House Leader that the House do now adjourn.

Motion agreed to

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

The House adjourned at 5:30 p.m.

The following Legislative Return was tabled November 13, 2007

07-1-1

Woodcutting permits: responses to questions related to the Fox Lake timber harvest project (Lang)

Oral, *Hansard*, p. 1348