

Whitehorse, Yukon**Monday, December 10, 2007 -- 1:00 p.m.**

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

Prayers

DAILY ROUTINE

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

Tributes.

TRIBUTES**In recognition of International Human Rights Day**

Hon. Ms. Horne: I rise today to pay tribute to International Human Rights Day, which takes place on December 10 each year to commemorate the signing of the *Universal Declaration of Human Rights* by the United Nations General Assembly in 1948. This declaration was to ensure the atrocities of the Second World War would never be repeated.

In Canada, our rights are guaranteed by our Constitution through the *Canadian Charter of Rights and Freedoms* and by human rights legislation. As Canadians, we have a long and rich legacy of supporting human rights. I am grateful to live in a country that recognizes and appreciates human rights.

Mr. Speaker, work still needs to be done to ensure that fundamental human rights of persons around the world are respected. When I watch the news, I am reminded of the plight of those persons, often women and children in the world who are not protected by legislation and other mechanisms.

I want to thank those who have dedicated their lives to promoting human rights. I especially want to thank our Canadian Forces personnel, who risk and sometimes sacrifice their lives, sadly, in defence of these ideals. Helping countries recognize and establish human rights can only help to make the world a safer and more secure place to live.

I encourage all Yukoners to learn more about this situation worldwide and here in the Yukon. Educating ourselves about human rights is the first step and a step that ultimately strengthens the fabric of our community, our country and our world.

I would also like to take this opportunity to thank the Yukoners who volunteer to serve on the Yukon Human Rights Commission and on the Yukon Human Rights Board of Adjudication for all their efforts in ensuring human rights are a priority in the territory.

I see some of these Yukoners are with us today here in the gallery and I ask all members to join me in welcoming them here. Gunilshish.

I urge all members to join me in celebrating International Human Rights Day.

Gunilshish, Mr. Speaker.

Mr. Inverarity: I rise on behalf of the Official Opposition to pay tribute to International Human Rights Day. This year is also the 20th anniversary of the Yukon *Human Rights*

Act. International Human Rights Day represents an invaluable opportunity to reflect on the persistent human rights challenges worldwide. We need to intensify efforts to combat discrimination and exclusion that continue to impair the rights, dignities and access to justice of millions of individuals worldwide.

Discrimination infects society in every region of the world and is the root cause of many human rights violations. It continues to distort the economic, social and political contours of society. Individuals face discrimination and exclusion on the basis of race, religion, language and sex. The damaging effects of discrimination and the exclusions are cumulative. They affect those already made vulnerable by inequality of treatment.

Human rights violations are still all too common, particularly in areas of conflict. Dignity and justice are still not a reality for many people, especially in poor countries. This 2007 Human Rights Day marks the start of a year-long commemoration of the 60th anniversary of the *Universal Declaration of Human Rights*.

This *Universal Declaration of Human Rights* and its core values -- the inherent human dignity, non-discrimination, equality, fairness and universality -- should apply to everyone everywhere and always.

An essential element in the protection of human rights is the widespread knowledge and understanding among people of what their rights are and how they can be defended. There is still much to be done in turning human rights into reality in the life of every child, woman and man around the globe. We pay tribute today to the extraordinary vision of the declaration's original drafters and to the many human rights defenders around the world who struggle to make their vision a reality.

We also commend and recognize the hard work done by the Yukon Human Rights Commission and the Human Rights Board of Adjudication in defending the rights of all Yukoners.

Mr. Cardiff: I rise with great pleasure today to pay tribute to this International Human Rights Day on behalf of the NDP caucus. This day is to commemorate the United Nations adoption in 1948 of the *Universal Declaration of Human Rights*. This important declaration was the first international instrument to detail universal human rights and fundamental freedoms. The principles in the declaration have been written into the constitutions of 90 countries around the globe.

The former UN High Commissioner of Human Rights, now Canadian Supreme Court Justice Louise Arbour, speaking about the declaration has said, "When we deny to any one, here or abroad, what we claim for ourselves, we reject the very notion of universal rights. But as we work together, here and abroad, to construct an effective network of protection of all human rights for all, then we will leave to the next generation a legacy as enduring as that bestowed upon us 60 years ago."

Human Rights Day serves to remind us that we cannot become complacent about human rights and freedoms. It's easy to point to parts of the world where human rights are obviously being violated, where people are killed for marching, forced to become refugees or jailed for writing their thoughts. It's harder to take a close look at our own country and to be aware of how human rights can be eroded almost without notice.

The current atmosphere of war and terrorism has made security a national priority for our federal government. It is a time when we must be most diligent in the protection of Canadian rights. Canada has been complicit in the arrest and deportation of suspected terrorists. We have not spoken out about the detainment of prisoners in Guantanamo Bay, which goes against the Geneva Convention. Secret international conferences have been held here where there is very little opportunity for citizens to know what the agenda is or to speak out about the issues that are being discussed. American soldiers refusing to serve in Iraq are being sent home from Canada to face prison terms. Abuse perpetrated during arrests is escalating with death resulting in more than one case.

In this month in which we recognize and deplore violence against women, we are reminded of the many Canadian women who suffer every day from violations of their human right to live without fear. We must be cognizant of these abuses. We cannot let them pass without acknowledgement and condemnation. The way to start is to uphold human rights on a daily basis. We must not turn aside from local, national and international prejudices, intolerance and injustice. If we ignore these acts we will allow human rights to deteriorate for all of us.

Thank you.

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

INTRODUCTION OF VISITORS

Hon. Mr. Hart: Mr. Speaker, I'd like to ask my colleagues to assist me in welcoming an individual coming to us all the way from la belle province du Québec, the mother-in-law of my executive assistant, Madame Heather Keith.

Applause

Hon. Mr. Cathers: Mr. Speaker, I'd like to ask all members to join me in welcoming two constituents in the gallery today, Tom Rudge and Peter Wojtowicz.

Applause

Mr. Cardiff: I'd like everyone to join me in welcoming one of my constituents in the gallery today, Mr. Peter Percival.

Applause

Hon. Ms. Horne: Mr. Speaker, again I'd like to introduce our board of the Human Rights Commission and the Board of Adjudication. Welcome.

Applause

Speaker: Are there any further introductions of visitors?

TABLING RETURNS AND DOCUMENTS

Speaker: Hearing none, under tabling returns and documents, the Chair has for tabling the annual report of the Yukon Human Rights Commission for the year ending March 31, 2007.

Hon. Mr. Lang: Mr. Speaker, I have for tabling the annual report of the Yukon Development Corporation for 2006, as well as the annual report of Yukon Energy Corporation for the year 2006.

Hon. Mr. Rouble: I have for tabling two legislative returns. The MLA for Mount Lorne requested an additional breakdown regarding the \$4.8-million investment in literacy funding. I have a breakdown of that.

Also, the MLA for Mount Lorne requested a breakdown of the \$1.5 million for community training funds, and I have that breakdown as well.

Speaker: Are there any further documents for tabling?
Are there any reports of committees?

REPORTS OF COMMITTEES

Hon. Ms. Taylor: Mr. Speaker, I have for tabling three reports of the Standing Committee on Appointments to Major Government Boards and Committees.

Speaker: Are there any further reports of committees?
Petitions.

PETITIONS

Petition No. 4 -- response

Hon. Mr. Lang: I would like to table a response to Petition No. 07-1-4 regarding a 10-year moratorium on the seeding of genetically engineered crops in the Yukon, which was received by this House on November 26, 2007.

I would like to thank all those who signed the petition and brought this issue to our attention. This is a very complex subject of national significance with the consideration not only to our environment, as noted by the petitioners, but also to economic and human health.

Genetically engineered crops are plants that have DNA that contain genetic material from another organism. Within the last 30 years, scientists have gained the unprecedented ability to genetically engineer plants to grow with specific characteristics.

Research on the use and impact of genetically engineered crops has been ongoing for over a decade in southern Canada, and we depend upon the research of our federal and provincial colleagues to understand the impact of this technology on human and environmental health.

To date, neither Health Canada nor the Canadian Food Inspection Agency, nor Environment Canada, have seen any reason to ban this technology. Genetically engineered crops have been on our store shelves for over a decade and Health Canada has not raised any concerns.

There has been concern about the spread of the pollen from genetically engineered crops to the same conventional crop. Pollen flow has occurred over short distances and this continues to be studied.

Yukon farmers have not planted any genetically engineered seed to date, simply because no genetically engineered crops are suitable for Yukon's growing conditions or market-

place. A genetically engineered-free zone might provide a niche market for Yukon agricultural exports. Concerns raised about genetically engineered crops may provide an opportunity to sell non-genetically engineered products to a specific market.

On the other hand, this may limit our crop options in the future. Most of the research being conducted on crop yields and management in Canada now focuses on genetically engineered crops. New plant development will likely come from this technology. No other North American jurisdiction has taken the steps of recommendation of this petition. In fact, no one, to our knowledge, had definitely determined that genetically engineered crops, once planted, would cause irreversible harm to the natural ecosystem.

Given this information, we will continue to gather more information before any decisions regarding a moratorium or other limitations are made. We will work with our federal counterparts to learn more about this technology. We will work with our agricultural industry to explore producer-led solutions for local agricultural regions to implement genetically engineered seed-free zones. We will explore the possibility of the distinct labelling of genetically engineered-free products on our store shelves so that consumers can make informed decisions about whether or not to buy genetically engineered products.

In making any further decision we will take into account the views and interests of Yukon farmers and consumers and the public when considering the potential implications on our economy, environment and public health.

We support our agricultural industry and we support an industry that supplies local foods, contributes to community well-being, drives the economy and is environmentally sustainable.

Thank you, Mr. Speaker.

Speaker: Are there any petitions to be presented?
Are there any bills to be introduced?
Are there any notices of motion?

NOTICES OF MOTION

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

THAT this House urges the Yukon Party government to include a section within the forthcoming anti-smoking legislation that prohibits smoking in a motor vehicle occupied by minors.

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

THAT this House urges the Yukon Party government to use some of its \$100-million surplus to provide funding for the local chapter of the Elizabeth Fry Society.

I give notice of the following motion:

THAT this House urges the Yukon Party government to complete its review of the Yukon human rights legislation and bring forward amendments to this legislation in the 2008 spring sitting.

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

THAT it is the opinion of this House that the recent statement of the Minister of Energy, Mines and Resources that the Yukon is prepared and ready to meet both the opportunities and challenges associated with the Alaska natural gas pipeline does not reflect reality; and

THAT this House urges the Government of Yukon to make it a priority to immediately and thoroughly research the environmental impacts on the land, wildlife, water and air associated with the construction of a natural gas pipeline in the Yukon.

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

THAT it is the opinion of this House that the recent statement of the Minister of Energy, Mines and Resources that the Yukon is prepared and ready to meet both the opportunities and challenges associated with the Alaska natural gas pipeline does not reflect reality; and

THAT this House urges the Government of Yukon to make it a priority to consult with First Nation governments, non-government agencies and all Yukoners on the need for measures to mitigate the social impacts of any natural gas pipeline being constructed in the Yukon Territory.

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

THAT it is the opinion of this House that the recent statement of the Minister of Energy, Mines and Resources that the Yukon is prepared and ready to meet both the opportunities and challenges associated with the Alaska natural gas pipeline does not reflect reality; and

THAT this House urges the Yukon government to make it a priority to put in place a comprehensive program of skills training to ensure that all Yukoners who wish to take advantage of employment opportunities related to the construction of a natural gas pipeline in the Yukon will be properly prepared to do so.

Speaker: Are there any further notices of motion?
Is there a statement by a minister?
This then brings us to Question Period.

QUESTION PERIOD

Question re: Kyoto Protocol

Mr. Elias: On Friday an international environmental watchdog put Canada near the bottom of the barrel in the study that ranked countries based on their climate change performances. We were fourth worst. The study compared 56 countries, which produce an estimated 90 percent of the world's carbon dioxide emissions. The countries are ranked based on the amount of emissions they produced over the past year, the amount of reductions they made to their emission levels and the strength of their climate change policies. Our overall ranking of 53 out of 56 countries has fallen from last year, when it was 51st. We're going backward under the federal Conservatives, and this government is merely following along with their anti-Kyoto position. I'll ask the minister again: does this government support the Kyoto Protocol? Yes or no.

Hon. Mr. Kenyon: Mr. Speaker, the member opposite is again referring to the conference just recently concluded in Bali. Two Environment Yukon representatives were at that conference and parties to that Kyoto Protocol, or COP-13, in Bali, Indonesia. We were fully part of the Canadian delegation. As well, the Council of Yukon First Nations was represented there. It was an opportunity to demonstrate leadership on the issue and make important international contacts and to share experiences and strategies with leading experts in the field. We await our officials coming back from Bali. They'll be back in a day or two, and we hope to get a great deal of information from them and their participation in this international conference.

Mr. Elias: There is no Yukon political representation in Bali. That's how important this acting minister thinks global warming is. Mr. Speaker, it's obvious from this minister's answer on the same question over the last few weeks that the Yukon Party government does not support the Kyoto Protocol. They never have. For many years, Yukon Party members stood in this House and denied global warming was caused by humans. The Pembina Institute, a Canadian environmental organization, contributed to the study. "The Canadian government is still not making a serious effort to cut greenhouse gas pollution, and that leaves Canada at the back of the pack," said a spokesperson in a news release. "The gap between the government's rhetoric and its action to date severely weakens credibility here in Bali." Why is the minister so reluctant to put the government's position on the record? Does this government support the Kyoto Protocol? Yes or no?

Hon. Mr. Kenyon: As the member opposite is aware, the Kyoto Protocol is a federal issue. We sympathize with some of the challenges that our federal government has. For instance, shutting down a coal-powered electrical plant on the Windsor side of the border might actually force Ontario to purchase electricity from a coal-fired plant in Michigan. It's an international issue, and unless everyone does come to the table, it becomes a very difficult thing to try to resolve.

When the member opposite criticizes political involvement from the Yukon in this House, we suggested that pairing with the Minister of Environment would have allowed that political representation. The member opposite refused, which gives me a pretty good idea of where his party puts the priorities.

Mr. Elias: Let's go through some facts. The acting minister has had me to pair with for some time. The fact that he is still in his seat and not in Bali tells Yukoners the story.

The leaders of Official Opposition and the third party have signed a letter addressed to the Prime Minister, Mr. Harper, on climate change and it's not signed by the Yukon Party. That letter and Yukoners' message on climate change is being delivered to the conference in Bali by the federal leader, Stéphane Dion -- that's who is doing it.

This is another example of the Yukon Party's lack of accountability. Yukoners will take the minister's lack of response to this question as no, he doesn't support the Kyoto Protocol. The Yukon Party doesn't support it; they never have.

When is this government going to get behind the Kyoto Accord and stop taking direction from Mr. Harper on climate change?

Hon. Mr. Kenyon: The offer was made to pair and it would allow a political individual to go. The member opposite declined, as he declined to attend a conference to get involved in the Pacific NorthWest Economic Region and to get involved in discussions there. He declined to go -- at our expense, he declined to go.

Again, that is where the Liberal Party puts its emphasis. They would rather carry a placard than actually try to do something about it and meet with the affected individuals.

Question re: Elizabeth Fry Society funding

Mr. Inverarity: I have a question regarding this government's denial of funding to the Elizabeth Fry Society. The Canadian Association of Elizabeth Fry Societies was originally conceived in 1969 and was incorporated as a voluntary non-profit society in 1978. Their work is well known across the country. Today there are 26 member societies across Canada. In spite of this, their application for funding was turned down by the Justice department.

Why was the funding not provided, in light of this organization's established record and obvious need in the Yukon for its services?

Hon. Ms. Horne: The Yukon government did not turn down any proposals for funding. They were not thoroughly discussed, and it was recommended they come back with more options and more proposals. It was not turned down; it was still in the discussion stage.

We realize the Elizabeth Fry and John Howard societies provide valuable volunteer advocacy work and operate as service agencies across the country. I was pleased to attend their kickoff ceremony, and I continue to welcome their establishment in the Yukon.

Mr. Inverarity: This organization disagrees with the minister. The society has as its stated goals: to increase public awareness and promotion of decarceration for women; to reduce the number of women who are criminalized and imprisoned in Canada; to increase the availability of community-based, publicly funded, social service, health and educational resources available for marginalized, victimized, criminalized and imprisoned women; to increase collaborative work among Elizabeth Fry societies and other women's groups working to address poverty, racism, and other forms of oppression.

Will the minister please tell this House which of these goals the society has that this government does not support and does not agree with, and feel they cannot give them the funding for?

Hon. Ms. Horne: Mr. Speaker, I'll reiterate that these proposals were not turned down. We had discussions with both societies and we welcome them to the Yukon for their help. Officials have offered to meet with the societies to discuss these very broad proposals further and to identify possible sources of funding to see what help the department could give. Due to changes in the societies, these meetings have not yet been held.

Mr. Inverarity: In my book, Mr. Speaker, no means no. Women's rights are human rights and women are entitled to substantial equality. That is the right of access to equal opportunities and programs in the justice system, as well as the right

to justice without fear of prejudice or discrimination. On this the eve of the 60th anniversary of the *Universal Declaration of Human Rights*, it seems more than a little crass to deny this application for support.

This is a new chapter that has just recently been formed. It can be difficult in the first year to get funding in place for any organization. This need of seed money is required by this particular organization. Will the minister have her department review its decision in light of this information and in light of the \$100-million bank account that is supposed to be so secure and in light of the fact that so many women in the Yukon are in need of this benefit and of the good work of this society?

Hon. Ms. Horne: Mr. Speaker, I don't think that the member of the opposition is listening to my answers. Maybe I should speak a little more clearly and slowly. Both of these societies are members of the Programs and Services Advisory Committee set up to provide advice on new programs and service models as part of the new correctional redevelopment. Officials have offered to meet with these societies to discuss these very broad proposals that they have brought forward, to identify possible sources of funding, to see what help the department could give. Due to changes in the societies, these meetings have not been held. I would encourage the societies to make contact again, as they have been asked to, with the officials to discuss their proposals and possible sources of funding.

Question re: Climate change conference

Mr. Hardy: Climate change is the single greatest threat in our world today. I don't think that anyone can question that. Right now, the international community is meeting in Bali, Indonesia to come up with a new strategy to deal with climate change. Quite frankly, Mr. Speaker, the position of the Government of Canada so far has been very shocking and irresponsible. In fact our country, which once had a reputation for moral leadership on matters such as peacekeeping and human rights, has now become the star of the hall of shame in Bali. On Saturday, Canada received all three fossil awards from environmental groups for the worst performance at the conference. I am, quite frankly, very ashamed of the Canadian position that has been taken down there.

As the acting leader of one of Canada's jurisdictions most affected by climate change -- and I mean the Yukon -- does the Deputy Premier share the sense of outrage on this side of the House over Canada's obstructionist role at the Bali conference?

Hon. Mr. Kenyon: As a government we are certainly fully aware of how vulnerable we can be to the effects of climate change when you see statistics on average temperature changes. Of course we're at the extreme of that spectrum, just by luck of being where we are in the world.

That's why we have delegates in Bali; that's why we're proceeding with a climate change action plan; that's why we're doing what we can to establish a centre of excellence. Yukon's climate change commitments have resulted in greenhouse gas reductions, preparing adaptive responses and promoting research and monitoring activities. Programs have been instituted within the Yukon Housing Corporation to allow for better fuel efficiency and heating efficiency and electrical use.

All of these things are part of it. Again, unfortunately, given the time and circumstances, it would have been nice to send political representation, but when the Member for Vuntut Gwitchin refuses to pair, we have no alternative. However, we have every faith in our people that we have sent there; we await their return.

For the member opposite, I believe the conference is effectively over. Quite frankly, he's putting a name on a letter that is going to get there a week after the thing is over. It's too little, too late.

Mr. Hardy: I've heard it time and time again about the pairing thing here, and that's between you two parties. You can't seem to get it together, and that's unfortunate for the people of the Yukon.

Speaker's statement

Speaker: Please keep the remarks through the Chair please. The Leader of the Third Party has the floor.

Mr. Hardy: Now, Mr. Speaker, the fact is that Canada has lost any moral high ground it may have had on climate change. Even China is way ahead of us in its efforts to come to grips with this global problem. Last week a German watch organization called Canada's performance on climate change protection the fourth worst of 57 countries that produce 90 percent of the world's greenhouse gases. Only Australia, U.S. and Saudi Arabia had worse records. Interesting to note, Australia has now signed on to the Kyoto Protocol. For 10 years, both the Liberal and Conservative federal governments are to blame for this international black eye on our country that we're facing, and it's not about the Kyoto Protocol any more -- I'll tell you that right now. We're moving far beyond that.

What direction did the Deputy Premier give to the Yukon representatives at the Bali conference to do everything they can? Did they give that direction to do everything they can to convince the Canadian delegation that he needed to stop being part of the problem and start being part of the solution?

Hon. Mr. Kenyon: Certainly we had extensive meetings within the Department of Environment to discuss the conference. We didn't just sort of put them on a plane and hope they get there. We had a very good discussion of what would occur there.

The member opposite is perfectly correct on one point: this is far beyond Kyoto. If we instituted Kyoto and met all of the obligations in less time -- the momentum is still going. It's sort of like pushing a car downhill and then being criticized for not pushing it fast enough. Letting it go and stopping pushing -- it's still going to be rolling. We're well aware of that, and a lot of what's happening now is what has happened in the past. Again, as the deputy leader of the federal Liberal Party said to Stéphane Dion on the Liberal record on Kyoto, "Stéphane, we didn't get it done." They didn't get it done. So we're starting in the negative numbers already. We're going to hope to catch up to that, and we're going to work with the federal government and see what our representatives have to say when they return.

Mr. Hardy: We all know that the Liberals dilly-dallied for years on the Kyoto Protocol. The Conservatives have shown no commitment or leadership in this area either. Now

we have the federal Environment minister who won't even sign anything unless the U.S. signs it first. That is shameful, Mr. Speaker. That's not what Canada is about. Here in the Yukon, this government has promised a climate change action plan sometime next year. The Premier talks about adapting to climate change, but he has said nothing to indicate that his government is prepared to take responsibility for mitigating the effect of climate change however we can.

Well, there is one small step this Deputy Premier can take. Will the Deputy Premier immediately sign and return the joint letter to the Prime Minister that we presented recently, or will she at least return it unsigned so that we can e-mail it to Bali with the signatures of the two opposition party leaders to let the Canadian delegates know how Yukoners feel about the need to take constructive action?

Hon. Mr. Kenyon: We will go one better than that, of course. We do constantly work with our federal equivalents. We are sympathetic and understand some of their challenges. I understand the frustration of the member opposite but simply changing and closing down a polluter, or a potential polluter, here simply opens up the probability that we would have to purchase the energy. For instance, closing a coal plant in Ontario would mean that we buy more and produce more in Ontario.

That's sad but it's true. We have to work with the facts, not the fantasy. But we will go one step further. I will be in Washington in a couple months. I will be meeting with the federal minister and other ministers and Cabinet members, and we will be discussing that through the good offices of PNWER -- the Pacific NorthWest Economic Region. We extended an invitation for someone to join us and he declined, so I will be going alone to do exactly that.

Question re: Water testing laboratory

Mr. Edzerza: I have a question for the Minister of Health and Social Services. This morning we learned that the environmental health water testing lab has been out of service for the past week or so. Will the minister explain why this facility is shut down? When will it be up and running again? What is being done to provide this important environmental health service in the meantime?

Hon. Mr. Cathers: I also was recently informed of this. I share the member's concern regarding this matter. My understanding is that it is related to the media that is used to test the bacteria. I believe that it is referred to as M-Coli Blue. The most recent batch that was ordered has just recently been determined to not be working properly. Officials are concerned about this, and through officials I have inquired into this, including asking for information regarding what risk is associated with this and how quickly everything can be back up and running at normal levels.

Mr. Edzerza: Mr. Speaker, a great deal of public consultation went into coming up with a comprehensive new set of regulations governing potable water in the Yukon. I understand that new testing equipment has been purchased. We have seen many boil-water advisories in Yukon communities over the years. The closure of the testing lab affects the municipal water supplies, commercial water delivery services as well as pri-

vately owned wells. Apart from the potential risk to public safety, there may be serious liability issues at play here. Has the minister contacted the Justice department to determine what financial liabilities Yukon taxpayers may be facing if a serious water contamination problem occurs while the lab is closed down?

Hon. Mr. Cathers: As I said, this is still early on. At this point we have not had a review from Justice. I can tell the member with a high degree of confidence that the responsibility lies on water operators to do testing. There are other sources that can be dealt with Outside that work for at least some portion of the samples. However, in this case it is a matter we are concerned about. We want to ensure, and will ensure, that this lab is back up and running and providing testing for E. coli at the earliest opportunity. It is related to a faulty batch of the sampling media, referred to as M-Coli Blue. This sample occurred on December 6 and we are concerned about this matter.

As I indicated, I have asked for a full briefing, and I would be happy to share with members the details of the response, including what risks are associated with this, including the regularity of testing water supplies and what impact this may have on operators' ability to test water supplies, and including how quickly we will have a resupply of adequate and accurate testing materials.

Mr. Edzerza: The purpose of introducing new standards for potable water was to ensure that Yukoners wouldn't face the kind of tragic situation that occurred in Walkerton, Ontario and in other Canadian municipalities in recent years.

The Yukon government has a huge responsibility in this area. In the latest government phone directory, which came out last month, three out of six environmental health officer positions are listed as vacant. What is the minister doing to assure municipalities, First Nations, water-hauling companies and private citizens that their water is safe and that other environmental health issues are being properly addressed?

Hon. Mr. Cathers: I appreciate the member's concern regarding the ability of environmental health services branch to do testing for E. coli and in that area I share his concern. I indicated what steps are being taken, what questions I have asked and the fact that steps are being taken to ensure that the lab is able to resume full testing services at the very earliest opportunity. As well, they have informed water operators of this issue.

The member mentioned that positions were listed as vacant in the internal phone directory. Mr. Speaker, the member opposite was the minister responsible for the Public Service Commission. He understands -- or ought to understand -- vacancies do occur and whether there was a vacancy at the time that a phone directory was printed or whether hiring was in process -- turnover is a standard thing -- it is a standard operational issue that will always exist and has always existed. I can assure the member opposite that officials handle these matters as they should and are doing so appropriately.

Question re: Human Rights Act review

Mr. Inverarity: On the evening of the 20th anniversary of human rights legislation in the Yukon, I have some questions for the Minister of Justice.

This government committed to doing a review of the human rights legislation last spring. It was back in April 2007 when the government shamelessly shut down debate on a proposed amendment to the *Human Rights Act* that I brought forward. The government said at the time that it didn't dispute or disagree with the amendments, but pointed out that the public needed to be consulted about the changes to the act. A review of the *Human Rights Act* has been called for by the Human Rights Commission and the Minister of Justice committed to doing this.

What progress has been made on this commitment and when will public consultations be scheduled to get feedback on the changes to the *Yukon Human Rights Act*?

Hon. Ms. Horne: Certainly this government is committed to practising good governance, and that includes reviewing legislation from time to time to ensure the legislation is meeting the public's interest. As the member opposite noted earlier, it is the 20th anniversary and we do realize that it is time to review this legislation. The Department of Justice is in the process of the initial phase that will lead to a review of the *Human Rights Act*.

Mr. Inverarity: I am wondering when the Department of Justice is actually going to communicate with the Yukon Human Rights Commission.

On Monday, April 23, 2007, I tabled a bill to make one small amendment to the *Human Rights Act* -- a minor amendment that would have extended the time limit for filing a human rights complaint. This would be an important change for those people affected by it.

As we are all aware, this government shamelessly closed down debate on the bill even before it got started. The minister stated that at the time the government was -- and I quote -- "in the process of the initial phase that will lead to a comprehensive review of the act". We heard that again today. That was back in April that the minister made the initial quote.

Based on its track record, I have no confidence in this government's ability to live up to its commitments and review the *Human Rights Act*. Will the minister confirm that this Yukon Party government has something to do and if it has done anything in the past five years to progress or go forward with the *Yukon Human Rights Act*?

Hon. Ms. Horne: The Department of Justice is indeed exploring options on how to best ensure that Yukoners, members of the opposition, the Human Rights Commission, the Human Rights Board of Adjudication and the other stakeholders are part of the process. It is not merely going into one part of the act; it's a review of the entire act. It takes planning to do it properly.

In the meantime, the government is working with the commission to make sure it has the resources it needs.

Question re: Whistle-blower legislation

Mr. Fairclough: Five members of this House have been meeting over the past few months to decide what whistle-blower legislation in the Yukon should look like. After the car dealership fiasco last week, it is obvious that it is needed -- at least it's obvious to members on this side of the House. It is not obvious to the Yukon Party member of the committee, who

spoke to a local radio station on Friday morning. He said he thinks workers are already protected well enough and questioned whether whistle-blower legislation is even needed.

Does the minister agree with the view expressed by his colleague on Friday, or does he actually support whistle-blower legislation?

Hon. Mr. Kenyon: I sit on that committee, which is why I'm answering this. I don't believe that it was a member of this caucus who made the comments.

The committee has been meeting -- I agree -- a bit slowly. One of our concerns is the fact that no one really in the territory has the expertise to know if this is something that is needed, is not needed and, if it's needed, how it should be structured. The committee chair, I believe, is currently looking at hiring or engaging a national expert in the field to act as a consultant on this. We look forward to hearing from this individual, and I agree with the member opposite -- I hope that we hear soon.

Mr. Fairclough: He conveniently didn't answer the question. Our party supports whistle-blower legislation. I believe the New Democrats support whistle-blower legislation.

Last week's car fiasco is a perfect example of why it is needed. An employee blew the whistle on the government's political interference as he was heading out the door, and he didn't do it while he worked there because he was afraid of the repercussions. Let's go back to the member's colleague's comments, and I quote: "Do we need more legislation? There are five members on the committee, and you'll find five different opinions." Again, Mr. Speaker, I'll give you my opinion: I support legislation. I know the members of the third party support it too. The only party that can't seem to make up its mind on whistle-blower legislation is the Yukon Party. Does the minister responsible for the Public Service Commission agree with his colleague's comments, or does he support whistle-blower legislation? Which is it?

Hon. Mr. Kenyon: I'm very pleased to hear that the Liberal Party supports looking at this legislation and the New Democratic Party supports looking at this legislation. And, certainly, the Yukon Party supports this legislation. It is in our platform. We've made a commitment to support it. I think if the member opposite were really serious about pushing this, he'd be doing it inside the committee and not on the floor of this House. It is in committee. I agree with his frustration that it is a slow process, and we hope to speed it up a bit. We'll do that within the committee, but it makes no sense to do it here.

Mr. Fairclough: Mr. Speaker, I urge the member to get his caucus' position on that, because it is very important to bring that to the committee. The Yukon Party has been in office for five years and whistle-blower legislation is simply not a priority for them. It has not been completed in five years. The Yukon Party has a majority on this committee, and it is obviously in no hurry to move forward on the legislation. As we heard on Friday, one of the members does not think that it is needed. This isn't very comforting to the public servants looking for protection from political interference. Will the minister responsible for the Public Service Commission, not the Economic Development minister, commit that we will see legisla-

tion in the fall sitting, a year from now? Will the minister do that?

Hon. Mr. Kenyon: I certainly hope that we can put it together that quickly. The caucus is together, Mr. Speaker. It is in the platform commitment. I'm very pleased to hear that the New Democratic Party supports this, and I'm extremely pleased to hear that the Liberal Party finally is supportive. We tried to do this in the last mandate. Thanks to the Liberal Party, they managed to keep it on the backburner and frustrate all of us. There was a little motion in the House; they became the Official Opposition, and they continued to stall this matter and keep it out of the committee structure. I urge the member opposite to bring his concerns to the committee and to work with me and other members of the committee to do this in an expeditious way. I'm very pleased that the Liberal Party has seen the error of their ways and joined the rest of the House.

Speaker: The time for Question Period has now elapsed.

MATTER OF URGENT PUBLIC IMPORTANCE (Standing Order No. 16)

Bill No. 108

Mr. Hardy: I rise pursuant to Standing Order 16(1).

Earlier today I provided a letter to the Speaker and three House Leaders, which reads as follows:

"Pursuant to Standing Order 16(1), this is to advise you of my intention to rise immediately after the daily routine today to seek leave to move that the ordinary business of the Assembly be adjourned so that Bill No. 108, *Legislative Renewal Act*, can receive second reading.

I believe Bill No. 108 is a matter of urgent public business and that it is imperative that all members demonstrate a commitment to consult with Yukon people about measures that would be taken to make the proceedings of the Legislative Assembly more accessible, accountable and relevant to the people we are elected to serve.

Speaker: The Leader of the Third Party has up to five minutes to speak on this notice regarding a matter of urgent public importance. The member has about four minutes left, if you like.

Mr. Hardy: The *Legislative Assembly Act* we have before us was brought forward once before by the NDP and, unfortunately, it didn't go anywhere. We brought Bill No. 108 back before the Legislative Assembly. We consider this urgent business that needs to be discussed. I'll touch on a couple of areas here: the reasons why and what some parts of the bill include.

The number one issue is that the people of the Yukon have been asking for this for years. They've been asking for the Legislative Assembly to become more accessible to the people of the Yukon, more accountable to the people of the Yukon and definitely more relevant to the people out there.

Whether they are individuals or they are any part of NGOs, organizations or groups who want to make presentations -- other levels of government -- they all want to be able to take a more active role in what we do in this Legislative Assembly. We believe the *Legislative Renewal Act* allows that door to be opened.

We have to also recognize some of the problems that are not just faced by the Yukon but are faced by all jurisdictions across the country by all elected bodies, and that is that voting rates continue to drop. We continue to ignore that very serious problem. I think the message that is being sent is that people do not believe that these bodies have significance or relevance in their lives any more. What that points out to me is that we need to make changes in the Legislative Assembly to make it more connected to the people and their daily lives so that it would be relevant once again and seen as important. Hopefully then the voting patterns of the last 20 years would change, and we would see more participation during the election periods. That's not just at provincial and territory levels; it's also at the municipal and federal levels.

We work under a system that I consider very old and antiquated and it is not fulfilling needs. It doesn't allow proper debate in this Legislative Assembly. It definitely doesn't allow the ability of the parties, other than the government, to have any kind of significant influence in the drafting of bills, in the budget, in the future of the Yukon. Even the names that are given, such as "Official Opposition", indicate negativity that shouldn't exist in here. Of course, we have different opinions, values and principles, but that doesn't mean that we always disagree. We shouldn't always be trying to score political points in the Legislative Assembly. We should be trying to do the work the people have put us in here for, whether it's our constituents, organizations we are from or we feel strongly about, or principles that we believe in from the party position.

We need to find a far better way to make that voice heard.

The bill itself calls upon a select committee to be appointed to conduct a public review of the legislation, rules and practices that apply to the Yukon Legislative Assembly and its members. It should consist of an equal number of members from each of three recognized political parties in the Legislative Assembly, plus the Speaker, who shall be the neutral Chair.

Public consultations throughout the territory -- we've had that experience just recently with the *Smoke-free Places Act* that the NDP brought forward. I felt it was a good process --

Speaker: The member is out of time, actually.

Some Hon. Member: Point of order, Mr. Speaker.

Point of order

Speaker: Member for Lake Laberge, on a point of order.

Hon. Mr. Cathers: Let's call this for what it is. This is not a motion of urgent and pressing necessity from the government's perspective; it is a political ploy; it is the tail end of session. The member has brought this matter before this House in the previous session in a different form; he has revised this and brought it forward. Wednesdays are allocated for motion debate, alternating, for those who are listening and not familiar,

between government and opposition. The member had the opportunity to call this earlier in this session; he chose not to do so.

Speaker: Member for Mount Lorne, on the point of order.

Mr. Cardiff: I just heard the member say that this was a political ploy. According to Standing Order 19(g), I would say that imputes a false or unavowed motive to the Leader of the Third Party.

Speaker's ruling

Speaker: On the point of order, from the Chair's perspective this is simply disagreement among members.

Hon. Mr. Cathers: Thank you, Mr. Speaker. Again I indicated that this is the government's perspective on this.

The member who just stood -- the Third Party House Leader -- did not mention this matter at the House leaders' meeting this morning. Typically we discussed the business of the day. I discussed the business of the day. There were no concerns expressed or disagreement expressed by that member. They had the opportunity to indicate they wished to call such a motion; they did not choose to do so.

Again I ask why this bill was not called on one of the Wednesdays earlier in this session, if the member sees this as an urgent matter?

The member suggests this government doesn't cooperate. I would argue that we have, in fact, done more than any previous government in stepping forward and trying to engage the opposition. Examples of this include the Standing Committee on Appointments to Major Government Boards and Committees, which every party promised. We are the ones that delivered. We are the ones that followed through on that promised. We have established that, and it has met, I believe, three times. Reports were tabled today by the chair of the committee, the Minister of Tourism and Culture.

As well, we have established the Select Committee on Whistle-Blower Legislation. The Member for McIntyre-Takhini, the Member for Vuntut Gwitchin and I toured the territory this fall with the Select Committee on Anti-Smoking Legislation -- a step the previous governments had not taken.

Further, we equalized the government and opposition representation on the Standing Committee on Rules, Elections and Privileges by removing the government majority on that committee, which had long been a bone of contention. We did these things. We will continue to cooperate with the opposition, but the bill refers to many matters that are within the purview of SCREP. Others are within the purview of the whistle-blower committee. Again, Mr. Speaker, from the government's perspective, the member did not see this as an urgent and pressing need earlier in this session. The member did not even see it as worth calling for debate earlier in this sitting of the Legislature. This is simply a political manoeuvre at the closing of the Legislature; therefore we have to express that opinion. This is simply political gamesmanship.

Mr. McRobb: Mr. Speaker, I've got some comments I'd like to put on the record. Foremost, we have been advocat-

ing the need for legislative reform for several years. I think it is plain that at least the members on the opposition side of this House see a great lack in productivity, cooperation and collaboration among all members of this House.

I think that this bill today is an indication of the exasperation by the third party and, to some extent, ourselves in how the government's side stifles debate at every opportunity, controls debate at every opportunity, and tries to play one-upmanship at every opportunity. We on this side of the House can collectively agree that there is a need to address these issues. Therefore, this is an urgent matter in order to do the public's business in the best way possible.

Aside from that, the Standing Committee on Rules, Elections and Privileges, or SCREP, is dealing with matters that relate to legislative renewal. The problem is that there has been virtually no progress at SCREP. This is the committee headed by the Member for Klondike, who was simply too busy to hold a meeting last spring. There have been two meetings in the past year with nothing resolved. That is absolutely shameful. This is leading to the frustration shared by members on this side of the House.

A year ago, the Yukon Party took credit for equalizing the membership on the SCREP committee. Great things were supposed to be done; however, nothing has been done to date. That is shameful. As for the bill itself, it deals with an all-party committee to go out and consult Yukoners. Mr. Speaker, I'm not sure if that is the best way to proceed on these matters. The opinion of Yukoners is very important, but I think that we know the opinion of Yukoners already. They want to see this Assembly function more productively and for members to collaborate to a greater extent and to focus better on the matters that are of public import. That, indeed, has not happened.

Tomorrow we have a meeting of the SCREP committee and it will be very interesting to see what matters this government brings to the table. I know that the Yukon Party missed a deadline of November 14. Both opposition parties made submissions on time, but not the Yukon Party. So obviously this is not a priority for this government. It is to members on this side of the House. For that reason, we'll be supporting this bill.

Speaker's ruling on Matter of Urgent Public Importance No. 1

Speaker: Pursuant to Standing Order 16(5), the Chair shall rule whether the request for leave by the Leader of the Third Party is in order. In his letter to the Chair, the Leader of the Third Party requests that the ordinary business of the Assembly be adjourned so that Bill No. 108 can receive second reading.

Giving a bill second reading entails a decision by the Assembly; however, Standing Order 16(10) says, "A debate on a matter of urgent public importance does not entail any decision by the Assembly." It would not be procedurally possible, therefore, for Bill No. 108 to receive second reading under Standing Order 16.

More importantly, Standing Order 16, regarding the matter of urgent public importance, is designed to allow the Assembly to debate but not to decide upon a matter that is not on the Order Paper. Bill No. 108, *Legislative Renewal Act*, is a matter

that currently sits on the Order Paper. It could be taken up on a day when opposition private members' business has precedence.

We shall now proceed to Orders of the Day.

ORDERS OF THE DAY

Unanimous consent re Motion No. 296 and Motion No. 297

Hon. Mr. Cathers: I request unanimous consent of the House to call at this time the motions the Minister of Justice gave notice of last sitting day respecting appointments to the Yukon Human Rights Commission and the Yukon Human Rights Panel of Adjudicators.

Speaker: Is there unanimous consent to call the motions identified by the Government House Leader?

All Hon. Members: Agree.

Speaker: There is unanimous consent.

Motion No. 296

Speaker: It is moved by the Minister of Justice

THAT the Yukon Legislative Assembly, pursuant to section 17(1) of the *Human Rights Act*, reappoint Melissa Atkinson and appoint Glenis Allen to be members of the Yukon Human Rights Commission.

Hon. Ms. Horne: I am pleased today, International Human Rights Day, to speak to Motion No. 296 and Motion No. 297, which bring forward the names of individuals to be appointed to the Human Rights Commission and the Human Rights Panel of Adjudicators.

These appointments have received the consent of the members of this House. The first motion, Motion No. 296, reappoints Ms. Atkinson to the Human Rights Commission and appoints Glenis Allen to the commission.

Ms. Atkinson was elected chair of the Human Rights Commission in 2006 and is currently the longest sitting member of the commission. Ms. Atkinson is a long-time Yukoner and a member of the Tr'ondek Hwech'in First Nation in Dawson City. She is a practising lawyer, currently employed by the federal Department of Justice as a Crown prosecutor and is a member of the local Canadian Bar Association.

She is also appointed to the Judicial Council. Ms. Atkinson sits on the Continuing Legal Education Committee, the Adult Resources Centre Board and is a director of the Yukon Public Legal Education Association.

This motion also appoints Glenis Allen to the Yukon Human Rights Commission. Ms. Allen brings a wealth of experience in the human rights field to the position. Ms. Allen has experience providing consulting services to various First Nations and other governments, as well as municipal and private sector organizations. She has experience in labour relations, collective bargaining, employee relations, dispute resolution, and mediation, as well as experience with human rights issues. We are pleased to reappoint Ms. Atkinson and appoint Glenis Allen as members of the Human Rights Commission.

Mr. Inverarity: I would like to thank the minister for her comments. I think she has covered the majority of what I'd like to say. In addition to that, I would say I am very pleased with these appointments. I look forward to having conversations and dealing with those individuals, Melissa Atkinson and Glenis Allen. I think they both stand in good favour and have been recommended by the committee on board appointments. We have no problem supporting this motion.

Mr. Cardiff: Likewise, we in the third party would like to welcome Melissa Atkinson back to the Human Rights Commission and welcome Glenis Allen. I agree with everything that has been said. If there was only one comment I could make, it is that I wish this could have happened on time this year. It would have been nice if these appointments had been made prior to the expiry of the existing appointment. Then there would have been continuity and no need for doing this at the last minute.

Speaker: Are you prepared for the question?

Some Hon. Member: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.

Hon. Mr. Cathers: Agree.

Hon. Ms. Taylor: Agree.

Hon. Mr. Kenyon: Agree.

Hon. Mr. Rouble: Agree.

Hon. Mr. Lang: Agree.

Hon. Ms. Horne: Agree.

Hon. Mr. Hart: Agree.

Mr. Nordick: Agree.

Mr. McRobb: Agree.

Mr. Elias: Agree.

Mr. Fairclough: Agree.

Mr. Inverarity: Agree.

Mr. Hardy: Agree.

Mr. Cardiff: Agree.

Mr. Edzerza: Agree.

Clerk: Mr. Speaker, the results are 15 yea, nil nay.

Speaker: The yeas have it. I declare the motion carried.

Motion No. 296 agreed to

Motion No. 297

Speaker: It is moved by the Minister of Justice

THAT the Yukon Legislative Assembly, pursuant to Section 22(2) of the *Human Rights Act*, reappoint Barbara Evans as chief adjudicator of the Yukon Human Rights Panel of Adjudicators and appoint Michael Riseborough and John Wright to be members of the Yukon Human Rights Panel of Adjudicators.

Hon. Ms. Horne: Motion No. 297 is for the appointments to the Yukon Human Rights Panel of Adjudicators. We have all-party agreement to reappoint Barbara Evans as chief adjudicator and appoint Michael Riseborough and John Wright to be members of the Yukon Human Rights Panel of Adjudicators.

Barbara Evans was first appointed as chief adjudicator on the panel of adjudicators in 2001 and has served admirably in that role. She is self-employed and has her own business. Ms. Evans has extensive knowledge and experience in dealing with Yukon issues. In addition, she is an active participant in the Yukon community and sits as an employee representative on the Workers' Compensation Health and Safety Board.

Michael Riseborough brings 25 years of management experience in the public, private and volunteer sectors. He has experience and strong knowledge of our legislative framework here in the territory and currently serves his community of Haines Junction on the Haines Junction Economic Development Committee and on the Haines Junction Integrated Communities Sustainability Planning Committee.

John Wright has spent his entire working life involved in both criminal and administrative law in various capacities. Mr. Wright served in the Canadian Armed Forces as a commissioned officer in the police, security and intelligence branch specializing in police operations.

Mr. Wright has been a justice of the peace for the Territorial Court of Yukon. He was a founding member and a chair of the Yukon Public Legal Education Association, YPLEA. He has served on the RCMP public complaints commission and on the Workers' Compensation Health and Safety Board, among other roles.

The reappointment of Ms. Evans and the appointment of Mr. Riseborough and Mr. Wright will ensure continuity on the Panel of Adjudicators. I would like to thank these individuals for their service in the community.

Thank you, Mr. Speaker.

Mr. Inverarity: I think that I can say without any further ado that the Liberal Party will support these appointments and reappointments.

Mr. Cardiff: In the interest of time, we too will be supporting this motion and the appointments in it.

Motion No. 297 agreed to

INTRODUCTION OF VISITORS

Mr. Cardiff: I'd like to welcome John and his wife to the Legislature.

GOVERNMENT BILLS

Bill No. 42: Third Reading

Clerk: Third reading, Bill No. 42, standing in the name of the Hon. Mr. Hart.

Hon. Mr. Hart: I move that Bill No. 42, entitled *Act to Amend the Municipal Finance and Community Grants Act*, be now read a third time and do pass.

Speaker: It has been moved by the Hon. Minister of Community Services that Bill No. 42, entitled *Act to Amend the Municipal Finance and Community Grants Act*, be now read a third time and do pass.

Hon. Mr. Hart: The *Act to Amend the Municipal Finance and Community Grants Act* does three things. It removes ambiguity around the matter in which the CMG is determined; it cleans up the clauses that are vague and no longer relevant; it provides certainty to the Yukon municipalities for specifying the fund's base amount in each of the next five years and in the years to come beyond.

In 2008, the total CMG fund will increase by \$807,500 per year and will continue to increase each year until 2012. The increase in municipal grant funding is good news for the municipalities and good news for the Yukon. Additional funding will increase municipalities' capacity and help to meet the demands for building, operating and maintaining new and aging infrastructure.

In addition to the increase to the municipal grant funding, I have also announced proportional increases in funding to the unincorporated communities, recognizing that the cost to deliver municipal-type services in unincorporated Yukon is also increasing.

Mr. Speaker, this government is following through on its commitment to increase funding for Yukon communities. I ask Members of the Legislative Assembly to support this important initiative by supporting the proposed amendments to the *Municipal Finance and Community Grants Act*.

Mr. Fairclough: In short, we will be supporting this bill.

Mr. Cardiff: Yes, we in the third party will also be supporting Bill No. 42, *Act to Amend the Municipal Finance and Community Grants Act*. I think this is something that has been requested by municipalities and communities around the Yukon. We'll wait to see whether or not it truly does meet the need, but I believe it's a good start and we will be supporting it.

Motion for third reading of Bill No. 42 agreed to

Speaker: I declare that Bill No. 42 has passed this House.

Bill No. 35: Third Reading

Clerk: Third reading, Bill No. 35, standing in the name of the Hon. Mr. Lang.

Hon. Mr. Lang: I move that Bill No. 35, entitled *Act to Amend the Subdivision Act*, be now read a third time and do pass.

Speaker: It has been moved by the Minister of Energy, Mines and Resources that Bill No. 35, entitled *Act to Amend the Subdivision Act*, be now read a third time and do pass.

Hon. Mr. Lang: This act is put together in conjunction with our agricultural community. Certainly it has been asked over the last three or four years how we could best address the aging population we have on our agricultural farms and allow access to stay on their land for a period of time once they retire.

This opens the door for that to happen. I look forward to the support today.

Mr. Mitchell: I will be brief. We had our questions answered at second reading. We wanted to be certain that it didn't lead to a series of continuing subdivisions down the road. It seems to be a good purpose to allow people to remain on the land that they have farmed for many years, in retirement, and we will be supporting this act.

Mr. Cardiff: We, too, in the third party, have looked at this, both at second reading and during Committee of the Whole. We thank the minister for answering the questions and we recognize the purpose of this *Act to Amend the Subdivision Act*. We will be supporting this, as well, at third reading.

Hon. Mr. Cathers: In this context I am rising, of course, as the MLA for Lake Laberge and I just want to take the opportunity to thank the Minister of Energy, Mines and Resources and the officials who worked on this. This is a step forward in modernizing where we are today and allowing people who have invested their livelihood in a farm to remain on that farm and to ensure that the land remains agricultural land and remains above the minimum lot size for the area, while allowing new people to come in and farm the land.

I thank the minister for his work on this and I thank members for their support.

Motion for third reading of Bill No. 35 agreed to

Speaker: I declare that Bill No. 35 has passed this House.

Bill No. 38: Third Reading

Clerk: Bill No. 38, standing in the name of the Hon. Mr. Hart.

Hon. Mr. Hart: Mr. Speaker, I move that Bill No. 38, entitled *Act to Amend the Employment Standards Act*, be now read a third time and do pass.

Speaker: It has been moved by the Minister of Community Services that Bill No. 38, entitled *Act to Amend the Employment Standards Act*, be now read a third time and do pass.

Hon. Mr. Hart: Mr. Speaker, the amendment will keep the Yukon legislation consistent with the recent changes to the federal employment insurance legislation. The changes at the federal level have created a conflict between the entitlements in the federal and territorial legislation.

Mr. Speaker, this government is supportive of this initiative. It demonstrates that this government is committed to providing job protection to more employees while accessing compassionate care and bereavement leaves. It modernizes legislation by recognizing cultural differences and definitions of family and recognizes the importance of family providing comfort and assistance to a dying relative in their own home and community who may otherwise require institutional care or care from strangers, often at public cost. Mr. Speaker, I look forward to support from the entire House on the amendments.

Mr. Inverarity: Mr. Speaker, I've spoken a couple times before on this particular bill. I think that it goes without saying that we will be supporting it, and I look forward to it passing.

Mr. Cardiff: We, too, in the third party, would like to thank the minister and his officials for the briefing that we had on this bill, Bill No. 38, and recognize the intent of the bill to harmonize it with the federal legislation with respect to compassionate and bereavement leave so that people's jobs are preserved for them, and it allows them to take leave to take care of their families when they're most in need. So we will in the third party be supporting Bill No. 38 at third reading.

Motion for third reading of Bill No. 38 agreed to

Speaker: I declare that Bill No. 38 has passed this House.

Bill No. 39: Third Reading

Clerk: Bill No. 39, standing in the name of the Hon. Mr. Hart.

Hon. Mr. Hart: I move that Bill No. 39, entitled *Act to Amend the Territorial Court Judiciary Pension Plan Act, 2003*, be now read a third time and do pass.

Speaker: It has been moved by the minister responsible for the Public Service Commission that Bill No. 39, entitled *Act to Amend the Territorial Court Judiciary Pension Plan Act, 2003*, be now read a third time and do pass.

Hon. Mr. Hart: The judges' pension plan cannot be registered in the Yukon if the *Territorial Court Judiciary Pension Plan Act, 2003*, does not meet Canada Revenue Agency requirements. This will negatively affect the use of the pension contributions and the interest earned in the pension fund on contributions as income tax deductions.

The act provides for a registered pension plan in Schedule 1. If the amendment is not made, the plan cannot be registered and it will therefore not be in compliance with the act. The 2007 federal budget was changed to provide for an increase in the age limit for registered pension plans under the *Income Tax Act*. Before 2007, individuals could not contribute to a registered pension plan or earn pensionable service beyond the end of the year in which they attain the age of 69. Under the amended *Income Tax Act*, this age is now the end of the year in which the individual turns age 71.

Amendment 4 reflects this change to the *Income Tax Act*. Amendment 6 adds section 23.1, as was requested by the Canada Revenue Agency to explicitly define the registered pension plan limits. This amendment does not change the benefits; it clarifies how the benefits are to be split between the registered pension plan portion of the judges' plan and the registered compensation arrangement portion of the plan.

Amendments 5, 7, 8 and 9 are technical wording changes requested by Canada Revenue Agency. The amendments do not change any of the benefits in the plan. The prior language has been approved by CRA in the past, but the change in wording is requested.

Mr. Speaker, I look forward to support from the House on these amendments.

Mr. Fairclough: I understand that this is basically a housekeeping bill. We don't have any major problems with it and we'll be supporting this bill.

Mr. Cardiff: We in the third party recognize that Bill No. 39, *Act to Amend the Territorial Judiciary Pension Plan Act, 2003*, is basically housekeeping to bring this piece of legislation into line with Canada Revenue Agency requirements. We will be supporting it in third reading.

Motion for third reading of Bill No. 39 agreed to

Speaker: I declare that Bill No. 39 has passed this House.

Bill No. 40: Third Reading

Clerk: Third reading, Bill No. 40, standing in the name of the Hon. Mr. Lang.

Hon. Mr. Lang: I move that Bill No. 40, entitled *Act to Repeal the Motor Transport Act*, be now read a third time and do pass.

Speaker: It has been moved by the Minister of Highways and Public Works that Bill No. 40, entitled *Act to Repeal the Motor Transport Act*, be now read a third time and do pass.

Hon. Mr. Lang: This new act replaces the *Motor Transport Act*, which was an archaic act that had to be modernized in the context of today. I look forward to support here in the House.

Mr. Mitchell: As we said at second reading, we don't have any difficulty with this act. It is largely housekeeping to go along with streamlining the regulations to be consistent with other jurisdictions and, in a sense, get rid of things that have become redundant here. We just want to thank those people who have served over the years on the associated boards for their service, and we will be supporting this act.

Mr. Cardiff: We, too, in the third party will be supporting this *Act to Repeal the Motor Transport Act*. We would like to recognize, also, the contribution of the members who served on the Motor Transport Board. We recognize that this does away with a redundant piece of legislation that is now covered off through the National Safety Code, which the territory has adopted. We'd again like to thank the Legislative Assembly and the minister for the information provided on this. We will be supporting it at third reading.

Motion for third reading of Bill No. 40 agreed to

Speaker: I declare that Bill No. 40 has passed this House.

Hon. Mr. Hart: Mr. Speaker, I request unanimous consent to move that Bill No. 45, entitled *Act to Amend the Legislative Assembly Act, No. 2*, be now read a second time.

Unanimous consent re second reading of Bill No. 45

Speaker: The Minister of Community Services has requested unanimous consent to move that Bill No. 45, entitled *Act to Amend the Legislative Assembly Act, No. 2*, be now read a second time. Is there unanimous consent?

All Hon. Members: Agreed.

Speaker: Unanimous consent has been granted.

Bill No. 45: Second Reading

Clerk: Second reading, Bill No. 45, standing in the name of the Hon. Mr. Hart.

Hon. Mr. Hart: Mr. Speaker, I request unanimous consent to move that Bill No. 45, entitled *Act to Amend the Legislative Assembly Act, No. 2*, be now read a second time.

Speaker: It has been moved by the Minister of Community Services that Bill No. 45, entitled *Act to Amend the Legislative Assembly Act, No. 2*, be now read a second time.

Hon. Mr. Hart: Mr. Speaker, I will be brief. Earlier this year, a motion was brought forth to review the salaries of the MLAs and it was a request to have a third party prepare that documentation draft. That report was provided to this House and tabled in this House. The recommendation was submitted to the Members' Services Board. That recommendation from the Members' Services Board is submitted, and the act was drafted up and agreed to by all three parties. Before us is the legislation as a result of that.

Mr. McRobb: Well, we'll be supporting this bill. We don't see much point in debating it. After all, there are several issues of greater public importance that we still have to debate, so let's get on with it.

Mr. Cardiff: I will be brief in my comments to Bill No. 45. I'd just like to say thank you to the commission that provided the report to the Legislative Assembly and to the members of the Members' Services Board who participated in the decision to accept that report and request the drafting of this piece of legislation. Our thanks to them, and we will be supporting this at second reading. Thank you.

Motion for second reading of Bill No. 45 agreed to

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

Speaker: It has been moved by the Acting 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: Committee of the Whole will now come to order.

Do members wish to take a brief recess?

All Hon. Members: Agreed.

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

Recess

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

The matter before the Committee is Bill No. 45, *Act to Amend the Legislative Assembly Act, No. 2*.

INTRODUCTION OF VISITORS

Hon. Mr. Lang: I would like to recognize Dale Panchyshyn, the father of our page, Kelly, in the House this afternoon.

Applause

Bill No. 45 -- Act to Amend the Legislative Assembly Act, No. 2

Hon. Mr. Hart: I will be brief. This has been discussed by the Members' Services Board. Basically, this legislation is based on the report submitted to the Members' Services Board and the Yukon Legislative Assembly respecting MLA salaries and benefits. The items have been identified by the consortium doing the analysis and submitted to the House for legislation.

Mr. Cardiff: I only have a few comments. All of us in this Legislative Assembly understand what Bill No. 45 is -- it's about our salaries and the salaries of MLAs who are going to come after we are long gone from here. It's about being paid fairly.

This was something that I felt strongly about; therefore I introduced a motion in the Legislature last spring. That motion was debated on May 23. It was Motion No. 110. The intent of the motion was to have a clear, third party look at MLA salaries and benefits.

I again would like to thank the Legislative Assembly for passing that motion, albeit at that point it wasn't unanimous, but I believe that this is something that members should take seriously. I believe that it probably has been scrutinized by Members of the Legislative Assembly enough that we don't have to discuss a lot of it here in the Legislative Assembly. I think the true test is going to be whether we live up to doing our job well and earning the money that we receive.

The other thing I would say about this -- and the reason I want to say this, is because I brought the motion forward in the spring -- is that I honestly believe that if there is any one MLA in this Legislative Assembly who doesn't believe that this piece of legislation should pass, they should make it known.

Our comments are on record in the motion debate of last May about why we thought this was necessary, that the public and MLAs had been saying it, that the media had been saying that MLAs' salaries needed to be reviewed. I'm proud to have brought that forward and have this outcome today. I look forward to working hard for my constituents and all Yukoners. I hope that if there's anyone in this Assembly who doesn't agree with this, they will make their reasons known.

That's the extent of my comments.

Chair: Is there any further general debate?

Seeing none, we'll proceed with clauses.

Mr. Cardiff: On behalf of the Assembly, I would request the unanimous consent of the Committee to deem all clauses and the title of Bill No. 45, *Act to Amend the Legislative Assembly Act, No. 2*, read and agreed to.

Unanimous consent re deeming all clauses and title of Bill No. 45 read and agreed to

Chair: Mr. Cardiff has requested the unanimous consent of the Committee to deem all clauses and the title of Bill No. 45 read and agreed to. Are you agreed?

All Hon. Members: Agreed.

Chair: Unanimous consent has been granted.

Clauses 1 to 27 deemed to have been read and agreed to
On Title
Title agreed to

Hon. Mr. Hart: Mr. Chair, I move that Bill No. 45, *Act to Amend the Legislative Assembly Act, No. 2*, be reported without amendment.

Chair: The Hon. Mr. Hart has moved that Bill No. 45, entitled *Act to Amend the Legislative Assembly Act, No. 2*, be reported without amendment.

Motion agreed to

Motion re appearance of witnesses

Hon. Mr. Cathers: Mr. Chair, I move that Willard Phelps, chair of Yukon Development Corporation Board of Directors and Yukon Energy Corporation Board of Directors, and David Morrison, president and chief executive officer of the Yukon Development Corporation and Yukon Energy Corporation, appear as witnesses in Committee of the Whole from 3:30 p.m. to 5:30 p.m. on Monday, December 10, 2007 to discuss matters relating to the Yukon Development Corporation and Yukon Energy Corporation.

Chair: Mr. Cathers has moved that Willard Phelps, chair of Yukon Development Corporation Board of Directors and Yukon Energy Corporation Board of Directors, and David Morrison, president and chief executive officer of Yukon Development Corporation and Yukon Energy Corporation, appear as witnesses in Committee of the Whole from 3:30 p.m. to 5:30 p.m. on Monday, December 10, 2007 to discuss matters related to the Yukon Development Corporation and Yukon Energy Corporation. Do members agree?

Mr. McRobb: One thing, Mr. Chair. I just want to put on the record that I find it extremely unusual for the government to introduce a motion to this effect with about 30 minutes' notice for the public to even know that this is going to occur.

We had about three days' notice, going back to last Thursday, that this was definitely going to be the date. I can make an argument that it would have been more cooperative had the government identified that date more ahead of time but it chose not to.

My concern here is that the public at large isn't aware that the officials from the Yukon Development Corporation will be appearing in half an hour in this Assembly. If this motion had been read at least last week, then that advisory would have been issued and the public would be aware. I know from previous instances, when officials appeared, interested members of the public would sit in the gallery and witness the proceedings. Others may decide to tune in on the radio.

The government has chosen not to allow Yukoners to be informed that this was happening. I just think that is wrong. In the future I think that more advanced warning should be pro-

vided to the public so that they are aware of what is happening in this Assembly.

After all, a period of two years has passed since the officials from the Yukon Development Corporation have appeared in this Assembly. I would note that the Standing Orders require that officials appear every year. 2006 was an election year and we can acknowledge that. The officials did not appear. However, we asked for the government's support in the spring of 2007 for the officials to appear at that time, but our request was denied by the Yukon Party. So we've now had a period of two years elapse without the officials from the Yukon Development Corporation appearing before this Assembly.

There are several very important matters within the business of the Yukon Development Corporation and Yukon Energy Corporation that are worthy of discussion and debate before the public. It would have been in the interest of accountability had the Yukon Party recognized that and ensured the witnesses did appear in a calendar year, consistent with the House rules of this Assembly.

I'm a little uncomfortable making allowances in an election year, because that's twice now under Yukon Party rule this has happened. It occurred as well in the year 2004 when officials from the Yukon Development Corporation and Yukon Energy Corporation were provided an opportunity to appear before this Assembly, and the same right to question them on matters of public importance was revoked from members of this Assembly. Four years later, we saw a repeat of that episode when this government again denied us in this Assembly and the officials the right to debate these issues of great public importance.

That is shameful. It's not consistent with any basis for an open and accountable government. If the government was truly open and accountable it would have called the witnesses in each and every year, as stipulated in the Standing Orders of this Assembly.

There are two grievances. One is that there was absolutely no notice to the Yukon public that the officials would be appearing today. The second one is the evasion of accountability in terms of not ensuring the officials are called before this Assembly on an annual basis, as clearly stipulated in the House rules.

I mentioned earlier --

Some Hon. Member: Point of order.

Point of order

Chair: Mr. Cathers, on a point of order.

Hon. Mr. Cathers: I have been very tolerant, as have all members in listening to the member's dissertation, but "evasion of accountability", I would suggest, stresses the Standing Orders -- if not breaking them. It is not only imputing false motives under Standing Order 19(g), but it is also language certainly likely to lead to discord.

Of course, the member asserts that it is specified in the House rules that Yukon Development Corporation and Yukon Energy Corporation have to come in. I would challenge him to point out where it is in the Standing Orders. It is practice, not an item in the Standing Orders.

Chair: On the point of order, Mr. McRobb.

Mr. McRobb: There is no point of order, Mr. Chair. The Member for Lake Laberge was unable to cite a clause in the Standing Orders and he merely advanced an argument to try to rebut the words I was giving during my time to speak on this motion. He had his opportunity to speak on the motion but chose not to. There is no point of order.

Chair's ruling

Chair: On the point of order, I would like to remind members that it is actually up to the Chair to determine whether it's a point of order, and to rebut points of orders is actually to give information to the Chair to help him decide, not to pre-empt whether or not it is a point of order.

The Chair feels there is no point of order.

Mr. McRobb, you have the floor.

Mr. McRobb: Now, where was I? The rules of this Assembly.

Well, Mr. Chair, earlier this session we saw the introduction of Bill No. 108 to reform the rules of this Assembly. There was some discussion on that. The Yukon Party chose to vote that down. That relates directly to the concerns that I'm expressing for the benefit of the record here this afternoon. It seems that if the rules can be bent in favour of the government's side, then it happens. It is a done deal. No matter what we say on the opposition side of the House, it is ignored.

Time and time again, the Yukon Party uses its majority to outvote the opposition; at every turn of the road, Mr. Chair. I won't say where the road is going, because that would be unparliamentary language. But at every turn of the road, the government uses its majority to outvote the opposition side of this Assembly. A lot of times these matters don't reach the point of being voted on; we're simply told at the morning House leaders' meeting that the government won't do that or the House Leader might say, "I'll take that under advisement", and then never get back to us.

So it is the same old story now for more than five years. It doesn't speak well for democracy. It doesn't speak well for openness and transparency to the public. After all, how many Yukoners out of 33,000 knew that the officials would be here this afternoon? Well, it is anybody's guess, but probably fewer than one percent, Mr. Chair.

Let's look at some of the issues that are of public concern. How about power rates, Mr. Chair? That is a valid concern for Yukoners. We've heard some grandiose promises --

Chair's statement

Chair: There is a motion on the floor to bring in witnesses on the Yukon Energy Corporation and Yukon Development Corporation. Members are allowed to debate that motion, but the Chair feels the debate has steered away from debating the motion at hand and would like to urge all members to actually debate this motion.

Mr. McRobb: I'm speaking about matters that relate directly to the motion. I am speaking about matters of importance.

Some Hon. Member: (Inaudible)

Point of order

Chair: Mr. Cathers, on a point of order.

Hon. Mr. Cathers: I believe I just heard the Member for Kluane challenge the Chair.

Chair's ruling

Chair: On the point of order, there is no point of order. The motion at hand is to debate whether the witnesses should or should not appear this afternoon. I would like to urge all members to debate whether witnesses should or should not appear this afternoon.

Mr. McRobb: Just to clarify, I am speaking totally in support of the officials appearing this afternoon. I've expressed some reservations about the lack of public notice. I've expressed reservations about the lack of accountability. I was about to express some of the reasons why it's important for those officials to come in here. Merely citing some of the issues of import to Yukoners, such as power rates, rate stabilization fund, major capital projects, operational issues -- I know a lot of Yukoners are concerned about the power outages, especially in the past two years since officials last appeared. Those are only some of the gamut of several issues that are important to the public. That is why we should allow the officials to appear this afternoon before Members of the Legislative Assembly.

I would just close by urging the government side to heed our concerns on this side of the House to ensure the officials do appear annually and, second, to ensure the public does receive sufficient prior notice -- and I don't believe 30 minutes does that, Mr. Chair.

Hon. Mr. Cathers: It has been an interesting wander and trip that the Member for Kluane has taken. The member ought to be aware. Certainly there was very little time that he spent discussing the actual issue of whether or not to call the representatives of Yukon Development Corporation and Yukon Energy Corporation. In fact, the member's assertion of when I informed him of this is blatantly inaccurate. I informed the member well in advance of that -- early last week. There was plenty of notice on this.

The member's assertion or implication that motions calling witnesses are usually done several days in advance in the past -- I would urge the member to pull out one of his *Hansard* books, take a look through it and see that, in fact, very frequently the motion to call witnesses, either for Yukon Development Corporation, Yukon Energy Corporation or Workers' Compensation Health and Safety Board, is often not brought forward by the Government House Leader until the afternoon of the session. This has been the case for many, many years. Sometimes it's brought forward on a previous sitting day; sometimes not. The Member for Kluane had plenty of time, if he felt there were Yukoners who were interested in hearing his dissertations on this topic or hearing the witnesses. The member certainly had the opportunity to inform them, so I would ask him why he was being secretive if he felt there were people who wished to know.

Chair's statement

Chair: I have stated a couple of times previously in this debate that this debate is actually about whether or not the witnesses should appear. I'd like to remind the member to focus the debate on that, please.

Hon. Mr. Cathers: I do apologize for straying a little off the topic, albeit not nearly as far as the Member for Kluane wandered off the topic.

Certainly the question before the House is whether to call the representatives before Committee of the Whole, as is standard practice. The member's assertion that some rule was broken by not calling them in a previous fall sitting is incorrect. I pointed out to the member opposite that the Standing Orders govern what the Standing Orders of the Assembly are, as does *Beauchesne's Parliamentary Rules and Forms of the House of Commons of Canada*, not some document that exists only in the member's mind.

We in fact follow the rules that are in place. That is standard practice, and we follow that practice to call representatives. We have tabled a motion today to call representatives this afternoon. If the member, when I informed him of this matter last week, felt that it was necessary to have the motion on the public record and voted on in Committee of the Whole last week to provide adequate public notice, why didn't he inform me at the House leaders' meeting? There was certainly no mention of that.

The Member for Kluane expressed very little interest in debating the topic of this motion, but instead he is merely taking an opportunity to grandstand and engage in one of his beloved dissertations on this topic.

Some Hon. Member: Point of order.

Unparliamentary language

Chair: Mr. McRobb, on a point of order.

Mr. McRobb: On a point of order, Mr. Chair, I believe the word "grandstand" has been ruled out of order previously. I would ask that you remain consistent with past rulings and rule the Member for Lake Laberge out of order for the use of that word.

Chair: I would like to mention to the member that members are allowed to give speeches and debates and they shouldn't be criticized, because it is a debate. Accusing one of "taking an opportunity to grandstand" should not be done.

Hon. Mr. Cathers: I apologize for my criticism of the wide range of commentary brought forward by the Member for Kluane on this very simple motion.

In closing, I just want to emphasize that standard notice was provided. In fact, I informed the House leaders of the date and time when these individuals would be called further in advance than what has often been the practice in the past. The member's reflection of another version of events is blatantly inaccurate and the member ought to be well aware of that.

So that being said, Mr. Chair, I would hope we can vote on this motion to call these witnesses. Certainly if the member wishes to vote against it, he can do so. In fact, the government would be happy to abstain from voting on this motion. If the

member wishes to vote it down and not call the witnesses any time this session, that's up to the member.

Mr. Cardiff: I feel compelled to just enter the debate briefly. I will. I am speaking in favour of it, and I would just like the record to show that, in fact, the Government House Leader informed the House leaders last Thursday about when the officials would be coming to appear in the Legislative Assembly. However, it is the government's responsibility to communicate that to the public as well.

While I'm in favour of the witnesses appearing today, one of the things that I find unfortunate is that the pertinent information under discussion today would be the reports that were tabled shortly after 1:00, two short hours ago, and that doesn't allow the critics on this side of the House an opportunity to analyze the reports and the audited financial statements for two corporations prior to asking the questions. So a little more cooperation on the part of the government would go a long way in these matters in that regard. Maybe it would have been more productive to have debated Bill No. 108 this afternoon. But I will be voting for the witnesses to appear.

Hon. Mr. Kenyon: I, too, feel a bit compelled to enter into the debate here, and I'm getting a little bit of a mixed message as to what the message really is from the opposite side.

I do have to admit that the Member for Kluane, although he is breaking the tradition of the House of five years of stories of his walks in the woods with the spruce grouse, may actually have a point. We on this side would be more than happy to defer the matter if he prefers more time to prepare or whatever. We're open to suggestion.

Chair: Is there any further general debate? Are you prepared for the question? Are you agreed?

Some Hon. Members: Agreed.

Motion agreed to

Chair: Pursuant to Committee of the Whole Motion No. 3, Committee of the Whole will receive witnesses from Yukon Development Corporation and Yukon Energy Corporation. In order to allow the witnesses to take their places in the Chamber, Committee of the Whole will now recess and reconvene at 3:30 p.m.

Recess

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

Appearance of witnesses

Chair: Before the Committee are witnesses for Yukon Energy Corporation and Yukon Development Corporation.

Witnesses introduced

Hon. Mr. Lang: The witnesses appearing before Committee of the Whole today are Willard Phelps, chair of the Yukon Development Corporation and Yukon Energy Corporation, and David Morrison, president and chief executive officer of Yukon Development Corporation and Yukon Energy Corporation.

Chair: Before we proceed, I would like members to refer their remarks through the Chair when addressing the witnesses. I would also ask the witnesses to refer their answers through the Chair when they are responding to the members of the Committee.

Do the witnesses have an opening statement to make?

Mr. McRobb: It is a pleasure again to have the opportunity to question the officials. I welcome them to the Assembly. It has been an eventful year for the corporations, in terms of capital planning, maintenance issues, flooding, et cetera. I would also take the opportunity at this time to extend the very best season's greetings to them and their families.

That said, Mr. Chair, I would ask for a measure of cooperation, as occurred two years ago when the witnesses were last here. We have a lot of very fascinating questions in the public interest and there's only about an hour or so in which to ask them and answer those questions. So, hopefully, we can rifle through most of these questions today.

My first question is this: would the officials be in support of appearing on an annual basis to this Assembly?

Mr. Phelps: We leave that entirely up to the Legislature and we have no problem with that.

Mr. McRobb: All right. Thank you.

I note there has been no general rate application for more than a decade now. I believe the last time there was a full-blown GRA was in March 1996. I think I was an intervenor at that time. That's going back 11 and a half years.

I would like to know what there was in terms of opportunities for public scrutiny of operational expenses in the corporations in the 11 and a half years since. Before the witnesses respond, I would just note that there certainly were other opportunities. There were some hearings on interim rates and so on, but each of those opportunities was limited in scope. Simply put, general questions regarding operations were simply ruled out of order in each of those processes.

Each process was limited to a specific issues list. General questions outside that issues list just weren't allowed. I would ask: what opportunities have there been for public scrutiny in the past 11 and a half years regarding these operational matters?

Mr. Morrison: This is a good opportunity -- I will try to clarify for the Committee's benefit the issues regarding the question that has been asked. I don't want to play on semantics or whose version of things is correct, but let me say this: two and a half years ago now, approximately -- don't hold me to that date -- we went back to the Yukon Utilities Board for the first time in nine or 10 years, as I remember, and put forward what we called an application for revenue requirement approval.

Just to be clear, when we make application for rates in front of the Yukon Utilities Board, there are times when you do what is called a phase 1 application, which is basically a revenue requirement approval. That takes in approval of all of your operating and maintenance expenses, all of your capital expenses, and the board examines all of the numbers related to the operation of whichever corporation is applying for the pe-

riod between the current application and the previous application.

Two years ago, when we applied for a review of our revenue requirement, the Yukon Utilities Board in a phase 1 hearing reviewed all of our costs -- all of our costs, both capital and operating costs -- that we had incurred over the last period of time since 1993, which the member has, I think, indicated was the last hearing.

So I don't understand -- and I've heard this in the past, that the hearing was of limited scope. The hearing was a full-blown revenue requirement phase 1 hearing. The only other piece of a Utilities Board hearing that the board gets itself into is what's called a phase 2, or a cost-of-service hearing. That doesn't usually happen until someone asks for rates, and we didn't. So the board in this case had no reason to have a cost of service or a second phase of the hearings. The cost-of-service process is basically just an allocation of costs to make sure that rates that are set within the different rate categories are appropriate for those rate categories.

So we haven't had that done for quite some time, but there has been no need during that period of time since the last hearing -- or during this 10-, 11- or 12-year period -- to have rate increases. There has been no requirement and the corporation, when it went to the Yukon Utilities Board two and a half years ago, did not ask for a rate increase at that time and did not need a rate increase at that time.

But I want to assure the Committee that all of the information regarding the cost of all of our operations -- and that meant 10 years of capital projects that hadn't previously been approved by the Yukon Utilities Board -- were at that hearing approved by the Yukon Utilities Board, as were all of our operating and maintenance costs -- all of our costs. There was no limitation in the scope of that hearing regarding those costs. I hope that is helpful.

Mr. McRobb: I sense we would be getting into a disagreement if we pursued that further, Mr. Chair, so I'll just accept the answer and move on.

Two years ago, I asked the witnesses if they would continue the annual public meetings. I'm not aware of public meetings since that time. As a matter of fact, it had been two years previous to that last appearance when such a meeting was held.

I recall the president indicating that these would be annual meetings. Again, we're talking about a public meeting on general matters, not a public meeting specific to any one undertaking such as a resource plan or a capital plan or anything else -- a public meeting.

The president may recall the last one. I believe it was in December 2003, held at the Whitehorse Westmark. It was open to the public and he entertained any question in regard to the operations of the corporations. That's exactly the type of public meeting I'm alluding to. I heard a promise that it would continue on an annual basis, so I'll let him respond to that.

Mr. Phelps: In fact we do have a public meeting every year. This year it was in August and was held at the High Country Inn. The previous year it was held in Dawson City. We had our annual meeting in Dawson City and a public meeting there. We have one every year. Normally it occurs in Au-

gust; it's well advertised. Unfortunately, it wasn't well attended, but there were some people who did attend it and it's open to all questions.

Mr. McRobb: And those meetings were not focused on a specific area. I can see their heads shaking, Mr. Chair, so I think we can move on.

I want to speak about the importance of public involvement and public scrutiny. When it comes to matters before the regulator, which is the Yukon Utilities Board, it becomes even more urgent because you need the proper checks and balances in place in order to have a fair system. This need has been recognized over the years by various governments as well as the individuals in the process.

There is a concern that at the present time, because of a lack of a full general rate application for more than a decade, there is really an under-representation with respect to the intervenors to avail themselves to the upcoming process and to equip themselves with sufficient local knowledge and expertise in order to make their case before the regulator. There is also an argument that the regulator itself is short on expertise. From what I understand, not one member of the Yukon Utilities Board has experience in prior general rate applications. That concerns me.

So, when I look back to the days when I intervened, a dozen years or so ago, there were usually about five or six local intervenors, each having a specific area of expertise with some general overlap. There was the City of Whitehorse, which brought in a lawyer and sometimes an expert. Sometimes there was an industrial intervenor, such as Anvil Range Mining Corporation, that would bring in a lawyer and an expert to test the case of the application put forward. In the last exercise we saw the City of Whitehorse opt out. The local intervenor representation dwindled down to just about a bare minimum. This concerns me.

When I chaired the energy commission, the 56 recommendations included intervenor workshops to try to build local knowledge and expertise.

I'm concerned that not much has been done in that regard. Instead there has been a movement in the other direction, leading to the present state where the system is heavily tilted in favour of the applicants. I would ask them if they intend to do anything to try to level the playing field and encourage credible interventions in the Yukon Utilities Board process.

Mr. Morrison: Thank you for the opportunity to address the issue here. Mr. Phelps is going to add something to speak to part of the question that has been raised. I think we have been before the Yukon Utilities Board in the last two and a half years four times. Granted, only one of those times was the revenue requirement hearing and the other three times were related to the resource plan that we filed and the power purchase agreement for the Minto mine and the part 3 hearing on the energy certificate for the Carmacks-Stewart project.

To speak to the issue of there being opportunities for intervenors to participate, there certainly have been several. Our practice has been that we, the corporation, would hold a workshop prior to any of our applications. We have held two specific workshops. We held a workshop prior to our revenue re-

quirement hearing and we held a second workshop prior to the resource plan hearing. Both of those were organized with the cooperation of the Yukon Utilities Board, which is really the controlling institution when it comes to hearings. We had their permission and we were able to go ahead and hold workshops around those applications in order to make sure that intervenors had a very sound grasp of the applications themselves and what the corporation was trying to achieve and give them a sufficient amount of information to answer questions.

I can only say that in the last short while, while the City of Whitehorse has chosen on a few occasions not to participate, they have participated on a few others. They just have chosen not to use legal counsel.

There is a record these days, though, that the Utilities Consumers' Group has a new practice whereby they are using Outside legal counsel to advise them on their questions, to conduct the hearing on their behalf, and so I would say to you that the level of sophistication that we are subject to is very substantive. The intervenors who participate here have been doing so for quite a number of years and really do understand the process and the issues and how to get information and how to ask questions.

I think -- cooperatively with the Yukon Utilities Board -- we have made an effort to help in that regard and we will continue to do that in the future. I believe, Mr. Chair, Mr. Phelps has something to add.

Mr. Phelps: In a broader context, I think it's important also to take note of the numerous public meetings that we've been holding over the course of the past three years. We've had all kinds of meetings throughout the Yukon related to the 20-year plan. Most of the intervenors that we know of have appeared at those meetings and asked questions. We had extensive consultation with regard to all the communities involved regarding the transmission line that's in the process of being built now from Carmacks to Pelly and the spur line into the mine at Minto.

We've had numerous other public meetings relating to such things as flooding and so on. For a small corporation, and in the course of the last three years, we have spent an awful lot of time at public meetings with ratepayers.

Mr. McRobb: All right, Mr. Chair. The president mentioned the Utilities Consumers' Group and how it recently adopted the practice of hiring an Outside professional to help represent electrical consumers in the territory. I would add that it also hired a consultant from Outside to assist in its case. I'm familiar with this consultant because he used to work in the energy unit for the Department of Energy, Mines and Resources.

He's very knowledgeable of utility regulation in the Yukon, and he still continues to be employed in the field of regulation while working Outside. I was privy to some correspondence during the last process, and I'm referring specifically to letters from the Yukon Energy Corporation that tried to disqualify this individual from intervenor funding. I just wonder if the witnesses would care to comment on that. Why did they try to disqualify this individual from intervenor funding and discourage him from participating in the future?

Mr. Morrison: I would characterize it in different terms. There are categories of consultants -- or let me say it differently. The Yukon Utilities Board categorizes how consultants are paid for and how intervenors are paid for. Our issue is not whether or not the individual I think the member is referring to was a consultant or not. We were trying to put it into the correct category of this individual acting on behalf of an organization as an intervenor. I think it's just a difference of opinion over how they fit into the Yukon Utilities Board categories. It's an interest group, and they are handled differently from consultants. So I don't think there is much more to be said than that.

Mr. McRobb: I think there is a little bit more to be said on that, Mr. Chair, because this is about the only opportunity I ever get to address it, and I believe it's one that has ramifications for the Yukon public. Certainly the lead representative on their behalf is the Utilities Consumers' Group, and that group relies heavily on the local knowledge and expertise of this one individual. If he is targeted by the corporation, where strong cases are made to disqualify this individual from intervenor funding, then basically that is going to thwart any attempt to fairly represent Yukoners in this process.

Even though the person is no longer a Yukoner and lives Outside, I would make the point that the expertise hired by the corporation is from Outside. The lawyers are from Outside; the consultant is from Outside. I know the consultant from Winnipeg very well. So here we have the corporation's consultant from Winnipeg arguing against the consumers group consultant from Ontario, and this matter is before the Yukon Utilities Board and it's trying to work through its parameters to be fair to all parties, yet the corporation insists each and every time in making the strongest possible case it can to disqualify this individual from receiving one dime from the Yukon Utilities Board process, even though that individual has proven his worth in terms that can best be described as exponential benefit to the Yukon ratepayer.

I don't sense we're going to get too far this afternoon. I wanted to bring some flame to the toes of the officials on this matter. If we could just resolve it by having some undertaking to revisit the approach used against this individual and accept the need for the local consumer group to hire an individual such as Mr. McMahon to help support their case in order to help achieve a more level playing field -- it'll never be completely level -- and try to achieve some balance in the process.

I'm wondering if the officials would give an undertaking to that effect.

Mr. Phelps: I think it's extremely important to put this in its real context, and that is simply that the Yukon Utilities Board is charged with the responsibility of providing funding to the qualified intervenors, and it makes those decisions. What takes place is that when an intervenor is funded, that's ultimately at the expense of the ratepayer.

The Yukon Utilities Board itself is charged with ensuring that whatever the remuneration paid to the intervenors is the correct amount, the fair amount. It's very much like a court case where, when you are expecting to get paid by the side that loses, the lawyers have their costs taxed. In other words, the

court determines what the fair amount is that other people should pay for the services of the lawyer in question.

Our position is simply that that's a decision made entirely by the Yukon Utilities Board. We feel very strongly that the decision be made, that they do scrutinize each and every bill that comes to them for payment and then make the appropriate judgement. We aren't there to try to change the amount that should be charged by any individual. That's entirely up to the quasi-judicial body known as the Yukon Utilities Board. It's not made by us at all, but it's very important that people not charge exorbitant amounts for the services provided. I think it's very important that the Yukon Utilities Board maintains control of that.

Mr. McRobb: Mr. Phelps is correct in that any costs approved by the Yukon Utilities Board are ultimately borne by the Yukon ratepayer. However, in the same breath, I want to point out that the corporation's professionals -- lawyers and engineers from Outside -- all fall into that same category as well.

I want to just rebut one point. Mr. Phelps indicated he feels the corporation wasn't trying to decide whether or not that individual should be paid, when, in fact, the arguments from the corporation were exactly that. I know the corporation doesn't decide; the Yukon Utilities Board does. But the argument advanced by the corporation to the board was exactly that. If you would like to know more about this, Mr. Chair, I will come back tomorrow and table this correspondence, and you will see how professionally done this argument was. It makes me wonder: how much did it cost the ratepayers to prepare this legal argument to try to disqualify this one person from being eligible for intervenor funding on behalf of the Utilities Consumers' Group?

The overarching question was what is being done to help balance the playing field. I asked for some kind of an undertaking from the corporation to be more accepting of situations like the concern I've expressed on the floor this afternoon. I didn't hear anything back, Mr. Chair, so I'll give another opportunity for the officials to address the substance of that question.

Mr. Phelps: I can put it very plainly. We feel that intervenors should receive the types of costs that are appropriate, and the board makes that decision, not us. We feel also that it is not simply an opportunity for people to charge unjustly heavy fees for services provided to intervenors. We think that the checks and balances have to be in place. We have no problem with accepting whatever it is that the Yukon Utilities Board is willing to accept or award in terms of costs to intervenors, but I think it is appropriate that we raise objections if we feel that the individual in question is, in our opinion, charging too much.

Mr. McRobb: Mr. Chair, I'll agree with the chair of the Yukon Development Corporation in that it is the Yukon Utilities Board who ultimately decides the net benefit to consumers. Therefore, it only approves an amount that it deems to be beneficial to the consumers. On a comparative level, if you look at the consultants' fees for the consumers group and compare them to some of the fees charged to the corporation by its Outside professionals, then I would suggest that there is a great disparity there, Mr. Chair.

So when I see these very expensive Outside professionals used by the corporation spending hours to develop an argument to try to convince the board to cut off intervenor funding for this consumer advocate's consultant -- you know, it is something that not many Yukoners know about and I believe that there is justification to raise it as a concern today. Certainly, if it continues in the future, it could be my prerogative to revisit that matter again.

Now, before we stray away from this matter, I note in the shareholder letter of expectations, 2004-05, which was signed by Mr. Phelps and the minister --

Chair's statement

Chair: Order please. I remind all members not to refer to each other by names.

Mr. McRobb: Thank you, Mr. Chair. I wasn't certain of that ruling, and I did check before today and saw in the past that the names of the witnesses were allowed into the transcript. But with your clarification --

Chair's statement

Chair: Order please. Rules for general debate are the same in Committee of the Whole, whether there are witnesses or not. I would like the member to refer to the witnesses by their titles, not by their names.

Mr. McRobb: As I was saying, Mr. Chair, I'll certainly abide by that ruling.

In this shareholder letter, there is a clause at the bottom of the first page that reads as follows: "adopt and implement strategic and annual business plans that identify comprehensive, attainable goals and objectives and set appropriate performance measures for the corporation and which promote transparency and accountability within the regulatory regime set up under the auspices of the Yukon Utilities Board."

Mr. Chair, this again relates to the issue at hand, because it appears to be a rather feel-good clause with the objective to promote intervenor representation, but in reality the corporation is acting in a process to disqualify intervenor participation such as I have described. I'll give the officials another opportunity to address this issue. How can they reconcile the orders signed in the shareholder letter and this practice that I've described?

Mr. Phelps: The position of the Energy Corporation is simply that intervenors are fully entitled to fair cost for their interventions. The issue is simply what is fair. That decision is made by the Utilities Board and we feel that it's in everybody's interest that, if we have concerns, we express them. We don't make the judgements and we're quite happy to see the appropriate amount charged and paid to the intervenor in question.

Mr. McRobb: All right, Mr. Chair. I have a few governance and policy-related questions, starting with how often the officials meet with the minister.

Mr. Phelps: As chair, I try to meet with the minister at least once a month, sometimes more often, depending on what is happening. But we normally meet at least once a month.

Mr. McRobb: Okay. Can the chair indicate what particular direction has been sought and received from the minister?

Mr. Phelps: We brief the minister on what is happening on an ongoing basis and discuss our progress in terms of meeting the letter of expectation that is signed each year by me as chair and by the minister and approved by our board.

We also update the minister regularly on operational issues and discuss with him possibilities in terms of what direction we might be taking -- for example, to look for new sources of power and that kind of thing.

Mr. McRobb: All right. The document I referenced earlier was a shareholder letter of expectations for 2004-05. It would seem there are two more recent documents and I have neither of them. I don't believe they have been tabled in this Assembly. Can the witnesses confirm their existence and, if possible, could I get a copy of them?

Mr. Phelps: I can tell you, Mr. Chair, that each year we sign a letter of expectations with the minister. I think it's appropriate for the minister to table the letter in the House, if he so desires. We have no problem with the letter being provided.

Mr. McRobb: All right. Is it just the chair who meets with the minister or does the president also meet with him?

Mr. Phelps: The president often meets with the minister. Often the president and the chair go to see the minister and brief him on issues, but the primary responsibility in that regard is that of the chair.

Mr. McRobb: I asked what direction has been sought and what direction has been received on a specific matter -- I would like to know the answer to that question -- and that is the original Minto power purchase agreement, the one that was rejected.

Mr. Phelps: The conceptual evolution of this line was one where we first started talking about the possibility of an inter-tie between the two grids and were made aware of the interest of two mining companies along the way to possibly purchase power from YEC. At that time we had a considerable problem with surplus power that we were looking for customers for.

We had various discussions with the minister and other members of the government as we proceeded. The concept of the industrial user paying a portion of the cost seemed to be a fair concept, and we did discuss that with the minister and we came up with a plan of action and negotiating position, which we proceeded to put forth to the Sherwood Copper mining company.

The concept of them paying a portion of the main line, as well as all expenses of the spur line, is one I strongly support and is one that was supported by the government. Interestingly enough, it's exactly the same concept that's now being followed in B.C. with the most recent announcement of a grid extension from Terrace to Bob Quinn Lake, which will be paid in part by the Galore gold mine at the other end of the new line extension.

That project is now in some question, and perhaps the whole line extension is, but the template for that kind of nego-

tiation and funding really came from the ground we broke up here.

Mr. McRobb: So the chair is indicating that the minister approved the concept of the original Minto power purchase agreement. I'd ask him to confirm that and also ask if the minister saw the application that was going to go forward in the process before it was actually filed.

Mr. Phelps: Well, we're not sure, Mr. Chair. We certainly briefed the minister on the application, but, no, he didn't review the entire technical application that was filed before the Yukon Utilities Board, if I understand his question.

Mr. McRobb: Yes. The original Minto power purchase agreement, the one that was rejected by the Yukon Utilities Board -- I'm asking if the minister saw the application, because the chair alluded to the concept that was approved by the minister. So I'm asking him if he was privy to a copy of the application before it was submitted.

Mr. Phelps: I don't believe he has read a copy of the application or was given an actual copy of the thick document that was filed, no, but certainly everybody was aware of the basic principles embodied in the agreement itself.

Mr. McRobb: So the minister approved of the concept behind the original one. Did he do the same for the second one, the one that was eventually approved by the regulator?

Mr. Phelps: Well, certainly, everything from that point on was done in concert with the minister and Cabinet, because, again, if I'm getting the gist of the honourable member's question properly, what happened, as we all know, is that following the first hearing on the power purchase agreement, there were several orders-in-council and some government policy put into effect to ensure that the rates would be a certain amount for the first three years of the power purchase agreement. Some other things were also embodied in orders-in-council from Cabinet.

So, yes, the minister had knowledge of what was happening at that point.

Mr. McRobb: All right, I thank the chair for that response.

On a similar matter, did the corporation make a recommendation to the government regarding how the \$5 million for the eco-trust fund would be spent?

Mr. Phelps: If the honourable member is referring to the money being provided through that fund for the third wheel at Aishihik, yes. We had discussions with the government at the outset. When we were told that there may be some money available, what we did, in essence, was go to our 20-year plan and the shelf-ready project that seemed to meet the criteria of this new fund of the federal government -- the one that was almost ready to go -- was the third wheel at Aishihik. So yes, we definitely discussed that with government and our minister, our minister in particular, and this is what the government went ahead and applied to the federal government for.

Mr. McRobb: Was the Aishihik third turbine the first recommendation by the Yukon Energy Corporation or was it down the list?

Mr. Phelps: I think it was right at the top. We talked about some other possibilities -- some of the other small hydro

projects that are in our 20-year plan. But the one that was shelf-ready, the one that we were certain we were able to complete, doing the job that was anticipated, had the groundwork done that was necessary, was the Aishihik third wheel. For the other projects that are mentioned in the 20-year plan, which we're currently doing a lot of work on, we really couldn't say that they were necessarily viable projects at that stage.

Mr. McRobb: It's my understanding that the top pick by the corporation was the twinning of the Aishihik line. For various reasons, it was deemed a higher priority, but I guess there is no way to prove that without obtaining some internal correspondence here this afternoon, and that's very unlikely.

I want to ask about the governance policy. The last time the officials were here -- actually, even the time before that -- we learned that the policy was on the minister's desk as of August 2004. Certainly we on this side of the Legislature haven't seen anything. It has been well over three years now. Mr. Chair, two years ago, the chair of the Yukon Development Corporation indicated he expected more changes to the governance policy, and very soon.

Can I ask him what has changed and is that document finalized?

Mr. Phelps: The document has not been finalized. I don't think anything has changed essentially. One of the things that has happened in the intervening period is that our people have been totally occupied by the work done to get the transmission line started from Carmacks to Pelly. We're certainly going to be proceeding in concert with the government to try to finalize a new governance policy though.

Mr. McRobb: Are there any consultations with the energy stakeholders or the general public to occur in the development of this governance policy?

Mr. Phelps: I am not aware of any, Mr. Chair.

Mr. McRobb: Switching to the Yukon government's energy policy development, what does Yukon Energy Corporation see as its role in the development of that government policy?

Mr. Morrison: The policy development process is just starting. We are a participant in that process, as are many other groups and organizations, and we will continue to be a contributor in whatever way we can to provide information on our operation, about our future plans and how they may assist the development of an informative energy policy.

Mr. McRobb: In the interest of moving along, my third section is on capital plans and project management. Can the officials identify the near-term priorities for the corporations in that regard?

Mr. Phelps: The priorities in terms of capital expenditures are following through on what has been expressed in the 20-year plan and was discussed at numerous public meetings throughout the territory. One of the most important items is the grid extension to Pelly and the spur line to Minto, and that has been taking a lot of time.

The third wheel at Aishihik is something we are going to be working on shortly with the hope of getting it into operation sometime in early 2010. Other highlights of our capital expen-

ditures are linked to getting better efficiency from our existing hydro projects, which we consider to be our strong suit.

Again, we're looking at and have been improving the efficiency of the turbines and generation capacity at Aishihik, and we're looking at ways to do that in Whitehorse and Mayo. In addition, we're looking at the possibility of expanding the generation at Mayo. That's under current consideration, and we're looking at several of the smaller hydro projects that are set forth in the 20-year plan.

We've had experts looking at Drury Lake, Tutshi Lake, Moon Lake and the potential for increasing the power production at Mayo.

Mr. McRobb: All right, and the same question in regard to medium-term priorities.

Mr. Morrison: I would say to you, if you look at the 20-year resource plan, and I can refer back to that as Mr. Phelps has indicated here, we're looking at a number of those issues to really cover the very immediate and, I guess, the near-term, so the medium-term. The only piece that wasn't included in the list was that we are just completing the rebuild of the Mirrlees diesel at Faro, and we will be rebuilding one of the Mirrlees at Whitehorse, and those will cover the three- to five-year range.

Part of the issue that was also mentioned was the examination of possible new capacity additions, and that is also occupying a great deal of our energy because, as the territory is growing and the major centres are growing, we're also seeing industrial activity and, as everyone knows, those are taking up the surplus capacity we have on the hydro system, so we're spending a bit of energy looking at what we can do to improve that or to bring new capacity onstream in the near future.

Mr. McRobb: Can the officials provide an update on the Aishihik third turbine in terms of timelines and costs?

Mr. Morrison: The plan for 2008 is to start the process of putting the Aishihik third turbine into place, so during the year starting in January -- our fiscal year ends December 31, so starting early in January -- we will begin looking at the engineering and design pieces of the project that we have to deal with, with a view to coming out of those processes with an ability to order a new turbine -- and we need to do some design work and some engineering before we can order.

Now, the reason we want to order that turbine in early 2008 is that it has a long delivery time. I'm not exactly sure of the delivery time, but approximately 10 to 12 months.

Once the engineering designs are done and the turbine is ordered, we would then do some preliminary work and await the delivery of the turbine. It is our plan at the moment to have that turbine in operation by the beginning of 2010. The budget, at the moment, is at around \$7.8 million or \$8 million, I think. Costs, as everyone knows, are going up quite dramatically, especially for items that you have to put some long order times on. There is demand so the prices go up and we'll revisit those costs and we'll be updating our minister along the way.

Mr. McRobb: I would understand the risk relating to costs, especially with a turbine when you can assume it is made up mostly of copper and steel, which are currently trading for very high prices.

In terms of this project, how does the corporation plan to operate it? Is the plan to operate it as a peaking unit in conjunction with the two existing turbines for a peak capacity of 37 megawatts, or is it meant to more efficiently use the water available from the system instead of using one of the larger, less efficient 15 megawatt turbines?

Mr. Morrison: Yes. The plan is to accomplish both of the objectives mentioned in the question. The first priority for having the new hydro unit is to deal with our forecast of handling peaking diesel demands in the very near future. So that is a priority for putting this unit in. The second is to make the operation of the plant itself much more efficient.

It is important to note that the plan for this hydro unit will not use any more water than the current two units that are already there. We won't be drawing down the lake any further. We won't be using additional storage or more water than we have the ability to use now. If you think about it in fairly simplistic terms, we have two 15 megawatt units, and if we only need to get 20 megawatts of generation out of that system, then we still have to turn two units on -- that's a 15 and a 15 because we're needing 20 units and a 15 won't do it.

This will give us an opportunity to use a much more efficient turbine that will use water much more efficiently and will operate much more efficiently in addition to the ability of having that peaking hydro there to offset diesel when that occurs. This should happen in the near future, as I have said.

Mr. McRobb: I thank the president for providing that clarification.

I recall that when the project was first discussed publicly, it arose at the 1992 capital hearing process, I believe, and it was actually proposed as a seven-megawatt unit by an intervenor at the time who was introduced earlier in the gallery today. Otherwise the corporation was viewing it as a five-megawatt addition to the plant.

Just to nail this down a little further -- this might sound rather technical to most people, but it's of great importance to my constituents in particular -- the president indicated that the turbine wouldn't be used simultaneously with the other two turbines, that it wouldn't use any more water from the facility than is currently being used. If all three turbines are running simultaneously, then it's difficult to rationalize how no additional water would be used. If it's used in conjunction with only one of the turbines or perhaps on a stand-alone basis, then certainly there is greater efficiency in generating the electricity from the water available. That is the whole basis for the project to begin with. It's based on the efficiency of an existing plan. I would just ask him to clarify that all three units would not be running simultaneously.

Mr. Morrison: I don't think I am qualified to answer that question. I am sure, Mr. Chair, that's not what I said. I didn't say that the three units wouldn't be run simultaneously. I am certainly happy to get a better explanation from a technical point of view, but what I did say and what I am very clear about is that we will not be using any more water than we use now.

If a fuller explanation than that is required, we can certainly provide one. I think getting into the details of how we

run units and how they don't use more water needs someone much more technically competent than I to answer the question.

Mr. McRobb: I thank the president for that response. Just to comment on it, it can be taken a number of ways. One way is that simply the corporation has a water licence and it deems everything inside the bounds of that licence to be basically its property for generation. That might justify the outlook that was put on the record, instead of being more efficient with the water and not using more water than the existing turbines currently use collectively. There is a different way to interpret that response.

I want to move to the Carmacks-to-Stewart transmission line. I'm aware of the corporation's press release from late last week and the subsequent media coverage. I would just ask the officials if they could confirm the revised costs with respect to what the ratepayers will be charged, what Sherwood Copper will be contributing and what it will be contributing itself.

Mr. Morrison: I don't have these numbers in front of me, so if you can bear with me for a minute. The main line is \$27.8 million. The Minto spur, I believe, is \$8.8 million. Minto will pay for all of the costs related to the spur and it will make a \$7.1-million contribution to the main line. The Yukon government is making a contribution to the main line, as has been publicly indicated a number of times, of \$10 million and the Yukon Development Corporation, I believe, is making a contribution of \$6.1 million. I may be out one or two hundred thousand.

What it leaves, essentially, is that the ratepayers will be contributing somewhere in the range between three and four million dollars to the cost of a \$36.6 million asset.

Mr. McRobb: All right. Once again, I thank the president for that response.

According to the figures I saw, the total project cost is about seven percent higher than what was brought before the regulator. I would just ask him to confirm that.

Also, as far as Sherwood Copper's contribution on the main line, has it increased in lockstep with that increased cost, or is it dealing with a set amount?

Mr. Morrison: No, the Sherwood Copper contribution on the main line is a set amount. As was mentioned earlier, we took forward a power purchase agreement to the Yukon Utilities Board. They chose not to approve it. We went back and renegotiated that, and they did approve the subsequent renegotiated power purchase agreement. In that power purchase agreement, their contribution is fixed and the difference is being picked up by the Yukon Development Corporation.

Mr. McRobb: So the total project costs are about seven percent higher than they were when the Yukon Utilities Board looked at it. Did Yukon Energy Corporation consult with the minister before proceeding with this project?

Mr. Phelps: Yes, Mr. Chair. We did extensively.

Mr. McRobb: And I presume the minister approved it; otherwise it wouldn't be advancing. Is that correct?

Mr. Phelps: Yes, Mr. Chair, that is correct.

Mr. McRobb: All right. What is being done about the idea of purchasing the diesel generators from the Minto mine?

Mr. Phelps: Mr. Chair, that is proceeding. They will be purchased as was stated at the Yukon Utilities Board hearings.

Mr. McRobb: Can the witnesses just elaborate and give us some brief details as to how many generators, what they are, what year, what condition they're in and, of course, how much we're paying for them?

Mr. Morrison: There are four diesel units out at the Minto mine that are covered by the power purchase agreement and our agreement to pay for them. I believe the price is \$2.24 million. They are 1.6 megawatt Cat units. They're relatively new, if not brand new. The conditions under which they are purchased will provide Yukon Energy Corporation the ability to do a full review of the engines and their operability and, subject to that operability meeting our specifications and standards, we would then go ahead and purchase the engines.

Mr. McRobb: So that's a total amount of \$2.24 million for all four 1.6 megawatt Cat diesel generators, subject to inspection and potentially any repair cost that might be required.

On that matter, regarding the recent diesel generator that was refurbished in Faro, the cost to refurbish that, I understand, was about \$2 million or even more. I'll agree that the size of that generator is larger than each one of these but cumulatively we're talking the same size.

We've heard people express concerns about the condition of those generators at the mine, how they're always breaking down and are unreliable. I'm sure the officials have heard the same and that's why they insisted on a clause like the one that's in the agreement.

What if the cost to repair these units is in the neighbourhood of \$2 million, like the cost in Faro? That's what is being paid for these. What do the officials anticipate would happen then?

Mr. Morrison: Let me clarify. I have not heard that these diesels are in poor condition or that they are always breaking down. We certainly would never have known that at the time we were negotiating the power purchase agreement. These were, as I said, new units that were being put into the mine at that time. It is our understanding that our power purchase agreement covers those inevitabilities. There are issues around the operability of the units. They are individual, 1.6 megawatt units. You cannot look at them the same as trying to repair a five-megawatt Mirrlees diesel manufactured in England 40 years ago.

The Mirrlees unit is not a \$2-million refurbishment. It is about a \$1.4-million refurbishment. The diesel units that we are going to look at as part of the power purchase agreement, buying from Minto, are to be in good repair and to meet our standards prior to purchase. We have a well-qualified engineering and mechanical maintenance group within the corporation. We will do a thorough review of them and we will buy the units if they warrant purchase by the Energy Corporation.

Mr. McRobb: All right, just back to the line itself, I note that the corporation is working in conjunction with the Auditor General's recommendations to give more priority to ensuring that project costs come in on target and to try to avoid

some of the factors that led to the cost overruns in the Mayo-Dawson transmission line. Is this process assisting the corporation in trying to rein in those costs this time?

Mr. Morrison: Yes, Mr. Chair. The process and the report that the Auditor General provided are helping us to a great extent. I don't think it is a secret that they pointed out that there were some flaws in the project management process. We took great steps, subsequent to that report, to work with the Auditor General and others to make sure that our project management processes were as vigorous and rigorous as they should be.

We have learned a few lessons -- I think probably more than a few -- in not only looking at the Auditor General's report but, as we have progressed through this project, we have learned a lot of lessons. We have been held highly accountable by our board. It has held us to a whole series of watersheds, if you like, at which point they gave us the decision to go a little bit further. If we achieved what we told them we were going to achieve in that period, they allowed us to go to the next step and the next step and the next step. I think that alone was a good learning experience.

As everyone knows, we chose not to go back to the design/build process. We have done design. We hired through a tender process capable design engineers to design the line. We hired very capable contractors to construct the line through a tender process. We are very optimistic -- we have worked so hard on these numbers to make sure that when we came to the board in the fall, we came to the board with numbers that were tendered numbers. For all intents and purposes, we had as good a number as we could get at that point in time. That was not the case previously when the Mayo-Dawson line went ahead.

I would just say to you lastly that we learned our lesson so well -- the Auditor General hired a retired gentleman, Ron Threlkeld, who was the retired vice-president of B.C. Hydro, to assist them when they did their review of the project and we thought he did such a good job that we hired him to oversee the corporation's interests while the project has been going on. He has been working for the last several months putting down systems and processes that will help us do as good of a job as we can this time around.

Mr. McRobb: Once again, I thank the president for that response. It's reassuring to hear the corporation acknowledge that things will be done better this time around on a major transmission line project, and certainly the whole aspect about not to proceed with a design/build approach was a focus of the Auditor General.

On the weekend, I reviewed an article from the *Whitehorse Star* dated February 8, 2005, and the president pointed out that the recommendation I just described, which was from B.C. Hydro, to not proceed with a design/build approach wasn't even brought to the board of directors. This was after the board of directors approved the project. So I can certainly understand the sensitivity from that board of directors about matters like this now. I see that the witnesses are acknowledging that. As well, as I understand it, the way the process unfolded is that officials from the corporation approached the government of the day and strongly recommended the project proceed without

a Yukon Utilities Board review. There were three reasons provided to the former Premier: number one, this project was largely reviewed back in the 1992 process, which I alluded to earlier; number two, the costs of this project would increase with each delay in construction; and number three, this project is needed now, it could displace diesel generation and everybody was set to do it, and to go through a hearing process would delay it for up to a year. So those three arguments are good.

My opinion is that any project of any size should go through the regulator. That position was put on the floor of this Assembly a few years ago, and certainly I'm aware of the requirement now for any project that exceeds \$1 million, I believe, to go through the Yukon Utilities Board process. That's a good thing. I think we can recognize mistakes or perhaps oversights or perhaps the need to rush projects through, as was done in the past, given the reality check provided by the Auditor General, and try to incorporate the solutions into how business is conducted in the future. That is certainly a good thing.

I would like to ask: is there a plan to extend the power grid to Atlin, B.C.?

Mr. Phelps: No, there isn't at this time.

Mr. McRobb: All right. Well, that's rather interesting because on Thursday, Adanac Molybdenum Corporation produced a press release. One line near the end of it caught my eye, and I'll read it for the record: "Adanac believes that connection to grid electric power from Yukon will occur by the end of 2013." Could the officials comment on that?

Mr. Phelps: Well, Mr. Chair, it certainly caught our eye as well. In fact, we were discussing that very press release a couple of hours ago -- the president and myself.

They were told that there wouldn't be power available to them, so we're quite perplexed. One thing we would be interested in discussing with B.C. Hydro, however, is the possibility of extending the grid from Dease Lake or Bob Quinn Lake, up through Atlin, and into the Yukon. That would be something we'd be very interested in. If they were able to supply Adanac on the way, that would be great.

Mr. McRobb: All right. But as the Chair mentioned a few minutes ago, with the suspension of the Galore Creek operation, the B.C. government was quick to cancel the transmission line or at least suspend it. We all might be aware that there could be other means being developed to justify the line, or perhaps Galore Creek itself is only in a temporary period of hold and could resume at any time. There are all kinds of opinions on that matter.

But what about an extension to the B.C. grid? Certainly it would change the whole basis for setting power rates in the Yukon, for developing our hydro, and perhaps other resources for generating power in the Yukon. It would perhaps expedite some of the large hydro developments put on the books in 1975 that even included the diversion of rivers to generate power because there would suddenly be a market for that power. Being connected to the grid at Dease Lake or Bob Quinn Lake essentially connects us all the way to Florida or southern California. It's all part of the intercontinental grid.

Could I just get a comment from the officials on this? I see them champing at the bit.

Mr. Phelps: Thank you, Mr. Chair. I'm certainly champing at the bit.

I fully agree with the member. I'm convinced that one of the biggest issues in the Yukon is that we have stranded power here. So, when we do try to meet demands of mining in particular, and the mine shuts down and we end up with a generating facility and no customers, it's a big problem for the ratepayers and the government and everyone else.

In B.C., or any other jurisdiction that is connected to the North American grid, if they have a mine that shuts down, they're quite happy, because they can sell that power to California, for example, for much, much more. In fact, with the interconnectivity there are other huge benefits that would accrue to Yukon. In the Yukon, we need power in the winter when we don't have the hydro. In the summer when we don't need power, we have all this surplus hydro energy at our disposal. With interconnectivity, we could sell power into the North American grid when it's most needed in the southern part of North America for air conditioning. We could buy, probably at a cheaper rate, power in the winter when we needed it. It would have a tremendous positive impact on rates and the viability of developing hydro-electricity.

It's something that we intend to pursue. In fact the president and I are going to be meeting with B.C. Hydro officials from time to time to discuss the possibilities of extending the grid in conjunction with other developments, such as the gas pipeline, should it go ahead, and so on. So there is definitely that possibility. Any way that we can find to get that connection, I think, is in the best interest of the Yukon in the long run.

Mr. McRobb: I thank the chair for that response. I have a few more questions about potential grid extensions. What about Ross River to Watson Lake? Is that currently being considered? How practical is it to pursue that grid extension?

Mr. Phelps: At this point it's not attractive from an economic point of view. That type of grid extension requires a huge commitment from the Government of Canada in particular. Such a connection would have to be in conjunction with one or more of the large hydro projects in the eastern Yukon, and there are a number of them, as the honourable member well knows -- Frances Lake, various sites on the upper Pelly and so on.

That type of development will only take place if we have some huge mines that are ready to go into production and if the Government of Canada and the developers are able to take the risk. Ratepayers of the Yukon shouldn't bear the risk for bringing power to large mines that might go out of service at any time. I think that was the lesson learned from Anvil in the Yukon.

So I think it's really important, from time to time, for the territorial government to talk to the federal government and try to encourage them to put more money into that kind of infrastructure. I can see the day when that might happen, but it's certainly not in the short term and it's not something that could really be carried out on the backs -- or ought to be carried out on the backs -- of Yukon ratepayers.

Mr. McRobb: I would just add that, in this particular grid extension possibility, the recent announcement by Yukon Zinc doesn't look too promising in terms of any immediate development in that vicinity.

I have a comment on the chair saying that the consumers shouldn't absorb the risk and that's why the corporation has proceeded with a power purchase agreement, and so on. I would like to counter that a bit by saying that 100 percent of the risk is never alleviated. There's still some risk there. Heaven forbid, but should the Minto mine close, for whatever reason, the cost going toward payment of that line will be charged back to all existing consumers. Any extra infrastructure aside from the line, such as substations or whatever, is part of that same basket of costs that would be shared by all other ratepayers on the system. Whether it's the Carmacks-Stewart line or a grid extension from Ross River to Watson Lake that's primarily built for a mining proponent, that same risk would be evident.

What about a grid extension up the north Alaska Highway? We currently have three communities on diesel generation: Destruction Bay, Burwash Landing and Beaver Creek. The highway has recently been modernized with the Shakwak reconstruction project. We're looking at about 180 miles within which are those three communities. There is also the possibility of industrial demand along the way beginning to emerge. Can the officials comment on that extension, please?

Mr. Phelps: Mr. Chair, first with regard to the member's comment about risk, there is always risk. There is risk in everything we do. I guess the real issue is what is acceptable risk? From our point of view in particular -- because we are charged in part with responsibility for trying to protect the ratepayer from any of these developments as much as possible -- there is always going to be risk. But I think that most of the upfront risk should be borne by government, including and most particularly the federal government, which reaps a lot of the benefits from industrial development, particularly mines. Some should be borne by the Government of Yukon, in fairness, and a reasonable portion by the industry proponent or mine. But there is no question that some of the risk ought to be, in fairness, proportioned to the ratepayers as well, because the ratepayers in the long run are the beneficiaries. We've seen this over many years, since our hydro facilities that we currently have have been built and paid for. We now have wonderful hydro at reasonable cost available in many parts of the Yukon.

Turning to the other potential grid extensions -- we wouldn't have considered building the mainline up to service just Pelly. With at least one industrial user along the way, and with the potential to be able to interconnect with the other grid and provide power from and to the northern Yukon, it only made sense. So there were a number of factors in play regarding that decision that simply don't exist at this point in time for a grid extension up the north highway.

Now that could change if some factors come into play, such as a large mining company going ahead and wanting the power and willing to pay for part of a line extension and so on. But a line extension simply to serve Destruction Bay and Burwash wouldn't be feasible.

Mr. McRobb: What about the Haines Road? I asked about this extension two years ago. Since then, a contingent made a representation to the Yukon Utilities Board on this matter. Is it on the radar screen? How likely is this grid extension to proceed, and when?

Mr. Phelps: The issue there is, once again, essentially cost. But more important, I think those customers are served by Yukon Electrical, and that's the Yukon Electrical area for service. Any kind of an extension out the Haines highway would be in the nature of them building a line to serve their customers, as they have done in places such as Tagish. So really, they're the ones who would be making that decision. We don't compete with them or enter into the areas they service and try to take customers away, and they're fairly adept at protecting their turf, and that's really their turf.

Mr. McRobb: I've got some operational questions, beginning with the status of the fourth wheel at Whitehorse Rapids.

Mr. Phelps: Perhaps I'll let the president answer the technical part of that.

Mr. Morrison: The fourth wheel at Whitehorse Rapids -- I'm not exactly sure of what the member was asking, but I would say that it's our largest unit. It generates a large part of the power that we use during the summer, and it is a major contributor to the power we use during the winter on the Whitehorse-Aishihik-Faro grid.

Mr. McRobb: Two years ago, the officials were in a bit of a quandary about trying to properly diagnose problems with the generator. There have been problems in the past two years and the turbine has been blamed for outages. We've heard some representations from Yukoners that all is not well. So it is basically the area of the problems with the generator I was expecting comment on.

Mr. Morrison: The unit itself is a 20 megawatt unit. It was having some problems with the governor that were particularly perplexing to us; we didn't seem to be able to figure it out and on several occasions we brought some folk from B.C. Hydro to help us have another look at it to see if they could see something we couldn't see. In the end, what we have been able to do is reprogram the software on that governor, and these days it's working fine.

Mr. McRobb: I'm going to bail on a few of the prepared questions and go to the Marsh Lake flooding issue. First of all, it was a very unfortunate experience, I'm sure, for not only the Yukon Energy Corporation officials but residents in the Marsh Lake area to have to contend with such a major flooding issue for nearly the whole summer and fall.

My question has to do with the power generation aspect of the water, in terms of added benefit to the corporation, because there is more water in the system. The levels are higher than normal in the fall. That could be measured in gigawatt hours, because gigawatt hours, if used, can translate to a net benefit on the system, primarily by displacing diesel generation.

Are the officials aware of any monetary benefit the corporation may have in terms of the high water elevations experienced in the Marsh Lake system this past summer?

Mr. Phelps: In essence, Mr. Chair, we are governed by our licence. What we do each year is open the gates in the spring. We don't have any control over the water levels until we are allowed to exercise control by closing gates at Marsh Lake. What generally happens is that once the water gets down below our high-water licence level, then we start closing the gates. We try to maintain the levels of the lake fairly close to -- not quite at, but fairly close to -- the high level. That's not a flooding situation. The water is then required by us from late November through the rest of the winter when we really require the generation and can't come near to producing the capacity we have at Whitehorse.

The answer really is, no, we don't get much benefit from high water. When we really need the water, we are always at that licensed level or below. Certainly at that licensed level there is no problem with flooding.

In the case last year, we were aware of the potential problem for flooding. We opened the gates quite early -- April 15. We went and consulted, we had public meetings both at Marsh Lake and Tagish in May, and explained to them in no uncertain terms the difficulties we thought they might be facing, and we agreed to keep them informed of our forecasts and our reading of the water levels, and so on, which we did on a regular basis. Our officials sent emails and newsletters to both the communities at Marsh Lake and Tagish. We also discussed it with people in Carcross, where I live.

With regard to that flooding, one important thing to note is that nothing we do impacts on the flooding. When I first became chair, I wanted to have a study done of what impact, if any, the structure at Lewes River -- Marsh Lake -- has, even when fully opened and what influence, if any, lowering or raising water at Schwatka Lake would have on the flooding of the lakes above. The answer, in very simple terms, done by a top engineering firm, Acres International, is as follows: what we do at Schwatka Lake has virtually no impact at all; most of the water is held back by Miles Canyon and constrictions in the river above it; the structure at Marsh Lake, wide open, might be accountable for up to about three and a half inches of water in the flood situation, but that's all. So we made that report public and available to people in those communities, just to show that we had done our homework and that's the way it is.

Mr. Morrison: I just want to add, specifically to the point of whether or not there was a benefit to us having this high water, there was actually a negative to us. If we had needed more to use all of our hydro potential in Whitehorse during the summer, we'd have less of it because the high water changes the amount of head that we have.

It wasn't an issue because we don't need it with summer loads being lower than they are in the winter, but it creates a difficulty for us as well at the operation of the spillway at Whitehorse Rapids. We have had to have the ability to push as much water through there as we could, and it still makes no difference at all at Marsh Lake.

Mr. McRobb: About a year to two years ago, the chair was pursuing the potential to increase the levels at Marsh Lake through alterations to the water licence, and then that plan was

dropped. Can officials indicate if that plan is permanently off the books now, or what?

Mr. Phelps: We had extensive consultations with people on the lakes, particularly at Marsh Lake, and there was a strong opposition to having an increase of half a foot in the fall. We explained exactly what it meant in terms of what the lakes would look like from sometime in October on, which in our view would have been fairly acceptable. There was a very legitimate concern about problems of erosion from higher water and high winds at that time of year. We even talked in terms of possibly working with residents to ameliorate that through the use of the breakwaters and so on in certain places. But anyway, when it was indicated to us at these public meetings that there was strong opposition to our proceeding with that plan, we said we would not do it, and we have withdrawn it.

Mr. McRobb: My final section deals with consumer issues. Let's go to the timing for the general rate application. As we know, the Yukon Utilities Board recommended a filing date preceding October 31, 2007, but that was ignored. When will the application be filed?

Mr. Phelps: We're looking in concert with our sister company, Yukon Electrical. They are going to be making certain filings in the next year, and we intend to file as well. At this point, we intend to file in the early fall, probably August. That would be for a general rate application and a look at rate structure.

Mr. Morrison: I just want to make sure that we're not misunderstanding anything. The Yukon Utilities Board did recommend that we bring something forth in the fall. We did not, Mr. Chair, ignore the Yukon Utilities Board. We corresponded with the board and indicated to them that there were some factors that we needed to take into consideration prior to filing. One of those factors is making sure, as we are responsible to ratepayers, that we had the Carmacks-Stewart project up and running. This is in terms of knowing for sure that it is going ahead and that we had concluded the power purchase agreement with Minto to ensure that we had a customer.

The reason that those two aspects are important is that the customer at the Minto mine will generate somewhere in the range, depending on where they are in their production schedule of \$3 million to \$4 million a year in revenue for Yukon Energy Corporation. We didn't think that it was prudent for us to be going forward and looking at rates until we knew that those revenues were fairly secure. The condition that we put to ourselves was that, when we knew the line was going ahead and that we had secured our customer, we could then start looking at putting together a rate application.

As the member knows and as I think everyone can appreciate, rate applications are very complex documents. They take a tremendous amount of work. The chair has indicated here that we are now in a position to do that work and it would take us until the fall to get that application in front of the board. Just to be clear, as the member and I have somewhat different versions of what a full rate application is, this is a phase 1 and a phase 2 application.

Mr. McRobb: That is surprising information, Mr. Chair. It indicates a delay of about a year to the whole process.

We've heard many pronouncements about an expected rate reduction from at least a few of the members present here this afternoon. How much will it be?

Mr. Phelps: Mr. Chair, we don't make that determination, of course.

In basic terms, we are allowed a certain rate of return, which is a little over nine percent. We are currently making pretty well our full rate of return. If we suddenly have a further income of some \$4 million per year, that has to go back to the ratepayers in some form. That is really what the Yukon Utilities Board will be determining in setting the new rates.

Mr. Morrison: I don't want anybody to get confused and to translate the answer to the question. To be specific, it's \$4 million in rate reduction. I want everybody to be clear that that is a gross number -- the \$3 million or \$4 million we will get from Minto -- and there are some, albeit minor, costs around it. It's not appropriate for us to try to indicate or guess at what the rate reductions might be. It's more appropriate to let us do our work over the winter and into the summer and get a rate application in front of the Yukon Utilities Board, who are the proper people to look at it.

Mr. McRobb: Let's go to the rate stabilization fund. I'm afraid the time allotted to me this afternoon -- thanks to my colleague from Mount Lorne, a portion of his time allotment has been extended to me so I can ask a few more questions.

I understand the Yukon Energy Corporation doesn't like the rate stabilization fund and it never did. I remember the yelling and screaming that took place when it was brought in. I hope nobody ever has to go through that like I did, especially. Nevertheless, it was brought in. Then, along the way, it was changed by government from a government-funded program to a YDC-funded program. That's when the problem really started because then officials in the corporation were at direct odds with this large expenditure that was growing on an annual basis because it interfered with their ability to proceed with their own capital projects.

The simple solution was just to throw it back in the government's lap, but the government hasn't been receptive to catching the ball, if I may say, and therefore was subjected to influence to just terminate it entirely. As we know, on July 1 of this year, it was cut in half. On July 1 of next year, the other half will be cut.

We were given promises of rate reductions that would equalize the whole impact, but now we hear the application for the rate reduction won't even be filed until after that second deadline, so the net result is that Yukoners are paying more because of the premature announcement to cut the program. My question boils down to -- and I'm sure the officials can answer this, because they are quite knowledgeable when it comes to the workings of matters and certainly the rate stabilization fund is governed by an equation, and that equation is based on power rates about 10 years ago.

If power rates now drop to the level of 10 years ago, the rate stabilization benefit would essentially drop to zero, because that's the threshold on which the rate stabilization fund is established. I believe it's on March 1998 rates. So if power rates now drop to where they were on March 1998, the rate

stabilization fund cost to run the whole program would be zero. Can the officials confirm that for me, please?

Mr. Phelps: Well, Mr. Chair, the rate stabilization fund is what it is, and it was passed many years ago, and it was a government policy, and government decided to remove the rate stabilization fund. It is not something that is in the purview of the Yukon Energy Corporation. The government can spend government money however it wishes. In this case, it was taking it directly from Yukon Development Corporation, which gets into another issue. We really feel that dividends can be paid to government and they can spend it however they wish, but that's a governance issue that has yet to be resolved.

It has yet to be resolved. In terms of government changing its policies regarding rate stabilization or other such policies, it's really not in our purview.

Hon. Mr. Rouble: I have a couple of questions that I would like to put forward here.

Some Hon. Member: Point of order.

Point of order

Chair: Order please. Member for Kluane, on a point of order.

Mr. McRobb: On a point of order, Mr. Chair, I noticed you recognized your colleague there. I'm not done --

Chair: Order please.

Chair's ruling

Chair: There is no point of order. What the Chair was doing was recognizing all members in the Assembly. The Chair feels that when the point of order was raised with regard to referring to members as "colleagues", the Chair recognizes all members as equal individuals in this Assembly. The Chair was just recognizing a member who stood up to ask a question to the witnesses. I feel that it's the Chair's obligation to ensure that all members have a voice.

Hon. Mr. Rouble: I believe this is an opportunity for all members of the Assembly to enter into debate on this. I will combine my four questions into one question and hopefully that will expedite things.

Obviously the issue of the flooding in the Southern Lakes is an important issue to the communities of Carcross, Tagish and Marsh Lake. It didn't just affect one community. I'd like to ask four questions: (1) In light of the flood, what lessons were learned and what policies and practices will be changed? (2) What could the various different corporations have done to have reduced the impact of the flood waters, including the length of the flood, which, as we are all aware, was not an immediate type of moment, but the flood waters stayed with us for several weeks? (3) What level of responsibility does the corporation see it has with regard to the accelerated erosion in the Southern Lakes and what plans does it have to mitigate this? (4) How accurate were the Yukon Energy Corporation's flood forecasts? Were they accurate to within the actuals? Do they plan to share that data with people in the community in the future?

Mr. Phelps: Mr. Chair, as I explained already, the Yukon Energy Corporation has no control over the level of the

lakes. If there is going to be a flood and houses are built on the flood plain, they're going to be flooded. Nothing that we do with regard to Schwatka or the other control system we have at Lewes -- we've done everything we can, and we can do that every year.

We certainly do consult with residents and make available to them our predictions, such as they are. But it's very difficult to forecast what's going to happen with Mother Nature. This year we had an extremely high snowfall -- record snowfall and snowpack in the mountains around Atlin and Carcross, in particular -- and we were concerned.

But there are other variables. It has to do with whether or not there is hot weather, how much rain you have and so on. I would say that we were rather lucky this year. Had Atlin had a warm summer -- it had a very cold summer -- in my view, the lakes would have been much higher.

With regard to the responsibility of the Yukon Energy Corporation, I would say we have none. We follow the rules with regard to our licence and we have absolutely no control over Mother Nature and what happens because we aren't holding the water back.

With regard to keeping residents informed, we do that to the best of our ability. But, again, our predictions are based simply on what we know, and certainly there is no way of really forecasting what level the lakes are going to rise to in a given year.

Mr. Morrison: Just a couple of quick points. I won't try to take up any time. I just want to make sure that everyone understands that this year we opened the gate a month early to make sure that we were doing everything that we could. We did a forecast and we were very close to that forecast this year. Our forecasts that we provided to the communities of Marsh Lake and Tagish Lake at public meetings in May, as the chair has indicated, were pretty close to bang on.

We provided that information to the residents. At that time, we indicated to them why we thought those forecasts were going to occur this year and we kept providing that information to them all summer long. We started, I believe, on a weekly basis. We may have missed the odd week, but it was certainly no more than every couple of weeks. We had that information on our Web site. We transmitted that to the contact people given to us by those communities. We continue to work with them in terms of an information basis.

As Mr. Phelps has indicated, we had everything wide open. We had our spill gates at the Whitehorse hydro plant wide open. We had Lewes dam open a month earlier. We comply with our water licence to the letter of the law. I'm not sure what the reference was to this enhanced erosion but we've been running the Whitehorse hydro plant for 50 years this year. In 2008 it will be the 50th anniversary of the construction of the Whitehorse hydro plant. So the water in those lakes has been around a lot longer than the hydro plant has been there. I can tell you that we do everything in our power to make sure that we don't create an adverse situation out there or anywhere else that we operate.

Mr. Cardiff: It has been interesting to listen to all of the questions this afternoon. I'm going to try to limit my ques-

tions to just two. One of them kind of relates to the previous question and questions that have been asked previously. I remember talking with the chair at one of the meetings and listening to the discussions about the 20-year plan and the fact that the majority of the hydro generation in the Yukon is fed from melting glaciers. We all have to recognize that we live in a desert, albeit in a cold desert.

I'm just wondering what plans the Energy Corporation has to deal with the effects of climate change, both from the flooding perspective and the increased melting glaciers, which is going to lead to increased volumes of water in the systems and the possibility of more flooding, and there is not a lot that the Energy Corporation can do. But looking out into the distant future, if those glaciers are melting and they're not being replenished, which is what we're hearing when it comes to climate change -- albeit the government doesn't seem to be that concerned about it -- that's going to have an effect because, once those glaciers melt, we're all going to be living in that desert. So that's the first question.

The second question, quickly, is this: what is the Energy Corporation doing on the demand side to reduce consumption of electricity? There used to be a lot of work being done on that, but I think we all recognize what the effects, with the climate change and greenhouse gas emissions and over-generating power largely through hydro but, at the same time, when you look at the figures, the demand is increasing. There is going to be increased demand. We either need to increase our hydro output or we need to look after that demand side and have some conservation programs.

Mr. Phelps: We are dealing firstly with demand-side concerns. I certainly agree with the member that, as we get to a situation where our surplus is rapidly disappearing -- and it will be disappearing with more industry, more people and more mines -- the whole issue of demand-side management is increasingly important. Of course, one of the big arguments that many in the green movement in North America agree with is that it's a bad thing when rates are too low and don't reflect the real cost of the generation of electricity, which is certainly a strong argument in favour of not having subsidies. When people don't pay enough -- the real cost of their electricity -- they tend to waste it.

I have a grave concern with what is happening in Whitehorse, for example, with regard to people going to electric heat in the new condominiums and so on, because we are going to be hit with a huge demand for inefficient electric heat in years to come from all these condominiums that are being built and sold to people who have no idea what the actual cost of their heating bill is going to probably be in the future. That's one of the most alarming things I see right now -- that kind of waste. It hits us as a power producer at the worst possible time, because everybody needs the heat when we don't have the hydro.

With respect to the other kinds of demand-side management, most of that has now moved over to government. When the Energy Solutions Centre was transferred to government, it was recognized that those kinds of policies were more appropriately pursued by government and, in this case, by Energy, Mines and Resources. That's something we encourage govern-

ment to follow through on. They have a lot of innovative programs on the way and we think all those programs are worthy ones.

Regarding the issue of what impact the warming trend in North America will have -- global warming, and without getting into what the causes may be or anything political -- at this point in time we really don't know if the climate change in an area such as Atlin and here will be net warmer or colder. When you talk about a global impact, that's quite different from an impact on specific areas.

Last year, for example, Atlin was extremely cold and that's what really saved the day because, had they had a normal summer in Atlin, we would have had much more melting of the glaciers. I wouldn't be a bit surprised if the glaciers weren't added to in the last full year.

We really don't know what's happening with our glaciers, and they are very substantial glaciers. The glaciers of Atlin Lake are equivalent to a couple of Atlin lakes in terms of water.

Hon. Mr. Lang: On behalf of the Committee of the Whole, I would like to thank Willard Phelps, chair of Yukon Development Corporation and Yukon Energy Corporation, and David Morrison, president and chief executive officer of Yukon Development Corporation and Yukon Energy Corporation, for appearing as witnesses today.

Thank you.

Chair: Thank you, Mr. Lang. The witnesses are now excused.

Witnesses excused

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

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

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

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

Chair's report

Mr. Nordick: Committee of the Whole has considered Bill No. 45, entitled *Act to Amend the Legislative Assembly Act, No. 2*, and directed me to report it without amendment.

Also, pursuant to Committee of the Whole Motion No. 3, witnesses from the Yukon Development Corporation and Yukon Energy Corporation appeared before the Committee of the Whole from 3:30 p.m. to 5:30 p.m.

Speaker: You have heard the report of 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: The House now stands adjourned until 1:00 p.m. tomorrow.

The House adjourned at 5:30 p.m.

The following Sessional Papers were tabled December 10, 2007:

07-1-48

Yukon Human Rights Commission 2006-07 Annual Report (Speaker)

07-1-49

Yukon Development Corporation 2006 Annual Report and Audited Financial Statements (Lang)

07-1-50

Yukon Energy Corporation 2006 Annual Report and Audited Financial Statements (Lang)

07-1-51

Standing Committee on Appointments to Major Government Boards and Committees: First Report (dated July 18, 2007) (Taylor)

07-1-52

Standing Committee on Appointments to Major Government Boards and Committees: Second Report (dated August 16, 2007) (Taylor)

07-1-53

Standing Committee on Appointments to Major Government Boards and Committees: Third Report (dated December 10, 2007) (Taylor)

The following Legislative Returns were tabled December 10, 2007:

07-1-4

Department of Education: Literacy Funding Initiatives for 2007-08 (Rouble)
Oral, *Hansard*, p. 1742

07-1-5

Department of Education: Community Training Fund projects, financial breakdown for 2007-08 (Rouble)
Oral, *Hansard*, p. 1745