

**Whitehorse, Yukon****Wednesday, May 7, 2008 — 1:00 p.m.**

**Speaker:** I will now call the House to order. At this time, we will proceed with prayers.

*Prayers***DAILY ROUTINE**

**Speaker:** We will proceed with the Order Paper.

Are there any tributes?

Introductions of visitors.

Returns or documents for tabling.

Reports of committees.

Petitions.

Are there any bills to be introduced?

Are there any notices of motion?

**NOTICES OF MOTION**

**Mr. Mitchell:** I give notice of the following motion:

THAT this House urges the Minister of Health to ensure employees and the public are informed of unsafe working conditions by publicly releasing all reports pertaining to worker health and safety in a timely fashion.

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

THAT it is the opinion of this House that:

(1) burning household garbage creates toxic pollutants that we breathe in the air, and gets in the ground and the water system;

(2) one of the toxins released in burning garbage is the dioxin TCDD, the most lethal human-made poison;

(3) there are links between the toxins released by burning household garbage and cancer, birth defects, autism, respiratory problems and other health issues;

(4) burning garbage releases greenhouse gases that contribute to climate change; and

THAT this House urges the Minister of Community Services to work with the people of Tagish and any other community where the burning of garbage is a common practice to modernize their waste management facilities immediately so that the practice of burning garbage can be ended throughout rural Yukon in the interests of protecting our environmental health.

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

THAT this House urges the Yukon government to recognize the plight of the Burmese people affected by the recent cyclone by making a generous donation of financial or other aid assistance and to consider directing such aid through the International Burmese Monks Organization as an alternative to the Canadian International Development Agency, in recognition of the fact that:

(1) the International Burmese Monks Organization accesses the grassroots network of monasteries, which are the county's most trusted institutions;

(2) the monks are already on the front lines housing, feeding and supporting victims of the recent cyclone; and

(3) governments and international aid organizations may have to provide aid according to the rules of the military dictatorship which has, in the past, been known to withhold international aid from the people who need it the most.

I also give notice of the following motion:

THAT this House urges the Premier to indicate before the end of the current sitting of the Legislative Assembly what the government's intentions are with regard to the *Trade, Investment and Labour Mobility Agreement* that currently exists between the provinces of Alberta and British Columbia, and to outline his plans for public and legislative debate in the event the Yukon government decides to participate in such an agreement with any other Canadian jurisdiction.

I give notice of the following motion:

THAT this House urges the Yukon government to extend a period of public consultation on the proposed species at risk act beyond the current July 11 deadline so that Yukoners have adequate time to review the draft legislation and comment on what species should be listed as being at risk and what protection measures should be put in place.

**Speaker:** Are there any further notices of motion?

Statements by ministers.

This then brings us to Question Period.

**QUESTION PERIOD****Question re: Hamilton Boulevard extension**

**Mr. Mitchell:** I have some questions for the Minister of Highways and Public Works. Last night, residents of Lobird got quite a surprise around 7 p.m. A blast from the Hamilton Boulevard construction project sprayed rocks into their neighbourhood.

Some rocks were the size of shot puts; some were even larger. In one case, a rock went through the roof of one person's home and landed on the mantle. One resident had to go to hospital. This rock weighed 11 kilograms. Apparently, there is some serious property damage. We are all thankful that no one was seriously hurt.

Can the minister explain how this was allowed to happen on this government's construction project?

**Hon. Mr. Hart:** I thank the member opposite for the question. As he stated, I think it was a very serious incident that happened last night, adjacent to the work being done on the Hamilton Boulevard extension. As he also stated, we were very happy to hear that there was no serious injury to any individual in the park. Yes, there were some damages, but we understand that the construction company has a carpenter there doing an assessment right now.

We have ceased all further demolition on the highway until we can get an independent review of the situation.

**Mr. Mitchell:** Well, I'm glad the minister does take it seriously, because — I'll file this — this is from today's newspaper. It's a pretty serious picture and description. It's only good fortune that these rocks didn't hit anybody.

Now, I've already been receiving phone calls this morning from angry and scared constituents. We've also been told that this is not the first time this has happened. Previously, rocks apparently struck another home in Lobird, but fortunately those residents were not at home.

I understand that the blasting permit on the project has been suspended and that a stop-work order has been issued with regard to the blasting. But can the minister now give us his assurance that this dangerous activity will not happen again?

**Hon. Mr. Hart:** As I stated, we had a consultation with the engineering firm, as well as the contracting firm this morning. We are going out to get an independent assessment by an independent third party to review the procedures that are handled here. As I stated, no further blasting will take place until that review is here.

In addition, we understand the trauma that is involved with many of the residents up there. I have instructed my staff in Community Services to go up and visit with those people to assure them of the processes that we are going through and to ensure that the situation doesn't happen again.

Again, I will reiterate that we are getting a professional firm from Vancouver to come up and do an assessment and give us an appropriate review. That is at the request of the current engineering firm that is operating that facility. We anticipate that it will give us the assurance, once that report is in, and we will have a public meeting with those involved in the Lobird Trailer Park to apprise them of the results of that report.

**Mr. Mitchell:** It looks like he is making a good start, although it is after the fact.

Now, residents in the area are very concerned, because they were told that in this case, covering was not used because the blasting company felt that they were far enough away. Residents need to be personally assured. The minister has indicated he will talk to the people who were affected. I'm hoping the department will talk to every resident of Lobird. They're very concerned.

One of the questions they also want to know is: who will be held liable? Who is responsible for covering the damages? Who is responsible for covering any expenses related to health care that may not be covered in terms of our regular health care coverage? Is the government going to make it clear? Will the government be assuming all responsibility for damages to homes as well as people's injuries? That's what people want to know.

Will the minister give his assurances that in the future there will be more concern paid to the safety on these sites when these types of projects are going on?

**Hon. Mr. Hart:** I don't know how much more I can explain to the member opposite about what we are doing. We are in the process of hiring an independent expert to do an assessment of the situation and provide us an independent review of the procedures that were provided by the contractor. That contractor will have to abide by the recommendations from that review.

In addition, we will be taking the results of that review to the members of Lobird Trailer Park and, as I also stated earlier,

we will be out visiting those people in Lobird Trailer Park to check with them, advise them of what we are doing, advise them when this report is going to come out, and also to deal with any situations they may have as a result of this incident.

#### **Question re: Teacher staffing**

**Mr. Fairclough:** I have a question for the Minister of Education.

The Golden Horn Elementary School Council feels very disappointed and betrayed. They recently met with the Minister of Education concerning a cut to their teaching staff. The minister assured them that no cuts were being made. Two weeks later, the school principal was informed by department officials that they will in fact be cutting one full-time position.

This is no way for a minister of the Crown to deal with parents or school councillors, or even Yukoners. The council feels the minister is playing a political game. They ask that the command and control policy be removed and that a truly inclusive, bottom-up-driven system be put in place.

Will the minister honour his word and reinstate the teaching position?

**Hon. Mr. Rouble:** Mr. Speaker, as we have discussed in this Assembly numerous times, the number of students in the Yukon school system has decreased dramatically in recent years. At the same time, the number of teachers has increased. The number of education assistants in our system has increased. This government places a very high priority on education. It is vital to the continuance of our community and to the well-being of all Yukoners.

There has been no reduction in the number of teachers in Yukon's education system. We have the same number of teachers that we have had in past years. That number has grown in recent years, despite the declining enrolment. We also have seen a shift in demographics and where kids are going to school. There have been significant increases in some schools, and there have been decreases in some where the population has declined a significant amount.

To keep things in context, in 1997, we saw about a 19:1 student/teacher ratio at Golden Horn Elementary School. Next year, with their projected staffing allotment, we will still see about an 11:1 student/teacher ratio. This is among the best ratios in Canada.

**Mr. Fairclough:** Well, the minister sounds good, but he avoided the question. Will he honour his word, which he gave to the school council?

Now, the school council requested the new subdivision of Whitehorse Copper be included in the catchment area, not in Elijah Smith Elementary's, which is already over capacity. With the influx of new families expected to start within a year, Golden Horn's student population will go up, thus removing the case for a cut. The minister has chosen to cut first and then realign later, which is completely backward. You determine your student base first, then you determine staffing needs — not the other way around.

Will the minister now restore some good faith with the school council, listen to their concerns and restore the teacher?

**Hon. Mr. Rouble:** The Department of Education, on an annual basis — that is, every year — does an assessment of

school populations. They do an assessment of the demographics in the school, and they do an assessment of the teacher needs. Decisions are made every year by the Department of Education as to the allocation of teachers.

This is done to ensure fairness and equity in our educational system. We can't treat one school differently from another. And I certainly don't want to hear the members opposite asking me to provide special treatment to one school in particular, because that's simply not fair.

Mr. Speaker, my role as Minister of Education is to ensure that Yukon students have the opportunities they need to succeed and to ensure that we have fairness and equity in our educational system.

**Mr. Fairclough:** The minister is refusing to honour his word to the council. That's what he's saying.

The minister doesn't understand the importance of a minister being forthright with the people he serves. You cannot meet with people and say one thing, knowing very well that you will do the opposite. Now, the council members of Golden Horn recognize that. They know when they're being sold a bill of goods. They don't deserve that from the minister. One can lose credibility very quickly, but it takes years to get it back.

The minister would be off to a good start if he simply said, "I will stand by my word. The teaching cut will be rescinded." So, I'll ask the minister again — he has a last chance here: will the minister stand by his word and not cut any staff positions to Golden Horn Elementary? Or, are the school council members right in their opinion of the minister?

**Hon. Mr. Rouble:** Mr. Speaker, I will stand by my word and by the commitment of this government. There will be no cuts to the number of teachers in Yukon's education system.

Mr. Speaker, the member opposite is asking me to provide special treatment for one school over another. I cannot and will not do that. My responsibility is to all Yukon students throughout our system, and to ensure that we have fairness and equity.

Mr. Speaker, the Department of Education recognizes this; school populations are assessed on an annual basis; this is done in conjunction with the school growth plans that involve school councils, school administrators, the superintendents, the assistant deputy minister — they all get involved on this and make decisions about the allocations of teachers throughout our school system.

The member opposite is saying it's the superintendents who are involved. The superintendents indeed do make the decision about the allocations of teachers. It is not a ministerial responsibility — nor should it be — to pick and choose which teacher goes to what school, and to do so just does not create a fair and equitable system.

### Question re: Teacher staffing

**Mr. Cardiff:** Mr. Speaker, last night I attended a meeting of the Golden Horn Elementary School Council and it was well attended by parents and others, and some of the people at the meeting noted that it was unfortunate that there were no other MLAs there. Since the minister was not there, I am going to give him the benefit of my attendance.

One of the major issues, one of the concerns that the school council has, is that the minister made a commitment that

their concerns would be taken into consideration and that there would be parental involvement before there was a reduction in the FTEs at the school, and that did not happen.

Why did the minister not involve parents of Golden Horn school in the decision before that decision was made to cut the number of FTEs at Golden Horn school? He did not do it.

**Hon. Mr. Rouble:** Mr. Speaker, each year the Department of Education does an assessment of school populations and school needs. The Department of Education then allocates teachers accordingly. We have seen a significant decrease in the number of students throughout our education system. Indeed it has lost almost 1,000 students in the last 10 years. At the same time, we have seen an increase in the number of teachers in our system.

Also, we have seen an increase in population. There have been changes and shifts that have put additional pressures on other schools. We have had some schools' populations go up and others' populations go down. The Department of Education has to recognize this and respond to these issues and make decisions about the allocation of teachers.

I have received numerous comments, e-mails and letters from parents and constituents who are affected by this. They were all provided to the Department of Education and they were included in the analysis. The member opposite is shaking his head but, Mr. Speaker, the information goes in, it is listened to, and even when there are tough decisions that have to be made, tough decisions get made. We have a reality that we have to live with, and we will continue to provide our best efforts to ensure quality education for all Yukoners.

**Mr. Cardiff:** Well, the minister didn't answer the question, but now he has two questions to answer.

We know there have been cuts in the number of teachers in several schools, and the minister prefers to call them merely "realignments". Earlier the minister said there have been no overall cuts to the number of teachers in Whitehorse or in the Yukon. What we haven't heard from the minister — this is going to be another hard question for the minister to answer; nobody has asked this question yet — is what schools have gained from the realignment? Can the minister tell us which schools in Whitehorse or in the Yukon will actually be getting more teachers in the next year, and how many of those new positions will be going to each school?

**Hon. Mr. Rouble:** There we have the other half of the equation. The member opposite recognizes that there have been no cuts to the number of teachers — that there has been a reallocation — and we're going to see increases of teachers at other schools.

Now, Mr. Speaker, it's not the responsibility of the minister to interfere with these decisions about teacher allocations, but to ensure we have equity in our system and a fairness to our system. I don't have the information at my fingertips that the member opposite is looking for, but I will endeavour to provide him with a list of where the increases are happening. We've seen a transfer of schools where there has been a significant decline in population.

We're going to take efforts to ensure that all schools have the appropriate level of planning, that all schools are vibrant

places of learning and education. We're going to continue to support schools with programs like Reading Recovery, with Wilson Reading, with experiential dollars, with cultural dollars, to ensure there's vibrancy in all our Yukon schools. We'll continue to work with the school councils and the school growth plans to ensure that the community voice is reflected in the school and in the school's environment.

Thank you, Mr. Speaker.

**Mr. Cardiff:** I can't believe — after answering questions from the Member for Mayo-Tatchun for as many days as he has — that the minister doesn't have that information at his fingertips. Obviously it doesn't exist; there have been cuts.

Last night there was another promise made to Golden Horn parents. The assistant deputy minister of public schools told them that if the numbers warranted it in the future — if the enrolments increased over the summer — that lost teaching position would be reinstated. This would happen whether the number of students came from the catchment area changing — and it was confirmed last night that the catchment area would be changing — or from a natural increase in the school population.

Can the minister tell us what number of students is needed to reinstate that position that has been cut, and will he confirm that that promise that was made by his senior official last night will be kept?

**Hon. Mr. Rouble:** Yes, Mr. Speaker, that is exactly the argument that is in play here. When school populations go up, they require additional teachers. There is no magic number. There is an issue of how many kids there are to a classroom. There are issues of different demographics. There are issues of different class sizes. There are issues of different decisions that school administrators make as to the allocation of teachers. The school administrator, with the input of the school council, can make the decision to say they would like to have a teacher perform this function, but they would also like to include a full-time music teacher; they'll make a split grade here and add someone else who can focus on gym; or they'll do a combination class here and allow another teacher to perform another function. That's where the flexibility is in our system. That is how we involve the school administrators and the school councils in the system. That is how we are continuing to be responsive to the needs of our schools and our changing communities.

Mr. Speaker, yes, I expect that we'll see growth and changes in our schools. Those will be responded to, just as we're responding to the needs of other schools in our system.

#### **Question re: *Liquor Act* amendments**

**Mr. Hardy:** My question is for the minister responsible for the Yukon Liquor Corporation and, of course, drinking in the territory.

This territory is chronically at the top of the Canadian list when it comes to per capita sales of alcohol. Recent crime statistics also show that our rates of sexual assault, spousal assault, drunk driving and other crimes directly related to alcohol abuse are three to five times those elsewhere in Canada. No matter how the minister attempts to spin the math, there is a direct relationship between these two situations.

Given the appalling toll that alcohol abuse continues to take on Yukon people, why is this minister sponsoring a bill that will make booze even more readily available in the territory?

**Hon. Mr. Kenyon:** I am the minister responsible for the Yukon Liquor Corporation. I am, however, not responsible for drinking in the territory, as he puts it. Perhaps he is meaning to ask his question of another minister.

The bill that's put forward modernizes the *Liquor Act*, which was done in the mid-1970s. It also strengthens enforcement through increasing fines and penalties and comes out of a very long and very good consultation done in 2000 by the *Liquor Act* Review Committee, or LARC, which conducted a full public review of the act and regulations.

The act was very carefully looked at by a very wide number of Yukoners. They examined this and made — we thought — very good recommendations, many of which we were able to deal with strictly with regulations and some we've had to approach in a different manner. But we're very pleased with the proposal, and the increase in fines and penalties for the misuse of alcohol is certainly something I hope the member opposite has noticed.

**Mr. Hardy:** Okay, Mr. Speaker, this minister is not responsible for drinking. Of course, he's responsible for the selling of alcohol. Now, there is something very, very wrong with this picture, though.

Yukon is about to build a new jail that will cost at least — at the absolute minimum — \$32 million, when alcohol and substance abuse are two of the main reasons we need a jail in the first place. We spend millions of dollars a year dealing with alcohol and drug abuse and aren't coming anywhere near to addressing the real needs.

Let me quote one of the findings from the final report of the corrections consultation in March 2006: "Overall, the issues that received the most attention and were most intensely discussed were alcohol and drug abuse and after-care, follow-up and support." The question: why is the minister making liberalization of the liquor laws a priority, when it is so obvious that we need to do more — much more — to prevent alcohol abuse and to treat the devastation that it's causing in our society?

**Hon. Mr. Kenyon:** The member opposite seems to have missed the part of the bill that proposes to increase the maximum period from 12 hours to 24 hours that the RCMP can hold intoxicated individuals. This provision corrects a long-standing concern that individuals were being released even though they were still under the influence of alcohol.

We are also proposing significant increases to the fines and penalties as a way of deterring infractions of the act. During the *Liquor Act* Review Committee consultations, Yukoners made it clear to the committee that they wanted an increase in these fines and penalties, especially for those convicted of bootlegging and selling alcohol to minors. These fines and penalties are established in the bill as well as proposed changes to fines found in the summary convictions regulations.

We have looked at all of these things, and we have made sure that the substance abuse action plan and safer communities

neighbourhoods legislation were in place before addressing this very important issue.

**Mr. Hardy:** This minister is increasing access to alcohol for all ages from diapers all the way to the old folks homes. There is no limit, the way this guy is going. This government has its priorities wrong. We need to wake up as a society.

**Some Hon. Member:** (Inaudible)

#### Point of order

**Speaker:** The minister responsible for the Liquor Corporation, on a point of order.

**Hon. Mr. Kenyon:** I believe an accusation of selling alcohol to those in diapers must violate some part of our Standing Orders, if not sanity.

**Speaker:** The honourable member has a point. The Leader of the Third Party, on the point of order.

**Mr. Hardy:** I believe questioning someone's sanity in the Legislative Assembly also is a point of order.

#### Speaker's ruling

**Speaker:** I think that happened on both sides. From the Chair's perspective there is a point of order on both sides. Gentlemen, carry on in a civilized debate.

**Mr. Hardy:** Thank you, Mr. Speaker. I love this place sometimes.

At the very best, we are doing a half-hearted job dealing with the effects of alcohol and substance abuse. When it comes to addressing the root causes of why people turn to alcohol and drugs, we are failing miserably. It is time this government acts with conscience and gets its priorities straight.

The question: will the minister withdraw the proposed amendments to the *Liquor Act* that would make booze more available until there is clear proof that we are making progress to reduce the harmful effects of alcohol dependence on Yukoners and their families?

**Hon. Mr. Kenyon:** For the member opposite, the act we are amending was done in the mid-1970s and was in place all through governments of all political stripes, including the New Democratic Party. If the member opposite feels so strongly, why did his party do absolutely nothing to address this issue during their tenure in government? More importantly, Mr. Speaker, why did the member opposite vote for this bill in second reading?

#### Question re: Whitehorse Copper subdivision

**Mr. McRobb:** I have some questions for the Minister of Energy, Mines and Resources regarding the Whitehorse Copper subdivision. Back in December, I asked him about the surveying problem, and he said: "There is an urgent need to get the final survey done. We are working on it as we speak." I asked him again in April. The minister said: "...we certainly are getting the titles and the surveys cleared up as quickly as we can..."

However, it's now into the month of May and the government still hasn't even accepted a bid to resurvey the properties and has even more problems, according to this morning's news

broadcast. Apparently, the government cannot decide how to deal with the bids on a tender to resurvey the subdivision.

Can the minister at least explain the actual problem with the surveys and why the lots have to be resurveyed?

**Hon. Mr. Lang:** In reply to the member opposite, there was an issue with the contractor. Those issues have been addressed and we are moving forward with expanding the survey to get the whole project done in a very prompt fashion.

**Mr. McRobb:** Apparently, the government has given the go-ahead to start building on these lots before proper surveys are even completed. This raises several questions. Perhaps the minister, when he is on his feet, can explain how a building can start on a lot when its boundaries are uncertain, and how would this affect the lot owner after the survey is completed, which may affect the proximity of the home in relation to the lot boundary.

Mistakes, such as having to retender for the surveying of the lots, will create an obvious added cost to the development of this subdivision. The minister plans to simply add these costs on to the original expense to survey the lots. Then there are also the costs and worries to people who have bought lots at Whitehorse Copper and are still awaiting title transfer.

Will the minister provide us with the actual extra cost that will be associated with this mess and confirm whether he plans to simply pass them on to the public?

**Hon. Mr. Lang:** The member is wrong regarding his comments here this afternoon. The survey question on the lots that the member is speaking about has been resolved; titles are being issued on those lots and that process is in place today. We are working internally to get the next phase out and have all of the surveying done very quickly, and we are looking at probably July or August 1 to have it all behind us.

#### Question re: Dawson City health centre

**Mr. Mitchell:** I have a question for the Minister of Health and Social Services about the phantom health centres in Dawson and Watson Lake.

In 2005, the Yukon Party promised residents of Dawson a new health centre. In 2008, residents are still waiting for the minister to live up to that promise. Just like residents are still waiting for the minister to live up to his commitment to raise social assistance rates, hire new nurses for Copper Ridge Place and open the Thomson Centre. All of these promises made and not one lived up to yet.

The minister's predecessor spent a great deal of money on the new facility in Dawson. The plan he came up with was soundly rejected by residents. As the minister admitted yesterday, he has gone back to the drawing board and started the entire process all over again.

Can the minister tell Yukoners how much money has been spent on this project to date, including the money wasted by his predecessor?

**Hon. Mr. Cathers:** First of all, again we have the situation where the Leader of the Official Opposition's question — his statement — is absolutely riddled with inaccuracies. For me to stand here and correct the member would take far more time than I have in a response, or any other response. In fact, it would probably take me about half an hour to begin to

cover a short list of the member's inaccuracies within his statements in this week alone.

However, let me point out: with regard to the facility in Dawson City, as I indicated during our debate on the department budget yesterday, there will be work. The project will be moving forward and, at the end of the day, we will have a facility that meets the needs of the residents of Dawson City and the Klondike area and is of strong benefit to them and to all Yukon citizens in moving forward in addressing their needs now and into the future.

**Mr. Mitchell:** If the minister hadn't spent his 90 seconds chastising this side of the House, he might have answered the question with a number.

Now we know a substantial amount of money has gone into the new health centre in Dawson. We want to know what the number is. A full schematic plan was done, for example, and that costs money. The plan was shown to Dawson residents, who soundly rejected it. The minister himself admitted yesterday in general debate that the government had to start over and the previous work was a waste. We also know that \$20,000 was spent last year restarting the entire process.

Yesterday in debate the minister was very reluctant to tell Yukoners how much has been spent to date and he still hasn't done so. It's a straightforward question. How much money has been spent on the Dawson health centre since 2005?

**Hon. Mr. Cathers:** Again, Mr. Speaker, we have the rather interesting, to put it mildly, reflections and characterizations being made by the Leader of the Official Opposition. As I indicated in debate yesterday on the budget, the numbers that I have — as far as the development of the health care facilities in Dawson City — are the amounts spent in the last fiscal year and projected for this current fiscal year. I did not have the numbers from prior years. I did commit to getting back to the member later by letter with those numbers and I will do so. I do not have those numbers here in front of me today.

Again, for the member to suggest that it was wasted — that consultations and discussions with the residents of Dawson City and the development of a plan that turned out not to meet their needs is a waste — is inaccurate. It provides us information on how the facility needs to be changed, because feedback was heard at that stage.

As I indicated previously, work will commence over this coming year. The MLA for Klondike and I and departmental officials will be sitting down with doctors and nurses in Dawson City, as well as with the residents, to talk about the plan and vision for the development of a facility, as well as to seek their input on some of the details of the design. I look forward to that and to the date when we have a new facility in place for the residents of Dawson City.

**Mr. Mitchell:** Well, it's the minister who is characterizing it as wasted when he suggests that it needs a do-over and that the money previously spent by his government doesn't count.

Another reason why the Dawson health centre has been delayed is because the minister has been very busy going over-budget on the new facility that is being built in the Premier's

riding. Getting that building started was a higher priority, for some reason. I know we all know why.

The minister has taken a \$5-million project and turned it into an \$11-million project. Even the Auditor General of Canada has criticized the way the Health minister handled this project. Of course, that's just her opinion. While costs have continued to rise under this minister's less-than-watchful eye, he has refused to put a final figure on the project. It is now over \$11 million, which is more than double its original budget. Is this the final cost, or can Yukoners expect to pay even more for this facility?

**Hon. Mr. Cathers:** Here we go again. The Leader of the Official Opposition once again takes the lead, I might add, from the Member for Kluane, and is inaccurately reflecting a report made by the Auditor General regarding the Property Management Agency of Highways and Public Works. He referred very briefly to the details regarding that facility, prior to its transfer to the authority of the Department of Health and Social Services.

So, for the member to suggest it reflects on Health or on this minister — it is appalling that the member would not recognize that that statement is not accurate and would not correct his comments accordingly. However, again I remind the member opposite that the facility in Watson Lake's footprint, contrary to his repeated assertions that it changed significantly in size, was significantly increased as a result of listening to the people of Watson Lake. The structure of that project allowed that change; therefore, for him to suggest that costs have ballooned is not accurate. The facility is much larger than originally conceived and that is from listening to the public.

We listen to the public, but the member never fails to criticize us when we do listen to the public, as we have done in Watson Lake and as we will do in Dawson City as we design and construct a health care facility for them.

**Speaker:** The time for Question Period has now elapsed. We will proceed to Orders of the Day.

## ORDERS OF THE DAY

### GOVERNMENT PRIVATE MEMBERS' BUSINESS

### MOTIONS OTHER THAN GOVERNMENT MOTIONS

#### Motion No. 441

**Clerk:** Motion No. 441, standing in the name of Mr. Nordick.

**Speaker:** It is moved by the Member for Klondike THAT this House urges the Government of Yukon to work with the Government of the Northwest Territories and the Government of Nunavut to lobby the Government of Canada to remove the GST on home heating fuel and power-generation north of 60 degrees.

**Mr. Nordick:** Thank you, Mr. Speaker. It gives me great pleasure to speak to this motion today. This motion urges the Government of Yukon to work with the Government of the Northwest Territories and the Government of Nunavut to lobby

the Government of Canada to remove the GST on home heating fuel and power generation north of 60 degrees.

Life north of 60 degrees is different from life in southern Canada. We have longer, colder and darker winters. As all of us are aware, this causes an unfair and increased burden to all Yukoners and the citizens of our sister territories.

This translates to an increased burden on our families. A decrease of five percent on our GST would greatly help offset the higher than normal cost of living experienced by residents north of 60. The cost of heating fuel in Dawson is approximately \$1.35 a litre before GST. With GST, this translates to almost seven cents a litre.

For example, let's consider a single-parent family. This family could have a yearly fuel bill of \$2,400, and I'm using a low number in this discussion. This would mean it would cost the family over \$120 for GST per year.

Now, with the electricity, I will once again use a low number for this discussion. Approximately \$1,100 a year would be spent by an average family. The GST would cost \$55. So a single-parent family could be paying over \$175 a year, just on GST. This could be used for food, clothing and many more things that would benefit the families.

Mr. Speaker, the people of this territory pay approximately \$2 million a year for GST, just for power. As you can see, the elimination of GST on power would save the Yukon people \$2 million a year, which would go a long way for food, clothing and many other challenges for life north of 60.

Mr. Speaker, I want to return to home heating fuel in my community of Dawson City. I will use a conservative number of three million litres per year in heating fuel alone in Dawson City. That is to say that over three million litres of heating fuel is used per year in the community of Dawson City. This translates into over \$200,000 a year paid in GST for heating fuel in my community alone. I do not have to explain how the citizens of Dawson could benefit from an additional \$200,000 to invest in their families.

For most of us here and elsewhere in the Yukon, our homes are our biggest asset. A major component in maintaining our homes is the cost of heating and providing electricity to them.

Statistics from the Yukon Bureau of Statistics show that household operating costs have risen from \$581 in 1972 to \$3,075 in the year 2005. Mr. Speaker, 2005 was the last year for which statistics are provided.

Many homes in the Yukon are heated with oil-burning furnaces. This is different from south of 60. I do not have to remind the people who live here in the Yukon and our sister territories, but for everyone else who is listening to this debate or may read it later in *Hansard*, Dawson City, for example, gets colder than minus 50 degrees Celsius. This does not happen in places like Vancouver. That is one reason why north of 60 is a more expensive place to live.

We all know that fuel prices are going to continue to increase. For example, the price of a barrel of oil has risen to \$122 a barrel. We also know that the cost of heating fuel is significantly higher in the communities than here in Whitehorse, and Whitehorse is significantly higher than the rest of

southern Canada. Many communities have their electricity produced from diesel generation. Because of the equalization formula across the territory, all electricity users within the territory feel the pain from that.

This government has implemented many initiatives to improve the lives of Yukon citizens. I will list a few of the many initiatives our government is currently providing to offset the costs of rising fuel prices and the overall expense of living in the Yukon. I know my colleagues will go into more detail on the initiatives that this Yukon Party government is doing in their respective departments.

Mr. Speaker, we have increased the number of affordable housing units. We have increased social assistance rates, and we have increased the pioneer utility grant. With regard to the Yukon Housing Corporation, there are six new programming initiatives currently being implemented. The first is zero-percent interest rates for the home repair program, home repair enhancement programs and energy efficient items. Eligible HRP clients will be able to access up to \$35,000 in financing, amortized over 12 years, to repair their homes at a zero-percent interest rate. With the second program — alternative energy systems under the residential energy management program — eligible clients can access financing up to \$30,000, amortized over 25 years.

This interest rate is also at zero percent for the first 10 years.

Home energy evaluations — homeowners can access a grant up to \$400 for energy evaluations performed on their homes.

Mr. Speaker, the fourth initiative from Yukon Housing Corporation is a zero-percent interest rate for the rental rehabilitation program energy efficiency items. Eligible owners of rental units can access funding through the BRP to repair or improve their rental units at a zero-percent interest rate for energy efficiency items. Clients can access up to \$30,000 per unit amortized over 15 years.

The fifth initiative under Yukon Housing Corporation is the green home initiative for existing homes. Eligible home repair program clients who want to upgrade their homes to meet green home standards are eligible for a grant of up to five percent of the cost of each energy-related upgrade.

The sixth program — green home initiative for new dwellings — a \$4,500 grant to offset the cost of construction and a \$750 grant to cover the cost of design, building permits and inspections and certifications of a green home.

Mr. Speaker, the current federal government at least has lowered the GST from seven percent to five percent, making it slightly easier for homeowners to cover utility costs. The federal government could and should go the rest of the way and help all northerners by removing the GST from the cost of heating fuel and the fuel used for electricity generation.

There are fewer than 100,000 residents north of 60. 100,000 people is equivalent to a very small city anywhere else in Canada. The amount of GST that is generated from such a small population is extremely low for the federal treasury. However, its cost to northerners is extreme when added to our already much higher cost of living in the north.

I encourage all members to support this motion. I encourage our sister territories to lobby the federal government in this regard.

The motion urges the Government of Yukon to work with the Government of the Northwest Territories and the Government of Nunavut to lobby the Government of Canada to remove the GST on home heating fuel and power generation north of 60.

This would be another major benefit if approved by the federal government that would go along with all the other initiatives our government is currently undertaking.

I look forward to the support of all members on this motion.

Thank you.

**Mr. Fairclough:** I would like to speak to this motion presented by the MLA for the Klondike.

It is asking the federal government to remove the GST from home heating fuel and power generation north of 60, lobbying with the other two northern governments here in Canada.

I think, if the member would take this back, if he looked at it and had some time, he could take it back and perhaps write the motion a little more clearly. It says a GST on home heating fuel and power generation north of 60.

It's interesting that the member is bringing this forward. He is asking the federal government for some help because people are paying more out of their pocket for home heating fuel and electricity; that's what he's saying.

But part of the problem is with the Yukon Party government too. They increased our power bills by 15 percent and, come the summer, there will be another increase of 30 percent, so if an average power bill is \$100 and then increased by 30 percent, it would be \$130. That's a lot out of Yukoners' pockets, and everyone is being hit by this — not only individuals but businesses, municipalities and so on; this is an increase to them.

It's unfortunate that the Yukon Party chose that route to go. It is a "hands in your pocket" approach. They are taking money out of Yukoners' pockets and into their own general revenues for them to do what they want; and now we are going to the federal government and asking them for help to reduce the GST, to eliminate the GST.

We, on this side of the House, the Official Opposition, happen to agree with the member's motion. Why not do it? Why not lobby the federal government to have this removed? We agree with that. I am quite surprised that he brought a motion forward like this because normally the member, the MLA for Klondike, brings a motion urging the government to continue to do what they are already doing, and we've seen that a lot on the Order Paper here. This one is a little bit different, so I have to give him credit for it.

I am looking forward to working with the other two governments — the Northwest Territories and Nunavut — to lobby the federal government to remove the GST.

It's not anything new though. I've gone back and looked a bit into the positions taken by the Yukon Party in the past. They have proposed, in the past, to eliminate territorial tax and

GST on fuel. That was the Yukon Party's position. They proposed to eliminate territorial tax and GST on fuel. That was their position back then. They even had a motion. I'll read this motion from the Yukon Party. It says:

"THAT it is the opinion of this House that fuel prices are too high and that governments should become part of the solution rather than continue to be part of the problem of high fuel prices in Canada; and

THAT this House urges the Yukon government to show some leadership in reducing fuel prices by eliminating the territorial fuel tax to create a saving at the pump of 6.6 cents per litre for gasoline and 7.7 cents per litre for diesel."

That was a motion put on the floor of this House by the Yukon Party. As a matter of fact, Mr. Speaker, it was a motion put forward by the MLA for Klondike at the time.

We've seen the part of the Yukon Party campaign, and in six years we haven't seen any movement, other than increases to people's power bills, and I don't think that's right. Even at the time this motion was put on the floor of this House, our gasoline, I think, was still around 60 or 70 cents per litre. At that time, the Yukon Party felt it was high and that the elimination of the fuel tax and GST should be brought about. That was at that time.

Now, of course, fuel prices are quite a bit higher, and we're talking about this now, after six years. We're expecting that the price of gasoline and fuel will be something like \$2 a litre.

I understand why the member opposite is bringing this forward. I believe that he is hearing it on the doorsteps like we are. The cost of living in the Yukon Territory is going up. There is more money coming out of Yukoners' pockets than the increases in their wages from year to year. We are seeing that.

The price of fuel has gone up dramatically for many people. They can't afford it. They simply cannot afford the price of fuel any more. I think we talked about this already. Even compared to a year ago, the price of fuel per household — to fill up a tank has gone up some \$400. That is a very large increase. Of course eliminating the GST would help.

This government is not in control of fuel prices around the world. We know they're going up and will continue to climb. The Government of Canada needs to do something, I believe. I think we are in agreement with the member opposite when it comes to that. At the same time, I don't think asking for government help with a reduction of the GST for home heating fuel is right if they are asking Yukoners to pay more on their power bill.

Here is how it works, and the mover of the motion could clarify this too. He is asking for the removal of the GST on home heating fuel and power generation north of 60. If the GST were removed on fuel for power generation, that would bring down our power bill slightly. The federal government could help out the Yukon Party on this matter. Increasing people's power bills is wrong. Here's what the member can do tomorrow: when we go through the Daily Routine, when it comes to giving notice of motions, he can urge his government to reinstate the rate stabilization fund. He can urge them to do



that. They could put the money back in Yukoners' pockets, instead of taking it out. He has that opportunity and I look forward to hearing what he has to say on that. It could happen tomorrow. The government could do that the same day, if they wanted to. Instead, they chose the other route, which is to take money out of people's pockets and waiting for a major consumer on our power grid to help reduce the costs of electricity to every home in the territory. That member could do that.

I think the Member for Klondike recognizes that people are going through a tough time. Some people are; the poor are getting poorer and the rich are getting richer. The ones at the bottom end of our income scale are having a tough time.

It took us a long time to convince government to increase SA rates, for example. Those are the people who are impacted a lot when it comes to home heating fuel and their electrical bill. It took a long time, a hard battle, on behalf of the Official Opposition parties to convince the members opposite, and the fruit of that labour is yet to come. It was brought up yet again today.

I want to hear from the Member for Klondike how they are going to approach that and whether or not he is going to be reinstating the rate stabilization fund, because we haven't heard that commitment at all from the minister responsible.

Here is a challenge to the Member for Klondike. He should bring forward a motion urging his minister and his government to do exactly that. That would put money back in people's pockets and perhaps we could look at other ways we can reduce greenhouse gases and ways we can get people to use less electricity in their homes and so on. We should be focusing a lot on that.

Here is another tax cut that the Yukon Party proposed. They proposed to support an income tax cut of 10 percent and then a bigger percentage in years to come. They never did that over the six years; that was a broken commitment. Even little things like eliminating the taxes on Tetra Paks and so on: those didn't happen. It doesn't take the government six years to fulfill the commitment that they promised during election campaigns in the past to go forward to the federal government and lobby them on behalf of Yukoners.

It doesn't take six years to do that. Now I understand why, because the price of fuel is rising so high and it is costing people a lot of money. It's looking a lot more interesting to homeowners to have their home heated with electricity, because the price of fuel is rising so high. If we hit \$200 a barrel — which some analysts think we may within a year — then a lot more money will be coming out of Yukoners' pockets.

In short, we support the member's motion that the Government of Yukon team up with Nunavut and the Northwest Territories, go forward and ask for the elimination of GST on our home heating fuel. Go and do that. That'll be a good thing.

Is the Yukon Party interested in doing more? If they are and they're truly interested in doing this, then that member can come back with a motion on the floor tomorrow asking his minister and his government to reinstate the rate stabilization fund. Because of that, his hands are in Yukoners' pockets and they shouldn't be at this time that we're living in.

Thank you.

**Hon. Mr. Kenyon:** Some interesting comments from the member opposite. First of all, the one thing he doesn't recognize — or at least choose to put on the table — is that the Yukon has the lowest provincial or territorial tax on fuel, so there's already a good start that we've made on that.

What I find most interesting in what he has to say is he goes on at length asking that we reinstate the rate stabilization fund — in other words, that we go back to subsidizing energy. Now, there are a lot of things that political parties don't agree on; there are always basic philosophical differences. But I think one we share with the New Democratic Party is conservation of energy and realistic use, green production and this sort of thing.

It appears that the Liberal Party, however, wants to continue to subsidize energy, to continue to do away with any impetus or anything that would encourage people to conserve energy, lower the necessity to produce the energy, lower the greenhouse gas emission and the carbon footprint. The Liberals support subsidy.

They don't appear to really have any conservation ethic at all: put all the money into that, so people don't have to worry about it; leave the lights on; drive the extra 20 miles. They don't seem to understand that the world is rapidly changing and — at the bare minimum — a modicum of conservation ethic is something to encourage. That appears to be very much missing from the Liberal Party.

Another comment that he made was to encourage the Member for Klondike to reword the motion and to present it again. Perhaps he wants things put into that motion: larger generation of electricity; don't worry about leaving the lights on; don't worry about doing any of those things. That seems to be what he would want in that sort of motion.

He also made the comment that he sees this as simply an increase in revenue, so that the Yukon Party government can do what it wants. Let's look at some of the things that we are doing, and let's look at some of the things that we have chosen to do and taken a different tack on.

The Yukon Housing Corporation recently put six new programming initiatives into the Yukon Housing Corporation to enhance the energy efficiency performance of Yukoners' housing stock.

The first program is a zero-percent interest rate for the home repair program and the home repair enhancement program. For eligible home repair program clients, that would be access to up to \$35,000 financing, amortized up to 12 years to repair their homes at a zero-percent interest rate, if those repairs improve the energy efficiency of the home. Low income earners are potentially eligible for a subsidy to offset the cost of the loan and the subsidy is based on variables such as family size, location and disposable income. Payments on the \$35,000 loan can be as low as \$25 per month.

The eligible home repair enhancement program clients would be able to access up to \$30,000 of financing, amortized up to 10 years to repair their homes at a zero-percent interest rate, if those repairs improve the energy efficiency of the home.

These are reasonable subsidies. Don't subsidize cheaper electricity and continue the Liberals' lack of conservation ethics.

Eligible clients whose home repair costs exceed the financing limits for the home repair program would go into the home repair enhancement program. While there is no subsidy for that, the health and safety guidelines apply to both programs; therefore, clients have to complete required health and safety upgrades and repairs before they can access any of the financing for energy efficiency items.

A second program is alternative energy systems under the residential energy management program. These eligible clients can access financing, again up to \$30,000, amortized up to 25 years, to install alternate energy systems in their homes. The interest rate is set at zero percent for the first 10 years and one percent below the existing rate on the renewal date. This rate would continue for the remaining term of the loan.

Alternative energy systems include, but they're not restricted to, electrical power systems, which harness energy primarily from sunshine — solar systems, wind, flowing water or microhydro systems. It could also be a heating or cooling system that does not use fossil fuels for combustion, such as heat pumps and heat exchangers.

The Liberal solution seems to be: "Make energy cheaper, so people will burn more fossil fuels." Again, the Liberal lack of conservation ethic.

A third program on home energy evaluations — and this is an interesting one and one that I'm very proud that Yukon Housing Corporation came up with. Homeowners can access a grant of up to \$400 for energy evaluations performed on their home. Now, this actually opens up a whole range of federal programs, which require such an energy evaluation to be done on the home before those programs can be accessed, so this actually goes a lot further than simply doing a study on the home.

Energy advisors perform on-site assessments of the client's home and provide the homeowner with a personalized report with recommended repairs to improve the energy efficiency of the home. The client can do the recommended repairs based on pre-calculated energy savings, and clients contact their energy advisor to conduct a post-retrofit evaluation and provide a new energy efficiency rating label that indicates the home's improved energy use.

The clients bring in a copy of the energy rating label and receipts paid to the energy advisor and the Yukon Housing Corporation will then issue the client a grant for up to \$400 matching, of course, the receipts provided.

Homeowners who want to access the eco-energy initiative available from Natural Resources Canada may do so through that energy advisor, and we will work with the homeowner or the rental homeowner on that.

A fourth program is zero-percent interest rates for the rental rehabilitation program and their energy efficiency items. Eligible owners of rental units can access funding through the RRP to repair or improve the rental units at a zero-percent interest rate for energy efficiency items. Clients can access up to \$30,000 per unit amortized over 15 years. Again, this is a very

reasonable subsidy to people who want to address their energy concerns, as opposed to the Liberal solution of simply subsidizing the electrical rates — again an example of a complete Liberal conservation ethic.

A fifth program is the green home incentive for existing homes. Eligible home repair program clients who want to upgrade their homes to meet green home standards are eligible for a grant of up to five percent of the cost of each energy-related upgrade. The maximum total clients can receive is \$1,750, which is five percent of the HRP financing maximum of \$35,000. Clients work with a Yukon Housing Corporation technical officer to meet the established green home standards following the established certification process. Once the home is certified as a green home, the clients receive the grant and the grant will be issued to the client by cheque.

The sixth program, the green home incentive for new dwellings, is a \$4,500 grant to offset the cost of construction and a \$750 grant to cover the cost of design, building permits, inspections and the certification of the green home. There is up to a \$500 grant from the Energy Solutions Centre for the purchase of energy efficient appliances. We work very closely with the Energy Solutions Centre, and I'm certain that the Member for Porter Creek Centre will be happy to discuss some of those options. Contacting the Energy Solutions Centre is the way to go on that.

Let's look in more detail at the programs — for instance, the home repair program initiative, which is a good place to start. It has a zero-percent interest rate for all energy efficiency repairs and upgrades through the eligible home repair enhancement program clients can then access financing at zero-percent interest for all energy efficiency repairs and upgrades. Clients have to complete a Yukon Housing Corporation loan application form. Once the client has been financially pre-approved, a Yukon Housing Corporation technical officer will contact the client to arrange an on-site home assessment.

The technical officer will provide an assessment report that will show all eligible repair items, including energy efficiency repairs and upgrades. The Yukon Housing Corporation health and safety standard will, of course, apply. An application of mandatory, primary, recommended and general repair items will be defined in the health and safety standard.

The client will choose which items they intend to complete and provide written quotes for the work if they wish to complete it. The technical officer will ensure that the health and safety guideline requirements are met at each stage. The technical officer will complete a cost breakdown based on quotes, which will show the total amount of funding required to do the work. The client, at that point, can access up to \$35,000 under the home repair program. If the client is eligible and requires funding above that limit, the client can apply for additional funding, again up to \$30,000, under the home repair enhancement program.

The program officer will then register a secured, current and running collateral mortgage in the total amount of financing granted under the HRP and the HRE loans. The technical officer will then follow the existing certificate of payments process for work completed. When the work is completed, the

clients will be placed on a repayment schedule. The individual loans will be secured against the mortgage by promissory notes for each of the applicable loans.

The separate loans will be categorized and again, the HRP loan will be at the current interest rate and the energy efficiency loans at a zero-percent interest rate. The HRE component will be at the current interest rate and HRE energy-efficiency loan at a zero-percent interest rate.

The program delivery people within Yukon Housing Corporation will work out the specific components of the loans and the subsidy calculations. Again, Mr. Speaker, a very reasonable approach to subsidize homeowners to maximize their energy efficiency and how they work with that.

This is an example of a good way to subsidize that energy efficiency — not the Liberal way of giving us more money back on our electrical bills, making it very difficult to understand the cost of that generation of the electrical component and making it really less desirable to conserve energy — a good example of the Liberal lack of conservation ethics.

We also have the alternative energy systems initiative. This alternative energy system allows homeowners the option to install an alternative heating system with financing up to \$30,000 amortized over 25 years. Financing is available at zero-percent interest for the first 10 years and one percent below the existing home repair plan rate at the renewal date — one percent below.

The rate will continue for the remaining term of the loan. How this subsidy works is the clients will apply for the alternative energy system loan following the program criteria — the client's credit history, ability to repay and all of that; it's normal procedure and it's evaluated.

To be eligible for funding, the alternative energy system installation must demonstrate a payback not exceeding 15 years, or must be installed on a dwelling in a location where no alternatives are readily available.

In other words, it's off-grid. In situations where payback times are not obvious, the EnerGuide, the Eco-Energy Hot2000 or RETScreen are the preferred calculators to use for demonstration of payback time. Payback determination will be decided by the research and development project manager, and once the client has received financial pre-approval from the Housing Corporation, a technical officer will then perform that on-site assessment of the home and the client will provide the research and development project manager with a complete technical description, cost breakdown and quoted prices for the alternative energy system that they are proposing to install.

If the system is accepted by the manager, the system will be placed as an eligible item for a cost breakdown. The technical officer will follow the existing certificate of payments process for work completed and the research and development project manager will also sign the certificate of payment before payment can be issued. We should note that the Yukon Housing Corporation policy is that the program officer must sign all certificates of payment.

When the work is completed the client will be placed on repayment. The coding for the program is separate, but it is a very good program, it allows people off-grid some alternatives,

and even people on-grid some very good alternatives. I know a number of people who have solar heat, for instance, for hot water within the household and there are good savings on that basis.

Again, grants and subsidies and assistance to homeowners like this are a very reasonable subsidy. Homeowners can take advantage of all of these various programs as a smorgasbord of programs that they can mix and match the way they want. This is a reasonable use of subsidies. I submit, Mr. Speaker, that it makes very little sense to keep the subsidies simply on keeping electrical bills low and encouraging people to use more energy, leave lights on, leave the door open, and do things that are going to really not get through to people the necessity in this changing world to conserve energy, promote energy efficient systems and decrease the amount of greenhouse gases, et cetera.

This is reasonable. The Liberals' approach of showing no conservation ethic whatsoever makes no sense at all to me.

The rental rehabilitation program — because people always ask — well, this is fine for home owners but what about rental units?

Again, Yukon Housing Corporation will provide the private sector funding up to \$30,000 per rental unit at zero-percent interest rate for energy efficiency improvements through the rental rehabilitation program; and here, the same process occurs, Mr. Speaker. Owners of rental units apply; once the client receives a financial pre-approval of the rental units, they are evaluated by a technical officer and a detailed list of eligible items will be produced.

The client will choose then what eligible items they would like to complete, the Yukon Housing Corporation's health and safety standards will of course always apply, and mandatory items must be addressed as a loan condition.

The technical officer will follow the existing certificate of payments process for work completed, and eligible funding for items identified as energy efficiency are eligible for a zero-percent interest rate financed through their rental rehabilitation program. Once the repairs are complete the client is then put on repayment.

Program officers will register current and running collateral mortgages in the total amount of financing granted under the RRP.

Again, Mr. Speaker, for rental units — be it a rental suite in a home or a duplex or fourplex, or sixplex, or something like that — \$30,000 per rental unit at a zero-percent interest rate. This is an example of subsidy that makes sense; to simply subsidize electrical rates does absolutely nothing, and again shows a complete Liberal lack of conservation ethic.

Thank you.

**Mr. Cardiff:** We will be supporting this motion, but I would like to make a few quick points.

The motion urges the Government of Yukon to work with our sister territories to lobby the federal government to remove GST on home heating fuel and power generation north of 60.

We can support the motion. I think we have some questions. We are not sure exactly what the mover of the motion

means by “power generation north of 60”. Is that for the typical Yukon Energy power bills that citizens receive on a monthly basis, or does that refer to all fuel used for generation as well, whether it be Yukon Energy Corporation buying diesel fuel or whether it be private citizens buying diesel fuel for their power generation.

That part of the motion seems to be a little unclear.

A couple of other points about this — certain specific products and some services are exempt from the goods and services tax. The mover of the motion mentioned that the GST has been reduced, and we also support the reduction of the GST.

Examples of some of the products and services that are exempt are as follows: most health, medical and dental services performed by licensed physicians or dentists; childcare services; long-term residential accommodation; and most goods and services provided by charities are also GST exempt.

A number of products and services — textbooks is one of that come to mind. I’m sure the Minister of Education would be happy to have the goods and services tax removed from textbooks and from all books. It just seems — that’s just one of many things that the goods and services tax should be removed from.

The goods and services tax is a regressive tax. The federal New Democrats opposed it when it was first introduced by a Conservative government. Like most Canadians, they felt let down — we all felt let down when the Liberals promised to get rid of the goods and services tax; then they reneged on that promise. That was years and years and years ago. Now we’re finally seeing the goods and services tax being reduced.

The thing is that items like food- and shelter-related costs — things like home heating and electricity — shouldn’t be subject to GST. Some foods are still subject to GST, depending on where you eat — whether you’re buying food in a grocery store or whether you’re buying food in a restaurant.

People are relying on a restaurant for their food because of their economic or social situation. They eat in diners because they don’t have a home. They are paying GST on those meals. That doesn’t seem right either. We are taking the least able to pay a tax like that and forcing them to pay a tax on their food and, in some instances, probably their shelter too.

We support that notion that home heating fuel should be exempt from the GST. Again, we are still not sure about exactly what the mover of the motion meant by power generation north of 60; whether it’s just the home heating bills or power that is generated by individual users and homeowners, and whether or not the GST would be removed on those fuels. It is kind of ironic that we are doing this. It is one small piece of the equation. If we look at what is happening with fossil fuels, we agree that there needs to be some conservation measures; at the same time, the rise in the price of a barrel of oil is causing big oil companies to reap massive profits but individual citizens are getting squeezed.

Exxon Mobil just announced obscene profits. The profits for 2007 that were announced were \$40.6 billion.

That’s for Exxon Mobil — \$40.6 billion — that’s 40 territorial budgets in profit they announced last year. That’s net profit according to the article in *The New York Times*.

In 2008, just this quarter, Exxon Mobil announced \$10.9 billion, just during the first quarter. That’s the net profit they’re saying they’ve earned in one quarter. That is almost 11 territorial budgets and that’s their profit. That’s using resources that rightfully belong to the people of the globe, basically, and of other countries. Those resources don’t belong to those companies, yet they seem to be reaping the profits from the oil. So the GST is just one small part of the equation.

We do have problems with providing subsidies on the cost of fossil fuels and there are a number of reasons. One of them is the one I just stated. We can subsidize fossil fuels until the cows come home and who gets it? Exxon Mobil — the profits end up in the pockets of big oil.

The other reason is the crisis around climate change. We need to make some significant changes in how we use energy and the fact we need to actually reduce our energy consumption. Turning the lights out would be a good start. I’m not having any problems seeing today, I don’t think. I have my glasses, but the lights are on. So we can support this motion.

I think it’s important that the government work with the other territories to lobby the federal government to do something that is actually going to provide some financial relief to the poor, working class and middle-class Canadians, especially here in the north, on something as important and as essential as home heating fuel.

Whether or not lobbying the federal government will succeed — sometimes it works, sometimes it doesn’t. It’ll end up being up to the federal government at the end of the day as to whether or not, and how fast, they move in response to this issue. Certainly I would hope that it would happen before the next heating season. That would be a timely and welcome measure.

At the same time we certainly hope that the Yukon government will look in their own backyard when they are doing this, that they will look at constructive measures they can introduce to protect low-income Yukoners from the skyrocketing costs of fossil fuels. When the Minister of Environment finally unveils his plan of action on May 21, we hope that there will be some real action measures to reduce our dependence on and consumption of fossil fuels. Climate change is arguably the most profound problem that we face in our world. Urgent action is needed immediately.

The Premier, over the last while, and especially since he took on the Environment portfolio, seemed to say that we are not a big part of the problem and that we don’t contribute a lot to the greenhouse gas emissions anywhere near that of the City of Toronto. There is something we could do that would help consumers, and that would be to produce some of the products locally here in the Yukon, as opposed to bringing them up the highway.

All the transportation up the highway contributes to greenhouse gas emissions and contributes to the cost to Yukoners. Maybe we should be removing the GST on the transport of food to the Yukon. We can’t produce all our food here, or we

haven't been able to yet. It would be a great day if we could. Import substitution could be another thing the government could look at. It would not only benefit the environment, but it would also benefit consumers, because it would provide some relief, hopefully, in the costs of these essential products. Food-stuff is just like the heating fuel and electricity that we need. The food that comes up the highway is rising in price. We are facing a food crisis. That's what we hear on the news now. There is a food crisis.

The cost of baked goods is going up, because the flour is getting more expensive. In some stores down south, people can only buy so much of some food products because they are being used to produce energy. They are being used to produce energy for heating costs and are probably being taxed on that too.

We can support this motion. We wish them well. We hope that they are successful. At the same time, we encourage them to look at their own agenda and do what they can do here locally in the Yukon to improve the lives of Yukoners when it comes to the cost of basic essentials. Food, shelter and heat are the essentials here in the Yukon, as well as water, of course, and we would all like to see everyone have clean water. Those essential things — what people need — need to be affordable and right now we are seeing those costs rise. So we wish the government well, we encourage them to look in their own backyard to the things that are possible for them to do, and we will be supporting the motion.

Thank you.

**Hon. Mr. Lang:** I would like to thank the member opposite for supporting this motion put on the floor here this afternoon by the Member for Klondike. The motion reads:

“THAT this House urges the Government of Yukon to work with the Government of the Northwest Territories and the Government of Nunavut to lobby the Government of Canada to remove the GST on home heating fuel and power generation north of 60 degrees.”

Again, this is another expanded motion that we are bringing in our partners north of 60 — Northwest Territories and Nunavut — to go with us to Ottawa and talk to Ottawa about the different circumstances we find ourselves in, north of 60.

The Member for Pelly-Nisutlin was commenting on some campaign promises that were made by a Yukon Party 18 years ago, and how we bear some of the responsibility for bringing those forward, so that was an interesting argument brought to the floor here today on what we do, what we did or what we promised as a government.

I've been in this House for six years and have gone through two campaigns. We have delivered on many of our campaign commitments to the territory.

We as a government take the environment and the price of energy very seriously. The issue is what do we do as a government to lead by example in energy conservation? In the Department of Highways and Public Works, what has been done over the last six years in our fleet vehicle planning? Our fleet vehicle planning — for example in 2006-07, of the 46 vehicles purchased by the agency, 37 percent were small, four-cylinder

vehicles. That was a step in the right direction. In 2007-08, of the 50 vehicles acquired by the agency, thirty-four, or 68 percent, were small, fuel-efficient vehicles. That shows that we are growing into a more fuel-efficient department, and with our fleet, that is very important. For this year, 2008-09, the target is 80 percent. The growing demand for smaller, fuel-efficient vehicles in the fleet is growing because of the fact that we as government have to lead by example.

The transportation division also has responsibility for fuel efficiency and emission levels when making procurement decisions for the transportation fleet — that means all the vehicles that the Department of Highways and Public Works manages throughout the Yukon. Those are things that we do on a daily, weekly and monthly basis.

The Property Management Agency in the Department of Highways and Public Works is looking at energy efficiency in buildings. Those are things the Department of Highways and Public Works is doing. We discuss this internally in government. We discuss what different departments do, whether it is the Department of Education, the Yukon Housing Corporation, Community Services and Energy, Mines and Resources. It is very much the focus of this government.

Certainly, the impact of fossil fuels on all of us in Canada is growing and even more so for those of us north of 60, because fossil fuels are used for the biggest part — not only do we create energy with them for the power grid, but we also use it to manage the heat in our homes and businesses. So those fossil fuels are not only a cost at the wellhead, but we also have a transportation cost. Not only are we consuming fossil fuels that are growing in value, but we also expect the trucking firms and all of the costs that bear on that part of the equation to be going up too.

In our partnership between the Energy Solutions Centre and Highways and Public Works, it's interesting to see the work that's being done to address some of the issues we have internally. The Yukon Cold Climate Innovation Centre is one thing that's moving ahead. The visitor reception centre at Tombstone Territorial Park will be the Government of Yukon's first project to achieve the leadership in energy and environmental design standard for new construction in support of the Yukon climate change strategy. This project has been registered on the Canada Green Building Council Web site.

That's very interesting, Mr. Speaker, because this project has been on the board and has been built over the last 12 months. So this government has certainly been ahead of some of the other jurisdictions out there on managing our internal energy audits.

And, of course, the master space plan is another thing we're going to work on. It should be brought forward in the next two or three months. It will address some of the issues on energy and environmental design and certainly, some of the commercial interiors put forward by the Canada Green Building Council — again, another partnership that will hopefully bear fruit in the near future.

It's very important that the research we do to redevelop a Government of Yukon building energy conservation program will be continually updated as technology changes. In other

words, we have to be flexible, to be aware of the modern technology and the things that are brought forward on a yearly basis, to make the monitoring of energy consumption information pertinent and up to date at all times.

Our partner jurisdictions are suffering. Some communities in Nunavut are accessible only by air. Of course it's very important that the Northwest Territories join us as well in this request to the federal government.

Let's look at another department — Energy, Mines and Resources and the Energy Solutions Centre. What we expect to do in the near future is to try to address some of the issues that individuals and corporations in the territory are going through in this very transition when energy is becoming such a cost to everyday life here in the territory.

We've certainly been working with the First Nations and the municipalities in accessing technology and financial resources required to conduct energy audits on their facilities. In other words, Mr. Speaker, we're going out, working with the communities and First Nation governments, to see how we can minimize the impact on their cost of doing business and their energy costs. That's what this government is doing today. We are working as a leader on this, and we are getting a very positive reception.

The Watson Lake cogeneration was a Yukon Electrical/ATCO Corporation concept, which works with their new generation in Watson Lake and heats the high school and the new community complex. It's interesting in that it's waste heat. It's being generated by the plant, but there's some potential there to expand that, and it will not only minimize the energy costs for the school — which is a territorial government issue — but heating the community complex that way is a big saving for the community.

We are looking at all sorts of innovative ways to have an electric load reduction. Developing a new program to buy back householders' second refrigerators, which are very much a cost to a household. The second refrigerator in a home is usually an older refrigerator that is a very costly item to have. If you see TV ads, it is up to \$10, \$15 or \$25 per month to have a second refrigerator in the home and it is a cost to consumers. We would like to see those kinds of things addressed in the household itself.

Holiday season light exchange: this is a consumer market transformation into LED bulbs, which will save money and energy. In other words, how do we manage our holiday lighting and save the consumer money? That is another thing this government is doing.

A lighting retrofit pilot project: we are piloting a retrofit lighting conversion from old to new technology on an institutional building system. Energy Solutions Centre will monitor the resulting energy savings and use the information to promote conversions. In other words, we are going to have a lighting retrofit pilot project in an older-to-new technology concept to lead by example in how individuals can promote energy savings.

Public building energy tracking system: how do we manage that? The Energy Solutions Centre is working with Highways and Public Works and others to keep data up to date. In

other words, we have to monitor our buildings and better manage the product.

Heat recovery of waste water is another, where we are researching the effectiveness of grey water heat with recovery technology. This information will inform potential future rebate programs. This is another way that we can manage our energy costs in an efficient way.

Regarding the recreation centre in Carmacks, we are working with the Village of Carmacks to reduce utility costs at the local recreation centre by using a controlled rather than an uncontrolled ventilation system. In other words, we take these kinds of projects out into the smaller communities and show the smaller communities — for example, Carmacks — how we can better manage ventilation systems and how we can better manage the energy pertaining to the ventilation system.

Of course, there is heat recovery — how we work with heat recovery and using the results of the work to promote the energy and cost saving benefits of doing this in other buildings. In other words, retrofitting an existing institutional building with heat recovery and using the results. In other words, this is another project that will certainly benefit Yukoners as we move forward with this conceptual plan.

A community like Old Crow — the Old Crow demand reduction — working with the community of Old Crow and the Yukon Electrical Company to develop a strategy to first identify and then act upon waste to reduce diesel source energy in the community. This is a very important initiative for the community of Old Crow, because of their isolation. At the end of the day, how do we best use our generated power and also the waste heat that is generated by producing that power? That's another thing that we are working with Yukon Electrical on.

Then there is education. We have to work with the Department of Education to initiate a school-based program to reduce energy use in all aspects of school operations, including buildings. Again, it is about intergovernmental and interdepartmental work, so that we can all benefit from any of these programs.

We are working with the college on another project and moving ahead on it — the fluidized bed gasifier. The pre-design and detail design work is underway to advance the feasibility study done in 2004. The goal is to commission the gasifier to provide space heating for the college and perhaps other nearby buildings. The feasibility of producing design gas will also be examined. In other words, there is a project at the college that could, if it is successful, look at addressing the heat issues at the college and also working out an education component for the fluidized bed gasifier.

If we were to look at examining the feasibility of using air source heat pumps in the Yukon, which is a technology that has been out there for many years and has been in the past very expensive, but as technology changes, it has grown into where it could become part and parcel of the management of our heating demands in the future.

If we are looking at that we are also looking at designing and piloting the use of earth tubes in the Yukon. Earth tubes involve the passive preheating of air for combustion or ventilation in a home. Those are all processes that have been worked

on south of 60, but, in turn, could be very beneficial to the territory.

In closing, Mr. Chair, I would recommend that the House take this motion very seriously. We look forward to a decision here this afternoon so we can work with our partners north of 60 to see what we can resolve in Ottawa with the federal government.

**Hon. Ms. Taylor:** I am pleased to rise today to speak in support of this motion. As members previous to me have said earlier, this is something that has been discussed in previous years and, of course, we will continue to work with the Government of Canada and our two sister territories in ensuring that we are able to address matters of concern such as this.

Looking back over the past three years — and it hasn't even been three years — when a barrel of oil was sitting at \$60; today it is about \$122 per barrel. There are pressures on all families in the territory, but really worldwide.

One thing that struck me was when I recently had the opportunity to go to Germany for a few days on tourism-related business, I witnessed the price of fuel in Frankfurt. At that time for a litre of gas, I couldn't believe my eyes, but it was well over \$2 a litre. I thought it was unbelievable to see those kinds of prices.

In speaking with many of the individuals and residents of Germany and those who represent their respective country, it became quite apparent that these prices had been in place for a number of years. They have become aware and have learned to adapt to the higher fuel prices.

In fact, Germany could be considered one of the most progressive countries, perhaps, in the western world in terms of adopting energy efficient practices, conserving energy, and adopting very creative initiatives to address these higher prices that families have been feeling for many years.

In the Yukon — certainly in Canada — we aren't as familiar with these higher prices. In fact, someone said to me, "Well, you know, it's almost like a correction in the market." It's really almost a timely thing that, in fact, Yukon — and, of course, Canada and the rest of the country — is catching up to the rest of the country, in terms of feeling the pain associated with higher fuel prices.

I don't know if I take that approach or not, but I think, as many of us in this Legislature will admit, we are likely not to see too much movement on this particular pricing strategy. In fact, we may be witnessing further increases as the months proceed and years pass.

A few things that have to be said here today — and I certainly appreciate the comments coming from all sides of the Legislature and very much appreciate the support provided by members opposite, as well as members on the government side, in terms of urging the Government of Canada to remove the GST on home heating fuel and power generation north of 60.

I think it has already been said here that we in the north do experience a whole host of different challenges, unlike other jurisdictions in the rest of the country. We are subjected to higher fuel costs, and we actually do incur more fuel than perhaps others in the rest of the country, for various reasons. Our

infrastructure, of course, is a little bit more limited. Our communities are very much more spread out — more miles, more distance, between our respective communities. There are certainly more miles to proceed to a destination or a respective town in that regard.

We also are subjected to much — some would say — tougher winters. I would say they are getting much better in recent years to what we have witnessed. In the Yukon, it's just a way of life. We do have colder temperatures to contend with and we as Yukoners have learned to conserve the best we can. In light of these exorbitant increases in the price of fuel — whatever that may be: on the road or whether it be in our homes and so forth — we feel the effects of that through everything, from the price of groceries to the cost of a postage stamp on our mail and so forth.

What we as the Government of Yukon have been able to do over the last number of years is implement different initiatives to help address some of these challenges that have been articulated on the floor. I know that the Minister of Energy, Mines and Resources recently spoke to a more sustainable use of energy and the use of more creative initiatives to address some of the energy demands that are coming on-line and that are here, as well.

One only has to take a look at the extension of the transmission line. That has been a project in the making for many years. A lot has been said about the significant benefits as a result of this major piece of infrastructure going ahead, from the reduction of greenhouse gas emissions and less of a carbon footprint — as some have said — to taking advantage of the additional business in the territory today.

It is very heartening to see that that particular piece of infrastructure is undergoing as we speak.

We also talked about fuel prices. I know that in the Yukon we are very blessed to have one of the lowest provincial-territorial taxes on fuel. There is no provincial-territorial tax on home heating fuels, as we all know.

To talk about the motion at hand is to talk about the removal of GST on home heating fuel. It is something that we have put forward before to the Government of Canada for their consideration. I believe at one time there may have been some consideration; however, with a change in government that changes as well.

In terms of addressing higher home heating costs, through the Department of Health and Social Services we were able to increase the pioneer utility grant. First of all, it was by 25 percent. I think a couple of years later we were able to increase it another 10 percent, which made it a 35-percent increase, and we were able to index it against inflation. We know that because of the fixed incomes of seniors and elders in this territory and others, they are by far the hardest hit of our resident population in the Yukon. This measure, which has been in effect for many years, has been very well subscribed to and we think that it is a great initiative and we are very pleased to be able to enhance it.

Much has been said in terms of bringing more affordable housing units on-line, and I know there has been a lot of discussion on the floor of the Legislature over the last number of

days in this sitting. I would like to reiterate the point that we are the first government in about 15 or 17 years, if I'm not mistaken, to actually construct new housing units in the territory.

They are affordable housing units. In fact, when we look at the sixplex in Haines Junction, it's a wonderful facility, again, dedicated to seniors and elders living in the area. What a wonderful addition it is to that community by really assisting with more affordable living for individuals in rural Yukon. As well, we were also able to construct a multi-unit housing initiative at Yukon College.

I believe that half of the units have been subscribed as family residences to accommodate Yukon College and the growing demand for training and education programs delivered by that institution. Also, I believe that the other 48 units were made available to, again, seniors and elders who have been waiting for social housing. That is rent geared to income, as I would say, and the uptake has been amazing. We are very pleased to be able to come through with those new housing arrangements as well.

In addition, we were also very pleased to provide the recent announcement to build a 30-unit affordable housing initiative for lone parent families in the territory. We know that when we look at the social housing waiting list, this is by far the group that is very much in need of housing at this particular time.

So, when we factor in those 30 additional housing units, as well as the other housing initiatives that I have been speaking about, it has been great. It is great to see. In fact, we have had over 100 housing units added since this government took office. Again, that does contribute to affordable housing in the territory.

There has been a lot of discussion about social assistance, and planned improvements to social assistance have been underway. Consultations have been undertaken, but again this would be the first increase in over a decade and that will go a long way toward addressing some of the increased pressures that families have been feeling over the last decade.

Minimum wage has been increased and has been indexed against inflation as well.

We are pleased to be able to enhance childcare subsidies available to families. This is the first increase in, I think, over a decade, and that translates into about a 25-percent increase in subsidies.

Increases to the Yukon child benefit took place. Not only did we increase the dollars available — I think it is now almost \$700 per child for eligible families — but we have also been able to expand the income threshold — that is the ability for families to retain that income coming to them, as well as other tax credits we have been able to introduce in recent times.

In terms of promoting more affordable transit — just a couple of days ago our Minister of Community Services was able to announce the purchase of our fourth energy efficient transit bus to be added to the fleet, which encourages more individuals to take transit and fosters a green transportation of individuals.

Even in terms of tourism and culture, there has been restoration and rehabilitation of heritage facilities in the territory.

That computes into energy efficiency, making the best use of materials, reducing emissions, reducing the carbon footprint and so forth. All these measures certainly do add up.

I am very thankful again to members opposite for providing their support to this initiative. I think that by working with our two sister territories — I know they have been very supportive of this initiative. Just like the three territories were very amenable to increasing the northern residence deduction and, although it wasn't a 50-percent increase like some of us had wanted, it did result in an increase of 15 percent. I think it was about \$500 of extra savings for Yukon families.

I thank you very much, Mr. Speaker, and I look forward to hearing the other members.

**Mr. Hardy:** As my colleague mentioned earlier, the NDP will be supporting this motion. Calling upon the government to reduce the GST in any area is always a good thing for the people — not just of the territory but of Canada. The GST is not a tax that anyone likes, and unfortunately the GST is one that applies to all income levels; therefore, I don't consider it a fair tax at all. But in this regard, to help people deal with the rising cost of fuel and other expenses, any type of reduction or removal of it is good.

My colleague had mentioned earlier where the GST had come from. Of course it was an initiative of a Conservative government many years ago. There was a promise by a Liberal government in an election that they would abolish the GST. Of course the people believed that and elected the Liberal government. They did an about-face and embraced the GST. It's always disappointing for the people of the country, when they believe any political party during an election campaign, knowing full well that that party really can't be held accountable for many, many years — if ever at all — on promises made that are not lived up to.

So, over the years, I've learned to be cautious about any type of election campaign by any party, but also by the party I represent as well. I try to avoid that kind of situation.

I'm not going to talk any more about this, other than to say that I would like to bring forward an amendment. I consider it an amendment that is in keeping with the wording and expressions the Member for Klondike has brought forward. It just expands it a little bit more broadly in order to give more relief for the people of this territory, if the government is successful in fulfilling the motion and lobbying the federal government to remove the GST. So I would like to bring forward an amendment.

*Amendment proposed*

**Mr. Hardy:** I move

THAT Motion No. 441 be amended by deleting the word "and" after the word "fuel" and by adding the expression "and the transportation of essential goods" after the expression "north of 60".

**Speaker:** The amendment is in order. It is moved by the Leader of the Third Party:

THAT Motion No. 441 be amended by deleting the word "and" after the word "fuel" and by adding the expression "and



the transportation of essential goods” after the expression “north of 60”.

The motion is in order.

**Mr. Hardy:** Mr. Speaker, very briefly, I think everyone understands the intent of the motion is to strengthen the motion, broaden it a little bit, and offer more relief. If the government is going to be lobbying the federal government to remove the GST from fuels and energy generation, then it can be applied to essential goods as well. Combining that lobbying effort could ultimately be far more beneficial for all people of this territory, as well as the other two territories, which would hopefully be working very closely with the Yukon government in this lobbying effort.

I would hope that all Members of the Legislative Assembly recognize the intent of the motion as well as the amended motion that we have brought forward and, working together in the Legislative Assembly, hopefully it is reflective of what will happen from the north directed toward the federal government, and the federal government will recognize that the people of the north do face many other hardships that other areas of the country do not. One of them, of course, is the GST that is applied to food, fuel and electrical generation or energy sources.

Given that, maybe it would help keep us in line with some of the lesser costs that exist in the south and we would be more on par with what we have to pay in the north. Frankly, I believe the federal government should respond to this in a positive way — that is my hope.

I hope everyone supports this amendment and we can move forward.

**Mr. Nordick:** Quite simply, the government can support this amendment and, from previous debate, I see the Liberal opposition does support the motion and the NDP supports the motion as amended. I think we should bring this motion as amended to a vote.

*Amendment to Motion No. 441 agreed to*

**Speaker:** Is there any debate on the main motion as amended?

The Member for Klondike: if the member speaks now, he will close debate. Does any other member wish to be heard?

**Mr. Nordick:** Mr. Speaker, I would like to thank all members, but I do have to say a couple of things.

Once again, the Official Opposition is incorrect in some of their statements. Mr. Speaker, I will clarify this for Yukoners.

There is no YTG tax on heating fuel. Mr. Speaker, the member opposite wanted a challenge. Well, I think the members opposite have a challenge explaining their comments.

Mr. Speaker, in regard to inflation, that’s another example of the Liberal Party’s mistakes: Yukon is ahead of inflation.

Even though the Liberal Party is usually incorrect on a lot of things, I do believe they are correct in supporting this motion at this time.

So once again, I would like to thank all members for their support of this motion.

**Speaker:** Are you prepared for the question on the motion as amended?

**Some Hon. Members:** Division.

#### Division

**Speaker:** Division has been called.

#### Bells

**Speaker:** Mr. Clerk, please poll the House.

**Hon. Mr. Fentie:** Agree.

**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. Mitchell:** Agree.

**Mr. Elias:** Agree.

**Mr. Fairclough:** Agree.

**Mr. Hardy:** Agree.

**Mr. Cardiff:** Agree.

**Clerk:** Mr. Speaker, the results are 14 yea, nil nay.

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

*Motion No. 441 agreed to as amended*

#### Motion No. 233

**Clerk:** Motion No. 233, standing in the name of the Hon. Ms. Taylor.

**Speaker:** It is moved by the Minister of Tourism and Culture

THAT this House urges the Government of Canada to recognize that the unilateral decision in 1966 to integrate the Canadian Forces Superannuation and the Royal Canadian Mounted Police Superannuation with the Canada Pension Plan contributions imposed an injustice and unfairness upon members and retirees of the Canadian Forces and the Royal Canadian Mounted Police, and therefore should take action to remedy that injustice.

**Hon. Ms. Taylor:** First, if members would give me the opportunity to rise and actually extend a warm welcome to one of my dear constituents, Wayne Wannamaker, who is in the gallery and has joined us today for this important debate.

*Applause*

**Hon. Ms. Taylor:** I’m very pleased to present the motion before us today, which speaks to what has become known as an injustice among those who have served Canada and we as Canadians today, yesterday and years past.

The motion I’ve brought forward speaks today to an issue that was first brought to my attention by Mr. Wayne Wanna-

maker. As many members in the Assembly are familiar with, and will absolutely concur with, Wayne Wannamaker has been very tireless in his efforts to help each of us to recognize veterans, not only in this manner, but in other initiatives that have been brought forward to this Assembly in years past. We thank him for his ongoing contributions in this regard.

One such example of that has been the veteran licence plate program. That was an initiative brought forward by Wayne, which was supported by all members of the Assembly. Because of Wayne's efforts, the Yukon, in partnership with the Royal Canadian Legion Yukon branch, is very proud to administer what I would say has been a very successful program in recognition of those who have served us in past years.

Also, I would be remiss if I didn't mention Wayne's efforts in ensuring that we made available a special commemorative coin that was submitted to veterans in commemoration of their ongoing service and certainly in remembrance of Canadians who served and also lost their lives in years past. We were very appreciative of Wayne's thoughtfulness and sincerity.

We were very appreciative of his thoughtfulness, his sincerity and for ensuring that we did come through on that.

Today, Mr. Speaker, I am pleased to speak to yet another important matter that has been raised by Mr. Wannamaker, along with thousands of other veterans across the country, for the purposes= of raising awareness of actions taken in the past and how those actions have impacted many individuals since that time.

Mr. Speaker, on January 1, 1966, the Canada Pension Plan and the Quebec Pension Plan came into effect. The Government of Canada, the government of the day, chose to integrate the Canadian Forces superannuation and the RCMP — the Royal Canadian Mounted Police — superannuation with the Canada Pension Plan, resulting in what has become otherwise known by many as an injustice.

The crux of the matter really comes down to the decision itself made by Parliament at that time to not stack the public sector plan and the manner in which the decision was made.

According to the Government of Canada, if a stacked approach had been adopted — that is, the Canada Pension Plan paid on top of the continuous bridge benefit — the pension benefits would have been greater; however, as they also have been quick to point out, the resulting increased contributions by members in the government would also have been significantly higher.

At the time the plans were integrated, a specific provision, as I understand, was added to the *Public Service Superannuation Act*, but was not included in legislation pertaining to the Canadian Forces plan or the RCMP plan, for example.

Again, according to the Government of Canada, the rationale, or a number of factors, that accounted for this included the age at which pensions became payable and the resulting cost in the case of the *Canadian Forces Superannuation Act* and the *RCMP Superannuation Act*.

Consequently, a decision was made to divide the pension benefit into two parts: the benefit payable for the lifetime of the plan member and a bridge benefit.

The integrated approach meant the contributions collected under the CFSA, for example, would be lower for that portion of the member's earnings covered by the Canada Pension Plan which, in turn, also resulted in benefits payable to members under the plan, requiring an adjustment. The net result would be a benefit reduction applied to military annuities when members reach the age of 65.

It's ironic that we are debating this particular motion today. There was a recent news article that was posted in the *Whitehorse Star* the other day. In fact, it was a good one. I thought it articulated the points succinctly.

As articulated in the news article, when a veteran reaches the age of 65, simply put, the Canada Pension Plan kicks in and the amount paid is deducted — otherwise known as clawed back — from the individual's income. That means his or her pension to which he or she contributed part of his or her pay while in uniform is reduced by whatever their CPP is, to which they also contributed, keeping in mind that the level of reduction is based on years of service, how much was contributed and so forth.

Also, as was articulated in the article, a demonstration of this case in point was Mr. Cappler, who is a retired sergeant-major with 25 years of service. The article went on to say how the sergeant-major had joined at age 17, retired at age 42 on about \$1,219 a month. When he turned 60 in 2003, his pension was indexed to \$1,913. It was also pointed out that, when the clawback occurred at the age of 65, his military pension was reduced, thus affecting the indexing, which resulted in less income he received before being entitled to Old Age Security.

Sergeant-Major Cappler says that, when he turned 65, just recently in February of this year, and CPP kicked in, his original pension of \$1,219 was reduced to \$1,000.

Even with indexing and CPP added on top of that, there was an overall drop in his income of about \$340 a month.

Ironically, Mr. Cappler and Wayne Wannamaker joined the forces and entered the army at the same time in 1960 in Ontario. Like Mr. Cappler, Mr. Wannamaker has also been penalized for having reached the age of 65. Like Mr. Cappler, Wayne served 19 years with the forces between 1960 and 1979. Like Mr. Cappler, Mr. Wannamaker also turned 65 recently — a belated happy birthday — at which time he received notice that his benefits would in fact also be reduced.

It should also be pointed out that, when we reflect on retired veterans, whether they have been with the Canadian Forces or the RCMP, when you are on a fixed income — and we know Mr. Wannamaker was struck with a disease that didn't and still does not have a known cause to this day; individuals such as my constituent have been unable to work, leaving his income reliant on pension income. It makes this argument all the more strengthened when it comes down to the basics of what has in fact transpired.

The argument that continues to be made is that, from certain sides of the coin, members never paid enough into their programs to qualify for both. The reality is that members back in 1966 — and this is the crux of the issue — never had an opportunity to discuss these proposed changes. That consultation never took effect and, in fact, members were not properly in-

formed of the implications of such a change. Had they been properly informed I think that we would all be seeing quite a different outcome at the end of the day.

That did not transpire and here we are today, many years later, debating this proposed change urging the Government of Canada to remedy this injustice.

Last fall, a Member of Parliament from Nova Scotia, Mr. Bill Casey, submitted a private members' motion — in fact, it was M-362 — to Parliament as a means of raising awareness of concerns voiced by many veterans and RCMP members.

The private members' motion calls on three federal ministers, the Minister of National Defence, the Minister of Public Safety and the minister responsible for the Treasury Board to convene an independent panel of experts to address the long-standing concerns among many members that they in fact were not fully briefed on the effect of integrating the CPP with their respective pensions during the 1960s.

In particular, the motion speaks to providing a mandate for the expert panel of ascertaining whether the integration of the respective plans of CPP in 1966 has indeed produced the alleged clawback to the pensions of both veterans and former members of the RCMP. Also, they were to ascertain if members of both groups were fully informed and briefed on the consequences or merits of pension integration and to present their findings to Parliament and to the pensioners in those groups in an expeditious manner.

Now another Member of Parliament has also taken up this issue in recent years. He is another one from Nova Scotia, ironically: Mr. Peter Stoffer. I know that many of us in this Assembly had the opportunity to come to know Peter over the years. He is in fact a fellow — or former — Yukoner, although I think he is still a Yukoner, first and foremost if you were to speak to him at any given time outside of his province, of course.

Mr. Stoffer has introduced three private members' bills: Bill C-441, Bill C-221 and Bill C-502, all speaking to end the clawback of the military and RCMP pension benefits at age 65.

We certainly congratulate Mr. Stoffer for his efforts and encourage him to keep up the good work on behalf of his constituents and the constituency of this country.

Mr. Speaker, a Web site has also been created to provide a medium for supporters of the campaign, which articulates a whole host of facts surrounding the background history of this matter — the issue at hand, what steps have been taken and what more needs to be done. An on-line petition was also established last October as a means of raising awareness and taking action to address this issue. It is also interesting to note that within less than three months of the site being posted on-line, almost 18,000 supporters had signed the petition, including 63 former senior military/RCMP officers. As I understand it, the Army, Navy & Air Force Veterans in Canada Association, along with the Royal Canadian Legion, have also voiced their support for members. Likewise, the Canadian Association of Retired Persons has also publicly stated their support for the campaign.

This issue has been — and continues to be — discussed at various levels, whether it be in the House of Commons, parlia-

mentary and Senate committees and now here in the Yukon Legislative Assembly today. The issue is not a simple one, as it has been articulated in a whole host of correspondence that I have been tracking over the last number of months, to and from governments, both present and past. There have, in fact, been a number of solutions put forward as to how to address the issue and to what extent. Those were also very much appreciated.

The motion that is being presented here today speaks to a decision that was made by the Government of Canada in 1966, which involves the integration of the Canadian Forces superannuation and the RCMP superannuation with the Canada Pension Plan. The decision was imposed unilaterally without sufficient consultation and without members being made aware of the implications. The decision created unfairness, so that action should therefore be taken by the Government of Canada to address this unfairness.

Now, I also just wanted to put on the record that not all veterans are of this opinion, as has been articulated to me. There are those who have mixed opinions on this matter, which I also wanted to put on the public record. Some feel strongly that because the decision in the 1960s was arbitrarily made, without consulting the individuals whom this change would impact, that there should in fact be immediate access to pension benefits and pension plans.

Others, however, feel that there should be an ability to buy into the shortfall of the plans and receive the full benefits of both. Others feel that today's standards for openness and full consultation cannot be imposed retroactively. Rather, individuals may accept that a number of decisions made in the 1960s were made in a less than transparent manner and that there can be no entitlement to both plans, because full premiums of both were not paid.

That said, I think there appears to be a general consensus, however, among members that some adjustment should be made to this respective issue, indeed because of the lack of consultation that did take place in 1966 and prior.

I should also point out that an adjustment was recently made, so that there is less of a clawback at age 65. Again, going back to the many pieces of correspondence, I would like to thank Mr. Wannamaker for forwarding it to me and certainly to many of the members opposite. I think my file is about six inches thick because of the pieces of documentation and correspondence among the respective MPs, MLAs and veterans who are concerned and who are not concerned. It has taken a little bit of time to put the pieces together.

In one recent piece of correspondence from Peter MacKay, in his capacity as Minister of National Defence, the Government of Canada approved an amendment to the public service, the RCMP and the CFP pension arrangements. In the case of pension arrangements provided under part 1 of the CFSA, the amendment altered the formula used to calculate the pension adjustment for those reaching the age of 65 in 2008 and beyond. It is a change in the calculation of the lifetime benefit, in that the adjustment factor is, in fact, lowered — albeit relatively small in my eyes. This results in somewhat of an increase in the lifetime pension.

That said, however, we understand that thousands and thousands of individuals have contributed their time and efforts and sacrificed their family time. They sacrificed their lives on behalf of Yukon and Canadian citizens. I think that has to be duly noted. The fact that, in most instances, over time, this was never paid has to be reflected in the argument in favour of this injustice that needs to be remedied.

I do not want to go on about this too much longer, but I did want to take the opportunity again to extend my appreciation and thanks to my constituent Wayne Wannamaker for bringing this issue to our attention and for sharing with me a great deal of information in preparation for this debate today. Thanks to the efforts of individuals such as him, more and more Canadians are being made aware of the issue at hand and are taking action to have the matter reviewed and, most importantly, remedied.

I thank all members for the opportunity to present this motion and I look forward to receiving the support of members today, so that we are able to forward this to the respective ministries in the Government of Canada to see what change can be effected and join our voices with the thousands of individuals across this good country. Thank you very much.

**Mr. Mitchell:** I thank the Member for Whitehorse West for bringing forward this motion. First of all, I want to thank Corporal Wannamaker, retired, for bringing this to the attention of all of us and for his work over many years — as the Member for Whitehorse West has already quite eloquently pointed out — on various veterans' causes, but particularly on this one.

On behalf of this Assembly, I would again like to thank Corporal Wannamaker for his service to our country and also for that of his colleague, Sergeant Major Cappler — indeed, for all of his colleagues.

I would say that it's my pleasure to rise to speak to this motion today because I fully support it, but it's also with a sense of outrage and indeed shame that we even have to be debating this — and it is an important debate, because it shouldn't have come to this. I'm not going to go through all of the details. Thanks to Corporal Wannamaker, I have received copies of the correspondence. My file is probably not as thick as that of the Member for Whitehorse West, because she has sat in this Assembly longer than I have. But I do have the file, and I have it as an electronic file as well.

It's not something that should be politicized. That's why I've never asked a question about it or put my own motion on the record, because the Member for Whitehorse West is speaking on behalf of a constituent, and I felt that was the proper way for it to be done. The fact that I haven't spoken out before is a sign of respect, and I hope that Corporal Wannamaker understands that.

The Member for Whitehorse West has laid out the case very clearly. I have the same information. Indeed, I had the same article from Peter Worthington with me today, which quite clearly lays out what happens. Again, "When a soldier retires after 20-plus years of service" — I'm quoting from the article, Mr. Speaker — "his pension is fixed until the magic

number of 85 (his age plus years of service), then it is indexed, increasing every year. At age 65 the Canada Pension Plan (CPP) kicks in — and the amount paid, is deducted (clawed back) from the retired soldier's income. That means his military pension, to which he contributed part of his pay while in uniform, is reduced by whatever his CPP is — to which he also contributed."

I find this quite remarkable. It seems inherently wrong and inherently unjust. The Member for Whitehorse West has put on the record some debate over the years about how this was done in 1966 by the government of the day in an act of Parliament and that there are some who feel we can't go back and necessarily redress wrongs that happened either in a different era or when there were different rules in place. But I would say that sometimes we can and I think I heard from her comments that that is how she feels as well.

We have addressed many things in Canada; we have addressed the wrongful internment of Japanese Canadians. We have started to address the residential school wrongs that were committed. We can't simply say that was the standard of the day and let it stand today.

This doesn't only affect members of the Canadian Armed Forces but, in some cases, my understanding is that it also affects retired members of the Royal Canadian Mounted Police. It is astonishing to me that, as a country that is as well off as we are — and, as a whole, we are incredibly well off — that we are looking to cut corners and save pennies and dollars at the expense of people who have put their lives on the line for us and continue to do so today, every day. We have seen how often over the last few years flags have been lowered on behalf of the members of the armed forces and members of the RCMP who have given their lives.

It is particularly offensive because this doesn't happen to Members of Parliament. When they become eligible for Canada Pension, they don't suffer this clawback. I took the time to look into this yesterday in terms of members of this Assembly, and it is my understanding that those of us who earn a pension will not have this clawback.

It is very embarrassing to be standing here today knowing that, if I serve here long enough to earn a pension, I will be treated better than Corporal Wannamaker or Sergeant Major Cappler or the tens of thousands of other members of the armed forces are being treated.

I said I won't talk very long today, because the member opposite has laid out the case quite clearly. I do want to thank the Member for Whitehorse West for bringing forward this motion today. If ever there is a time when we hope that our voice is heard on Parliament Hill, I hope it's this time. We have urged two things from the Government of Canada this afternoon. I don't know whether we'll get very far with the previous one, the GST, but there can be no excuse for this one not being heard and addressed in Ottawa, and the sooner the better. The case is clear, the injustice is equally clear and we on this side are fully supportive of this motion, and we feel no need to amend it or change it in any way. It's quite clear. Actually, I'll read it again:

THAT this House urges the Government of Canada to recognize that the unilateral decision in 1966 to integrate the Canadian Forces superannuation and the Royal Canadian Mounted Police superannuation with the Canada Pension Plan contributions imposed an injustice and unfairness upon members and retirees of the Canadian Forces and the Royal Canadian Mounted Police, and therefore should take action to remedy that injustice.

I could not have worded it any better, and I fully intend to support this motion.

Thank you.

**Hon. Mr. Hart:** As I rise today in this House to debate this motion, it gives me great pleasure to do so, as I am proud of what the military and the RCMP do to protect and serve the lives of Yukoners and Canadians. From a personal point of view, Mr. Speaker, I would like to also state that it's very important to me, because I have members on both sides of my family who have served in the military and the RCMP. So obviously this affects their living, as my uncles, for example, are also subject to this clawback.

I would like to say that I will therefore be supporting the motion from the Member for Whitehorse West today in the House. I would just like to say a few words and then I will sit down for others to speak up.

People who sign up for military service dedicate their lives to their careers. They are often deployed away from their families for extended periods in order to perform their duties. They may also be required to move their families to where their work is and away from their natural homes. The nature of the work is intense and personnel can be called out at any time to respond to all kinds of challenging situations.

Likewise, RCMP members may be required to be available in many areas, at any time. These are dedicated people. They are committed to their careers and to protecting Canadians — all Canadians. To look at the Canadian forces and RCMP pension arrangements with the Canada Pension Plan is to look at an injustice. For retired military personnel and RCMP members to have their pensions clawed back once the CPP kicks in actually extracts money from their income they earned and contributed to.

There are many cases of retired Canadian forces personnel and RCMP members who have suffered because of this unfair decision. These are folks who have spent part of their lives or their careers serving in the Canadian forces or the RCMP. They have contributed to their pension and to the Canada Pension Plan, yet when they turn 65, their pensions are clawed back. This is unfair treatment to the individuals who have made contributions throughout their working lives. As has been stated here previously, often these people in the military service and in the RCMP put their lives on the line. To be treated with such an unfair process is just truly inconceivable; that they would claw back their pensions after they've put their lives on the line for Canadians.

In closing, I would just like to mention that I think my colleague has raised this issue in an appropriate fashion. I fully support her direction here today and I recommend all members

of the House to support this motion to urge the federal government to rectify this unfair policy.

Thank you.

**Mr. Cardiff:** I will be very brief on this.

As a member of the New Democratic Party here in the Legislature, I would just like to say that we will be supporting this motion. I thank the Member for Whitehorse West for bringing this motion forward and laying the case out very clearly. Both she and the Member for Copperbelt have the file, and they seem to know quite a bit about it — a lot more, I might say, than what I do as far as the details of the case go. Where I stand is that every person in this country, regardless of what they did for a living, deserves to be treated fairly in their retirement years and deserves to have a pension that would support them and their family in a manner that doesn't cause them any discomfort and in the manner they were accustomed to when they were working.

To have those benefits snatched away, especially when you have contributed to a pension plan, to a benefit, and you expect to receive that benefit because you contributed, your employer contributed — it was an arrangement that was made and you had an expectation that you were going to receive those monies. To have those monies clawed back is no different from some of the other clawbacks that we see in society. In my comments I am not minimizing at all — and I don't want you to take it as a minimization — your service to this country, because that is not what it is intended to be. Everybody who serves in the Canadian Armed Forces puts their life on the line daily, regardless of where they are serving.

They put their lives on the line daily and so do the RCMP officers who keep our communities safe. We have seen examples of the flag outside flying at half-mast. We watch on TV the events that have transpired across this country in recent years. The one that comes most recently to mind is the one that happened in Mayerthorpe, Alberta, which was tragic. Their families are living with the repercussions of that day and what happened to those officers. They put their lives on the line that day and their families deserve to be treated fairly.

So does any member of the armed forces or any member of the RCMP. They go to work every day, they receive their pay, they see the pay stub and they have made a contribution like any of us here. It has been mentioned that we aren't going to be subjected to any clawback, and quite frankly I don't see where there is any excuse — whether it is social assistance, pension plans or any other form of income that comes to a citizen of this country — for it to be clawed back. I really don't understand why that would happen. When they have served their country, their community or their employer, and there has been an arrangement made where they are going to receive a pension or benefit at the end of their career, they deserve to receive that benefit or pension and there should be no clawback.

One of the most unfortunate things in my mind is that we are here today some 40-plus years after this happened and it is taking this long to correct an injustice. That in itself is a really sad thing.

As someone who has been involved in the labour movement and fought for the rights of workers and fought to get a pension plan and benefits for my brothers and sisters in the union that I belonged to, I really can sympathize with our guest today. It's a long battle, and this battle has been going on now for over 40 years. It just seems that that in itself is an injustice that we should not have to be dealing with.

So we will be supporting this motion today. I wish the government well in lobbying the federal government, and I wish Mr. Wannamaker well and hope that this is corrected and that it's corrected for all of those who have served our country either in the armed forces or with the RCMP and that their benefits are rightfully restored and with some expediency.

Thank you.

**Hon. Mr. Cathers:** I would like to rise briefly, as House Leader on the government side, just to note that while our caucus will not have many speakers here today, we are all very much in favour of this motion and we appreciate the importance of this issue. We appreciate the service and dedication of members of Canada's military and the RCMP, and want to ensure that those veterans are treated fairly, including in this important issue of the pension. And I want to thank the Member for Whitehorse West for laying out the case and the argument for this very well and thank Corporal Wannamaker for bringing this important issue forward to our attention and the attention of all members in this Assembly here today.

I also want to thank the Member for Whitehorse West for her work on behalf of her constituent and indeed on behalf of all veterans who are affected by this. I look forward to what I hope will be a unanimously passed motion in this Assembly, that will send a strong message on behalf of all members in this Assembly to the Government of Canada of the importance that the Yukon Legislature and the members of this Assembly place on this issue and seeing this resolved in a timely manner.

Thank you, Mr. Speaker.

**Mr. Elias:** I would also like to rise in the House today to support the Member for Whitehorse West's motion. I wholeheartedly endorse and support this motion.

I really don't know what the Government of Canada was thinking in 1966, but I guess they weren't thinking because, to be quite frank, I wasn't aware of this issue and I go back because my dad and a lot of my relatives served in the RCMP and we have citizens from Old Crow that served in the military. They've been wounded by shrapnel; they've been shot at and people tried to run them over. They work for the same government as we do.

The RCMP, the military and politicians all work for the same government, yet our pensions are treated differently. I was just made aware of this in the last few hours and I find it utterly atrocious: the value of what politicians do — doing the public business — versus what the military and the RCMP do, who have to be ready 24/7 to put their lives on the line. They do the public's most difficult business — protecting our identities, our rights as Canadians and keeping us safe. Why on earth are our pensions treated differently? I just don't understand,

and I would say that whatever I can do as a parliamentarian here in the Yukon in supporting the Member for Whitehorse West's motion, believe me, I am familiar with lobbying and educating other politicians to do the right thing. I've done this before and I put on the public record today that I would be willing to do my part in this.

I wholeheartedly endorse this motion and that's all I have to say, Mr. Speaker.

**Speaker:** If the member speaks, she will close debate. Does any other member wish to be heard?

**Hon. Ms. Taylor:** Thank you to all members who have spoken to this important motion today. It has to be noted that I think this is the first time in Canada — this is the first Legislature that has actually taken up this issue. So, thank you to Wayne Wannamaker — as the Member for Vuntut Gwitchin just said — for educating each of us by making us aware of this issue that not a lot of us knew about before.

That is all a part of governing, of doing our jobs, of representing the people of Canada — becoming familiar with the issues of importance and doing what we can to address them. I think this motion speaks volumes to that in this regard.

In my research, I was looking back in *Hansard*, on the floor of this Legislature. It was actually back almost three years ago when we were debating a particular motion. It was urging the Government of Canada to comply with the request of veterans, the Royal Canadian Legion, and others in this country to remedy yet another unjust situation. As a result of an order-in-council that was passed in 1946, approximately 14,000 veterans were deprived of pension benefits.

So that in itself — I know there were a lot of words spoken in debate at that particular time. It's yet another reminder of just how far this country has yet to go.

Mr. Speaker, I also just wanted to take the opportunity to thank members of the Yukon RCMP Veterans' Association for also speaking with me about their views — the members of the executive — on this particular motion.

I very much appreciated that. I wanted to follow up on a couple of the comments that were made by the Minister of Community Services that had to do with when an individual turns the age of 65. In some of our eyes, although we see retirement age growing older, in some cases it is growing younger. But for many of us, we often view 65 and beyond as our "golden years," years of celebrating and taking time to really celebrate what we have worked so hard to do.

It's unfortunate to see a move that wasn't that long ago — albeit 1966 — to integrate these respective pension plans without any notice, without any consultation, and without members being fully informed as to what that in fact would look like, today and yesterday.

I think this motion speaks to the very issue that there are times when we need to go back, we need to review our decisions and we need to take a good, hard look at how those decisions have ended up — to take a look at the net results — and in this case, it is certainly not to the benefit of each and every one of our veterans.

I would again like to thank all members. I would like to thank all members of the RCMP and the veterans in this country for keeping up the good fight. We certainly look forward to raising this with the Government of Canada in an expeditious manner and continuing to take up this cause.

Thank you very much.

**Speaker:** Are you prepared for the question?

**Some Hon. Members:** Division.

### Division

**Speaker:** Division has been called.

### Bells

**Speaker:** Mr. Clerk, please poll the House.

**Hon. Mr. Fentie:** Agree.

**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. Mitchell:** Agree.

**Mr. McRobb:** Agree.

**Mr. Elias:** Agree.

**Mr. Fairclough:** Agree.

**Mr. Cardiff:** Agree.

**Clerk:** Mr. Speaker, the results are 14 yea, nil nay.

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

*Motion No. 233 agreed to*

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

**Speaker:** It has been moved 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 (Mr. Nordick):** Committee of the Whole will now come to order. The matter before the Committee is Bill No. 11, *First Appropriation Act, 2008-09*,

Do members wish to take a brief recess?

**Some Hon. Members:** Agreed.

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

*Recess*

**Chair:** Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 11, *First Appropriation Act, 2008-09*, Executive Council Office.

### Bill No. 11 — *First Appropriation Act, 2008-09* — continued

**Executive Council Office** — *continued*

**Hon. Mr. Fentie:** Thank you, Mr. Chair.

When we adjourned debate yesterday, we were in a discussion with the Leader of the Third Party relating to the issue of statistics, the stats branch, and of course his offerings or presentation regarding general progress indicators. I think we did cover quite extensively that area but also made the point that the stats branch serves a number of functions under its mandate and that would include, as we said, the methodology of how statistics in any particular area are to be gathered and how these determinations are made.

But overall I think we touched on the salient points. The Bureau of Statistics here in Yukon has a very significant role to play; I think we can all agree with that. One of the new things being worked on that has a huge bearing on things like YESAA is this business survey and socio-economic indicators project. That is something where an increase overall has been allocated to the Bureau of Statistics.

With that, I will close my remarks on this particular area and we can continue with debate on the Executive Council Office.

**Mr. Mitchell:** I have just one follow-up question from something that the minister said yesterday. I am just looking for a bit of clarification. The minister yesterday afternoon in debate, in response to a question that I had asked regarding the progress of land claims and such, said in his answer, "We have to work with the First Nations. Unfortunately, in this circumstance, the Yukon government must work with these three First Nations as *Indian Act* bands. The mechanisms that govern them predominantly arise from the *Indian Act*."

I recognize there is the word "predominantly" in there. I am seeking some clarification. When he refers to these First Nations — the White River First Nation, Ross River Dena Council and the Liard First Nation — as *Indian Act* bands, I would like the minister to provide some clarification here because these three First Nations were signatories to the *Umbrella Final Agreement*.

Is the minister now considering these three First Nations as *Indian Act* bands and that they should therefore enjoy the tax-exempt status? And is he stating or is he implying then that they would, for example, have unrestricted hunting and fishing rights across Yukon? When First Nations under the UFA sign their agreements and sign out of the UFA, I thought that they had given up the unrestricted rights, so how is he treating them: as *Indian Act* bands or as *Indian Act* bands with some modifications, because they are signatories to the UFA?

**Hon. Mr. Fentie:** Of course, the situation as defined in the Yukon is linked very much to the *Umbrella Final Agreement*; however, the federal government does retain judiciary responsibility and, in this case, we have three First Nations who have not finalized the land claims or their self-government

agreement. Therefore, the mechanisms that arise from those agreements are not in place, so much of what the fiduciary responsibility of the federal government is about in working with these First Nations is still given rise under the *Indian Act* itself, but it does not diminish what has been advanced in Yukon in regard to taxation and other matters: that does not change.

But when it comes to delivery of programs and other matters and how the fiscal arrangement works between Ottawa and an unsettled First Nation in Yukon, still the mechanisms that are in play, because of no final agreement or self-government agreement in place, are the mechanisms within the *Indian Act*.

**Mr. Mitchell:** To finish the clarification, would that also be the case with the hunting and fishing rights? Since they don't have finalized claims, their rights would be unrestricted across the Yukon — is that what the minister is stating?

**Hon. Mr. Fentie:** If the member is referring to unrestricted rights across the Yukon, that's inconsistent with the settlements and the final agreements in place today. Therefore, they still have the right to subsistence hunting. But there are other issues that arise should a First Nation person — say from the Liard First Nation — wind up hunting in the traditional territory of the Vuntut Gwitchin, for example. Those things are all dealt with under the agreements.

I'm talking about the relationship between the national government and the three First Nations who have not settled.

**Mr. Cardiff:** Just a few questions left for the minister. I'd like to know what the minister's and the government's main priorities are for the upcoming year as far as intergovernmental relations are concerned.

**Hon. Mr. Fentie:** It depends, Mr. Chair. There is an intergovernmental relationship in the Yukon that is bilateral and there's an intergovernmental relationship that is trilateral when it comes to the orders of government here in Yukon. But there are intergovernmental relationships between Yukon, Northwest Territories, Nunavut, and Yukon with British Columbia, Alberta, and Alaska. So there are a number of areas of intergovernmental relationships that we deal with.

But let me just try in general terms to give an overview. When it comes to the intergovernmental relationship trilaterally with the orders of government in Yukon, the main priority is the new mandate for implementation of the final agreements and self-government agreements here in the Yukon Territory. In fact, we hope to hold an intergovernmental forum with the federal minister some time as early as this fall, but no date has been firmed up yet; it's tentative.

Intergovernmental relationships with Yukon First Nations through the Yukon Forum continue. However, the agenda items for the Yukon Forum are jointly developed before we convene a forum. There are a number of bilateral intergovernmental relationships where we have entered into intergovernmental accords bilaterally with First Nation governments here in the Yukon. We continue to work on others, so there is that aspect of the relationship.

All of these, by the way, can be defined as priorities because they are obligations and/or commitments that have arisen through these processes.

Then there are our overall intergovernmental relationships with B.C. and Alberta. Much of that is defined clearly in our intergovernmental accords. The priorities are to continue to maintain our very positive, constructive relationships with these provinces, specifically in our access to health care systems that are in place in those two provinces. It's very important to the Yukon public that access be unfettered, as it is through our agreements.

The relationship with Alaska continues. Of course, the Shakwak project is a continuing priority until its completion and, of course, working with the State of Alaska, on a priority basis, with modernizing the count of the Porcupine caribou herd and engaging the State of Alaska on climate change. These are all examples of intergovernmental processes and relationships that are a priority. I can say that clearly: they are a priority for the government and our partners in these intergovernmental relationships.

We also have the northern premiers intergovernmental process, where we develop the northern vision and the pan-northern approach. I think it goes without saying what's in the northern vision — it's our position in working with our national government in their desire to advance the north.

There is the meeting of the western premiers, which is another intergovernmental relationship, where we deal with matters and preparatory processes for the Council of the Federation. Of course, those areas are internal trade, energy, and other situations that may arise, including aboriginal relations throughout the country. Of course, with the Council of the Federation and the intergovernmental relationships there, the priorities continue to be energy, internal trade, the fiscal issues throughout the country, the economy — and the list goes on.

All of these things are of a priority in nature. They are priority processes, initiatives, and relationships that are given strength through an intergovernmental approach.

**Mr. Cardiff:** I thank the Premier and the minister for that answer.

One of the things coming out of the Premier's answer — I don't disagree with him — is where he mentioned the new mandate for the implementation of land claims and self-government as being a priority. I know it's a priority for First Nations in this territory and I'm glad to see that it's on the Premier's radar as well. One of the other ones, though, that he mentioned was internal trade. He mentioned it a couple of times, both in relation to the western premiers and the Council of the Federation. I am just wondering if the Premier could tell us where we are with that. I know that the government was looking at studying the *Trade, Investment and Labour Mobility Agreement*. I'm just wondering where we are with that and if we have received any interim reports. Has the government come to any decision with regard to signing on with TILMA?

**Hon. Mr. Fentie:** No, at this time we have no intention of signing on to TILMA; however, we are working on getting an understanding of it. Our priority here is what was agreed to quite some ago by all trade ministers in every jurisdiction signing on to the internal trade agreement. That comes first for us in the Yukon. We have to have an understanding of those interrelationships with other jurisdictions that may impact the



Yukon. Given our constant and almost daily interaction with provinces like B.C. and Alberta, we need to clearly understand exactly how they are operating interjurisdictionally. However, at this time, we have no intention of signing on to TILMA. We have signed on to the internal trade agreement.

**Mr. Cardiff:** When I asked the Premier about inter-governmental relations, he mentioned a few other things as well. One was the Yukon Forum, and there have been some concerns expressed by First Nations that the Yukon Forum is not really tackling some of the serious issues, I guess, and some concern that the government and the Premier control the agenda somewhat. I am just wondering if there is anything being done to give First Nation leaders a more direct input into the agenda, to have the issues that they really want to have addressed brought into that forum for frank and open discussion.

So what's being done to give them more direct input into what actually shows up on the agenda?

**Hon. Mr. Fentie:** Well, for the member's benefit, it is entirely incorrect to suggest that First Nations don't have input into the development of the Yukon Forum agenda. The agenda is developed jointly by way of the agreement we reached that structured the Yukon Forum. It's a joint process. I think we have to make sure that we reflect on the agreement reached that creates the Yukon Forum and the processes therein.

It begins with the recognition and understanding of jurisdiction. First Nation governments have jurisdiction that comes from their final agreements and self-government agreements. Public government has jurisdiction; the Yukon Forum is a venue, if you will, where these two jurisdictions come together to coordinate and collaborate on issues of importance to us all in the Yukon.

We also recognize that in this collaboration of jurisdiction, there are authorities that we share over many matters, and we continue to work on that one. One of the examples I use is the common regime known as YOGA, the Yukon *Oil and Gas Act*. This is a statute in Yukon that is envisioned, as it's constructed, to be applied to all lands — Crown and First Nations selected lands.

It is a legal instrument that applies on all lands. YESAA, an assessment process, is another mechanism of collaboration because that assessment process also applies to all lands in the Yukon, selected and Crown.

Some of the successes through this process are things like the nine-year review, corrections consultation, the establishment of the fiscal arrangement for the housing trust, the northern strategy trust, and we continue to work on the Yukon Forum agenda items jointly, as I said in my opening remarks. So there is a joint process with input from both sides; it is done at the officials level; and then we finalize an agenda, set a date and we meet.

In many cases the Yukon Forum will be used for preparation between Yukon and Yukon First Nations in meeting with the federal minister in an intergovernmental forum.

**Mr. Cardiff:** There have been some concerns expressed by First Nation leaders about how to get things on the agenda. The Premier talks about the agenda being developed jointly, and I just remind him that it was only a few short weeks

ago that the gallery was full of people when we were going to be debating a piece of legislation that was jointly informed. There were a lot of people — First Nation leaders — in the gallery who were unhappy with that process. This is just to encourage the Premier to be a little more open in how some of this is developed and to encourage more participation by First Nations in the forum, so they can get their issues addressed and the Premier and his Cabinet colleagues have an opportunity to hear those concerns first-hand and they get those items on the agenda. It would be even more beneficial if members on this side of the House could hear what those issues were in an open forum and hear the government's response as well.

The Premier, I believe, has already answered the next question, which is on the intergovernmental forum, the tripartite forum. It's my understanding that there was a commitment to meet twice a year and the Premier indicated that they would be meeting this fall. I believe he mentioned the item on the agenda — I don't know if he knows what the other items are — but he was talking about the nine-year review and the new mandate for the implementation of the final agreements.

Could he just tell us a little bit more about what is actually going to be on the agenda for the intergovernmental forum? I believe he indicated it was going to be this fall. Does that mean there will only be one meeting this year? If he could give us that information, it would be much appreciated.

**Hon. Mr. Fentie:** First, let me go to the latter part of the member's dissertation. The intergovernmental forum also includes the acceptance and decision by the federal government. All I can tell the member opposite is that the priority issue — and probably in the next intergovernmental forum the only issue that will be dealt with — will be the workplan and the process for the new mandate for implementation.

However, between now and the actual date of the intergovernmental forum, officials have discussions as we do in the western premiers conference, as we do at the federal-provincial-territorial processes, as we do through the Council of the Federation processes, where items can be added and/or deleted from any agenda. That work continues.

Now, I want to challenge the member opposite on his statements regarding concerns about input to the agenda and have the member think about this and what I'm about to point out.

The Yukon Forum is a place for issues that are common throughout the Yukon, not for bilateral issues between the Yukon government and a single First Nation government. So in many instances, bilateral issues are not agreed to by all First Nations that come to the table in the Yukon Forum process. We agree with that approach. It is for issues that are common throughout the territory. That's essentially what the venue is to be used for.

The issue of the *Children's Act* — once again, the opposition is making comments totally out of context regarding the *Children's Act* process. To make any suggestions that First Nations did not have lengthy, detailed input all through the process is patently false.

This process was set up, at its very beginning, as a partnership, as agreed to by First Nations. The Yukon government

never deviated from the agreement. We followed through every step of the way. After five long years of working with First Nations, in partnership with co-chairs, with jointly informing the drafting, with a tremendous amount of input from First Nations across the Yukon, including elders and leaders, throughout the process, we came to the inevitable end of the process where the new *Child and Family Services Act* was developed, tabled and passed in this House in the best interests of children. That's what took place.

I don't comment on those who may choose to voice an opinion through being present in the gallery or through demonstrations or anything else. The government does not comment on that. That is people's choice; that is their right in a democratic system, but that does not, in any way, change the facts. The facts are that this process we embarked upon for the *Child and Family Services Act* was probably the most intensive and involved process ever attempted in the history of this territory, to the point where, for one of the first times ever, the joint informing of the drafting of a public government's bill took place.

**Chair:** Is there any further general debate?

**Mr. Cardiff:** I just have one more question. I'm not sure whether it falls under Executive Council Office or whether it would fall under another department. I'm just wondering what the government's policy is regarding travel in and out of the territory — whether or not there is a program similar to the business incentive program that applies to air travel in and out of the territory.

**Hon. Mr. Fentie:** Of course, obviously, the Yukon government wants to maintain two airlines to service this territory. That kind of air service and connectivity to centres in the south like Vancouver, Edmonton, and Calgary is extremely important.

But a lot of the decisions are dictated by scheduling, availability of seats, and other connecting flights that may be required, so it's quite an extensive process, but we always try, on balance, to share government travel between the two airlines that are present in today's Yukon.

Unlike the former Liberal government, who would not go near Air North, we see great value in supporting Air North, along with supporting Air Canada, and we make every effort to do that.

**Mr. Cardiff:** It was a concern that was brought up by a constituent. I think there is a lot of benefit to having two airlines serve the territory; it makes sense to have two airlines. I think that my constituent's concern was that the local carrier was not getting its fair share of business. Now it's also my understanding that that's not necessarily the view that's held by the airline. I just think that it's more a recognition, I guess, of the amount of business that is done within the territory, the amount of business that's done locally in the Yukon by the local carrier, as opposed to the national carrier, and that there should be some way of recognizing the fact that they make that contribution to our local economy.

I agree with the Premier; I think there is a need to maintain two air carriers, I think that it only makes sense that the more air carriers there are on the route that can survive, the more

competition and the better service for Yukoners, and I think that the level of service in my time here in the Yukon — in the last 32 years — in my mind has never been better. So I don't think that there are a lot of complaints but I just wanted to make the Premier and the minister aware of that concern that had been raised.

**Hon. Mr. Fentie:** Well, to alleviate that concern, there has been an effort to ensure that the local carrier is supported. So too do we make an effort to support Air Canada, because of the fact that two airlines are important for this territory in terms of their connectivity to southern centres.

However, again it comes down to schedules, the times of flights and, in many cases, a choice has to be made for connecting flights outside of, say, Vancouver, Calgary or Edmonton, depending on what the case may be. To date I think it is fair to say a large percentage of government air travel out of Yukon and back into Yukon is indeed now done with the local carrier.

It is also fair to say that there is a significant percentage that is going to the second carrier. It all depends on the decisions that have to be made depending on where we are going, the destination, what times and schedules are involved, what connections are available; all these are factors in our ability to travel. It is a long distance, for example, for us to get from Whitehorse to Ottawa for meetings, and there is a lot of effort put forward by the individuals involved who organize this travel to try to make all these connections work and get us there on time and in some sort of shape to actually participate in a meeting. I give them full marks for what they do, because we have experienced, for the most part, trouble-free travel back and forth across the country.

**Chair:** Is there any further general debate? Seeing none, we will proceed.

**Mr. Cardiff:** Mr. Chair, I have no further questions and I don't believe anybody else has any further questions in the lines. I would request the unanimous consent of the Committee to deem all lines in Vote 2, Executive Council Office, cleared or carried, as required.

#### **Unanimous consent re deeming all lines in Vote 2, Executive Council Office, cleared or carried**

**Chair:** Mr. Cardiff has requested the unanimous consent of Committee of the Whole to deem all lines in Vote 2, Executive Council Office, cleared or carried, as required. Are you agreed?

**All Hon. Members:** Agreed.

**Chair:** Unanimous consent has been granted.

#### ***On Operation and Maintenance Expenditures***

***Total Operation and Maintenance Expenditures in the amount of \$24,018,000 agreed to***

#### ***On Capital Expenditures***

***Total Capital Expenditures in the amount of \$761,000 agreed to***

#### ***Executive Council Office agreed to***

**Chair:** Committee of the Whole will now proceed to the Department of Finance.

### Department of Finance

**Hon. Mr. Fentie:** Mr. Chair, it is with great pleasure that I take this opportunity to provide Committee with a few introductory remarks on the Department of Finance's 2008-09 budget.

The 2008-09 estimates for the department total \$7 million. This total consists of \$6.7 million for operation and maintenance and \$278,000 gross capital expenditure, which translates into a \$28,000 net funding requirement for capital.

The O&M budget is spread among four program areas as follow: the largest program, to which all departmental FTEs are assigned, is the treasury program at \$6.2 million; salary costs account for approximately 78 percent or, in dollar values, \$4.9 million of the treasury budget; banking services, supplies, telephone, travel, contracts, et cetera, at \$1.7 million account for 19 percent of the program budget; the public utilities income tax transfer, otherwise known as PUITT, accounts for the remaining program budget of \$212,000, or three percent.

The workers' compensation supplementary benefits program, which is \$426,000, is legislated under an act of a similar name. It provides supplements to benefits paid to workers who were insured by private insurers, prior to the Yukon Workers' Compensation Health and Safety Board coming into existence.

These supplements bring the benefits these workers receive up to the sums that would be paid had they been covered by the territorial board. The allowance-for-bad-debts program, which is \$48,000, covers the annual provision that is expected to be required of uncollectible accounts receivable. The actual amount that is charged to this account each fiscal year is the result of a formula calculation that takes into account, among other things, the age of our accounts receivable.

The capital budget for the Department of Finance comprises the following: computer systems — \$10,000; computer workstations — \$14,000; printers and photocopiers — \$4,000; loan guarantee contingency — \$250,000, for a total of \$278,000.

Now, the loan guarantee contingency is voted every year to allow the Department of Finance to reimburse a financial institution, in the event they should call a guarantee under the venture loans program. If there is no such guarantee called, there is then no corresponding expenditure, and the vote is allowed to lapse. If a guarantee is called, our payment to the financial institution would trigger a recovery from the borrower. This accounts for the loan guarantee contingency recovery that also shows in our main estimates.

On the revenue side of the ledger, as members opposite can see, growth is once again occurring. Total revenues are expected to increase from the 2007-08 estimates by over \$11 million. While this increase is made up of a number of changes, there are some that I would like to bring to the attention of the House. The grant from Canada is increasing by approximately \$20 million. Members are also cognizant of the *Tobacco Tax Act* amendment tabled during this session and passed. As a consequence, tobacco tax revenue will increase by approximately \$3.9 million.

Offsetting this is the fact that there were three large one-time transfers from Canada in 2007-08 that served to increase

last year's forecast. Because they were one-time in nature, they are not repeated in the 2008-09 fiscal year.

They are: patient wait times guarantee trust of \$4.5 million, the eco-trust for clean air and climate change of \$5 million and the community development trust of \$3.8 million. Mr. Chair, these are the highlights of the Department of Finance's budget. I welcome any questions from the members opposite regarding the 2008-09 budget for the Department of Finance.

**Mr. Mitchell:** Well, it is late in the day when we get to this. I don't have that many questions to ask, other than the one I know the minister is always anticipating.

Perhaps I'll start with just a bit of a technical question. With the transport dollars from Canada to municipalities — because there's the public transportation fund under this new trust from Canada — where does the Yukon government intend to give the funds? Have any decisions been made on what communities and what projects the funds will go to under the transport initiative from Canada? What public transport will they be contributing to?

**Hon. Mr. Fentie:** I believe there is a process already well underway with the City of Whitehorse and I believe that process is to purchase another bus for public transit here in Whitehorse. The total value is \$466,000. I can't give the member an exact status of where we're at in making progress with the city, but I'm 100 percent positive the funds will be allocated for the purchase of more transit capacity through a new bus.

**Mr. Mitchell:** Recognizing that the capital city is the only community in Yukon that has an established public transportation system, nevertheless, we've had lots of discussions in recent days about the ever-increasing costs of fuel, of gasoline and therefore, of transportation. This of course affects rural Yukoners every bit as much — if not more — than it does those of us who live in Whitehorse, where things are generally close together and we have the options of using public transportation, riding bicycles and many other ways of getting around.

Is the government engaged in any discussions with any other communities or is the government engaged internally in any development of the possibility of assisting any rural communities with any of this money, perhaps toward sponsoring or subsidizing periodic transportation to and from the capital city or some other form within those other communities?

**Hon. Mr. Fentie:** At this time, the investment to be made is to be directed toward where there is a public transit system. I am not sure what the price of a bus would be but I would surmise that it's a significant cost and I'm pretty sure that every effort is being made to ensure that the most modern technology is involved here. So, at this stage, that is where this particular investment will go, and it, of course, is intended to increase and improve public transit here in the City of Whitehorse, where there is a lot of traffic.

Of course, there is distance to be travelled between communities, whether it be by air or by road, and that has been a fact of life here. And yes, the price of fuel is a challenge for us all. But the government has just gone through debate here this afternoon where a significant number of initiatives were tabled

through debate, informing the House of the myriad of things we are doing to help Yukoners and a lot of those examples, as articulated, certainly relate to our tax regime. I have gone over that before, and I am sure the member will recall what that was all about. It's a long list and puts money back into people's pockets. There is a long list of energy efficiency programs available and zero-interest loans. There is a tremendous amount of work being done on efficiency levels in other areas, such as the Department of Highways and Public Works, to deal with that kind of overall operation.

I think we have to recognize that as we continue to work on these matters, including the unanimous motion passed today with respect to GST, this is a global issue. The apparent shortage of light sweet crude, which dictates the price per barrel of oil, is certainly driving that price to where it is today. That is problematic. It is essentially why the motion today is so important. We want to demonstrate not only to our sister territories, but also to the federal government, that there are unique challenges in the north and that these measures we bring forward may well be something that are workable for our national government, which would help in our efforts to reduce the burden and impact of high fuel prices here in the north. But I think we have to recognize that high fuel prices are consistent across the country and the world today.

As our Minister of Tourism pointed out, in her recent trip to Germany, she was astonished at the price per litre of fuel, which was somewhere in the \$2 per litre range. This is a challenge for us all globally. Our purpose as a government is to first focus on conservation, efficiencies, consumption issues and other matters versus subsidies. That is why the tax regime is so important. It is putting millions of dollars back into people's pockets.

For those who are experiencing difficulties, of course, such as our seniors, there is the pioneer utility grant that has been increased substantially and is indexed to the CPI. That helps. With our social safety net, other issues are being addressed. The government is certainly not standing idly by in this time of high fuel prices. We are making many efforts and coming forward with many initiatives to try to help the situation, although it's clear that the global setting of prices is certainly out of Yukon's control.

**Mr. Mitchell:** I must agree with the Premier that the price of fuel is set globally and it is beyond his control in every area and aspect, other than that portion of gas tax that we put on here in Yukon. Certainly we are not going to be able to affect the price of light sweet crude, and it is likely, with periodic drops, that it will continue to go up in the coming years. As I told my colleague from Vuntut Gwitchin today when he remarked on how much it cost him to refuel his pickup, and how much more it was than last year — I think he mentioned it cost \$160 to fill the truck — I said I wanted him to make a note of that number because a year from now he will probably refer to that as the "good old days". As the Member for Vuntut Gwitchin likes to remind me, that is why he also has a Yaris and tries to drive the more economical vehicle as much as possible. There is only so much you can haul in a subcompact. I am sure the Premier, who mentioned being able to get to Wat-

son Lake on \$15 worth of fuel in his recreational vehicle, knows that he also has a larger vehicle and many Yukoners do, and we are forced to drive them from time to time.

In the same area of this transportation fund, the Premier has mentioned the \$466,000 toward this new bus. I think it is one of the kneeling buses so it is accessible. Has the Premier given any consideration, or will he give any consideration, to working with the City of Whitehorse to use this fund or other funds on an ongoing basis to see whether the government can actually enable the City of Whitehorse to take a more creative look at the transportation they are providing through their bus service? I know that the transportation manager of the City of Whitehorse is developing a new approach to scheduling that will be more of a central loop with other connections to it. I think one of the plans is to have a route that will move around the city in one direction, down Fourth Avenue and then back up Second Avenue, and be fed by other routes, in order to try to make it easier for people to leave their vehicles behind.

In discussions I've had with the City of Whitehorse, one possibility that came up was the relative success of the more frequent route system that was used during the Canada Winter Games, where the service was more frequent, ran later at night, ran more on weekends, and was free. Is that something that the Premier might consider — providing funds to enable the city to try it as a pilot program, providing a more frequent route system and perhaps providing it at a reduced cost or no cost, to see whether that would actually inspire greater ridership and, in the long run, be friendlier to the environment and also perhaps save money elsewhere, in terms of the way in which it will save in other areas because of less traffic?

**Hon. Mr. Fentie:** The comment on gas relative to what we would call "road tax" here for gas and distillate diesel is probably the lowest in the country as far as I know. It's just part of our tax regime, but it is very low. So one can look at the tax issues; however, there are no guarantees that a reduction of tax shows up at the pump price, because this is a fundamental challenge with the price of fuel — how it's set and dictated. It's essentially a refinery gate-driven price.

So, what winds up as a price at the pump is ultimately the price of end-user pay. Therefore, when you figure out the cost at the wellhead, the rolled-in tolls for the infrastructure to transport to refineries, the refining process and all of its components, the pricing at the refinery gate, the handling fees, the cartage fees, the commissions for agents, the capital costs of storage facilities throughout the country, the capital costs of retail outlets, and the liabilities carried — there is a huge issue here, and the equation is not limited to a simple road tax being applied to a litre of fuel.

I wanted to make that point that there are inevitably those who say, "Well, let's lower the tax gas, and that will be a saving." But I stress this: there is no guarantee that the lowering of the gas tax will equate into a lowering at the pump. That's a fact of life.

So, we carry on by looking at the many measures that we have in place today.

As far as the city and its bus routes and how it manages its public transit, we leave that entirely to the city. We are very

pleased that we have been able to contribute further fiscal resources to enhance the public transit system, and I have to now engage in a bit of a discussion with the member who makes the point: would we provide funds to the city for whatever project the city may deem within their purview and area of responsibility to take on. I have to remind the member, not only are we providing close to a half a million dollars for a new bus, it was in recent times, around the Canada Games times, that we provided a few hundred thousand more dollars for another bus, so that has continued on.

But I also have to make mention of the fact that we have increased the municipal grant, we have applied the gas tax to the communities, we have infrastructure funds that have been in place, we have the Building Canada fund coming forward where we develop an overall infrastructure plan for the territory, which is community by community, of course.

There are other issues of investment and infrastructure that we make. An example is Hamilton Boulevard, waterfront investment, other investments that we make throughout the city when it comes to capital infrastructure.

Of course the Canada Winter Games certainly was an impetus for a large capital allocation to the City of Whitehorse. It was millions and millions of dollars that provided not only the facilities necessary for the games but a tremendous number of modern, very usable amenities within the City of Whitehorse. It is truly a shining example of a community this size north of 60, to have this type of infrastructure in place and what it means to our citizens, what it means to attract others who may see living in Whitehorse and in the Yukon as a choice they want to make.

So there are a number of mechanisms that are providing funds to the City of Whitehorse and other communities for them to make choices on within their area of responsibility, as I said. The government does not interfere with the City of Whitehorse. If they want to come up with different routes and schemes for public transit, we encourage them to do so. I think it is important — we are giving them fiscal resources to increase capacity for public transit — but for the City of Whitehorse to try ways to encourage citizens in Whitehorse to utilize public transit, for example. There are probably some initiatives they might be thinking about.

We are certainly not averse to listening to the City of Whitehorse on any proposal that they may bring forward, nor are we averse to listening to any community that may bring forward a proposal of a nature that could contribute to quality of life, that could contribute to enhanced infrastructure, and the list goes on.

These are things that we have no problem with sitting down and discussing. We certainly haven't got any direct plan or process in place to work with the city on bus routes, or anything like that, at this time. If they feel they have a plan on how they might be able to improve the utilization of public transit, I encourage them to go forward with it. The government encourages them to proceed in that direction, because that will reduce emissions, of course. That will help reduce consumption, which will lower costs to individuals overall. These are things that we must never lose sight of in all of this.

I think we have to also focus more on alternative energy sources. Our investment in hydro, for example, is key because it reduces our dependence on diesel as a power source for the production of electricity. We have the luxury, by the way, in the Yukon of having some options for hydro. That is critical.

We are advancing the grid as we speak today. There's a project to connect all the way to Pelly. Again, there's another community that will be able to utilize hydro and come off diesel, lowering consumption and lowering emissions — a very, very positive approach in investment.

By the way, the members opposite voted against that. In fact, they criticized it at great length. It still befuddles the government side why the Official Opposition would take such a position, when we are dealing with climate change, global warming and the emissions of carbon. Many governments and jurisdictions and countries across the world are diligently working on reducing their carbon emissions ...

**Chair:** Order please.

**Hon. Mr. Fentie:** ... and the Official Opposition stands against it.

**Chair:** Order please. Seeing the time, the Chair will rise and report progress.

*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. 11, entitled *First Appropriation Act, 2008-09*, and directed me to report progress on it.

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

**Some Hon. Members:** Agreed.

**Speaker:** I declare the report carried.

The time being 5:30 p.m., this House now stands adjourned until 1:00 p.m. tomorrow.

*The House adjourned at 5:31 p.m.*