

Whitehorse, Yukon
Monday, October 27, 2008 — 1:00 p.m.

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

Prayers

DAILY ROUTINE

Speaker: We will proceed with the Order Paper. Are there any tributes?

TRIBUTES

In recognition of Women's History Month

Hon. Ms. Horne: October is Women's History Month. As the minister responsible for the Women's Directorate, I take great pride in rising to pay tribute to the women of the Yukon Territory.

Every year, the Women's Directorate honours Yukon women by highlighting our many contributions to the territory. This year, the Women's Directorate celebrates the work of the Yukon Women's Mini-Bus Society and has designed a poster to capture the society's important role in running the first modern transit system in Whitehorse. Copies of this poster are available through the Women's Directorate and I encourage everyone to obtain a copy.

In September 1975, members of the two-year-old Yukon Status of Women Council formed the Yukon Women's Mini-Bus Society. The society purchased two mini-buses with an \$80,000 demonstration grant from Transport Canada.

Because there is little money to operate the transit system, many women volunteered their time, working long hours to set up and manage the mini-bus transit system. In those early days, Mr. Speaker, there was no such thing as a bus stop. Many of us fondly remember how the mini-buses provided personal service to riders by dropping them off at the door, at their door, or by stopping anywhere along the road to pick us up when we flagged down the bus. As that service was begun and operated by women, the society recognized the challenges of balancing work and family. It offered part-time, well-paying, non-traditional work to women.

It also introduced job-sharing to the Whitehorse work force. Young mothers who needed money and wanted to care for their children were encouraged to enter the workforce by the society's flexible work schedules. The bus service also helped to bring people together, especially during our long Yukon winters.

On July 1, 1978, a newly created transit commission took over the system. I presented the poster to the society on October 16, and was thrilled to meet many of the members.

I can attest to the great emotion and pride they demonstrated when they received the poster and when they were able to board one of the original mini-buses for the first time in many, many years. My thanks to the Yukon Transportation Museum for hosting the event.

This year marks the 16th anniversary of Women's History Month. This annual celebration is linked to Persons Day, cele-

brated annually on October 18. Persons Day celebrates the accomplishments of the Famous Five: Nellie McClung, Henrietta Muir Edwards, Irene Parlby, Emily Murphy, and Louise McKinney.

In 1929, they brought their fight for women's equality all the way to the Privy Council in England. Through their determination, the Famous Five achieved the right for Canadian women to serve in the Senate and opened the door for all women to participate in Canada's public life.

Women's work in our community supports all other economic, social and political activity. Honouring the achievements and contributions of women in Yukon with an annual celebration of Women's History Month is just one of the many ways we can recognize the dedication of the amazing women of the territory.

Thank you, Mr. Speaker.

Mr. Elias: I rise today on behalf of the Official Opposition to pay tribute to the 16th anniversary of Women's History Month. Women have played a very important role in our society and in the development of our territory. This year, we are honouring the Yukon women who led the pioneering effort to create Yukon's first public transportation system in 1975. The members of the Yukon's Status of Women Council formed the Yukon Women's Mini-Bus Society and began the first modern transit system in Whitehorse. The society began with an \$80,000 demonstration grant from Transport Canada and purchased two mini-buses. The mini-buses started with a call-in service and regular after-school schedules.

There was no such thing as bus stops in 1975 so the mini-bus provided a real personal service to its riders by dropping them off right at their front door. The society offered Yukon women part-time, well-paying employment in non-traditional work. The society offered a flexible work schedule to young mothers who not only wanted to care for their children but also wanted a chance to work to earn a wage. The Mini-Bus Society ran from 1975 to 1978. In 1978, a newly created Transit Commission took over the system.

On the 20th anniversary of the transfer to the Transit Commission, it is an honour to pay tribute to these industrious, creative women who made such a significant contribution to the lives of many Yukoners with the creation and operation of the first mini-bus service in the Yukon. Well done, ladies.

Mr. Hardy: I rise on behalf of the New Democratic caucus to honour girls and women who have made history. This year's theme set for the month is "Women in the Lead". It is fitting that we should be reminded of women as leaders, but it's a shame that we need reminding. We need reminding because the number of women in leadership positions in this 21st century has not greatly improved from the last century in Canada.

It was not until 1929 that women were given the right of participation in public life after a long and hard fight to be enfranchised. The percentage of women in the House of Commons and in our territorial Legislature has changed little over decades. Women have barely cracked the so-called glass ceil-

ing in business and in the public service, despite more progressive policies of hiring — they still haven't.

More professional women are taking their places in law, medicine and academics but, in many cases, they do not have the same pay and benefits as men, and that's documented. The deliberate marginalization of women in most of the world's society has not changed over historical time. Millions of women in the majority of the world still suffer through genital mutilation; girls are not given schooling and are married before puberty without any choice. Women are stoned for adultery — and that is in our time — in many places of the world. They are taken into sexual slavery while men are left free to sexually assault and harass women. The right of women to decide on abortion is still questioned even in North America.

Now, we applaud the strides that women have made through their history of struggle and effort with little support. They are not small advances, though not as great as they could be with more support from everyone. Two members before us spoke predominantly about the mini-bus, but this is far greater than that.

When you speak of the mini-bus, as a child, I remember those little lime green buses that ran around Whitehorse, and I'd like to mention people who were involved who have affected my life. One, of course, is Joyce Hayden, who also became an MLA. We should definitely recognize her contributions in that area. She is one of the founders of it, and went on to continue to lead, as a woman in this territory. And I think all of us are surrounded by women who have been in leadership positions and have influenced our lives.

My wife was a Member of Parliament and she inspired me in many ways and continues to do so today. I think I speak on behalf of many people. Right in my own office, Eleanor Millard, who was a member of the Legislative Assembly, continues to work very hard on grandparents' rights and contributes so much to our society. The list just goes on and on and on.

I wanted to touch on those three because they entered public life as well. The interesting thing is that they still contribute to our society today. They are leaders and they are an inspiration for so many others.

So why is the history of the contribution of women so overlooked? Part of the reason might be seen in the fact that much of our written history is a chronicle of war and conflict. The pursuit of peace is a mere footnote. Women are at the heart of things in our homes, our relationships and in constructing a peaceful society. They are seldom seen as leaders because their role has historically been one of support, care and nurturing of family and the community. The role is not exciting, dramatic or sensational, but it is completely essential to the health and welfare of our lives. In this sense, women are important leaders now and have been so in all of our history.

Mr. Speaker, it's much too easy to become complacent and apathetic, to turn a blind eye to efforts for change. We can make the world a better place for the whole of humanity.

We trust that, before too long, the value of women's leadership, in all its forms, will be supported and accepted without having to be undermined.

Thank you.

In recognition of John Tizya

Mr. Elias: I rise today to pay tribute to John Tizya. John Tizya was born in Tsiigehtchic in approximately 1850. He lived a mostly nomadic lifestyle in his younger years, travelling in search of the caribou and utilizing the innovative technology that allowed the Gwich'in people to survive in such a harsh climate.

Life was hard in the days of caribou fences and bows and arrows, but it was a good life and he lived it well. He married Sarah Netro Chisson and they raised seven children together. All of their children had families and now descendants of their own. John and Sarah's ancestral lineage remains strong, as they have descendants all over Canada and Alaska.

John was one of the first Gwich'in people to learn to read and write the English language and was eventually appointed as a lay reader for Archdeacon Robert Macdonald. He soon became a catechist and was introduced by Macdonald to continuous service on the Porcupine River.

John moved from Rampart House to the confluence of the Porcupine River and Crow River in 1905, where he built a fish trap at the mouth of the Crow River. He, along with his son Jacob, as well as John Gwahah t'ak ti' and his son, Elias, built the first permanent structures in present-day Old Crow.

John held church services for people travelling along the Porcupine River; he also taught Sunday school and conducted confirmation services for the children at Rampart House. John's own cabin was situated almost exactly where the John Tizya Centre exists today. The occupation of this small piece of land on the banks of the Porcupine River was continued by his son Moses. John's grandson, Peter, took over after the death of "didi" Moses.

A combination of a store being built in what is now present-day Old Crow, and the drawing up of the Alaska-Canada border in 1912 compelled certain individuals to migrate from the former village at Rampart House approximately 90 kilometres west of Old Crow. An Anglican church was built near the banks of this budding new village in 1926, and Old Crow was born.

John spent most of his later years near the Black Fox River, in north-eastern Crow Flats. He also spent a lot of his time at his fish camp, a couple of miles down the river from Old Crow. John and Sarah always had an extra fish and meat to feed people. They lived in a time when Gwich'in people were unified without borders. They had to work together in groups and take care of one another, especially the poor, the elderly and the sick. John and Sarah and all of the Gwich'in who survived through those harsh times, as well as the elders we have now, snowshoed into the 20th century and helped to pave the way, not only for our generation, but generations to come.

On July 15, 2008, the Vuntut Gwichin government and Parks Canada opened the John Tizya Visitor Reception Centre in Old Crow — a partnership that is nothing short of exceptional, and an accomplishment that speaks for itself when one experiences the stories that are told of the history, culture and heritage of the Vuntut Gwichin inside — stories that will resonate through time and will be shared with everyone.

Speaker: Are there further tributes?
Introduction of visitors.

TABLING RETURNS AND DOCUMENTS

Speaker: Under tabling and returns of documents, the Chair has asked for tabling of the *Conflict of Interest Commission Annual Report* for the period ending March 31, 2008. This report was distributed to members of the Assembly and to the media this past July.

The Chair has also for tabling, an addendum to the 2007 Report of the Chief Electoral Officer of Yukon on political contributions.

Further, the Chair has a tabling from the Clerk of the Legislative Assembly on the absence of members from sittings of the Legislative Assembly and its committees, dated October 2008.

Are there further returns or documents for tabling?
Are there any reports of committees?

The chair of the Standing Committee on Appointments to Major Government Boards and Committees — is there no report?

REPORTS OF COMMITTEES

Hon. Ms. Taylor: Thank you, Mr. Speaker. I guess I will in fact table that report. I would like to table the report on the most recent overview of the Standing Committee on Appointments to Major Government Boards and Committees at this time.

Thank you.

Speaker: Are there any further reports of committees?
Are there any bills to be introduced?

INTRODUCTION OF BILLS

Bill No. 57: Introduction and First Reading

Hon. Mr. Lang: I move that Bill No. 57, entitled *Act to Amend the Miners Lien Act*, be now introduced and read a first time.

Speaker: It has been moved by the Minister of Community Services that Bill No. 57, entitled *Act to Amend the Miners Lien Act*, be now introduced and read a first time.

Motion for introduction and first reading of Bill No. 57 agreed to

Bill No. 59: Introduction and First Reading

Hon. Mr. Cathers: I move that Bill No. 59, entitled *Forest Resources Act*, be now introduced and read a first time.

Speaker: It has been moved by the Minister of Energy, Mines and Resources that Bill No. 59, entitled *Forest Resources Act*, be now introduced and read a first time.

Motion for introduction and first reading of Bill No. 59 agreed to

Bill No. 63: Introduction and First Reading

Hon. Mr. Hart: I move that Bill No. 63, entitled *Act to Amend the Seniors Income Supplement Act*, be now introduced and read a first time.

Speaker: It has been moved by the Minister of Health and Social Services that Bill No. 63, entitled *Act to Amend the Seniors Income Supplement Act*, be introduced and read a first time.

Motion for introduction and first reading of Bill No. 63 agreed to

Speaker: Are there further bills for introduction?
Hearing none, are there notices of motion?

NOTICES OF MOTION

Hon. Ms. Taylor: I give notice of the following motion:

THAT this House urges the Environment critics for the Official Opposition and the Third Party to accept the Yukon government's invitation to attend the Climate Leaders Summit in Poznan, Poland, as observers during the dates of December 8 through 12, 2008.

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

THAT this House urges the Government of Yukon, in partnership with the Yukon Energy Corporation, the Government of Canada, Yukon First Nation governments, and the private sector to extend the Whitehorse-Aishihik-Faro electrical grid from Pelly to Stewart Crossing and increase the hydro generation capacity of the Mayo dam, known as "Mayo B", which will provide the following benefits to Yukoners:

(1) reducing the electrical cost to residential electrical customers, keeping costs in line with B.C.'s green power rates of eight cents to 10 cents per kilowatt hour;

(2) providing an additional 40 gigawatt hours per year of new green energy that will offset energy requirements for diesel and its associated 28,000 tonnes per year of CO₂ emissions; and

(3) reducing the need for diesel generation that will otherwise be required for new mines such as Alexco at Elsa and Carmacks Copper; and

(4) providing First Nations and other private sector investors with an opportunity to partner in a profitable and economic venture with Canada and the Yukon in the development of clean, renewable energy.

I give notice of the following motion:

THAT this House urges the Government of Yukon to work cooperatively with the business community, labour groups, industry, educational institutions, non-governmental organizations, First Nation governments and others to develop a labour market framework that includes the following:

- (1) comprehensive skills and trades training strategy;
- (2) immigration strategy;
- (3) national recruitment strategy;
- (4) employee retention strategy; and
- (5) labour market information strategy.

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

THAT this House urges the Government of Yukon to put forth a clear and concise action plan to address the impending slowdown in Yukon's economy so that:

(1) Yukon residents will be spared and protected as much as possible from economic hardships;

(2) Yukon-based businesses, including contractors, merchants, wholesalers, the service industry and others will be able to plan for projects that will employ Yukoners; and

(3) businesses from outside of Yukon will be encouraged to invest in Yukon.

I give notice of the following motion:

THAT this House urges the Yukon government to:

(1) establish an appropriate, safe and secure mental health facility within the confines of Whitehorse General Hospital for those persons diagnosed with mental health issues; and

(2) create a streamlined system for admitting patients to this secure facility and therefore allowing these people to receive the appropriate treatment as soon as they are diagnosed with a mental health issue.

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

THAT it is the opinion of this House that Motion No. 493, standing in the name of the Member for Copperbelt, be called by the Government House Leader as government business.

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

THAT this House urges the Yukon government to formally recognize the achievements of former Chief of the Vuntut Gwitchin First Nation, Mr. Alfred Charlie, and his instrumental contribution to ensuring the construction of the Old Crow airport in 1970, with the support of former Yukon Member of Parliament the late Erik Nielsen by ensuring the renaming of the Old Crow community airport to the "Alfred Charlie Airport".

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

THAT this House urges the Minister of Health and Social Services to implement the spirit of the Yukon government substance abuse action plan by collaborating with First Nations to:

(1) investigate the location and the allocation of the provision of services of a land-based healing centre for addictions and mental health; and

(2) provide the financial and professional support to establish the land-based healing centre available to all Yukoners.

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

THAT this House urges the Yukon government to draft legislation to address the issue of child labour in the territory in order to protect young workers from exploitation and injury on the job.

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

THAT this House urges the Official Opposition members of the Public Accounts Committee, who have not formally resigned, to do so immediately, by tabling a motion to that effect so that new members can be appointed and the committee can

resume the important work of reviewing spending policies and practices of the government during the current economic crisis.

I give notice of the following motion:

THAT this House order the Public Accounts Committee to hold a minimum of four regular meetings each calendar year and that committee members who do not attend without a legitimate reason be financially penalized.

Speaker: Are there any further notices of motion?

Hearing none, is there a statement by a minister?

That then brings us to Question Period.

QUESTION PERIOD

Question re: Credit market upheaval

Mr. Mitchell: Mr. Speaker, last Thursday in this House, the Premier referred a great deal to global cycles. He attempted, without any success, I might add, to point out that Yukon has done well during the past six years, when the Canadian economy, especially the western economy, was simply flying, and he suggested it was this government's doing. If this Premier thinks he was in any way responsible for the Canadian economic boom, his ego is much bigger than previously thought. I cannot imagine how —

Unparliamentary language

Speaker: Order please. Order please.

I would consider that personal innuendo, and I would ask the honorable member not to make those. You have the floor, please.

Mr. Mitchell: Thank you, Mr. Speaker. I cannot imagine how any government could possibly have prevented Yukon's economy from doing well in the past few years. It did well in spite of this government, not because of it. What this government should have been doing, and failed totally to do, was to build a diversified economy, and build a contingency fund for a rainy day. You save for bad times in good times.

In light of this government's total failure to prepare for the rainy day, what is this Finance minister and Premier going to do now to cushion Yukon businesses and workers from the economic slowdown?

Hon. Mr. Fentie: Thank you, Mr. Speaker. You know, I'm never quite sure what exactly the Leader of the Official Opposition is trying to accomplish in his questions, but we certainly learned from past governments, including the past Liberal government, what not to do in managing the Yukon's economy.

Over the last six years, the Yukon's economy under this government's management has grown and has been certainly influenced by the global cycles in a positive way.

I know the member opposite is the messenger of doom and gloom, but I will attempt to provide the member some facts here. This is a global cycle —

Unparliamentary language

Speaker: Hon. Premier, I'll give you the same caution that I gave to the Leader of the Official Opposition. I think

characterizing another member of this House as a “messenger of doom and gloom” will probably lead to some more spirited discussions, so I would ask the honourable member not to do that as well, please. Carry on.

Hon. Mr. Fentie: Thank you, Mr. Speaker. Spirited discussions are a good thing in democracy. However, the facts are: in this global cycle, there is an international, coordinated approach, resulting in hundreds of billions of dollars injected into the credit system. There’s a national coordinated approach, ensuring that Canada’s banks are not put into a competitive disadvantage.

There’s also a local coordinated approach internally in government and externally engaging with key stakeholders. If we had not done the work we have done over the last six years, the Yukon would not be positioned as it is today to manage ourselves through this global cycle.

Mr. Mitchell: What we’re trying to do over here is to get real answers to questions, not references to past history.

Mr. Speaker, the Premier says that we have positioned ourselves to actually deal effectively with the coming slowdown. Let’s look at how much money there is that is actually available to be spent.

First, let’s subtract \$36.5 million that’s frozen for years because this minister failed to follow the *Financial Administration Act*. He admits that money is not available for nine years. Let’s subtract \$25 million to \$35 million for an unbudgeted hospital in Watson Lake. Let’s subtract another \$30 million to \$40 million for a correctional centre that could and should have been built six years ago. Subtract \$31 million for a highway improvement that has an average of only 17 vehicles a day.

That adds up to \$122.5 million or more, and that total is using the government’s own figures. We suspect the real total will be much higher.

Yukoners and Yukon businesses are looking for assurance and leadership. Will the Premier take effective action? Will he announce a real action plan, not one just filled with feel-good buzzwords?

Hon. Mr. Fentie: The action plan the government has is one that has continued on for six years, will continue on today, and will continue on into the future because it’s working.

Now, the member opposite is quoting a lot of numbers but they have little to do with the fiscal position the Yukon is in. The facts are the Yukon is in a very healthy fiscal position, as audited by the Auditor General. The member opposite knows full well what that position is. We will utilize that fiscal position to ensure that, should the cycle take us there and the government needs to act to circumstances, we have the fiscal capacity to do exactly that.

Mr. Speaker, what is clear is the government’s plan; what’s not clear is what the member opposite is trying to accomplish in his statements.

Mr. Mitchell: We’ll consider exactly what Yukon’s fiscal position is when and if we ever receive a budget or see the public accounts tabled.

We on this side of the House are not accusing the Premier of causing this worldwide downturn. We know he has no such

influence beyond our borders. What we’re trying to get across to him is he was asleep at the switch. He did nothing in the past six years to prepare us for this eventuality, but better late than never. He can try to show some real leadership. There is no better place to start than here on the floor of this Assembly. I’m sure all members on this side would be willing to participate.

Will the Premier set aside the time to debate with the people’s representatives, while he waits for his new, improved, revised budget to get printed, sometime to actually discuss the economy?

Hon. Mr. Fentie: I’m always willing to discuss the economy and Yukon’s economic future with the members opposite because it makes the government look very good in the eye of the Yukon public.

The member had just said that we’ve done nothing. Well, I want the member to explain to Yukoners, then, how it is that we’ve negotiated what is a vastly improved fiscal relationship with Canada? I want the member to explain how it is that over the last six years this government has led a territory and turned around an exodus of the population to a growing population? I want the member to stand up and explain to Yukoners how he says the government has done nothing, when we’ve gone from double-digit unemployment to single-digit unemployment. I want the member to explain to Yukoners how we’ve gone from year-end deficits to six year-end surpluses in a row under this government’s watch?

All of these aforementioned factors are giving us the tools we need to manage our way through a global cycle.

Question re: Health care budget

Mr. Mitchell: Last week I asked the Minister of Health and Social Services a question relating to the recent call for tenders for a new hospital in Watson Lake. The Health minister was willing to answer questions relating to long-term planning, but he was clearly not eager to wade into this unbudgeted call for the new hospital in Watson Lake. Being a minister of integrity, I do not blame him.

I am therefore going to direct my question to the person who is obviously responsible for that decision. Yukoners want to know why a \$25-million tender call was made for Watson Lake that was neither planned nor budgeted for. They want to know why such a massive amount of our health budget is being spent by a government that consistently cannot get anything done on time or within budget. They want an accounting.

Will the Premier, the MLA for Watson Lake and the part-time Health minister, answer those questions for Yukoners?

Speaker’s statement

Speaker: Order please. Before the honourable member answers — he is Minister of Finance and Hon. Premier, not “part-time Health minister”. We’re very clear on that. You have the floor.

Hon. Mr. Fentie: Let’s begin with the member’s assertions of a tender call — a \$25-million tender call — no such thing, Mr. Speaker.

Secondly, this government is addressing the health needs, not only in the community of Watson Lake, but across the terri-

tory. That's pretty evident, given that we've negotiated the territorial health access fund with Canada, so that we are receiving comparable services here to what any other Canadian has access to.

And furthermore, these members continue to throw out these wild numbers with a project in Watson Lake. The fact is, the first estimate of that project was \$5.2 million; today, less than \$5 million has been invested, and the evidence is physical, and it's on the ground.

Mr. Mitchell: I will point out to the Premier that I will accept one of his corrections, in terms of a \$25-million tender called, because this Premier himself spoke publicly and said it will probably cost more than that.

Mr. Speaker, millions of dollars have been spent on a multi-level care facility that is way overbudget and yet no more than an empty shell, which the Premier seems proud of. A new facility is being proposed, which government's own figures suggest will be at least \$25 million. That's what's on the Web site. Yukoners have no faith that this government can build anything on time or on budget.

The proposed figures do not include fixtures, furniture or medical equipment, so Yukon taxpayers will probably have to spend another \$5 million to \$10 million, at least, beyond the \$25-million figure than has been put out. The work on the multi-level care facility will have to be extensively modified, again, by the government's own description — a waste of much money already spent. This project smacks of incompetence and poor planning and is being seen as monument-building. What will the Premier do to fix this \$35-million boondoggle?

Hon. Mr. Fentie: Well, first off, Mr. Speaker, I'll ignore the member's numbers. Secondly, I see the problem here. The member does not understand the difference between an estimate and a budget.

Mr. Speaker, we will do what is necessary to ensure that health care is available to Yukon citizens, as we should. That is what we are responsible to do and that is exactly what we are carrying out. The member opposite can go on and on and on, commenting on all these wild figures that they tend to come up with. The bottom line: estimate \$5.2 million. To date spent, less than that.

Mr. Mitchell: Well, Mr. Speaker, we understand the problem here because the budgets never reflect this minister's estimates.

Since I'm not getting any accountability from this Premier, I'll direct my final supplementary to the Deputy Premier. The Deputy Premier's hometown was Watson Lake. She is very familiar with that community and since she has been sitting at the Cabinet table for six years now, she should be well qualified to speak to this issue.

Watson Lake is quickly turning into a \$60-million constituency. No one thinks Watson Lake should have anything less than other communities, but what about the rest of Yukon? What about Dawson City? What about Haines Junction, Carmacks, Faro, Mayo, Ross River, Carcross, Teslin, Destruction Bay, Pelly Crossing, Beaver Creek? What about fiscal responsibility and accountability?

Does the Deputy Premier support the decision to spend \$25 million or more on a new hospital that was never planned for, budgeted or consulted on? A yes-or-no answer will suffice.

Hon. Mr. Fentie: I want to thank the Leader of the Official Opposition for the endorsement, that I'm a hardworking MLA. Unfortunately, I haven't brought \$60 million in to the community. In fact, the budget shows just over \$15 million. I would suggest the member opposite refer to the mains for 2008-09 and he'll get some factual figures, and then we could enter into the debate further.

Question re: Public Accounts Committee membership

Mr. Hardy: Now, a few minutes ago I tabled two motions regarding the Legislature's non-functioning Standing Committee on Public Accounts. I am very concerned the territorial government is operating without enough financial oversight by the members of this House and the Auditor General of Canada.

A political stalemate between the government and Official Opposition members of the Public Accounts Committee is preventing this body from doing very important work on behalf of the Yukon public. We are facing the prospect of some serious consequences in Yukon if the global economic and financial turmoil continues and spreads. More than ever, committees of this Legislature, such as the Public Accounts Committee and other advisory bodies such as the Yukon Council on the Economy and the Environment, need to be active so they can provide oversight and advice.

My question is: will the Premier ensure that his government members of the Standing Committee on Public Accounts attend meetings so this body can once more do the important work the public elected them to do?

Hon. Mr. Fentie: Mr. Speaker, of course the government side will attend, as we always do.

Unfortunately, the Official Opposition has chosen to quit, even though they can't officially quit, but that's their choice.

I support fully the Leader of the Third Party's approach to this matter. The government side will support that — either the Official Opposition formally resign by tabling a motion in this House, so new members can be appointed — but the government side has every intention of convening the Public Accounts Committee and doing its good work.

Mr. Hardy: In this Assembly I cannot ask the Leader of the Official Opposition, or his colleague from Porter Creek South, to do the jobs they were elected to do. They have sent letters of resignation to the Speaker but have not officially finished the task with motions in this Legislature. Therefore, they are essentially preventing Public Accounts from doing its work. They contend, though, that there was political interference in Public Accounts meetings. Looking at the information and what I have heard, there probably was political interference regarding ABCPs.

However, I do not believe that we are serving the public good by refusing to have a meeting. If that's the challenge or the question, that should be debated in the Legislative Assembly, and hopefully we can put it to rest so the Public Accounts Committee can do their work that's so necessary.

Will the Premier give us his assurance that there will be no political interference in the Public Accounts Committee so that this body can resume its important oversight work?

Hon. Mr. Fentie: Yes, Mr. Speaker, of course I can give that assurance. There never has been political interference and there never will be.

You know, even the Auditor General made the point: what purpose would holding a hearing of the Public Accounts Committee serve? To find out that an employee in the Department of Finance had made an investment? As the Auditor General said, officials were making these investments in good faith.

We're not after employees or government officials. We work with them, we help them, we try to make their jobs better and more efficient, unlike the members opposite who quit on the committee, quit on this House, quit on Yukoners.

Mr. Hardy: You know, Mr. Speaker, I was a chair of the Public Accounts Committee for three and a half years and it did good work. All the people who were on that committee were committed to working on behalf of the Yukon people.

For me, and I think for many people in the Yukon, it's a shame that we couldn't put aside our partisan politics, our gamesmanship, to ensure that committee continues to do the work.

Pursuant to Standing Order 45(3), PAC is responsible for reviewing the public accounts and all reports of the Auditor General of Canada. With financial markets around the world collapsing, government revenue and expenditures need to be scrutinized more than ever. This is not a time for members of the Yukon Party and the Liberal Party to be playing silly games. This is a time for all of us to be working together.

Will the Premier or the vice-chair of the Public Accounts Committee assure this House the committee will resume meeting in the very near future?

Hon. Mr. Fentie: Of course, because we have every intention of convening the Public Accounts Committee. I can't speak for the Official Opposition and their presence but, no matter. We will do our level best to ensure that the committee does its good work, making the contribution that the Leader of the Third Party seeks. That's what it's all about; that's what good government is about; too bad the Official Opposition hasn't figured that out yet.

Question re: Mental health services

Mr. Edzerza: A couple of days ago, yet another horror story about a hospital patient came to us. This time, it was a disturbed patient who started a fire. This was an extreme situation that could have been prevented. The safety of staff and patients is in question.

If the story is genuine, what policies and procedures should have been followed in the case of this kind of action? Or has the minister done nothing since the last crisis to protect patients and staff?

Hon. Mr. Hart: I thank the member opposite for his question. I will advise the member opposite that I was there on Saturday morning as well as yesterday to inspect the actual room myself. I'm very pleased to notify the House that no one was injured in the incident. The fire was confined to a mattress in one room of the facility. The staff at the hospital detected the

process very quickly, and they acted very quickly to ensure that no one was injured, and they followed the procedures that were in place for that type of incident. With the exception of the room that sustained the fire, all the nearby rooms were operational again early that day. I'd like to also appreciate the good work of all the hospital staff, the fire department and the RCMP for assisting in this endeavour.

Mr. Edzerza: The minister didn't answer the question. The former minister announced some time ago that there would be construction at the hospital for two secure rooms for mental patients. Obviously, this fire didn't take place in one of those rooms.

The president of the YMA said that it was incredibly difficult to manage mental health patients at the Whitehorse General Hospital. There are four or five mental patients every day in Emergency, waiting for help. There is only one psychiatric nurse available during the day and one overworked psychiatrist.

It is only a matter of time before another tragedy occurs. How many more disasters will this minister tolerate before he takes some action to properly respond to the needs of mental patients and their families?

Hon. Mr. Hart: For the member opposite, I was at the hospital and reviewed the situation. We have provided funding for the hospital to review their process, with regard to all incidents as we incurred on Saturday. In addition, the hospital has been provided with monies to develop a secure unit within the hospital and has begun a process to recruit the necessary mental health professionals needed to operate that facility.

Mr. Edzerza: We have been told time and time again, there will be better services — more mental health workers, other psychiatrists and community supports. Doctors at the hospital are doing their best with no support.

There are problems with the *Mental Health Act*. It is antiquated and needs to be modernized. Services such as land-based treatment centres, peer counselling, long-term residential care, non-medical services, collaborative clinics, to name only a few possibilities, have been proven to be successful. Still this minister has done nothing.

When is this minister going to act responsibly toward mental patients who need help and take the steps that are in his power?

Hon. Mr. Hart: I'm kind of shocked. The member opposite said I didn't answer his question; I answered it directly. I don't know what else I could provide to the member opposite. We're in the process. I don't know the last time I checked; I think I'm about four months young in the department.

Anyway, we're in there; we're checking it over. We have provided a great amount of services for mental awareness. We have just provided assistance for psychosis; we've brought people up from Outside to create awareness for that particular problem within the Yukon, which affects many more people than diabetes. It's something we're looking into, and we're seeking the appropriate help to address the problem in the Yukon.

I would remind the member opposite that we're in the process; we've just finished a health review, which is looking at all our issues. This is just one of the items we're looking at.

Question re: Power outages and reliability

Mr. McRobb: On the first day of this sitting I asked the minister responsible for the Yukon Energy Corporation three specific questions about power outages in our territory. In response to the first question, he failed to reassure Yukoners that he would do what it takes to keep their lights on this winter. Then another minister, who cannot speak for the corporation, responded to the two supplementary questions without answering them.

Now, we all know that the words of another minister, when pertaining to someone else's responsibilities, are basically irrelevant, and that's why the minister responsible has a duty to Yukoners to answer questions put to him in that capacity.

Since Thursday, we've been subjected to additional power outages, so obviously the minister is not taking his responsibilities seriously enough. Let's try again: how will the minister responsible for the Yukon Energy Corporation ensure that the publicly owned power company has placed sufficient priority on providing electrical consumers with reliable service, especially during this coming winter?

Hon. Mr. Kenyon: Again, for the member opposite, speaking for two electrical corporations, of course, there are two different aspects to the problem.

The infrastructure, obviously, has a maintenance program. It is being looked at all of the time. We have very little control over people shooting out insulators or something like this, but we do have control over the power generation.

And I'm pleased to report — as I believe I mentioned last week to the members opposite who might have been listening — that we do have staff on hand from Toronto, I believe, who are looking at both the third and fourth wheel and are laying out long-term plans for maintaining those facilities.

It's also the priority of our government — very much so — to look at extending the grid, joining the northern-southern grid, and looking at reliability issues. That's a priority we have given a very high level of importance to and something that, it would appear, in previous years had been neglected.

Mr. McRobb: Well, the minister has still not provided the assurance Yukoners are looking for. Obviously, the minister is not prepared to deliver a clear message directly to his officials to ensure the corporation places a high priority on system reliability.

Now, an alternative is to have the regulator, the Yukon Utilities Board, review this matter at its hearings, which will be scheduled soon. This would allow the appropriate experts to discuss this matter in an appropriate forum, and if the corporation is unwilling to do what it takes, the board can order it to take specific action.

Again, let's hear from the minister responsible: does he support the review of this matter before the regulator, the Yukon Utilities Board, to ensure that it is properly addressed — yes or no?

Hon. Mr. Kenyon: To make it as clear and concise as possible, the Yukon Utilities Board is meeting, and we look forward to their good work. So the answer, obviously, is yes.

Mr. McRobb: Okay, so what commitments do we have from the Yukon Party government with respect to reliability of our electricity supply? Not much, Mr. Speaker. The minister responsible for the Crown-owned Energy Corporation has refused to provide clear direction that prioritizes keeping the lights on.

He has only said that he would support a review by the Yukon Utilities Board, but he hasn't indicated whether he would support an order-in-council coming from this government to that effect. So I'd like to ask him: would this government put forward an order-in-council requiring this review as part of the upcoming hearings?

Hon. Mr. Kenyon: The member opposite seems quite bent on the fact that he knows what direction I have given and what direction I have not given; I would suggest that he already knows the answer to that question.

Question re: Wildlife management and protection

Mr. Elias: I have some questions for the Environment minister. Protecting and preserving the territory's pristine environment and its wildlife — that was the promise this minister made to Yukoners. A pristine environment, protecting our wildlife resources? Moose populations are disappearing in the Southern Lakes. The Porcupine caribou are declining, yet this minister continues to allow permits to hunt cow caribou and moose in areas where residents know the populations are in trouble.

Yukoners are trying to manage our long-term food security here — the health of our ecosystems. We are seeing reduced subsistence harvesting, and Yukoners are feeling the effects of a closed salmon season. It's individual Yukoners who are personally exercising their own restraint in the absence of this minister's leadership.

When is this minister going to fulfill her promise to Yukoners?

Hon. Ms. Taylor: The fact is there is a new process of governance when it comes to wildlife management in this territory. It is no longer just the Government of Yukon. In fact, it is the responsibility of all governments, at all levels and all orders of government in this territory.

With respect to the Porcupine caribou herd, the member opposite should know full well that the only long-term management of this particular resource is to have all respective parties at the table to determine a long-term draft harvest management strategy. That is exactly what this government is doing. We are one of eight respective parties at the table; likewise, we are one of eight respective parties at the table when it comes to the Southern Lakes Wildlife Coordinating Committee, and so forth. Our government is very proud of the level of investments in terms of increasing monies available for inventory work and ongoing monitoring of our respective habitats.

Mr. Elias: I don't want this minister to fail, Mr. Speaker, but the definition of "pristine" in the eyes of this minister, is definitely not the definition in the eyes of many Yukoners. Protecting and preserving our precious Yukon wildlife is

this minister's responsibility. The evidence is clear: this Yukon Party government has failed on all counts, and have broken their promises to Yukoners. It's no wonder this minister fails to follow her own legislation on the *Environment Act* and report on the state of our environment, because then the truth may be told about our depleted wildlife resources. But the truth won't be told any time soon, because it seems the minister is following the rigid ideology of her predecessor. When is this minister going to report to Yukoners on the state of our environment?

Hon. Ms. Taylor: Well, Mr. Speaker, as I just articulated for the members opposite, this government is working very hard and doing very dedicated work as are the Department of Environment officials. They are working on a number of recovery plans, a number of management plans. In terms of protecting, monitoring, coming up with resources for inventories — we have actually quadrupled that over the last number of years, I might add.

Mr. Speaker, when it comes to the long-term management — whether it be the Porcupine Caribou Management Board, recovery of moose in the Southern Lakes area, or coming up with an adaptive framework strategy for bison in the territory, the Government of Yukon is working with all respective stakeholders, including renewable resource councils, the Yukon Fish and Wildlife Management Board, and our respective First Nation partners at the table.

Our government remains committed. Our government is very much committed to a pristine, clean environment, that which is sustainable for the enjoyment of all Yukoners.

Mr. Elias: I ask myself, what kind of a leader would stand idly by and watch her fellow Yukoners engage in the blame game and unhealthy dialogue when our depleted wildlife in the territory is at stake here. She can table the facts and quell that speculation. I encourage the Environment minister to escape the rigid ideology and dogmatic narrow view of her predecessor and actually do something for our Yukon environment.

It is this minister — she alone has the legislative authority to initiate conservation measures and wildlife management plans for moose and caribou and other species around the territory, but she chooses not to. It is Yukoners who are shouldering the burdens of this minister's failure to live up to her responsibilities. When is this minister going to give our precious Yukon environment the priority and attention it deserves and desperately needs?

Hon. Ms. Taylor: Mr. Speaker, unlike the member opposite, this government is working in an inclusive manner. We're working with many respected parties at the table. When it comes to the member's own Porcupine caribou herd, we are one of eight partners at a table to come up with a long-term harvest management plan. Mr. Speaker, the member opposite knows full well that the Government of Yukon has been a strong advocate for a sustainable, healthy population of caribou in this territory. We have been a strong advocate of strong sustainable moose populations and so forth.

Mr. Speaker, for this reason, we are at the table with many other partners, whether it be renewable resource councils, the

Yukon Fish and Wildlife Management Board, whether it be with the own government of Vuntut Gwitch'in, Tr'ondëk Hwëch'in, First Nation of Na Cho Nyäk Dun, the Inuvialuit Game Council, the Gwich'in Tribal Council and so forth.

Our government is working with those respective parties to come up with a plan that we can all agree to and all agree to partner and become environmentally strong, fiscally responsible, environmental stewards of this respective territory.

So our government is in fact doing the good work and I'm very proud of the work that our Department of Environment does. I'm very proud of the work that our renewable resource councils do, and their respective partners.

Speaker: The time for Question Period has now elapsed.

INTRODUCTION OF HOUSE AND COMMITTEE ASSISTANT

Speaker: Before we proceed to Orders of the Day, the Chair will inform the House of a change that has been made at the Clerk's table. Members will note that Sue MacDonald will come in soon and take her place at the table. Ms. MacDonald has been with the Legislative Assembly Office since 1992 as administrative assistant with all the various duties that entails. With recent changes in the Legislative Assembly Office, Ms. MacDonald is now House and Committee assistant, as well as Web site administrator.

As House and Committee assistant, she will from time to time assist the Clerks at the table. As this is Ms. MacDonald's — I don't know where she is, but she should be poised outside the door, ready to leap in — first day at the table, I'd ask all members to welcome her to the House at this time.

Applause

Speaker: We'll now proceed to Orders of the Day.

ORDERS OF THE DAY

GOVERNMENT BILLS

Bill No. 58: Second Reading

Speaker: Second reading, Bill No. 58, standing in the name of the Hon. Mr. Cathers.

Hon. Mr. Cathers: I move that Bill No. 58, entitled *Act to Amend the Quartz Mining Act*, be now read a second time.

Speaker: It has been moved by the Minister of Energy, Mines and Resources that Bill No. 58, entitled *Act to Amend the Quartz Mining Act*, be now read a second time.

Hon. Mr. Cathers: It's my pleasure to introduce here in the Assembly the *Act to Amend the Quartz Mining Act* for the Legislature's consideration. The *Quartz Mining Act* is a key piece of Yukon's resource management legislation. It regulates the hard rock mining industry, which is an area of continuing economic importance in the Yukon and, of course, as you know, Mr. Speaker, and as most members in this Assembly should know, the Yukon's economic success has always been

somewhat dependent upon the placer mining industry and on hard rock mining. It's important that we take the appropriate steps in amending this legislation.

The *Quartz Mining Act* is a piece of legislation that originally comes from the federal legislation. Most provisions of it have been in effect since the early 1900s, with many of the provisions standing in place since 1923.

Despite the age of this legislation, it continues to be useful and relevant, but two sections were identified for revision and for subsequent amendments. The *Quartz Mining Act*, in conjunction with the mining land use regulations, ensures that mineral exploration projects follow the legal requirement outlined by the government.

Amendments to the claims administration of royalty section of the *Quartz Mining Act* are three-fold: to make the Yukon more competitive with royalty and mining tax regimes in other jurisdictions; secondly, to modernize the regime; and thirdly, to make the regime more responsive by enabling certain provisions within the regulations rather than within the act itself, for the obvious reason of enabling adjustments to be made more simply as time goes on.

We identified amending the administrative sections of the *Quartz Mining Act* as a straightforward way to improve government process efficiency and reduce costs for both government and clients. Examples of this include provisions that apply within the current act around the size of claim posts that are in the amendments proposed for reduction. The current act requires in many cases the size of claim posts that is not necessary, requiring a four-by-four claim post to mark those claims. Of course, as members will see, there is a proposed reduction in that, because it is not necessary to have posts of that size. That is a cost burden upon the mining company that achieves no benefit for government purposes or public usage. In fact, it requires the use of a higher amount of wood product than would otherwise be required and it also significantly increases the cost for those who have to fly in.

The amount of weight that is taken up with the claim posts under the current wording is simply unnecessary and results in a lot of burned fuel that achieves no public benefit.

Quartz or hard rock mining is an industry that impacts the entire Yukon, and it's important for the government to make these changes, and it's important that Yukoners from across the territory have the opportunity to provide input throughout the revision and development of these amendments. Input received from industry, First Nations and the public has been crucial in developing the amendments proposed today.

The Yukon government sought and heard concerns, thoughts, and ideas regarding the claims administration and the royalty provisions of the *Quartz Mining Act*. The Department of Energy, Mines and Resources conducted public and targeted consultation for both of these section amendments. Consultation included meetings, questionnaires and workshops. Materials were made available in hard copy and on-line. Concerted efforts were made to ensure participation from First Nations as well as all industry members. The Yukon government is committed to encouraging and supporting a sustainable mineral industry in the Yukon, while ensuring that Yukoners receive

the maximum benefit from our resources. The proposed legislative amendments will encourage a mining industry that yields the most benefits to Yukoners while remaining competitive with other jurisdictions.

They will allow the government to be more responsive to an evolving industry and encourage investment in mine development.

Specifically, these changes will update and modernize the language of the act. In the claim administration section, we have removed or replaced sections of the act that are no longer relevant in these modern times. Examples include that certain forms and fee schedules have been moved from the act to the regulations, allowing governments to be more responsive to the changing needs of the industry and not to be amending the act to make minor adjustments in administrative requirements.

We have changed, as I mentioned, the size of the posts required when staking a claim, which is a very small change that will have a significant benefit in reducing the cost companies have while staking in the Yukon.

Time limits for recording claims and the provision for an emergency mining recorder are antiquated elements within the existing act that are being changed — or proposed for change, I should say, to reflect current communications, technology and transportation options. With the advent of the helicopter and satellite telephone, recording mining claims has become considerably more convenient.

These provisions in detail — the emergency mining recorder and the change around the time for recording claims — are in the current act and, in fact, speak to an escalating number of days in which someone staking a claim has time to register those claims. That time limit goes up for every 10 miles that they are in distance from a mining recorder's office. That, of course, is something that, back in the early 1900s, was important because travel by dog team, horse, and other forms of transportation at the time — riverboat, et cetera — there was a significant amount of time involved in travelling those distances, whereas now, with helicopter travel and satellite telephones, it is possible to register those claims as quickly as if they were right on the outskirts of a municipality.

The emergency mining recorder provision was the ability allowing a certain number of miners in an area to elect an emergency mining recorder to provide the role within an area. Again, it dates back to the times when government officials were not easy to access, and out in a remote area it might have been very difficult to do so. Of course, again, this is something that is not reflective of today's modern realities and is no longer necessary, and is an antiquated provision, of course.

Another proposed change allows mining recorders to give out claim tags at the time of application, meaning that claim-stakers will only need to make one trip to their claim, whereas now they have to stake the claim, come back and identify the location, get the claim tags and go out.

That, of course, requires two trips which may be helicopter time or some other expensive mode of transportation. It is quite possible for us now to issue the tags. The intention is to provide a nominal fee for accessing those tags so that costs can be recovered to prevent someone unnecessarily purchasing thou-

sands of claim tags they have no intention of using. The cost will be passed on in this manner, but the outcome of this will simplify the process and mean that claim-stakers only need to make one trip to a claim to register it and put the required tag on that stake.

As I've noted, the amendments to the royalty provision section of the *Quartz Mining Act* aim to modernize Yukon's royalty regime and ensure we are competitive with other mining jurisdictions in Canada. The amendments have eliminated the consolidated filing for royalties for commonly owned mines and the deductibility of corporate income tax from royalty calculations.

The most significant proposed amendment to the *Quartz Mining Act* is the 12-percent cap on royalty rates. The former escalating rate system functions well for small-scale mines and mines of modest profits, but is a severe disincentive to mid- and large-scale profitable mines.

Following the current escalating royalty rate system, a mine with annual profits of \$230 million would pay half of their incremental earnings in royalties and if the mine's profits rose to \$480 million, their royalty rate would be 100 percent or all of the earnings.

The royalty rate structure this way effectively caps the potential size and profitability of mines and it is because the current structure refers to an escalating rate percentage based on escalating profit. Therefore, the proposal caps that rate at 12 percent and that makes us competitive with other jurisdictions.

The former provision for consolidated filing required — current provision, rather — requires a company operating more than one mine to file a consolidated royalty return for all its operations. This means that a company that has profits from more than one mine would pay royalty at a higher rate than if the mines were reported individually and that, of course, actively discourages mine development.

Furthermore, a company with a second mining exploration or development could claim those expenses via a consolidated filing and, therefore, reduce the actual royalty they owe and be obligated to pay from the first profitable mine.

Mr. Speaker, in the case of one mine coming earlier into production, receiving profits, having profit that royalty would be charged on, and another one in development, without making this change we're proposing, it would enable them to write off much of the development cost of that second mine. That, in reducing the actual royalty, would result in a shortfall in benefit for the Yukon.

The deductibility of income tax is being proposed to be removed from the royalty provisions because no other province or territory allows open-ended deductions in this form. The problem with this provision is the royalty itself is a deduction in determining taxable profit under a corporate income tax. Thereby, it sets up a circular function where each measure is deductible from the other.

Royalty and income tax returns are also filed at different times of the year and this creates unnecessary complications and uncertainty, hence why we're proposing that it be changed.

These amendments will also update the provision for deductibility of capital cost for assets, exploration and mine de-

velopment. Not allowing companies to account for depreciation cost is a great disincentive to mining. This provision is proposed to be updated to ensure that the Yukon is competitive with other mining jurisdictions in Canada that currently account for this and, of course, it provides a level of parity to other industries in the way that deductions are allowable for income tax purposes.

One of the key aspects of these amendments is the creation of a deduction for community economic development expenses. This will encourage companies to reinvest their profits in the community where they work. This gives them the ability to write off a portion of their community economic development expenses. The expense does have to be approved by government for them to be able to write that off. It is also one way that we maximize and enhance the benefits that Yukon collectively receives from mining operations because, currently, under the devolution transfer agreement, the Yukon's share of royalty revenues is capped at \$3 million annually. Therefore, allowing the write-off for community development expense would allow the potential for things that could include such things as a skating rink or a park or various community infrastructure investments. Allowing that deduction is another way to further increase Yukon's share of the benefits resulting from mining. Of course, this leads to greater benefits to Yukon communities by encouraging companies to invest in the economic development of the communities close to the mineral properties and increase the connection that they have with that community.

The amendments will reduce the amount of administrative work as well as expenses for things like supplies, labour and transportation. Amendments to the royalty regime are designed to be revenue neutral and will not impact Yukon's existing mine — which, of course, is Sherwood Copper at Minto.

Yukon will not see revenues change as a result of these amendments, as a revenue, as I have previously noted, is currently capped at \$3 million annually by the devolution transfer agreement and the amendments to this legislation will not change it; nor do we have ability to change it outside of a negotiation to change the devolution transfer agreement.

The *Act to Amend the Quartz Mining Act* offers changes that are necessary to ensure the territory's legislation is consistent with modern industry standards, but they will not affect the rights held by current mining claims holders.

Mr. Speaker, in summary, as I have noted, the proposed amendments are intended to encourage the mining industry to maximize benefits to Yukon citizens while remaining competitive with other jurisdictions. The amendments will ensure that Yukon legislation fits with the realities of the modern mineral industry. A key point, as I noted, is the change around the royalty provisions under which the current legislation would have mines see a never-ending escalation of the royalty rate for each \$5 million in increased profit that they make and that would result in — at a certain point they would have 100-percent of profits taken in royalty.

The proposed amendments to the *Quartz Mining Act* will make Yukon more competitive with royalty and mining tax regimes in other jurisdictions. They will modernize the regime

and make it more responsive by putting certain provisions in regulations. The development of this followed consultation. It included comments from First Nations, industry, stakeholders and the general public during a lengthy consultation process. Input was sought from January 2008 until May 2008, and the comments received are reflected in the proposed amendments.

The proposed amendments streamline the regulatory process, while ensuring that our royalty rates are competitive with other Canadian jurisdictions. As I noted, they will not impact the results or the rights of current claim holders.

At a time of global uncertainty in financial and commodity markets, it is more important than ever to ensure that our regulatory regime is modern, competitive and predictable.

I believe that has summarized the key points of this legislation. I thank the staff of Energy, Mines and Resources for their good work in developing this. I also thank all those who contributed to the consultation process, the development of these amendments and for their comments.

I commend this legislation to the House.

Mr. McRobb: On behalf of the Official Opposition, I, too, commend all the stakeholders who participated in the process, and the departmental officials, especially those who gave the briefing to us on Friday afternoon. We've heard many of the concerns addressed in this bill from mining company executives, going back to this year's Roundup in Vancouver, during the conference itself, and in several private meetings with executives of various mining companies. We noted that they had a number of concerns about the state of the industry within the Yukon, many of which are addressed in this bill. Some others will be addressed in the *Miners Lien Act*, which we'll get to another day.

There are several improvements in this bill, and just briefly, they include, of course, making the Yukon more competitive on the national stage, as well as globally, in terms of attracting industry here. Some of the improvements deal with the royalty cap; obviously the status quo would have prevented the start-up of any major mine in the territory. It reduces the costs. An example is the decreased size of claim posts, which will lessen the chopper time involved in exploration. That is another benefit. Clarification of the language is another benefit. And, as officials explained on Friday, some of the language used in the existing piece of legislation is no longer used within the industry, and this has created an unnecessary conundrum in terms of interpreting the law within the territory.

We do have some concerns regarding the limitation placed on the review. As I understand it, the officials could only deal with two issues: clarification and improving the investment climate. But what about the other concerns expressed by Yukoners in recent years? Was it right for the Yukon Party to exclude those public concerns? Leaving them unaddressed won't make them go away. Now, we'll be exploring those matters in more detail when we're in Committee of the Whole, likely in mid-afternoon today.

I'd like to document a request at this time. If we could get copies of the comments received from the stakeholders and others as part of this review before commencement of Commit-

tee of the Whole to deal with this bill, that would be much appreciated. The minister indicated that comments received were incorporated within the amendments. I'll go back to the part about the restricted mandate of the review. The officials indicated that comments were received on matters extraneous to the limited scope of this review — and it was limited by the members of the Yukon Party at the political level. Comments received pertaining to matters extraneous to the limited review obviously weren't incorporated into the amendments, and I think the minister already has a little bit of explaining to do.

Hon. Mr. Lang: Of course, I stand here to support the bill that's in front of us today, the *Quartz Mining Act* amendment. I will be addressing the member opposite on some of the concerns that have been out there in industry. I was the Minister of Energy, Mines and Resources for almost a six-year period, and the industry and the people on the ground were requesting changes to the *Quartz Mining Act*.

The *Quartz Mining Act* served the Yukon very well for a long period of time. Every act needs amending as we move forward and, through devolution, we got a lot more responsibility on the ground and a lot more access to government participation — local government, Yukon government participation — on the ground with the *Quartz Mining Act*.

So this is certainly good news, not only to the mining community but it also clarifies the *Quartz Mining Act* and modernizes it to a point that we could see, industry could see, and through the consultation, was very aware that we wanted our jurisdiction to be as competitive as we could in the global mining community.

Lots of times, we as a community take a look at the mining community from a Canadian issue, and we certainly want to be competitive in the Canadian market and the Canadian mining community, but we have to address the fact that, nowadays, the mining community is virtually the world, in essence, because of the communication and the world produces the mineral resources that go to market. Of course, we have to be competitive and understand that's our competition.

When we took a look at this and addressed the issues that have been addressed in the amended *Quartz Mining Act*, we looked at it from a competitive point of view. We looked at it from the economics of some of the requests that were in the old *Quartz Mining Act* on how claims were managed, whether it was managed from the government side or the industry side. There was some modernization that had to be done.

The royalty question is one that had been brought up for many years, because for years, if anybody was on the ground here in the mining community when Faro was producing, the royalty issue handled by the federal government of the day was always an issue because of the imbalance in percentages that it showed to the mining community. For years, Faro and the federal government were at odds and were in court many times to address the royalty question. Royalties are very, very important because, first of all, they dictate the financial well-being of a mine but also the royalties flow to governments. Of course, in our agreements with the federal government, a big part of those royalties go to the federal government and, of course, there is

First Nation participation. So, all the governments benefit from royalties. So clarifying that and putting the lid on that will certainly be comfortable for the mining community. Certainly, it will make our job as government easier because anything with structure to it is better than having something that we all know has its issues, but in hindsight doing nothing about it.

So the royalty question is a question that is a very positive move. Of course, when we're changing and working with amending these things, consultation was done, and it was done over a long period of time. Of course, it encompassed many levels of consultation, whether it was First Nation consultation, the corporate consultation, the mining community and, of course, we looked at all sorts of components to that — the viability of staking a claim, and what were the costs of that? What, really, in a modern age do we need to verify and to have individuals on the ground do to prove up their properties and put a legal boundary around them? I think, what EMR came up with through the consultation is workable.

I think the individuals will find that it is a lot more economical to stake a claim and to maintain claims and do business in Yukon and that is what it is all about, Mr. Speaker. It is about the viability of these mining properties in the territory that we have jurisdiction over. There have been questions in the past about online staking, and of course, we didn't go that way. Those are things that will be addressed down the road. The process that is in place now is a bit more labour intensive. It puts Yukoners to work on the ground to not only stake the claims but maintain those claims. As the Minister for Energy, Mines and Resources defined, we looked at what we need on the ground in the form of claim posts and, of course, we answered that by saying that we can use a smaller piece of wood or a smaller tree to designate ownership. How many trips to that stake are necessary to put identification tags on? Those things were addressed in this amendment of the *Quartz Mining Act*.

So I certainly support this. I look forward to more discussion on this as we move through it, but the *Quartz Mining Act* is a very important document for us in the territory, understanding that mining has been a big part of the economic engine of this area for many years, whether it was the Klondike Gold Rush or the days of Faro or the exploration that has been going on over the last six years. Now we have the situation where we have a mine in place, Sherwood Copper, which is contributing to the well-being of our community and the territory as a whole. So these things will be welcomed by industry.

It certainly doesn't diminish any Yukoners; it protects the Yukon. The *Quartz Mining Act* amendment protects the Yukon, so this is a good piece of legislation and I look forward to supporting it and to the comments that will be addressed here today.

Mr. Hardy: As the speakers before me have indicated, the NDP is in agreement with acknowledging the hard work done by the employees in the department and what they have tried to achieve, as well as recognizing the contributions made by the public and businesses in this area.

There are a fair amount of comments that were received, interestingly enough. I thank the government for supplying us with an overview of the comments received awhile back. But like everything, we still recognize there's a lot of room for improvement. Though it's a small scope we were dealing with, we felt the government should at some point have recognized that people have a lot of concern about the old *Quartz Mining Act* and what benefit it has given the Yukon in the past.

It's very easy to say that the benefits we received in the past — and many of us have been recipients of them — have been jobs and money toward governments. Most definitely the federal government dealt with it before devolution and received the most benefit out of it — jobs in communities, training, future employment. However, on the opposite side of that, of course, are some very serious questions, and those are regarding environmental impacts and who is left holding the bag around those.

The Faro mine is a perfect example. It has been mentioned a few times today, and I would suspect that the cost of reclamation and containment of that mine will far exceed any money we, the people, ever saw out of it or the benefits we've seen.

Of course, there is always the argument that it's going to create a lot of employment, trying to deal with the environmental conditions that the Faro mine brought about, but it is and has to be part of the economic viability assessment of any mine, and it has to be considered.

With regard to the administration side — it was quite funny. The briefing was very good, by the way, and I want the department officials to know that. I got a lot out of it, but sometimes there are holes in arguments. On one side, making the posts smaller makes sense. Anybody who has ever staked — I've staked, and some of my colleagues have — knows that four-by-four posts are no fun to carry. And if you have to move a lot of them around, it's quite onerous on you.

But by making them smaller, you probably need fewer helicopter flights, of course, and fewer people doing the staking, and that's a benefit to the mine. But is it a benefit to the local helicopter operators? Of course not. Is it a benefit to the employment numbers in staking? Of course not.

So, again, you're always looking at this balance. So you can argue on the one side, it's great for the mining companies — or exploration companies on behalf of the mining companies, if they're all tied together — but it's not necessarily great for some other businesses and individuals. So, again, there is good on one side — and I agree with the changes on the administrative side of that, but we have to be honest — that does lessen employment in other areas.

Mining has long been one of the mainstays of the Yukon economy — and that's mentioned, and we all recognize that — and it will probably continue to fulfill that role, even though we have only got one operating mine.

I mean, let's be realistic here — we have one. We have lots of exploration. We have already been told by mining officials that it's dropping like a rock but we only have one mine operating. It's not like the heydays when I was working in construction and in mines, when there were a multitude of mines

you could go to and work, once you got some training, which many of my friends and family and I did.

At one time, we had Whitehorse Copper right here. We had Elsa, Faro and Clinton Creek all operating at the same time in the Yukon. I'm sure I'm missing some. Those are the ones that come to mind, off the top of my head.

We don't really have a huge mining industry that's affected by the *Quartz Mining Act* at the moment. Now our job as legislators is to act on behalf of all people of Yukon, present and future generations, to ensure any mining activity in the Yukon meets some principles. One is that it must be economically viable, with the Yukon deriving the best economic benefits possible from the operation.

It must reflect and respect the social values of Yukon people and our communities and it must pass the litmus test of environmental sustainability. So I ask the question: does the *Quartz Mining Act* actually pass those tests? Well, there are some really good things in here, and I agree with them. The community benefits — I don't have the exact language in front of me — to allow deductions for contributions or payments made to the community infrastructure economic development: I agree totally with that. I think that's a really good move. Again, that's trying to put the money back into the community, because what we have to realize here is that this is a non-renewable resource extraction. We are not talking about the present-day situation when we plan changes to the *Quartz Mining Act*. We are talking about what kinds of benefits exist for our future generations because the resources are shrinking.

All the easy sites have already been accessed. Exploration has had to be ramped up and it's getting more and more difficult to extract what we have for mining companies. But at some point there's not going to be much left, so how do we plan for the benefits to be there for people, for our children, for our grandchildren, and on and on, down the road? Royalties, of course, are part of it. We have to ask ourselves how much we have collected in the past. If mining companies, as in the past, can write off a multitude of tax deductions and deductions that allow them to alter what the real profit is, because we are still dealing with the net profit method, then what royalties actually come back to the people of the territory and what ultimately is their product, the resources?

I'd like to propose that we consider that the minerals are owned by the people of this territory, not by the mining companies, not to be invested all over the world, but to be reinvested back into our communities, back to the people in a multitude of forms.

The model of what can be written back — coming back to that again — is quite astounding at times. Many of them were very legitimate, but I have a very serious problem with a few of them and how they can possibly be abused or exploited to ensure that very little comes back to the Yukon Territory.

If we base royalties on net profit, that net profit can disappear very easily — if corporate income taxes can be included, if the bonuses and wages of the CEOs can be included. In a situation like, if a CEO has to make a decision whether they will pay \$1 million back into a community or if he just writes in that he'll get a \$1 million bonus and they can write that off,

unfortunately many CEOs will quite happily take that money themselves.

Then of course another good change that I see in here is not being able to write off all the exploration and development of other mines throughout the territory, but basically being kept separate. That's the consolidated change that is being proposed and I agree with.

Going back, there are three ways we can approach this, and probably many variations of those three ways, in regard to royalty. There's a net smelter return, a net profits interest and, of course, a gross overriding royalty, which is called GOR — which is generally used in the oil and gas industry, so we won't necessarily talk about that.

There is a real substantial difference between net smelter returns and royalties that are paid on it, and net profit. The net smelter royalty is calculated on the amount received by the mine or mill owner from the sale of the mineral product to the treatment plant, which converts the output of the mill to marketable metals. It is often used in private agreements between mining companies and First Nations and is also used with governments around the world.

It is even used in Canada. British Columbia has a net smelter return portion as well, but most of the rest of Canada uses net profits. Unfortunately, I don't think net profits has been an overly big bonus for the people of this territory. That is a concern of mine. We will explore this more when we get into Committee of the Whole.

I guess my concerns are: future generation planning; the royalty changes — I'm not convinced that is going to be a benefit for communities or all people of the Yukon, so much; and a few other issues that I'll explore when we get into Committee of the Whole and have the opportunity for the dialogue with the minister and maybe the minister can explain some of the rationale behind these changes and maybe we can hear some different opinions spoken in the Legislative Assembly in regard to what changes probably should have happened.

So, thank you, Mr. Speaker, I'll let other people speak.

Hon. Mr. Rouble: Mr. Deputy Speaker, I rise today in support of Bill No. 58, *Act to Amend the Quartz Mining Act*. This is yet another example of the government working very proactively with industry, with other stakeholders and other organizations in the territory to ensure that we have legislation that is reflective of the times and legislation that eliminates needless red tape or needless barriers or impediments and legislation that encourages economic growth in the territory.

This piece of legislation accomplishes several different things. It keeps us consistent with other jurisdictions. As we all know, the global mining industry is a very competitive one. There is competition between jurisdictions, not only competition in Canada, and it is important to encourage that type of growth in our own industry by staying consistent with other jurisdictions.

Mr. Speaker, I should add, too, that responsible mining — and I'm glad to see we're hearing support for it in all parties today — is something that has been supported by all political parties.

It doesn't matter which party is in power or which party is lobbying to be in power. I believe that all parties have advocated for responsible mining in the territory. It has been an important part of our history and it will likely be a very important part of our future. It's building upon the natural resources and the strategic competitive advantages we have here in the territory.

I'm glad to see this hasn't turned into an anti-mining type of debate, but indeed, is one that is recognizing that responsible mining is something that is endorsed by all parties and it will be important for the continued growth of Yukon's economy.

In order to do that, this piece of legislation is being amended to keep it consistent with other jurisdictions, to modernize some of the language, to take out sections, comments and words that really have not been used in the industry for years — if not decades. It is also to reduce unnecessary impediments. It might seem like a small thing in changing a four-by-four to a two-by-two, but having carried four-by-fours around and done staking, I know the challenges that creates.

There is additional work involved and the additional expense, and one has to question what substantive benefit is gained by having a big hunk of wood used instead of a smaller piece of wood.

That and other changes that reduce some of the repetitive nature of things, or recognize that we now have modern transportation and communication tools, is a good step in changing this legislation.

I do need to comment on the previous speaker's argument about how, if we artificially made it harder to do the work, would that actually increase the labour component of that, and wouldn't that be a good thing — frankly, I don't agree with that argument. If that were the case, we'd go back to using picks and shovels for everything. Every time a Kubota, for example, or a skid-steer vehicle is used, it would instead be replaced by a work gang of 10 people with shovels.

I hear we have some endorsement for people going back to the old ways of having a work gang out with 10 shovels rather than one person with a skid-steer vehicle. I would put forward that, following the industrial revolution, we and our society have grown very accustomed to using those types of labour-saving devices and that, by putting in place artificial barriers to prevent their use, I think we would see industry go other places, especially since we do want to maintain the standard of workplace compensation here in the territory and not see the kind of remuneration that we see in places like Asia, for example.

I think it's also an important note in this piece of legislation to see that there is a recognition and legitimization of the expenditure that companies are making in our communities. It is a growing expectation that companies will make a contribution to a community. I think it's appropriate that, if there is that expectation in place, it should then be legitimized and recognized as a legitimate business expense and therefore be used as a tax deduction.

We also can make the case that if one does the math and examines that if a company were to make a \$50,000 investment into a community recreational facility of some sort, the lost tax

revenue on that would be very little, in comparison to the benefit gained by the community.

It's great to see corporations making these contributions to the community and being very good corporate citizens. I think it's only then appropriate we legitimize that expense by allowing it to be a necessary tax deduction.

In this, like every other piece of legislation, there is always an amount of compromise that's necessary. There is always differing expectations, views and requests from one sector or another. Indeed, politics has often been referred to as the "art of the compromise." Of course, with this piece of legislation, neither extreme in the debate is going to be entirely satisfied. But I think what we've accomplished is a very good piece of legislation that will continue to meet the needs of Yukoners now and into the future.

It will encourage responsible economic development in the territory. It will keep the jurisdiction competitive with other jurisdictions. It will eliminate needless, unnecessary, unbeneficial barriers to doing efficient business, and it will also help to keep this industry as part of a healthy Yukon economic climate.

I sense that we are going to have a few other debates about some of the specifics as we get into the line-by-line or Committee of the Whole debate on this, but as for the broad, general direction of this act, I would again like to voice my support for it and commend it to this Assembly.

Mr. Nordick: I rise today in support of this bill. I'll start off with a little bit of background. In November 2004, a mineral task force, including EMR officials and industry representatives, identified several changes that should be made to streamline and improve the administration of mineral claims in the Yukon.

In September 2005, the Yukon Chamber of Mines completed a survey of its members and received a high level of support for these proposals. The survey was designed in consultation with the Chamber of Mines and was distributed to 290 members via the chamber's newsletter in late spring 2005. They were able to return the surveys via mail, fax or completed surveys on-line.

We are revising the *Quartz Mining Act* to meet the needs of the industry and government for modernization and administration efficiencies. The updated *Quartz Mining Act* modernizes and streamlines mineral claims administration, updates mineral royalty provisions, and makes it more competitive with other Canadian jurisdictions, and increases responsiveness to changes in mineral exploration and mine development by moving some provisions to regulations. The proposed changes to the *Quartz Mining Act* will be consistent with modern industry standards and will not affect the rights held by the current mining claim holders.

I'll speak with regard to some aspects of the bill. I'll touch on a couple key points. The legal posts will be changed to 1.5 for the dimensions of a legal post. This was done to better reflect the current practices in the mining exploration industry and reduce costs to the clients by allowing a lighter, more easily transportable alternative to the four-by-four posts.

This section was reworded to specify coniferous trees only for posts. There was a part of the act — subsection (2)(c) was changed to allow coniferous trees. The act provides for locaters with the ability to use a tree as a claim post instead of a milled post if other material is not available.

With regard to claim tags, the title of this section has been changed to “Claim Tags”. The original section has been repealed and the current section was reworded to allow claim tags to be issued at the beginning of the application for a mineral claim, as opposed to the original sections of the act which required the claim tags to be issued after a claim was issued. This enables claim-stakers to make only one trip to the stake and mark claims, leading to cost savings for the client.

I will now speak with regard to the annual royalty. The definition of “mine” has been added to this section and reworded to add the sections (a) and (b) to extend the basic definitions to cover mine-related workings or developments of the land and certain depreciable assets that may not be on the land. The definition applies only to the royalty provisions and not to the rest of the *Quartz Mining Act*.

The definition of “owner” has been added to modernize the royalty provisions and ensure that the various land dispositions and business arrangements, such as joint ventures, are adequately covered under the provisions.

The original section 102(2), which dealt with a consolidated filing, has been repealed. This section now specifies the materials upon which royalty is due. It was originally part of the section but has been reinstated in the statute.

With regard to the royalties, section 102(3) dealt only with the timing of royalty payments. This section has been rewritten to include the basis for the royalty value of output equals profit and providing calculations for the rate of royalties payable found in sections 102(1) in the original legislation. The calculation of royalties has also been changed from the original by the addition of a rate cap at 12 percent for royalties in excess of \$35 million. In the original legislation, the rate would continue to escalate one percent over \$5 million to increasing in profit. Capping the rate creates a royalty regime comparable to other Canadian jurisdictions.

I could go to great length and detail on how this act helps maintain a competitive environment for the Yukon with regard to quartz mining, but what I'd like to do is listen to what the opposition members have to say with regard to this. Once again, I would like to say I support the amendments to the *Quartz Mining Act*.

Hon. Mr. Hart: It gives me great pleasure to be back in the House, representing my constituents of Riverdale South. Today it gives me great pleasure to debate the bill that is before the House today and that is the *Act to Amend the Quartz Mining Act*.

In October of 2006, we presented Yukoners with a vision for the territory in our election platform, entitled *Building Yukon's Future Together: A Clear Vision for a Bright Future*. From our platform, our government's vision is based on four major pillars: achieving a better quality of life for Yukoners, protecting and preserving our environment, promoting a strong

diversified private sector economy, and practicing good governance and strong fiscal management.

Today we are debating one of those actions taken by this government, and that is to amend and update the *Quartz Mining Act*.

Although mining is not one of the activities in my current portfolio, I can say that I do appreciate the efforts made in this area and how they will make the Yukon economy a healthier economy in revising the Yukon *Quartz Mining Act* to meet the needs of the industry and government for modernization and to increase administration efficiency. The updated *Quartz Mining Act* will modernize and streamline the mineral claims administration. It will update the mineral royalty provisions and make them more competitive with other Canadian jurisdictions. This is important in today's climate and to ensure that the Yukon is on similar footing with other jurisdictions when it comes to the mining activities and opportunities within this country.

The updates also increase responsiveness to changes in mineral exploration and mining development. In keeping with the good governance policy of this government, I'm pleased to see, once again, the consultation on this important aspect of updating the legislation. The Department of Energy, Mines and Resources has worked closely with the mineral exploration and mining industry and other stakeholders, as well as Yukon First Nations, to ensure that the consultation requirements were met. Consultation has been ongoing for the past year, beginning with the initial policy work, which resulted in the discussion papers.

There were two stages to the consultation, each being a 60-day consultation period, and the consultations included organizations involved in and affected by mining in some way, such as mining and exploration companies currently working in Yukon, the Yukon Chamber of Mines, the Yukon Minerals Advisory Board, Yukon First Nations, the Council of Yukon First Nations, as well as various other non-governmental organizations.

It is reassuring to see that this government consults with stakeholders when making amendments to legislation, such as the *Act to Amend the Quartz Mining Act* that is before us today. It is reassuring to see that this government has made one of our pillars the very important matter of good governance, as it is very reassuring to see that the government backs up the importance of good governance. Practising good governance is a day-to-day activity, as demonstrated here today.

At this point, I would like to discuss some of the proposed changes that will be legislative adjustments that support a better mining climate in the territory. I'll just go over two areas of changes to the act. They are the area of claims administration and the area of royalty provisions.

The proposed changes to claims administration provisions — there are seven specific sections of the claims administration section that have been changed to streamline and modernize how mining claims are administrated. We're moving all prescribed forms and the schedule of fees from the act, and placing them in the regulation; changing and allowing mill post size, the two-by-two post and 1.5 by 1.5; changing the time limit to record mineral claims to reflect advances in communication

and transportation; reducing the required number of copies from applicants for mineral claims and leased renewals and any transfers of titles; repealing sections referring to the emergency recorder, because changes in the communication and technology and transportation infrastructure make this provision obsolete; allowing the person applying for a mineral claim to receive the claim tags before going out to stake, which will reduce the number of trips a claim-staker needs to make; and allowing larger claim groups by only allowing a claim to be grouped once in an assessment year, and clarifying the amalgamation of the sections concerning existing timber rights on and off the claims.

Under the royalty provisions, the maximum incremental royalty rate is being capped at 12 percent, which will make Yukon royalty rates more competitive with other mining jurisdictions.

Royalty provisions are being modernized by eliminating consolidated filing of royalties for all commonly owned mines in the territory, eliminating deductibility of corporate income taxes from royalty, updating the provision of the deductibility of capital costs for assets, explorations in mining development and including related processing assets within the defined mines for royalty purposes and creating a deduction for the community economic development expense, increasing the government's ability to respond to changing conditions by shifting some of the royalty provisions from the *Quartz Mining Act* to regulations under the *Quartz Mining Act*.

With this act amendment, we are able to continue to implement our vision for the Yukon. We are able to strengthen the pillar of our platform to build a better life for Yukoners, and we will be making progress toward that vision.

Thank you, Mr. Speaker.

Hon. Ms. Horne: I think all of us here in this Chamber are aware of the importance of mining to Yukon's economy. In thinking about what makes for a good economy, I see several areas that come into play. We need a transportation network to move people, supplies and products. We need a communications network to share information. We need access to energy at affordable rates. We need a pool of skilled and available workers. We need access to investment capital and we need a balanced, consistent, modern regulatory regime. In Yukon, we have the added advantage of having some amazing natural resources with which to work. I know members of the public are watching developments in the global economy and wondering what that means for Yukon.

Before turning my attention to my point about a balanced, consistent and modern regulatory regime, I would just like to mention a few of the things this government is doing in each of these areas. We are addressing our transportation network; we have invested tens of millions of dollars to date on rebuilding the Alaska Highway and the Shakwak area. We have upgraded many of our bridges, including two that I travel very regularly at Johnsons Crossing and at the Lewes River. We are investing heavily in the Robert Campbell Highway — some \$30 million over three years.

This year, we stockpiled the crush we will need to BST the 36-kilometre gap between Faro and Carmacks next year. We have upgraded our communication network in several areas, but perhaps most noticeable for us is the delivery of the cellular telephone service in rural Yukon communities. We are improving our access to energy at affordable rates. As my colleagues, the Minister for Energy, Mines and Resources and the minister responsible for Yukon Development Corporation and Yukon Energy Corporation, have noted on previous occasions, work is underway on improving our electrical system by extending the grid.

As to our need for a pool of skilled and available workers, I applaud my colleague, Minister Rouble, for his announcement this morning that the government is hosting a labour market framework symposium.

I would also like to note that a great deal of work has gone on to help improve access to investment capital. Through the work of the Yukon's Minister of Economic Development, I believe his diligence in marketing Yukon to foreign investors has been a great credit to Yukon.

This brings us to the final point, which is what we need: a balanced, consistent, modern regulatory regime. I think back to where we were a few years ago with the Yukon protected areas strategy. By attempting to implement a series of overlapping and often contradictory regulatory regimes, the previous government effectively gridlocked economic development in our territory.

One of the things that we did when we took office in 2002 was to put the Yukon protected areas strategy on hold and began to work within the framework of *Yukon Environmental and Socio-economic Assessment Act* and the land claims final agreements. Mr. Speaker, these are some examples of how we are working to improve the fundamentals needed for economic development in Yukon. Rather than regulatory confusion, we brought clarity to the situation. This enables exploration companies to return to Yukon. Our discussion today is part of that strategy of bringing forward a balanced, consistent, modern regulatory regime. In response to concerns brought forward by various organizations, we have decided to revise the Yukon's *Quartz Mining Act*.

As I am sure many folks now know, sections of the *Quartz Mining Act* dealing with claims administration and royalty provisions have not changed substantially for 100 years. A great deal has changed in the past 100 years, and industry, First Nations and others want to ensure their interests have been addressed in the proposed amendments. Yukon is revising the *Quartz Mining Act* to meet the needs of industry and government for modernization and administrative efficiency. The updated *Quartz Mining Act* modernizes and streamlines mineral claim administration, updates the mineral royalty provisions and makes them more competitive with other Canadian jurisdictions, increases responsiveness to changes in the mineral exploration and mine development by moving some provisions to regulation. The department has worked closely with the mineral exploration and mining industry and other stakeholders as well as Yukon First Nations to ensure the consultation requirements were met.

The proposed changes to the *Quartz Mining Act* will be consistent with modern industry standards and will not affect rights held by current mining claim holders. The revised *Quartz Mining Act* will remain fundamentally the same. The sections that have been changed deal with some aspects of claims administration and mineral royalties. The *Quartz Mining Act* does not reflect current information and communication technologies, exploration practices or accounting procedures and requires modernization. Proposed changes to the act will provide government with the opportunity to directly address some of the administrative and financial barriers to exploration and mine development.

I would like to talk for a few more minutes about how act came about. In November 2004, a mineral rights task force — including Energy, Mines and Resources officials and industry representatives — identified several changes that should be made to streamline and improve the administration of mineral claims in Yukon.

In September 2005, the Yukon Chamber of Mines completed a survey of its members and received a high level of support for these proposals. The minister spoke at the Mineral Exploration Roundup in January 2007 and committed the Yukon government to examining incentives for mine development, while lowering the costs for mineral exploration. Recent increases in staking and exploration activity have revealed that the process entails a large volume of administrative paperwork for mining recorders and claimholders.

Yukon is currently administrating more than 80,000 active quartz claims throughout four mining districts. The sections of the *Quartz Mining Act* dealing with mineral title have not changed for 100 years, as I stated previously. The intent of the changes is to make the business of claim-staking more efficient and less costly.

There are seven specific sections of the claims administration section that have been changed to streamline and modernize how mining claims are administered: removing all prescribed forms and the schedule of fees from the act and placing them in the regulations; changing the allowable mill post size to two-by-two posts; changing the time limit to record mineral claims; reducing the required number of copies of applications; repealing sections referring to the emergency recorder; allowing the person applying for a mineral claim to receive the claim tags before going out to stake; allowing larger claim groupings; clarifying and amalgamating the sections concerning existing timber rights on and off claims.

The maximum incremental royalty rate is being capped at 12 percent, which makes Yukon royalty rates more competitive with other mining jurisdictions. The government's ability to respond to changing conditions is increased by shifting some of the royalty provisions from the *Quartz Mining Act* to regulations under the *Quartz Mining Act*.

Mr. Speaker, I would like to commend this legislation to this Assembly.

Günilschish.

Hon. Mr. Kenyon: It's my pleasure to rise today in support of the *Quartz Mining Act*. It is interesting to note that

the *Quartz Mining Act* will fundamentally be the same. The sections that have been changed deal with the various aspects of claims administration and mineral royalties.

The updated quartz mining legislation will focus on modernizing and streamlining mineral claims administration, updating the mineral royalty provisions and making them more competitive with other Canadian jurisdictions and increasing responsiveness to changes in the mineral exploration and mine development climate by moving some provisions to regulations. I think this is a fairly important change.

Regulations are always easier to deal with than legislation and are more responsive to timelines, so we need to look at a number of different things in the future.

Obviously, plain language versions of royalty regulations are essential. Draft regulation content for fee schedule and forms has to be done. Preparation of Cabinet submissions on regulations will have to be drawn and the submission of regulations to Cabinet will take a bit of time. I would expect — or I would hope — the effective date would probably be January 2009, and we would basically work from there.

In general, the mining industry has a huge impact in Yukon. I think to say that it is the only show in town is a gross misrepresentation. This government has done a good job over the years to diversify the economy, to look at everything from film and sound to information technology. We are a connected jurisdiction in the Yukon with 98 percent or more having access to broadband Internet. In this House last year, I think I gave the statistic of 61 percent in Ontario. I was corrected a couple of weeks ago by the Minister of Information and Innovation Technology for the Province of Ontario. They have been working very hard on this and have skyrocketed to 64 percent. The Yukon, for some time now, as I mentioned, has been 98 percent, so this is another way to diversify the economy.

Now, there are a number of sections within the *Quartz Mining Act* that have been modified to streamline and modernize how mining claims are administered: removing prescribed forms and scheduled fees from the act and placing them in regulations, as I mentioned before, allows us to react in a better time frame. Simply changing allowable mill post size to two-by-two posts; changing the time limit to record mineral claims to reflect advances in communication and transportation; reducing the required number of copies of applications for mineral claims and lease renewals and transfer of titles gives us advantages; repealing sections referring to the emergency recorder because changes in communication technology, as I just outlined, and the transportation infrastructure make this provision pretty obsolete. The act has been around for a long time, and it's good to see that we bring it up into the 21st century.

It will allow the person applying for mineral claims to receive the claim tags before going out to stake, which will reduce the number of trips the claim-staker needs to make. With the price of fuel, this is a very significant change. Allowing larger claim groupings would only allow a claim to be grouped once in an assessment year, and to clarify and amalgamate the sections concerning existing timber rights on and off the claims.

There are a number of other amendments, but without going into detail, I think that we can all read the act and see the great advantages that this will entail. To quote a letter to the editor a short time ago in our local advertising supplement, "When we promote the Yukon mining industry, what do Yukoners get in return?" They get well-paid jobs; they get investment in developing Yukon's infrastructure; enhanced skills for its people; royalties; taxes — all of which is subject to there being any mines in the first place, which needs a competitive fiscal and regulatory regime. That's why industry, First Nations and territorial and federal governments are all working together to foster the development of a sustainable mining industry in the Yukon, providing long-term benefits to its people. Mr. Speaker, I think this act will accomplish this, it will make it a bit easier for the mining industry to work, and I do hope that organizations like our local advertising supplement come to that realization.

Thank you.

Mr. Edzerza: Mr. Speaker, I just have, basically, one comment to make with regard to the amendments that are being proposed. That has to do with the royalties. I believe the mining companies already — and always have had — many incentives provided to them throughout their exploration and into the production phases. For example, we've provided them with roads, put dollars into exploration, built power lines to their mining location — if they go into production — plus all their different tax breaks. So, why should one feel guilty for requesting a healthy return to the citizens of Yukon Territory by way of royalties? I believe it to be essential for the territory to receive a large portion of financial return on resources extracted from the territory. The Yukon, I believe, has a lot of natural resources and for far too long these resources have been removed from the territory without an awful lot of returns to the citizens of the Yukon Territory.

Now, I've heard members from the other side make comments about "lots of high-paying jobs". Well, it just so happens that I worked at Anvil mines in the Town of Faro for many years. I hate to say it, but there were citizens right in Whitehorse who had a very difficult time to get a job there, and they were qualified tradespeople. In fact, I spoke on behalf of a few of them myself. I made comments to the general managers of the mine that it was a shame that a person who was born and raised in Yukon is having a difficult time getting a job in Faro. Why is that, when other people, who are from across Canada, were having all their expenses paid to come and live in the Town of Faro?

So, on one hand it might be true that they do provide a lot of jobs, but in the second breath, I would have to say that not all Yukoners benefited from the jobs that were in the mines, for whatever reason, I don't know. It could be the hiring policies or whatever. It's a lot of things. I just wanted to make that point today that I think it's about time the Yukon really started getting a healthy return on the products that are being taken and extracted from the Yukon Territory.

Thank you.

Hon. Mr. Fentie: Of course, on the government side, we fully support the amendments before us in Bill No. 58, *Act to Amend the Quartz Mining Act*. The four previous speakers have mentioned on a number of occasions the process that Yukon went through in this matter, but I think there's some clarity required here overall in what it is we are actually doing and accomplishing with these amendments.

First and foremost, the modernization and streamlining of our legislative mechanisms is very important for this territory so that we are applying the law and the regulatory regimes in a manner that fits the time we're in — so 100-year old acts don't necessarily provide a very constructive legal framework within which to work.

A lot of this came forward from industry and other stakeholders and, in recognizing that, the government has acted. I want to add that there's much more to come, given the fact that this act is one of the pieces of legislation that requires successor legislation post-devolution.

The royalty issues are to ensure not only that benefits accrue to Yukon but to Canadians in general. They also ensure that the Yukon remains competitive to the extent possible in the mining sector to continue to attract investment to our territory, given the tremendous potential we have in our resources. But it has to be said that, under our arrangement — which we call the devolution transfer agreement — as negotiated by the NDP and signed off by the Liberals, the majority of royalties would flow to Canada. We see no reason why not, Mr. Speaker; it's all about that fundamental principle of sharing the national wealth, and Yukon is very prepared to make that contribution to the wealth of Canada to be shared among all Canadians and, in return, we certainly receive what I would call a significant investment by Canadians, so we have comparable services for our population here in the Yukon Territory, based on comparable levels of taxation that all other Canadians enjoy.

What is quite glaring, however, is the silence from the Leader of the Official Opposition on this matter. This is the same member, who on Thursday, October 23, clearly stated and I will pick this up out of *Hansard* that when it comes to the economy, "Yukon depends on three pillars in our economy..." and the very first pillar that the Leader of the Official Opposition made mention of was "mining."

Here's an opportunity for the Leader of the Official Opposition to make the industry and Yukoners aware of what the Official Opposition stands for when it comes to the mining industry. Here's a golden opportunity for the Leader of the Official Opposition to put on record his view of streamlining and modernizing our *Quartz Mining Act* to do exactly as I said — ensure benefits accrue to Yukoners and Canadians and ensure that Yukon remains competitive.

I must also point out that the Leader of the Third Party certainly provided his comments and contributed to the debate in a manner that was constructive and by recognizing that what we're doing is important in the full context of time and what we must continue to do in our efforts to remain in a position to ensure that we will benefit from all that we can gain, given our vast potential in this great territory of ours. So, you know, the third party, obviously, Mr. Speaker, is well aware of their role

and responsibility, and I certainly would hope that the Leader of the Official Opposition begins to recognize that role and responsibility. This was an opportunity to present to the mining industry the Official Opposition's position on mining in the Yukon economy.

This is not a time for the deafening silence from the Leader of the Official Opposition and I would hope that the Official Opposition becomes much more engaged in debate. Mr. Speaker, the royalties as presented in the bill make sense. It is to ensure that we have one of the best regimes going, but it also is important that we remember that there is going to be significant change to a number of acts here in the Yukon, which we call "successor legislation". That will be done through our joint successor working group with First Nation governments and with Yukoners to improve Yukon's ability to compete nationally and internationally, and will make a great contribution to our economic well-being into the future.

So my commendations to the department for their speedy work on this matter, recognizing that the industry and others were keenly interested in resolving this problem, which was with us for a century or more. I would hope that the other bills that we've tabled — the people's business — in this House will gain a little more attention and emphasis from the Official Opposition. Our thanks to the third party for being part of this debate.

Mr. Cardiff: I'd like to chip in a few words here this afternoon about Bill No. 58 as well. Having been here in the Yukon for a little over 30 years now and having watched the cycle of the mining industry go up and down, I've seen some of the advantages first-hand of participating in that economy, having been employed in the construction and maintenance end of mining myself. I do recognize that there are some financial benefits to Yukon through employment, which has been mentioned here this afternoon. I heard members opposite talking a lot about that.

The boom cycle, I guess, does create a lot of wealth in the community. It's on the bust side, when there isn't a lot of activity, that we see some of the other side of that with unemployment, people who were formerly working or being supported by that industry, or who were working in the service industry, who were supported by huge amounts of exploration and mining activity. What we see are people who are out of work, people who are having a hard time putting food on the table and making ends meet.

When it comes to the mining industry, yes, we have to recognize — it is hard to believe — I think the Premier seemed to think that mining and exploration was going to ride a continuous — I think the word that he liked to use before was "trajectory", but maybe that was in relation to spending. What we're talking about now is the trajectory of the cycle of the mining industry. He seemed to think that it would continue going up and up forever.

I was at the Whitehorse Chamber of Commerce annual general meeting and the geologist who was speaking to that gathering was saying that he thought that it looked like exploration in the next year would be down.

There is a lot of value to the mining industry, but what the Premier and the government have to recognize is that it is cyclical. I don't really know that they have realized that. The thing about mining, I guess, is that there are a few things that it has to achieve. I think it has to be viable, economically. We've seen what happens when mines aren't economically viable or they don't remain economically viable — it is not just economically viable, though. I think it also has to be environmentally viable and sustainable. I'm not so sure that the amendments to the *Quartz Mining Act* in Bill No. 58 necessarily address those issues.

I think the other thing is that it has to respect the social values of everyone in the Yukon — every community, not just here in Whitehorse, but communities like Carmacks, Pelly, Mayo, Dawson, and Watson Lake. It has to respect those values that are present in those communities. One of the ways of doing that is to ensure there is some benefit left there in the community. Some of it can be done through the royalty regime. I don't know the royalty regime that's being presented here in this bill is necessarily the best. It's my understanding it's based on net profits. As my colleague from McIntyre-Takhini pointed out just a little while ago, there are a lot of benefits that are given to or flow to mining and exploration companies in the discovery and development of a mining property. There are tax credits and there is infrastructure the government provides. This government is proposing to spend \$31 million on the Robert Campbell Highway and basically it's in support of mining projects.

There are five or six mining properties. There's the Sa Dena Hes property; there's the Cantung property; Wolverine; Kudz Ze Kayah is on there; Ketza River has a mine, and eventually it would head up into Mac Pass through Ross River toward the Mactung deposit, I suppose. Is that not a benefit? \$31 million of expenditure in the next four or five years on highway improvements? That's a pretty huge expenditure, and I know it's not just for the mining industry; it's for the travelling public. We had the opportunity to drive that stretch of highway here just within the last month on the select committee tour on human rights. The road was in pretty good shape, but it was good to see there were some improvements being done — but that's a benefit to those mining companies.

There's a whole bunch of other aspects — the provision of other infrastructure, tax breaks, the ability of mining corporations to write off a host of expenses they incur during the exploration and development phases, and even into the production phases of a mine.

What's important is that there's a benefit to Yukoners, that ultimately the resources that are being extracted here in the territory belong to each and every Yukoner here in the territory. As the Premier said, they also belong to Canadians, and some of the royalties have to end up flowing to the Government of Canada.

What I want to be assured of — and I don't know if the minister can assure me of this — is that I don't even know that there were mining royalties accrued to the Government of Yukon last year. Maybe now that Sherwood Copper is up and running — but I'd be interested in some facts and figures about

— and I'm sure the minister has them at his fingertips — what kind of royalties accrued to the Government of Yukon over the past five or 10 years here in the Yukon. Maybe he can tell us what the value of royalties that accrued to the Yukon was from Viceroy when they were in operation at Brewery Creek.

It just doesn't make sense to me that you would base your royalties on something like net profit, where the company has the ability to write off all of these expenses and whatnot, and that you wouldn't base it on what the actual value of the product was that came out of the ground after it was processed. It just makes more sense to me that Yukoners, the communities here in the Yukon, deserve at least that, and that it would be a much better way.

I think that's the way it's done in other jurisdictions, not necessarily here in Canada. I don't know whether government looked outside of Canada, at other jurisdictions internationally. So that's the big thing for me and for us in this caucus: to ensure that Yukoners get the most benefit that they can.

I guess one of the other things that — maybe it's not appropriate in the *Quartz Mining Act* — but it is the Department of Energy, Mines and Resources that permits the mines. I don't know if there's an avenue whereby the minister or the department can ensure this, but what we see so often in the projects that I've worked on — and I've worked up at BYG, Mount Nansen, I worked at Faro, I worked at Brewery Creek — is the economic benefits that are left in the community for the citizens of that community, for the First Nations on whose traditional territory, whether it be category A, B or C land, but in their traditional territory they deserve a right to real jobs. I've spoken about this before, and it does make me emotional because I've seen it first-hand; I've watched people from the community being relegated to being on the end of a shovel, the end of a broom, and not being given opportunities to have real jobs, to get jobs driving the equipment, to get jobs maintaining the equipment, to get real trades jobs, to get jobs in the administration and management of the mine. I think that it's important, if we want to be one community, that those opportunities are afforded, whether or not it is something that can be facilitated through this act — it's not now, but I think it should be.

Finally, I'd just like to say one other thing about one of the concerns I have about mining. It has been expressed to me by my constituents within the last few years, and that was with regard to some of the staking that has occurred here in the City of Whitehorse. I don't know, I wouldn't necessarily call it — sometimes it's called “nuisance staking”. I don't think that it necessarily is nuisance staking. I think that it is — probably, there are valid reasons for companies to stake the properties that they've staked — that they really believe there are resources there, under the ground.

But it makes residents really uncomfortable when companies and people come across their residential properties and stake on top of them. It leaves them with a feeling of powerlessness. It's really disturbing for them — they feel like they don't have any control and that the companies basically have the right to come in and do what they want, where they've decided to make their home with their families.

It's not in this amendment to the *Quartz Mining Act*, but I hope the minister will consider — I know he probably has the same concerns being raised to him from residents in his riding and I'm sure there are other MLAs in the House today who have had their constituents raise these same concerns.

That's all I have to say about this act. I know we'll be raising and talking about some of these issues in Committee of the Whole. I thank the House for the opportunity to speak to this bill.

Mr. Mitchell: It gives me great pleasure to address the Assembly today regarding Bill No. 58, the *Act to Amend the Quartz Mining Act*.

Having lived in the north for almost 38 years — over 37 — I've always been a strong supporter of the mining industry. I always have been, always will be. I owned a successful retail business for 26 years that was very dependent on mining.

I dealt with hundreds of people in the industry and scores of different companies. I certainly understand the benefits that Yukoners gain in employment, in tax and royalty revenue, in training opportunities, in better opportunities for their families and their children to stay in the north and work, thanks to the presence of this industry.

Regarding this particular bill — and first of all, I will not use my full time because I believe that it is best that we have our critics, who delve into these acts in detail and have the time to focus on them. And the Member for Kluane ably does that on our part. There are a few comments that I would like to make, having attended the Cordilleran Roundup or the AMEBC, as it is now known, several times, our caucus has taken the opportunity to meet with industry people, with CEOs, presidents, geologists, and engineers from mining companies and we certainly heard loud and clear that some of the changes included in this act, Bill No. 58, to the royalty regime were seen as vital to those companies in order to keep the industry competitive in Yukon, in order to keep people looking and working in Yukon, as opposed to elsewhere.

Nevertheless, as much as we do understand those issues as presented to us, and we tend agree with them and they seem logical, it is incumbent upon us to protect the interests of all Yukoners, including future generations. None of us, just because we happen to live here in 2008 or 2009 or the mining companies, for that matter, that have gained the right to search for good resources and under certain conditions to extract them, actually own these resources. We are stewards of these lands, not just now, but for future generations. We have to ensure, as other members here have said, that we get the maximum benefit out of mining activity because we can only extract the minerals once. We can only make use of that resource once. Nobody is putting any more of it in the ground. It is not like forestry, which we will also be looking at during this sitting, and which is a truly renewable resource, if properly managed. It is a one-time resource and we're talking about treasures, you might say, that exist here because they were put here tens of thousands of years ago and in some cases, millions of years ago.

It would be very presumptuous of us to think we have all the answers and that the answer is to simply get it all out of the

ground during our terms in office or during our tenure in Yukon.

We do have those other things we have to balance as well. I for one believe that can be done. I think this business of people saying that you have to be for mining or you have to be for the environment is a very simplistic approach to living here. The issue is to make good use of minerals, to have responsible mining — which 99 percent of the companies we see today are as interested in as we are — not repeat the mistakes of the past and minimize our footprint on the land.

One issue I do want to raise is not in this act. Members may choose to bring forward amendments to try and address it, since we have an opportunity now as we are amending the act. I know the Member for Mount Lorne spoke to it — and I want to add my voice to it — is addressing the potential for conflict with homeowners, residents, farmers and other people who are using the land: in particular, when we get around to the denser areas — certainly here in Whitehorse — but in any of the communities, and it doesn't matter whether it's Haines Junction or Carmacks or Mayo.

We had some people in our office this past week from Keno, and they have concerns about the close proximity to the ore body that Alexco is looking to develop. It doesn't mean they're against it; they just have issues of co-existence. They want to make sure their rights to lead the lifestyle they've chosen to lead for many, many years are also protected.

I know I've had calls recently — not just because of the blasting incident in Lobird, but from other residents, just from the extension of Hamilton Boulevard, with people phoning up and saying, "How long is this construction going to go on? It's disturbing. It's bothersome." Yet they know that there is a benefit at the end of the day in having that roadwork done. But even for just one season, it's disturbing to people.

Considering that my riding is called Copperbelt and for obvious reasons — the presence of historically rich copper in the area, and the Copper Haul Road on the other side of the gulch there — if you look at the new lots — just recently we've had another 71 come available and largely sold — people are paying over \$100,000 for the bulk of these lots, and they naturally have concerns about what the protection is if there is potential conflict because a mining company sees valuable resources adjacent or close to their land, or technically it could even be on the land. When you get these lots, you don't have the subsurface rights.

So that is an issue. I've looked through the existing act and I see where there are areas that deal somewhat with this. I'm not certain they're sufficient. I know recently the City of Whitehorse undertook along Long Lake Road to consider getting somebody on their behalf — because the city cannot stake claims — to stake claims in order to avoid what they would view as nuisance staking. It may not be, as the Member for Mount Lorne said, nuisance staking under the regime. People have the ability and right to look at an area and say there is potential value here and we're going to stake claims and see whether we can prove up the value. That turned out not to be a legal approach, but it shows there are people who see the potential for conflict.

One of the things I would like to have the minister address when he's on his feet is: was there any consideration toward looking at any amendments that might clarify the situation or give better comfort to other users of the land, people who have homes, farms, ranches and so forth, some of which certainly exist within the minister's riding?

I'm sure he too has had people phone him and express concern from time to time about an industry that they too may support but are worried about it when it is close to home.

Those are some of the questions that I have. Another question I have is whether the minister can clarify regarding the existing royalty regime — which as we understood from the industry reaches 100 percent above a certain value — and the new regime, where it falls on the continuum of other jurisdictions within Canada and for that matter even within North America. The new schedule that is laid out is this more or less middle of the road where it breaks down into the different categories or not? Again, we support the industry. Our caucus supports it. Probably every member in our caucus has had a historical relation to the industry at some point or another in their working career. We think that, in general, it is good that these issues are being addressed but we do have questions.

Speaker: If the honourable member speaks, he shall close debate. Does any other member wish to be heard?

Hon. Mr. Cathers: I thank members on both sides of the House for their comments. Some of them I will respond to in Committee of the Whole, as it would be easier in the flow of debate to take some time and better answer those questions and also gain a sense of whether the answers, in fact, clarify the issue for members. I would like to particularly thank my colleagues on this side of the floor for comments they have made, as well as the Member for Mount Lorne, for some interesting comments that he provided and I thank him for making those.

Although I don't agree entirely with his comments, he made some excellent points that I concur with. One in particular is that the main benefit of mining to Yukon citizens is the employment benefits. The impact on employment is not only within the mining sector, but of course within the support industries, and this goes right through the entire Yukon economy, through retail businesses, et cetera. When there is a strong mining economy, when mines are doing well, it benefits Yukoners who are in industries that have very little directly to do with mining but are deriving those benefits from that increased activity and the increased employment territory-wide.

The Member for Mount Lorne raised some questions about the economic viability of mines and why there is not a mention in the act of economic viability and environmental viability and sustainability.

And I would note to the member that this is something that is addressed within the *Yukon Environmental and Socio-economic Assessment Act*. That is the place that is set up for that socio-economic consideration. That is set up; it provides Yukon citizens with the opportunity to make their comments, to make written submissions that are then posted on-line and often, particularly for major projects, there's the opportunity

for public meetings on those things as well, and that provides the opportunity for their comments to be made on the public record and to be considered by the YESA designated office or the board, depending on the level of the project, and in their report to be considered by the decision body, whether it be the Yukon government, a First Nation government or the federal government. And so it's not a situation of those socio-economic and environmental factors not being considered, but simply that they are dealt with through another window. The Yukon does have one of the most rigorous environmental processes in the country, and it has what is a fairly rare situation in terms of the level of consideration that is given to socio-economic factors. Not that public input is not considered in other jurisdictions, but the specific references to those socio-economic factors that occur within the Yukon through the YESAA is more advanced, I think it would be fair to say, than most other jurisdictions.

The Yukon's respect for social values: those are important considerations in the environmental and socio-economic assessment of any project, and those considerations are important when the final decision is being made by the decision bodies that are relevant in that area.

There is one thing, Mr. Speaker, that should be considered in this. The Member for Mount Lorne made reference to the cycle of mining, and I think in this House we all recognize that the mineral markets do have a tendency to be cyclical. That's one of the reasons why it was important that this legislation move forward when it did: when the issues that were identified by industry were considered and that we addressed specific royalty provisions and administrative provisions in a timely manner. There are other areas in the act that broader review of the legislation, as with other pieces of legislation we inherited with devolution, will be considered through the successor resource legislation working group process. The *Forest Resources Act* that I tabled today is the very first piece of legislation to emerge through that process.

The process, of course, only commenced following devolution, and work will occur on other pieces of legislation that the Yukon government took over at devolution. But because some of the work that may include changes to regimes and other things that members have noted have been proposed by some, any such considerations that do require a broader level of consultation and lengthier time involved in going through the successor resource legislation working group process and the following public consultation — those are things that are most appropriate to leave, in our opinion, for another day because there was some need to move forward quickly with this legislation, considering the opportunities that exist for industry and considering the need for the Yukon to maximize its opportunity to take advantage of demand for minerals.

And despite the current world economic uncertainty that exists right now, there is still opportunity for Yukon mines to be developed because of demand for those products. The jurisdictions where there is a need for new projects to come on-line to provide the supply of minerals and metal to financial markets — the jurisdictions that are best positioned to have very clear regulatory regimes, to have limits to the level of adminis-

trative burden and certainly to eliminate those unnecessary areas that place an additional administrative burden on exploration and mining companies.

The jurisdictions that have made their regimes the best, the clearest and the most modern and competitive will be in the best position to take advantage of potential investment in development.

That addresses the comments made by the Member for Mount Lorne primarily, with the exception of one point I believe he was noting of the issue of overlapping types of interest in land, the interest of fee simple title to surface and subsurface rights. With those types of considerations, there are provisions to address them through the YESAA process, to consider impacts that any development has on existing landowners and those with interest in land. Any potential consideration of such things would have triggered the lengthier process and would have been much more involved and would have eliminated our ability to move forward in a timely manner, as was necessary to do at this juncture for the reasons I stated, and to ensure that the Yukon economy is on sound footing.

Recognizing that when these requests came forward, when these issues were identified, both from industry and the work done internally by Energy, Mines and Resources, looking at some of the administrative areas that we could clarify things, modernize it and make it easier, simpler and, in the case of things such as clarifying the wording around royalty, avoid the court disputes that have occurred in the past over wording that was quite antiquated in nature. So, again, those considerations are things that were simply not within the scope of this review for the reason of time involved.

Now, the Member for Copperbelt, the Leader of the Official Opposition, Liberals, also discussed the issue of mining claims potentially overlapping on surface title. I believe that what the member said, in a rather interesting dissertation, was he referred to the fact that the city can't stake claims to block potential claims. Now, perhaps I didn't hear the member correctly because that was a very interesting angle on things and it certainly is — I'm trying to phrase this politely, Mr. Speaker, but from my standpoint, not a very logical approach in nature or a very logical comment in nature.

What I would point out to the member, since I'm sure it has been missed in this case, is that official community plans and zoning can prevent that type of activity. Municipalities do have that authority within their jurisdiction. An example that members may recall from a few years ago is that there was development in my riding right near the corner of the Mayo Road and the Alaska Highway — or for those who use the more proper terms I should say, the North Klondike Highway and the Alaska Highway — there was development of a claim at that corner. What transpired through public concern regarding that specific claim and the activity occurring was that, in fact, while nothing prevented the individual who held the claim from holding that claim, some of the activity that was necessary to operate that claim was not permitted under the official community plan and under the zoning.

So, again, municipalities do have that ability to put zoning in place. Again, someone may file a claim and that claim may

be legal, but the activities to actually bring that claim into development may be, by municipal bylaw and by municipal zoning, prevented from ever occurring. So there is that level of security that is provided within zoned areas. Again, though a claim may be filed, there may be no realistic ability ever to bring that into production within municipal borders.

But, again, reiterating my previous point, such matters and such considerations — some of the broader possibilities and perspectives on what could change within the regulatory regime simply could not be considered within this process at this time without taking years in development of this process at a time when it was necessary to move very quickly, to take advantage of the opportunities we have and to ensure that investment occurs within the territory.

Again, one of the key points that must not be minimized is that for larger mining investments, the currently existing royalty rate that we are proposing to change with this legislation prevented anyone from taking the steps of investing and bringing that mine into production because bringing a mine into production with a very punitive royalty rate — again, as noted, the royalty rate that at a certain level of profit would, in fact, rise to 100 percent of profit, no investor in their right mind is going to make that investment. So we need to provide that signal very clearly through legislative change to potential investors that our rate will be competitive with other Canadian jurisdictions and provide the structure to enable that type of investment and to enable responsible development.

The Member for Kluane was making a bit of an issue about public comments and wondering why the government wouldn't share them. I would point out that if the member did a little more thorough research, those comments are on-line through the Energy, Mines and Resources' Web site — public comments received through this process. Other members, including the Leader of the Third Party, of course, have noted that and reviewed those comments.

Again, the same member, the Member for Kluane, suggested that the government was excluding other concerns and not considering them. Well, again, the member is mistaken in that assertion. As I noted, the other comments that occurred that were outside of the scope of this process for the reasons I outlined, will be considered and, of course — at such point in time as the legislation as a whole and the regime may be reviewed through the successor resource legislation working group — those perspectives and others will be considered and entertained in that process.

But these were two very simple areas to change in the act in the interests of moving quickly and ensuring there's the opportunity for the Yukon to take advantage of our mineral resources and to attract the investment dollars we need to ensure the Yukon resource economy continues to grow.

I would be happy to provide responses to the members on other comments. The Member for Whitehorse Centre, the Leader of the Third Party, asked some questions about benefits and the security and pointed to the example of Faro. I would make a few points to the member opposite. Faro, of course, was conducted under a federal regime and much of the Yukon's legislation and environmental processes were specifically de-

veloped to recognize situations that occurred at Faro and other type 2 mine sites and to prevent Yukon citizens from inheriting environmental liability after a mine has shut down. That is why we have the requirement for environmental security. That is why we have the review processes, the work that is done to determine the entire cost of closing the mine and the requirement for closure plans to be filed at the outset of a mine, which was not a requirement in past times and is not a requirement in some other jurisdictions.

That, again, is an example of how the Yukon's legislation is one of the strongest in the country in protecting Yukon citizens from this type of environmental liability, because I will agree with the member opposite on that. We all recognize the benefits Faro provided to the economy, but no one wants to see that type of environmental liability ever left from any new project that is permitted.

Another point that the same member brought up was the issue of the change to the post requirements. He indicated he was supporting the change from previously requiring a four-by-four post to reducing it down to a size of an inch and a half. The member suggested that this might lead to a decline in helicopter use and a decline in benefits from that type of thing.

In some cases, the member could be correct, but I would point out to the member that, helicopters being one of the biggest costs of exploration, in fact, what it is more likely to do is free up an exploration company to advance the total speed of their exploration project and may not result in any loss in benefit to helicopter companies or others for that investment, but simply enable them to do more work within their entire claims area and development prospect than they would otherwise be able to do.

Now, Mr. Speaker, I believe I'm running out of time here and I look forward to addressing other concerns and questions in Committee of the Whole, but what must be kept in mind with the royalty regime is that the idea that the Yukon can simply escalate the royalty regime to beyond what is comparable to other jurisdictions and still derive that benefit is of course one that has an inherent flaw in that if it is far more expensive to do business in the Yukon, we will, quite simply, not have that investment and there will be nothing to derive a royalty from.

That is why the proposal put forward is competitive with other jurisdictions. It is not as high a royalty as some would like to see it, and it is not as low as some in industry would like to see it; however, we have chosen a rate — 12 percent maximum royalty — that is competitive with other jurisdictions and will provide the ability for benefit to Yukon citizens. Of course, recognizing that currently under the devolution transfer agreement, the Yukon only receives a maximum of \$3 million in royalty per year anyway. The balance of that, the majority of those revenues, do go to the federal government with some resource revenue sharing arrangements with First Nations in place but, in simple terms for the members opposite, \$3 million maximum annual revenue for the Yukon government. The bulk of those royalties do go to the federal government.

I believe I am running out of time here so with that, I thank members for their comments and commend this legislation to the House.

Motion for second reading of Bill No. 58 agreed to

Bill No. 61: Second Reading

Clerk: Second reading, Bill No. 61, standing in the name of the Hon. Mr. Lang.

Hon. Mr. Lang: I move that Bill No. 61, entitled *Act to Amend the Municipal Act*, be now read a second time.

Speaker: It has been moved by the Minister of Community Services that Bill No. 61, entitled *Act to Amend the Municipal Act*, be now read a second time.

Hon. Mr. Lang: It is my pleasure this afternoon to introduce Bill No. 61, an *Act to Amend the Municipal Act*, for the Legislature's consideration.

As you know, the *Municipal Act* provides the legal framework under which all Yukon municipal councils function. When the new *Municipal Act* was passed in 1998, it represented a landmark piece of modernized municipal governance legislation in Canada.

One of the hallmarks of the legislation is that it specifically recognizes the role of the Association of Yukon Communities in facilitating quality municipal governance and relations in the territory.

The AYC played a key role in the act review process leading to this bill, and I believe this bill respects the spirit and intent of the act. This bill has been over three years in the making, with preliminary discussions starting in 2005 with AYC member municipalities.

Earlier this year, the public commented on a number of suggestions for possible act amendments. I want to thank everyone who contributed their time, energy and ideas to this discussion. I also want to express our appreciation to the Association of Yukon Communities for its commitment to this act review effort.

As the Yukon local governance environment evolves over time, there will be a continued requirement for periodic act reviews to ensure it remains functional and is meeting the needs of Yukon citizens and, of course, stakeholders.

Some of the suggestions discussed with the public this year did not receive the level of support we felt was appropriate to proceed with making those changes at this time. We are willing to again consider those proposals, along with other suggestions we received, in a future act review.

Your support for this bill will help ensure that the *Municipal Act* continues to be a responsive and relevant piece of legislation that is respectful of the interests of all affected Yukoners. I look forward to your comments and to your support.

Thank you, Mr. Speaker.

Mr. Fairclough: I, too, will be brief in my comments on this bill.

I would like to thank the officials who provided the briefing for us. Two out of the three were new to this process, which was interesting, and we appreciate the information that was provided to us. We asked for some additional information, some of which I see was hand-delivered to our office today. So I thank them for the speedy return of some of the information we asked for.

We went through the different sections of the amendments to the *Municipal Act*, and we understand a lot of what has been proposed here. Some of them are fairly big. Many of them are raised by the municipalities around the territory, and some by government. And some points were also omitted from the amendments before us.

Those we would like to have a discussion on in Committee of the Whole as we go into more detail. Also, we in the Official Opposition will be looking at possible amendments to the *Act to Amend the Municipal Act* in the interests of the municipalities and get a vote in the House to see if all those who understand that are in favour of the amendments. So we will definitely be working toward that. There have been a few things raised to us: we understand why the changes are being made from directors, the old definition of directors, and in the replacement of inspectors. There was a section in the act that also has both of those wordings used and I'll give the minister notice that I'd like more clarification on that.

I did get the background of why these amendments were put forward by the department and it was refreshing to have that before any of the discussions even took place. I believe there are 10 amendments and 10 sections that need to be amended and what was brought forward were some 15 possible amendments. I'd like to go through some of those that were not included with these amendments and find out exactly why the government decided to leave them out.

Those are some of the big issues that were raised by those I've talked to in the very short period of time. I've only had the briefing today so we're now discussing this bill, which doesn't give us a whole lot of time, but I'm sure that we can sort it out as we go through Committee of the Whole. Those I have talked to on the telephone today expressed their concerns that the whole issue of the length of terms of mayor and council has not been changed and has not moved to the four years that they expected it to. I'm hoping that the minister does have answers to that.

There is also a concern with regard to the referendum and what items — what types of bylaws — are eligible for vote in a referendum. I know this has been an issue that has gone around and around with AYC. It's very much a problem area, and it has not been included in these amendments to the *Municipal Act*. What has been included was to extend the date from three months to six months of a referendum, simply because, if it's within the six months, it makes sense to include it as a vote when there is an election. That is a money-saver and so on. So we do understand many of these, and we will definitely be asking questions with regard to that.

We also understand that in section 252 there is the increase of an additional percent above the current borrowing limit to be used by municipalities to address things like water wells and electrical or telecommunication services on residential properties. We also think that makes sense, and we agree with the municipalities on that.

Many of these amendments that have been put forward, of course, we do agree with and probably would be voting for; however, we do look for some clarification on this.

Also, there will be very simple things we're going to be asking for. It's information about who is not complying right now with management letters that must be submitted and whether or not this is going to be a problem for government or the department and the cost to having some of these changes being made.

I know there is not a whole lot to the amendments to this act, but some of them are very positive. It has been brought forward by AYC, and I believe they are in support of what is being presented now. But I think the expression put forward by the president of AYC was that they wanted to see more of the hard work they put in reflected in these amendments. Those are the areas I'd like to draw to the government's attention.

I will go into detail once we get into Committee of the Whole. I thank members opposite for allowing me to have a few words on Bill No. 61.

Hon. Mr. Kenyon: It's with pleasure I rise to speak about the *Municipal Act*. The *Municipal Act* of course is the legislative framework for local government in Yukon. Its principal aim is to facilitate development of safe, healthy and orderly communities. The act recognizes the role and importance of the Association of Yukon Communities and Yukon municipal governments in facilitating quality municipal governance and relations in the territory.

Bill No. 61 proposes amendments to the act following a multi-year act review and consultation process involving the AYC, municipalities and the Yukon public. It does a variety of things. For the Member for Mayo-Tatchun, I would draw his attention to the results of things that were actually consulted on and the levels of support and I will leave that for the minister during Committee of the Whole.

For instance, he mentions the types of bylaws eligible for vote in the referendum, when that was strongly opposed in the consultation. It makes little sense to do a detailed, involved consultation and then not act accordingly. Most of the details within the act are technical in nature and would probably best be discussed in Committee of the Whole, so I won't go into a lot of detail at this point in time, just that I think it's a very timely thing to be looking at and we're very pleased to support that.

Mr. Cardiff: I'd like to thank the minister for his opening comments today, and I'd like to thank the officials who presented Bill No. 61, the *Act to Amend the Municipal Act*, gave us a briefing on it and explained very well, actually, what was in the bill. I'd like to thank all of the people who participated in this review, the members of the *Municipal Act* Review Committee and all of the council members throughout the Yukon, municipal councils and LACs that participated in this review, and all the government officials who assisted with it as well.

It's interesting; I'm trying to recall now how many times we've seen amendments to the *Municipal Act* come forward. It seems to me that this is the second or third time we've actually seen amendments to the *Municipal Act*, so I guess one of the things I'd like the minister to clarify when he gets back up is —

I know that some legislation, in order for it to work well with times changing constantly, with technology changing, some of these acts require minor amendments on an ongoing basis — and I'd like to know whether or not there's any intent to do a full review of the act down the road, or a more comprehensive review, or whether it's the government's intention and the municipalities are okay with this that it's approached in this manner where, every two or three years, we bring forward minor amendments to his act.

Some of the things that were put out there in the consultation for review, as was mentioned by the Member for Mayo-Tatchun, that didn't receive support were things like the terms of office for municipal councils. The paper that I received, which is kind of like a consultation item summary, shows the support rating. Some of them showed weak support and some of them showed that they were strongly opposed or opposed to some of these things. Some had strong support — very strong support. I would be interested to know whether the government had an opinion on these and whether or not they supported or opposed some of these amendments themselves, as well, that were being proposed.

So there were the terms of office for municipal councils and the request that those terms be extended from three to four years. I personally don't have an opinion on that one, myself. It sounded like the Association of Yukon Communities thought that, for continuity, it would be better to have four-year terms. I guess the thing is that with a shorter term — this has actually affected us here in this Legislature as well, when the new *Yukon Act* went through and increased our terms from four years to five years; and I don't know that that was a good idea either.

I think that it is important that citizens and voters have an opportunity to review the performance of their elected representatives on a regular basis and that it also gives an opportunity for fresh faces to present themselves as representatives of communities. But it was one that did come forward and was rejected. It wasn't included in the act.

Another one that was excluded and didn't make the cut and was opposed was the municipal investment security rating requirements, which my understanding was basically requiring less approval for the investments, similar to what happened with the ABCPs here with the government.

It would have allowed municipalities to invest where there was only one rating agency that approved the investment. So it's probably a good thing, given what has transpired on the other side of the House, that that didn't go forward as well. There was one that wasn't supported as well, to amend section 269 of the act. It was about local improvement charges and what the threshold was for approval, for the levying of local improvement charges. I'm not sure — I would be interested if the minister could provide some more information about that. I think that currently the way it's worded is that the majority of taxpayers who would be affected had to object a proposed improvement, in order for the municipality not to levy those improvement charges.

What they were looking for would be a majority of taxpayers representing at least 50 percent of the frontage. So I'd

be interested in some of the discussions and the rationale for why that was rejected. I think I understand it, but I would like to hear the minister give his reasons for why that wasn't included. As well, the issues around the thresholds for holding referendums and the timelines — I think that extending the timelines from three months to six months is probably a good idea, and I can understand the cost-saving measures.

I heard one comment earlier, stating, "Well, why couldn't we just extend it to three years, so that all referendums and plebiscites happen around a by-election or a municipal election?" I think that that would probably be denying the citizens of the territory a voice in issues that they are extremely concerned about — what's happening in their community — and they need the ability to do that in order for democracy to prevail.

Some of the ones that did make the list of improvements to the *Municipal Act* were already mentioned, I think. The changing of the designation of inspector to the Director of Community Affairs makes a lot of sense. Those are the people who were doing the job. The inspector would be someone appointed by the Minister of Community Services to do a specific task, and it was actually the Director of Community Affairs who was doing the job. There is going to be no change of duties, but it provides for more clarity and transparency, I think, in the act.

The improvements to the voting process, to allow the returning officers their democratic right to cast a ballot and to provide a mechanism for the breaking of tie votes is a good amendment, I believe, and the amendment to increase the borrowing power of the municipalities by one percent of the assessed value in the municipality — this is actually something that I am quite pleased to see. I'm sure you'll remember many discussions in this Legislative Assembly with the former Minister of Community Services about the well-drilling program and its availability, and the fact the government discriminated against or didn't allow residents in municipalities the ability to participate in a territorial well-drilling program, because the taxation authority was the municipality. I think that conversation is a conversation I've been having with ministers of Community Services probably for the last four or five years. Finally, this amendment addresses that issue. Now residents who live within municipal boundaries will be able to avail themselves of things like well-drilling programs, rural electrification programs, telecommunication programs, whereby the money for them to invest in that infrastructure, themselves, is loaned to them by the municipality and then they return it to the municipality. It is a cost-recovery program.

Hopefully municipalities will take advantage of this amendment to the *Municipal Act* and be able to provide programs like that in their municipalities to the citizens who need those services because it has been a long time and they have been asking for those amendments.

Some of the other amendments, I guess — there is the one in section 242 that basically requires the municipalities to prepare their financial information to go to the full-accrual accounting method as per the public sector accounting principles. That is, I guess, consistent with the requirements of the both the territorial government and the federal government.

We have also had this discussion before, as well. It is my understanding from the officials who gave us the briefing that there would be, I think, three municipalities that are currently up to speed and are able to comply with this section. It sounded like the minister's department was working with municipalities through the director of Community Affairs — to ensure that all municipalities would be able to meet this requirement and begin this method of accounting for January so that they can report in 2010, to become compliant with act. I would encourage the minister to ensure that his officials do that.

I guess the only other concern that I have about this is that if there is an added cost or burden to municipalities, the minister would provide funds or assistance to ensure that there's no extra burden placed on municipalities and on the taxpayers of those municipalities and that the services in those communities don't suffer because of this.

In section 254, it increased the period of disqualification from office for legal expenditure offences, and I guess it raises that period of disqualification from four years to five years. I'm not sure why, what the difference — why four years to five years — why isn't it six years, or seven years, or more? It raises the question: what is the ethical standard that we should expect of elected officials? I'm not just talking about our municipal elected officials, I'm talking about our elected officials here in this House as well. There are questions around that that we could be asking.

Some of the other provisions — I think requiring municipalities to provide better notice to their citizens, and public notice, regarding changes to official community plans or zoning bylaws. To ensure that there is full disclosure and more transparency, I think is a good change and, as was raised by the Member for Mayo-Tatchun, the requirement in section 255, as well, to require the management letters to be submitted as part of the financial reporting to the government. So that's my understanding; that's the way that it was explained to me.

I thank the officials. I raised a couple of questions for the minister to respond to, and I hope that he'll be able to respond either here this afternoon or when we get into Committee of the Whole in debate of this piece of legislation. So I'd like to thank the Legislature for the opportunity to speak to the *Act to Amend the Municipal Act*, and look forward to talking with the minister more during Committee of the Whole.

Thank you.

Hon. Ms. Taylor: I am very pleased to speak to Bill No. 61, *Act to Amend the Municipal Act*. I think there has been a lot of dialogue here this afternoon on the floor of the Legislature about the intent of the act. Certainly there were some very good questions posed by members of the opposition.

First and foremost, I just wanted to take the opportunity to thank all those individuals in the public who actually took the time to comment on each of the specific areas that we were asked to consult on. As I understand it, I think I was reading somewhere there were well over 1,000 individuals who did comment on these particular proposals. In terms of consultations, that really is a significant amount of public input. That was very well received by us, the legislators, and those who are

prescribed the task of putting forth the legislation for our consideration.

I would also thank members of the Association of Yukon Communities and of course the municipalities themselves and the duly-elected officials who comprise the municipalities within our territory.

My mother actually served as a councillor for the Town of Watson Lake a few years ago. It wasn't that long ago, but she had put her name forward for office well before I had put my name up for office. Just in listening to her experiences serving as a municipal councillor, I can better appreciate the challenges associated with being a municipal elected representative. They are, in fact, the first individuals on the ground, so to speak. They are the grassroots people in the community. So when things do go wrong or awry, they are in fact one of the first points of entry, you could say. So whether it be garbage pick-up or lack thereof, or it could perhaps be a dog barking, those are the individuals who are given a call.

Likewise I have to say that, as an elected representative for the Yukon Legislature, I know from representing my constituency here in the City of Whitehorse that many of the issues we deal with are municipal-related. So we certainly endeavour to work pretty closely with the City of Whitehorse officials to ensure that they're apprised of the issues.

Most of the time they are, and are trying to come together to work in a collaborative way to come up with some solutions where we can all benefit, because we are a small territory. We are a very small population compared to other jurisdictions. We all very much feel the impact of decisions, whether they are made at the local level, territorial or federal level, and so forth.

I just wanted to say thank you and acknowledge the very good work and the efforts done by our municipal elected representatives.

I think that there are a number of ways in which the Government of Yukon has been able to respond to some of the challenges — some of the opportunities, as well — identified by municipalities, whether that is pertaining to the municipal base grant — and we all know that recently that was increased. I think that it was the first time in probably about 10 years or so, as I seem to recall.

There has also been funding made available through a number of different venues, including some of the federal infrastructure funds where it could be a third/a third/a third portion of those funds to get at and be able to resolve some of these outstanding issues, whether it be waterfront development, whether it be sewer and water, and so forth. These are all issues that are near and dear to the hearts of Yukon individuals and are certainly near and dear to the hearts of municipalities as well.

This is a piece of legislation and it is proposed amendments to the *Municipal Act*, many of which pertain to financial matters, as members opposite made reference to this afternoon — planning, land use, elections and so forth. I think the point to be made here is that there have been some questions here today about how often or when the next review will be. Of course, looking over the years, I think that it is certainly incumbent upon government to review legislation such as this

and to be able to respond to issues of importance. Certainly the Association of Yukon Communities and their respective memberships have done a very good job in terms of making known their priorities and in terms of making known areas that are identified for change. I think that this is just a composition of many of those issues.

The Member for Mount Lorne just spoke about the level of consultation, which I just spoke about as well, there was a high degree of public engagement, you could say, with well over 100 individuals participating in the public consultation. So they certainly made their views known and from that was the basis, the underlying rationale, for either going forward or perhaps not going forward with specific, prescribed, recommended amendments.

The *Municipal Act* is indeed the legislative framework for local government in the Yukon. Many of these amendments are housekeeping in nature. Many of them are speaking in specific response to areas that have been identified as issues of importance by their respective local governments, and again, were very pleased to come forward.

I won't go on into too much detail, because I think a lot has already been said about each of these specific areas, other than the fact reviews such as this will be ongoing in terms of *Municipal Act* amendments.

This is but one of the areas that has been identified. There was a lot of talk about some of the areas, including — again — providing for automatic rescinding of unpassed bylaws, undertaking housekeeping amendments related to outdated departmental reference. Again, these are just in keeping with how other laws have evolved, whether here in the territory — on the territorial level — or on the national front, when it comes to clarifying accounting rules and so forth. So these are really updating, responding, and modernizing this piece of legislation.

Again, we very much recognize the good work that is conducted by elected representatives, and we're very pleased to be able to continue a good working relationship with Yukon municipal governments.

We just concluded a whole host of community consultations and, of course, over the last six years under the leadership of our Premier, we have made it a priority to visit each and every community in the territory.

We have been able to meet with most mayors and councils and First Nation chiefs and councils, as well as the community residents themselves, and it's a really great opportunity to become better apprised of the issues of the day, some of the challenges that we face today, but also some of the opportunities where we can better work together, realize efficiencies, partner, and move forward on initiatives that we weren't necessarily able to move forward on on an individual basis.

So I would just like to say that all of our meetings, at least the meetings that I had the opportunity to participate in for this year's community consultation — and it's the sixth consecutive tour — had some excellent feedback, great recommendations made and at the end of the day many of the issues that are faced by local governments are indeed those issues that are also faced by territorial government and other.

But I think the key is that, by ensuring that we have an open door, we're able to work effectively together on some of these issues. We're able to make so much better progress than working in isolation, and that's where local governments have a role to play, working with the Yukon government, working with the federal government, and working with First Nation governments across the territory. And we've been able to see a lot of success as a result of that collaboration over the years.

We've certainly been able to see a number of improvements in our respective communities, but there's a lot more work to be done, to be sure. As more individuals make the Yukon their home, there is definitely more pressure upon our local infrastructure and our local human resources — individuals — to fulfill those renewed priorities.

But again, that's a good challenge to have, and I think that we've been able to make significant progress by working collaboratively together with one another.

So, Mr. Speaker, I just wanted to say thank you to the minister responsible for Community Services for bringing forward this bill, and we look forward to hearing from other members opposite as well as on the government side, and being able to continue to work collaboratively with our local governments for the benefit of all.

Hon. Ms. Horne: Mr. Speaker, perhaps few acts have a greater impact on Yukoners than the *Municipal Act*. In my own riding of Pelly-Nisutlin, my communities of Teslin and Faro both operate under the authority of the *Municipal Act*. Community planning, providing clean drinking water, safely removing and disposing of waste, building and maintaining public roads within communities, fire protection services, recreational activities and a host of other services are all provided by Yukon municipalities.

It is this act that lays out how our municipal governments are to function. Of course it is these governments that provide so many of the services upon which we rely. The *Municipal Act* is a legislative framework for local government in Yukon. Its principal aim is to facilitate development of safe, healthy and orderly communities. The act recognizes the role and importance of Yukon municipal governments in facilitating quality municipal governance and relations in the Yukon.

I applaud my colleagues, the Minister of Community Services and his predecessor, for their work with Yukon communities.

In speaking with the ministers and mayors of communities in my riding, I have come to better appreciate the challenges faced by governments in delivering these services. I have made a point of attending community functions, including the regional round table held earlier this fall in Faro. I would like to talk for a few minutes about this legislation.

Bill No. 61 proposes amendments to the act following a multi-year act review and consultation process involving the AYC, municipalities and the Yukon public. I, for one, appreciate the fact that any Yukoner could log onto a Web site and review the options and offer feedback. Based on those consultations, I would now like to share some of the changes proposed. In part 1, Definitions, Purposes, and Powers, the

amendment provision is to add “director of community affairs” and related definitions to the defined terms to facilitate related amendments to parts 2, 4 and 5. Those amendments clarify authorities and municipal and auditor reporting requirements.

In part 2, Formation, Dissolution, and Alternation of Boundaries, the amendment provisions are to section 38 and section 41 to substitute “director” for “inspector”. To make clear that the director, on the direction of the minister, may conduct the first election of a local advisory council and is responsible for the supervision of local advisory councils.

In part 3, Elections, the desire to amend section 50 recognizes the proposed amendments to section 252, part 5, by allowing persons who might benefit from these amendments to run for municipal council, along with any other persons who may owe money to the municipality as provided for under section 50.

Likewise, amendments will be made to sections 97, 127 and 135, to provide opportunity for a returning officer to cast a personal vote in a municipal election while providing measures to prevent any potential conflicts of interest for those officers in their official tiebreaking role when an equal number of electoral votes have been cast for two or more candidates.

As well, 155 will be amended to enable a council to defer referendum that is set for a vote within six months of an upcoming election or by-election so that the two votes occur concurrently. This change could save a great deal of expense.

In part 4, Municipal Organization and Administration, the proposed amendments are to sections 211 and 222, which substitutes “director” for “inspector” to more accurately describe to whom municipalities are required to submit council meeting minutes and bylaws.

Section 220 will automatically rescind a proposed bylaw, if it has not received third reading within two years or is defeated at second or third reading.

In part 5, Financial Matters, the proposed amendments are to section 242, which will require municipalities to prepare their financial information in compliance with Public Sector Accounting Board accounting principles, consistent with the requirements for the Yukon government and federal government.

I think one of the challenges that Yukoners have faced in the past was the ability for them to compare apples to apples, instead of apples to oranges. By having all of the municipalities using the same reporting model, it will be easier to compare and understand these statements. I would like to point out that Public Sector Accounting Board accounting principles were developed by accountants to better inform readers about the performance of government.

Changes to section 252 will enable municipalities to borrow an additional one percent over and above the current borrowing limit to provide municipal governments with enhanced opportunity to offer loan programs to taxpayers for installation of water wells and electrical or telecommunication services on residential properties. I think this change will greatly assist Yukoners who live within municipal boundaries, but are not connected to the water system or the electrical grid.

The Yukon government has the very popular rural electrification and telecommunications program, or RETP, as it is otherwise known. By applying this as a local improvement charge, which may be repaid over 15 years, the government helps the homeowner obtain the services they need. However, because the Yukon government is not the taxing authority where there is a municipal government in place, Yukon is not able to offer this program within municipalities. I do appreciate these changes will mean the communities of Teslin and Faro in my riding will now be able to consider offering a municipal version of RETP. This is good news.

Proposed amendments to section 254 will increase by one year the period of disqualification from office for legal expenditure offenses. Section 255 will be amended to include management letters in the list of documents required to be provided by a council to the Yukon government and clarifies through substitution of “director” for “inspector,” the person to whom financial information and management letters must be submitted.

Management letters provided by an auditor to clients highlight potential municipal finance issues the Yukon government needs to be aware of in order to fully assess the financial position of municipalities.

Municipalities are required to advise the Yukon government of the appointment and termination of appointments of their auditors.

Perhaps if this practice had been established, we could have avoided some of the issues that have arisen over the years. While many of our local councillors are very, very good, not everyone can read and understand financial statements. The public may be well-served by having people who work daily with municipalities, reviewing these documents. Their review may note anomalies or trends that individual communities may not be aware of.

Section 258 adds “director” as one of the parties that may require from a municipal auditor, a further examination or reports on such municipal financial matters, as may be considered necessary or advisable and clarifies through substitution of “director” for “inspector”, the person to whom an auditor is required to submit copies of reports they have submitted to a municipality.

Part 7, Planning Land Use and Development, amendment provisions — section 280 and 294 requires advertisements that are required to be made regarding official community plans and zoning bylaws, including related amendments, to be placed at least four days apart over two successive weeks. This is to ensure the public is afforded reasonable opportunity to become aware of municipal proposals and intentions on these matters. I think this is a solid piece of legislation and I would encourage all MLAs to support this legislation.

Thank you. Günilschish.

Hon. Mr. Hart: It gives me great pleasure to get up and speak to the amendments to the *Municipal Act*.

I won't go over the details of each and every proposed amendment, but I will provide a little background on how we got to where we are today.

Back in 2005, through AYC, we commenced a workshop on the amendments that would be needed to improve the *Municipal Act* and to enhance the ability of our councillors to operate within their municipalities. We started with a fairly long list, and after a couple of years, we dwindled it down to under 20 items, and we're ready to go out to consultation on those items to the general public.

I would like to also emphasize to the members opposite that we worked with AYC very closely on these amendments. They came with us to each and every community, were there with us on the consultation process, and of course were very supportive of all the proposed amendments. However, in going out with the consultation, there were some amendments that were put forth that the general public saw fit not to proceed with. And as such, we are only putting forward the amendments that were generally supported by the public itself.

But I would say that all of these items will improve or enhance the abilities of the municipalities. Some are administrative in nature, others are actually very specific, as my colleagues have indicated. The one that's of interest to me, of course, is the ability for the municipalities to provide the well program to those within their municipal boundaries. I would have to say, that, for me, it's probably the key item, even though I believe that ability was always there. This amendment alone will provide many of those constituents the opportunity to at least have an option when it comes to well water. It's a very important one and I'm glad to see it was well-supported through that process.

Mr. Speaker, I think that, as I stated, these amendments were worked through AYC for a substantial amount of time until we dwindled it down to where we could take it out to the public. In addition, I would like to say that there were some items that were brought up outside of the items on the consultation to the general public. Those items, I will hazard to say, will be able to be brought forward again for consultation at a later date, when the review of the act comes up for its 10-year review. That process will be identified sometime in the future.

The entire act will be up for review then. And then maybe some of the issues that were brought forth in this review, as well as some of those that didn't pass this time, may be brought up for review or restructured such that they will be a little bit more palatable for the general public.

I'm looking forward to these amendments, and I support the amendments that are put forth under the act.

Mr. Nordick: The *Municipal Act* is a legislative framework for local governments in the Yukon. Its principal aim is to facilitate development of safe, healthy, and orderly communities. The act recognizes the role and importance of the Association of Yukon Communities and Yukon municipal governments in facilitating quality municipal governance and relations in the territory.

Bill No. 61 proposes amendments to the act following a multi-year act review and consultation process involving AYC municipalities and the Yukon public. Mr. Speaker, I commend this bill and would like to thank all involved in the preparation and the work.

Before I speak to the amendments in Bill No. 61, I'd like to address some of the previous speakers' questions with regard to amendments requested by AYC that are not included in this bill. We consulted with Yukoners, and we heard what they had to say. With regard to a suggestion to amend section 52 of the act to change the term of office for municipal councils from three to four years, there was very weak support for that amendment.

With regard to an amendment in section 269 of the act, such that the majority of affected taxpayers representing at least 50 percent of the frontage must object to halt a proposed improvement — once again, weak support for that.

Amendment in section 155(4), as suggested by AYC, to accept the threshold of 25 percent of electors, or 2,000 eligible electors, whichever is less, to pass a referendum, there was even less support for that.

The amendment in section 243(c) to allow council to invest in securities rated in the highest rating categories by one recognized security rating institution acceptable to the minister — Yukoners were actually almost opposed to that.

Mr. Speaker, with regard to types of by-laws eligible for vote by referendum, AYC wanted to add more types of decisions not eligible for referendum — that would be section 153(1). There was even stronger opposition toward that. Some of the amendments that we are putting forward in the *Municipal Act* in section 1 is amending by adding the word “director” to the list of definitions. This will enable amendment numbers 4, 5 and 16, which address the municipal concern that reporting requirements to the Government of Yukon are not clear enough. The director of community affairs is an ongoing position while the current use of the term “inspector” is confusing for some municipalities.

Mr. Speaker, subsection 155(2) is repealed and replaced with the following — actually, I probably won't go into details because anybody can read that section 10 in this amendment. The current act requires municipalities to submit a bylaw under this section to referendums within 90 days of its introduction. Municipalities have been concerned about the expense and time required to hold a referendum. This amendment provides municipalities with the opportunity to reduce polling expenses by holding a referendum on a proposed bylaw at the same time as an election or by-election, but only within six months of the introduction of the bylaw.

With regard to previous bylaw readings, section 221 is new. The new section will address an issue raised by municipalities. It provides a process by which outdated un-passed bylaws will be cleared from a municipality's record if it does not already have the process in place to address this issue.

Section 242(2) will replace amendments and is intended to reflect the fact that a municipality must now operate in a manner that meets the Public Sector Accounting Board standards. Currently a municipality shall prepare financial information in accordance with generally accepted accounting principles for local governments, as recommended from time to time by the Public Sector Accounting Board of Canada, Institute of Chartered Accountants.

Mr. Speaker, subsection 252(1) is amended to prevent municipalities from offering programs to their residents that are similar to YTG rural domestic well and rural electrification and telecommunication programs. The YTG programs are only open to rural residents outside of municipality boundaries and some municipal residents would like to have similar programs available to them.

This amendment was brought forward by the Association of Yukon Communities.

Mr. Speaker, subsection 253(3) is amended by repealing the expression “four years” and replacing it with the expression “five years.” This section addresses the consequences of illegal expenditures by a council member. This amendment increases four to five years the period of disqualification from municipal office as a result of illegal expenditures.

I won't go into much more detail with regard to the amendments to the *Municipal Act*, but I would like to once again thank the members of Dawson City municipal mayor and council for the hard work that they've done in the last couple of years. I know my community went through a rough time, some time ago, but we are definitely on the healing path and the community is doing quite well because of the hard work of YTG and especially of the mayor and council we have currently elected. Once again, I'd like to thank them, and I'd also like to thank all the officials in the department, and all the individuals who have worked on these amendment changes. I once again commend this bill to the Assembly.

Hon. Mr. Cathers: I'd like to briefly rise in support of this legislation, the *Act to Amend the Municipal Act*, and I share the Member for Riverdale South's perspective on this in noting that, in my view, the most significant beneficial change in the *Municipal Act* is the change to increase the debt limit that municipalities may incur for cost-recovery programs such as well programs, electricity, et cetera.

I would note that one of the members opposite suggested that in putting in place the rural well program the Yukon government had somehow discriminated against citizens inside of Whitehorse. I think the member ought to know by now that that is not correct; in fact, the rural well program was something that I was very pleased to have a part in working on. The idea originally came forward from constituents of mine, and I'm pleased that, in bringing it forward, the concept received support from many others and has provided significant benefit to my constituents and other Yukon citizens living outside municipal borders.

Of course there was nothing that prevented municipalities from coming on board and accessing this program; the Yukon government, by the very structure of the program, since it was based on the rural electrification telephone program, cannot place a caveat on property titles where it isn't the taxation authority.

A fundamental principle of that program and a fundamental reason for the long-time success of the rural electrification telephone program was the fact this provides security to the taxpayers that the money will be repaid. The homeowner gets a significant benefit, in they can borrow up to 25 percent of the

assessed value of their property for improvements, such as electricity and telephone, and now through the rural well program, for water. The security to the taxpayer is that a caveat is placed on their title and if they choose simply not to pay it, eventually as with delinquent taxes, the sheriff will have something to say about their failure to repay their obligation.

The benefit of course to the homeowner is they can repay that money over a period of up to 15 years at Bank of Canada prime rate. It makes those improvements affordable for people who otherwise might not have been able to pay for it.

In the case of the domestic water well drilling program, it's made available to people and, by making those payments over a period of up to 15 years on an average price per well and infrastructure — the last I heard was roughly \$24,000 — by extending that over a 15-year repayment period, it allows them to install a well and have the payments be less than they are likely putting in for their cost for water delivery.

So it has been an excellent program for constituents. It has assisted a number of my constituents, but the point of frustration has been that, when the program was originally conceived, the intention was that it would be available within municipal borders the very same way the rural electrification and telephone program can be done within municipal borders or on First Nation land or on land that Indian and Northern Affairs has authority over by the government with relevant jurisdiction agreeing to take responsibility for that debt and the collection of that debt.

However, the stumbling block that was run into with the City of Whitehorse and with the Association of Yukon Communities was they were not willing to allow that program to occur, even when the offer was made for the Yukon government to provide them with funding to loan to citizens living within Whitehorse borders. They were not willing to provide that funding; they were not willing to make such a program available unless a change was made to exempt that debt from their borrowing limit or, in this case, to increase their borrowing limit by one percentage point to allow for such programs.

So I do have to point out to the member who raised that point that that is certainly not a correct assessment of history. From its very inception, the domestic water well program was intended to be available to Yukon citizens who needed it within municipalities and outside. Since its inception, it has drilled a significant number of wells. I don't have the exact figure in front of me, but it certainly has assisted dozens of Yukoners in providing them with the ability to put in a well and related infrastructure. In my opinion, it has been one of the very successful examples of the Yukon government working in an innovative manner to assist people in doing something they would not otherwise be able to do.

But, in that case, it is assisting them in putting in that infrastructure without requiring their fellow citizens to subsidize that infrastructure going in, by using the government's enhanced powers and ability to borrow — even when we're not borrowing, Mr. Speaker — to amortize that repayment of the debt over a period of up to 15 years at Bank of Canada prime rate. It provides significant benefit for Yukon citizens.

Having corrected the record for the Member for Mount Lorne, I hope he will ensure that in reflecting in future debate that he correctly notes the Yukon government has always hoped the program will be available within municipal borders and note that in fact it was the City of Whitehorse and other municipalities who chose not to partner with the Yukon government and not to either sign on and accept that portion of debt on behalf of the property owners and deal with their own collection of that through either a caveat on the property or through a local improvement charge, whichever manner they preferred, and, secondly, that in this case, the change to the *Municipal Act* to allow this was insisted upon by municipalities, that they required this prior to considering or reconsidering offering such programs to their citizens.

So with this change, I certainly hope the Legislature will approve it. It is my hope that once this change is made, this will result in a change in policy at the municipal level and will allow my constituents within Whitehorse municipal boundaries, as well as the Member for Mount Lorne's and other members who have rural areas within Whitehorse that are not hooked up to water mains — it is my hope they will indeed recognize this opportunity to provide this service to citizens in these areas and recognize the significant benefit that the rural well programs provided to Yukon citizens outside municipal borders.

Mr. Speaker, other areas within the *Municipal Act* that are brought forward for change, of course, include the clarification of accounting rules and reporting processes, et cetera. One part of this is the key recognition of the need to follow current public sector accounting guidelines. The accounting principles as recommended and set by the Public Sector Accounting Board, of course, is standard accounting practice for governments and it is important that the act be changed to recognize the requirement for this level of accountability. Although this is not intended to suggest anything other than the fact that the majority of those who serve on municipal councils are very dedicated and have significant respect for the principles of accountability, it is important, whether at the territorial level, the federal level or the municipal level, to clarify the rules around accountability. Reporting of accounting practices is a very key factor of that, to prevent unwanted situations of improper reporting.

Of course, it's important in suggesting that a high standard should be followed to identify what those rules should be and to clarify that within the *Municipal Act*.

Considering the hour of the day that we're at here, I will not spend a significant amount of time talking about this legislation. I see that the Member for Kluane is eager to join in the debate. I don't believe he has done so. I'm certain he will have that opportunity to provide his comments on the floor, rather than off-mike, should he wish to do so.

Another key change to this is extending the period of disqualification from office for council members for legal expenditure offences which, of course, is the other side to the high standard and high level of rules around reporting, accountability, et cetera. If, in fact, a council member crosses the line and does not follow the rules and makes an illegal expenditure and has committed an offence in that area, the period of time in which they're disqualified from municipal office is now effec-

tively extended to a period of two terms by changing the period of disqualification from the current length of time of four years to the new length of time of five years. Of course, that doesn't remove the ability for voters to choose never to elect someone to municipal council who has done such a thing. But it does, in the interest of citizens as a whole, extend the period of penalty for anyone who crosses that line, whether intentionally or unintentionally, by clarifying this legislation and by extending that period of disqualification for such an offence.

In closing, I think that, again, it's important to recognize the good work that has gone into this from Community Services staff and the participation of municipalities and the Association of Yukon Communities and Yukon citizens who participated in this process and provided their comments.

Of course, as was noted by previous speakers, there were other issues put out as possible changes but, as with any consultation process, a key part of a public process is that not all proposed changes necessarily are agreed to at the end of the day if they are not supported by the majority of citizens. In this case, some of those changes and some that have come to light in media stories that certain municipalities would have liked to have seen put into place, did not receive the required level of support in the public consultation process.

Mr. Speaker, the comments received during consultation, the level of public comment, et cetera, that occurred through this was approximately 1,200 comments on the very proposals. The consultation comments average fewer than 100 per individual proposal that were put forward. Again, 1,200 comments is a significant level of participation and input on the proposed issues through the consultation paper.

So, in answer to those who would suggest that perhaps other changes should have been made to the *Municipal Act*, at this point in time, the public process dictated the outcome and that is not to prejudge what may happen during future reviews of the *Municipal Act* and what citizens may request down the road.

I see that members on both sides of the floor seem to be getting very enthused at this point in time as there are comments coming from all sides. Please excuse my momentary distraction here. I'm receiving many helpful comments from all around.

In conclusion here today, I think it's important to note that a commitment was made to consider additional suggestions raised by stakeholders during the consultation and a future review of the *Municipal Act*. There is a need for periodic reviews of Yukon's municipal legislation to ensure the legislative framework continues to meet the needs of Yukon citizens and stakeholders. A future review of municipal legislation will also

Speaker: Order please. The time being 5:30, the House now stands adjourned until 1:00 p.m. tomorrow.

Debate on second reading of Bill No. 61 accordingly adjourned

The House adjourned at 5:30 p.m.

The following Sessional Papers were tabled October 27, 2008:

08-1-79

Conflict of Interest Commission Annual Report for the period from April 1, 2007 to March 31, 2008 (Speaker Staffen)

08-1-80

Political Contributions 2007, Addendum to the 2007 Report of the Chief Electoral Officer of Yukon (October 2008) (Speaker Staffen)

08-1-81

Absence of Members from Sitzings of the Legislative Assembly and its Committees: Report of the Clerk of the Legislative Assembly (dated October 27, 2008) (Speaker Staffen)

08-1-82

Appointments to Major Government Boards and Committees, Standing Committee on: Sixth Report (dated July 25, 2008) (Taylor)