

**Yukon Legislative Assembly**  
**Whitehorse, Yukon**  
**Tuesday, March 31, 2009 — 1:00 p.m.**

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

*Prayers*

## DAILY ROUTINE

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

Tributes.

## TRIBUTES

### In recognition of National Aboriginal Languages Day

**Mr. Cardiff:** I rise on behalf of the Legislative Assembly to pay tribute on this day, March 31, which was established by a special Chiefs Assembly on Education as National Aboriginal Languages Day.

It is said that language is culture. A person's culture is expressed most clearly in the process of their language use. Thinking patterns, values and actions are all underlaid by language expression. Daily use of the language means that the culture is strong and that it is passed on.

The history of aboriginal languages has not been a positive one. First Nations' traditional culture has been gravely affected by the imposition of mainstream languages such as English and French. One of the most destructive acts of those in charge of residential schools was to forbid the use of aboriginal languages and to punish any child using their original language. It may have been done with the objective of supporting First Nations to obtain language skills, which were essential in the dominant society, but the results were devastating. In many cases, the aboriginal language was the only one some children knew.

In the Yukon, there has been a good response to the need to preserve and to pass along aboriginal languages. First Nations are anxious to preserve their languages and their heritage. First Nation languages are a part of the curriculum in our schools. For decades, the Yukon Native Language Centre has trained community language instructors, developed dictionaries and advocated the preservation of Athapaskan and Tlingit languages.

Many elders continue to use aboriginal languages and encourage children to learn them. Aboriginal languages are used in many First Nations' administration of their governments, but there is still a serious concern about the threat of extinction of these languages. Several languages across Canada have been declared extinct or are used only in ceremonies.

More can be done and must be done by all governments and all First Nation speakers. We can all be instrumental in actively using these essential tools of an important part of our Yukon culture.

**Mr. Edzerza:** I rise today to pay tribute to Aboriginal Languages Day. Our traditional way is to seek understanding of

how important all things the Creator gives to you to assist you in your life on Mother Earth are to you.

Think about language. What does it mean to you? Can you survive without it? One probably can, but it would make communicating with others very difficult.

Mr. Speaker, a large percentage of First Nations across Canada and part of the world no longer speak their mother tongue. They have lost their language. They have forgotten how to think like their ancestors. This, for most, is very embarrassing.

I am 60 years old. I do not know how to speak my language, which is Tahltan. To me, it is like walking around without all your clothes on. At the present time, I am trying to learn the basic, elementary words like "Grandma" and "Grandpa", but I am finding it difficult, because I have grown used to thinking and speaking in English.

Mr. Speaker, in 2007, the Council of Yukon First Nations did a Yukon regional health survey, called *Reclaiming the Well-being of Our People*. The survey results showed 87 percent of those surveyed said loss of their language had a very negative impact on their lives today, and 91 percent of youth and children rate that knowing their traditional language is very important to them.

Mr. Speaker, there are now two generations with very few people who speak their aboriginal language. In 1994, Elder Percy Henry gave a very powerful message to all people about language when he said, and I quote: "A car with no gas can't go. A tree with no branches can't grow. So as native people who have lost their language, part of us is gone. Your spirit is strong; your fire inside of you is strong; you have it all when you speak your own language."

Mr. Speaker, I make this personal plea today to the powers that be: please do not let our First Nation languages become extinct. Thank you.

**Speaker:** Are there any further tributes?

Introduction of visitors.

Are there any returns or documents for tabling?

Are there any reports of committees?

Are there any petitions?

Are there any bills to be introduced?

Are there any notices of motion?

## NOTICES OF MOTION

**Mr. Fairclough:** I give notice of the following motion for the production of papers:

THAT this House do issue an order for the return of the implementation plan for New Horizons.

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

THAT, in light of recent increases in tuition fees at Yukon College, this House urges the Yukon government to evaluate Yukon student financial assistance programs with a view to increasing them and to investigate the feasibility of establishing a system of bursaries for those students most in need in order to maintain a high level of access for Yukon students to attend Yukon College.

I give notice of the following motion:

THAT this House urges the Yukon government to consider the concerns of residents of Keno and ensure that any mining project in the region does not negatively impact:

- (1) the health and safety of Keno residents;
- (2) the quality of life of Keno residents;
- (3) tourism and the local economy that Keno residents have invested in;
- (4) the natural environment of the area.

I give notice of the following motion for the production of papers:

THAT this House do issue an order for the return of the final report marked "Issued for use" with the number VI3201069, dated August 2008, and entitled, "Flood Assessment and Abatement Options Study Marsh Lake and Upper Liard."

**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: Whitehorse Correctional Centre rebuild

**Mr. Mitchell:** Mr. Speaker, I have a question for the Minister of Justice.

Yesterday, officials in her department gave the media a glimpse of the \$67-million correctional centre she is having built. The government has been less than cooperative with releasing information about this building and it is becoming obvious why that is. The government appears to be simply making it up as it goes along.

In the briefing yesterday, the minister's officials confirmed construction is set to begin in the next few weeks, yet there is no final design. The final cost estimates won't be known until September. The government is flying by the seat of its pants on one of the most expensive projects ever built in Yukon.

Will the minister confirm for the public record that the final design isn't yet done?

**Hon. Ms. Horne:** We had consultations throughout the Yukon — extensive consultations on the new *Corrections Act* — on a new way of treating inmates at the correctional centre. We listen to Yukoners. We are putting in a facility that will treat the inmates, and they will reintegrate into society when they come out.

This government has unveiled preliminary designs for a new correctional facility, final design and tenders issued by October this year. We plan to proceed with construction while the design is still underway. It will be built in stages.

The three-storey building will have 102 cells in a variety of spaces for important programming and workshops and a fully-equipped dental suite and nursing station. It's an efficient, safe design and it will also allow inmates to go to the outside area for exercise whenever they feel they need to get away.

It is designed to rehabilitate inmates back into society. We waited. We listened to what Yukoners said. We are building a

facility that will be effective, not a warehouse, which the Liberals had planned.

**Mr. Mitchell:** Let's hope they don't feel the need to get too far away.

Mr. Speaker, I was about to say that the minister didn't answer the question, but I believe she did. There are no final designs.

In 2007, the Auditor General of Canada issued a report that was very critical of the way this government handles construction projects. It's obvious that this government has not yet learned anything from the auditor's report because they keep making the same mistakes over and over again. "We observed changes in design during project delivery resulting in cost increases and delays," the auditor said.

Mr. Speaker, when you start construction without final drawings, this is what happens: cost increases and delays. This is the Yukon Party way of doing business.

Why is construction starting when final plans are not yet ready?

**Hon. Mr. Lang:** The member opposite again is wrong. We are going ahead. We are going to build a correctional and treatment centre on the site. We will be working with design engineers and architects as we move through it. The member opposite obviously hasn't heard of change orders as we move through this process, but by December 2011, this government will hopefully have an operating correctional and treatment centre on the ground for the Yukon. The member opposite is wrong; we are working toward the structure itself and that will be done in an organized fashion within the public works. We look forward to the end results.

This is very much a success story if you look at where we started six years ago and where we're at today, and what we're building today. When all Yukoners look at this structure, I think they'll look back and say, that was time well spent.

**Mr. Mitchell:** What's wrong is this Yukon Party way of construction project management, and you bet we've heard of change orders. We've seen lots of them.

Shortly after coming to office in 2002, the Yukon Party government stopped construction on a new correctional centre, saying it was too expensive. At the time, the cost was around \$25 million. Now the cost has ballooned to \$67 million. The delay has also meant that somewhere between \$3 million and \$5 million has been spent patching up the old facility, so we're probably looking at over \$70 million and construction hasn't even started.

To make matters worse, we learned today construction is set to begin and the final plans are not yet done. This almost always leads to cost overruns. The Auditor General flagged this issue two years ago and told the government to fix the way it manages construction projects. The government is ignoring that advice and setting taxpayers up for huge cost overruns on this new building.

Why is the minister being so irresponsible with taxpayers' money?

**Hon. Mr. Fentie:** Actually, the member opposite, in referencing this project, is setting Yukoners up. It's relative to what we inherited in 2002. The much-vaunted warehouse/jail

that the former Liberal government was going to build is actually a pile of dirt sitting on the property where the existing correctional centre exists.

So what the project has managed to accomplish is to not lose that expense incurred by the taxpayer back then and incorporate that in the project itself.

As far as final design, there's absolutely nothing wrong in the contracting business in proceeding with footprint, mechanical and other fundamental parts of any facility while internal final design is being done. Furthermore, every final design — no matter what the member may think — if we were to wait, which we could, I suppose — is subject to change orders during construction.

So what we're doing is not only delivering on what the Auditor General — by the way, we triggered the audit to ensure that what was going on was appropriate — is recommending but furthermore, we're delivering on stimulus and benefit for Yukoners with a massive construction project.

#### **Question re: Corrections programming**

**Mr. Mitchell:** I have another question for the Minister of Justice. The minister frequently refers to the greatly expanded substance abuse plan for the new correctional facility. We agree with that; substance abuse is a scourge on our society and we must be aggressive in combating it.

We understand the minister as saying the facilities being planned will be able to service non-inmates as well as inmates. Will this be done in conjunction with the Department of Health and Social Services, or will this all be provided under the auspices of the Justice department? Would the minister confirm which departments will be overseeing the programs and provide the House with details as to how she sees this working?

**Hon. Ms. Horne:** I can tell you what programming we have for inmates at the correctional centre. We have substance abuse programming, exactly as the member opposite mentioned. We have the White Bison program, Alcoholics Anonymous, elders provide counselling; we have talking circles, traditional crafts, individual counselling, drum making, traditional parenting, solstice gatherings. We renovated an area as a spirituality room. You bet we have programming and services for our inmates.

**Mr. Mitchell:** The minister needs to listen to the question because she didn't answer it. She answered a different question.

Now, the Leader of the Third Party asked the Premier the following question in this House last week: will all addiction services be located at the new corrections centre, or will there be a dual system — one for inmates and one for all others seeking treatment? The Premier said in response and I quote: the short answer is no.

Now, it would appear that a great deal of money is going into the development of this component of the correctional centre. The minister has said it will be available to non-inmates, as well as inmates. The comments of the Premier are not necessarily conflicting, but they have been far from clear. Will the Justice minister clarify what the anticipated use of the new facility will be for non-inmates?

**Hon. Mr. Fentie:** With the Leader of the Official Opposition referencing my comments here in this House, I first must reference the fact that at least the Leader of the Third Party and the NDP recognize the value of rehabilitation and a multi-purpose use for a very modern approach to corrections.

What we are proposing and what we are going to build is an approach to corrections that is in the 21<sup>st</sup> century. The model that we have today, and the model as proposed by the Liberals — the then Liberal government — is a model that was developed in the early 1900s.

Therefore, just for clarity's sake, it will be a multi-purpose building. It will have the ability to provide treatment to inmates and others. It will have a link to the Community Wellness Court so that the courts have options available. It will have the involvement, in a very significant way, of the Department of Health and Social Services. When the final construction is complete, the women's transitional unit will be then transferred to the Department of Health and Social Services for further use in the treatment area.

Lastly, we've already stated in this House that, this does not preclude other treatment, such as land-based treatment. We must build on that in keeping with our commitments to substance abuse action.

**Mr. Mitchell:** There appears to be a flaw in the Premier's approach — a major flaw. Citizens who may have never been charged or convicted of any offence will be asked to go to the correctional centre, be screened by security at the same facility that is possibly harboring an individual who may have victimized them. People with addictions often come from backgrounds where they have suffered at the hands of others. Many of these people requiring help in programs will simply refuse to go. They will not get the help they need and want. This plan is seriously flawed. Yukoners don't want this.

Will the Premier acknowledge the fact that a correctional centre is not the place to have a treatment facility for the general public?

**Hon. Mr. Fentie:** Well, you know what is flawed, Mr. Speaker, is the Leader of the Official Opposition simply ignoring the fact that we have a significant availability for treatment services in the Yukon today, and that is not going to change.

Mr. Speaker, a multi-purpose approach to this facility is to address an area that is void in today's Yukon. It is to move our correctional system into the 21<sup>st</sup> century. It is to accomplish the reforms that we set out to accomplish with a great deal of work with Yukoners and Yukon First Nations. It is to do something that is needed in this territory and we are addressing that, and we have every intention of ensuring that we enhance treatment in Yukon for all.

#### **Question re: Marsh Lake flooding**

**Mr. Cardiff:** Mr. Speaker, I know that the final report on flood assessment and abatement options for Marsh Lake and Upper Liard was given to the Minister of Community Services in August 2008. The minister has sat on the report for seven months. The delay in releasing the report and the secrecy around it would make a reasonable person think that the report raises issues and recommendations that are politically sensitive to this government.

Yesterday I asked the Minister of Community Services to table the final report on flood assessment and abatement options for Marsh Lake and Upper Liard.

He said he would release the report to the public, and I quote: As soon as we're done with it. Well, what's the minister been doing with this report for the past seven months? Has he been reading it frontward, backward, upside-down, left to right, right to left? What has he been doing with it? Has he been sitting on it? When will he give Yukon people access to the report?

**Hon. Mr. Lang:** In addressing the member opposite, that report has to go through Cabinet, and then it'll be a public document. So there's one more step, and then it becomes a public document.

**Mr. Cardiff:** Mr. Speaker, I suggest they call a Cabinet meeting. That would probably be a good thing to do, and hopefully it doesn't take them too long.

Yesterday the minister said, and I quote: I'm committed to send people out in unison with Environment to make sure that people are comfortable with what we're doing.

Well, they're not.

Later, he said: We're going to invest in infrastructure in Marsh Lake and Upper Liard to address exactly what the member opposite is talking about.

Well, it hasn't been through Cabinet, so I'm not sure how they're going to do that.

People in Carcross and Tagish were also affected by the flooding, but the report doesn't address that. Maybe the minister doesn't feel that they count. I know that the government has 100,000 sandbags and they've got more on order, but that's not going to be the answer to the problems.

Will there be any improvements to these flood-prone areas this year or is sandbagging the extent of this government's solution?

**Hon. Mr. Lang:** We've already invested on the ground in our communities and we are working in unison with Environment, which is doing the snow-load research that we need. We're working with the communities.

As the member said yesterday and in the House here today, there were meetings in Marsh Lake, there are meetings in Upper Liard, there's communication with the community of Teslin and the First Nations. We are doing our work; we are doing our homework; and we're working with the communities to minimize the impact if in fact a flood were to arise.

We are doing our work.

**Mr. Cardiff:** It's good that the minister referenced that meeting because I actually attended that meeting in Marsh Lake and I heard a lot of anger, I heard confusion, I heard concern that we're not prepared for the next flood. Sandbags year after year are not a solution. Monitoring climate change is important but it's not a solution to flooding either.

Yesterday the minister did little to clarify the situation. This could be another example, or another case, of a new Yukon Party slogan: imagine tomorrow if you didn't postpone today what you should have done yesterday.

I will give the minister one more chance. What is the government's long-term solution for flood prone areas in the Yukon?

**Hon. Mr. Lang:** In addressing the member opposite, Mr. Speaker, that is why we go out to the communities and have our meetings — so we can get feedback from the communities and we can work with the affected communities to make sure that we minimize flood situations on the ground.

Department of Environment, Department of Highways and Public Works and Community Services are doing their good work and we will do our good work into the future to make sure that we are as ready as we can be if in fact another flood arrives.

We are doing our work internally in the government. We have a partnership with all the departments. We are working and having those kinds of meetings out in the communities. This government is doing the work they have to do to make sure that everybody is aware of their options and aware of what we are doing to minimize this kind of a disaster happening again.

#### **Question re: Bus service to Yukon College**

**Mr. Edzerza:** On November 27, 2008, I brought a transportation issue to the attention of the minister responsible for the care of seniors in Yukon and the Minister of Education answered.

The long walk to the city bus stop was a problem at the time and still is to the seniors who reside at 600 College Drive.

Mr. Speaker, I was up there today and the road conditions are horrendous. They were icy, with no sand and almost impossible for a senior to walk on. Some of the seniors who live in this complex do not have transportation and they rely solely on the city transit system to do their business downtown.

My question to the Minister of Health and Social Services: what changes have transpired, if any, since this serious issue was brought to the attention of the minister last November?

**Hon. Mr. Rouble:** Mr. Speaker, this is an issue that relates to an area around the college precincts — an area that now houses not only the seniors housing facility, but also the student facility. I support an expansion of the municipal bus service to continue its route, not only through the traffic circle in front of Yukon College, but also over to the traffic circle in front of the seniors residence.

I've raised the issue with the mayor. I've discussed different options with her. We do have a situation here where it is the City of Whitehorse that does manage their municipal bus service. I would certainly encourage them to continue the route to go through to provide service, not only to the seniors in that facility, but also to the students living up there.

**Mr. Edzerza:** Well, the fact is that the government did put the seniors complex there, on a piece of land they say they have no jurisdiction over. This issue has to do with service for senior citizens and not education. Maybe that is why the response from the Minister of Education was not acceptable then to me or to the seniors.

On November 27 of last year, the Minister of Education said, and I quote: "I have raised the issue with the mayor. I understand there might be a couple of technical issues; how-

ever, I believe those are hurdles that we can overcome.” Unquote. My question is simple: has the minister overcome the hurdles he identified five months ago — yes or no?

**Hon. Mr. Rouble:** The City of Whitehorse has not addressed the issue to the member opposite’s satisfaction. I can’t be much more blunt than saying that I’d like to see the continuation of the City of Whitehorse’s transit service to serve not only the needs of the seniors in that facility, but also the students there. I would strongly encourage the City of Whitehorse to continue their bus route the additional few hundred metres — to continue, instead of through the traffic circle in front of the Yukon College building, but around the side and in front of the traffic circle in front of the seniors residence. Yes, there have been concerns raised by other students and other organizations. There is a daycare there. People have expressed concern that having increased bus traffic in front of the daycare could be a detriment.

I would certainly encourage the City of Whitehorse to expand their bus service to travel on the road in front of the seniors facility. He has my support on this.

**Mr. Edzerza:** It sounds like nothing more than passing the buck and making excuses. The senior citizens signed a petition requesting a bus stop in front of the seniors residence at 600 College Drive. Everyone in the building signed it, I believe. The senior citizens have been actively contacting the powers that be to resolve this oversight of an exceptionally long walk to the nearest bus stop. Due to a lack of seniors housing, the seniors had little choice but to accept the residence at 600 College Drive, and they are not responsible for the tiff between the city and YTG over jurisdiction issues.

Will the minister now put an end to the unnecessary emotional and mental stress to the seniors at 600 College Drive and do something to get the city moving? Let them work together with the city to get that bus stop. Will he do that?

**Hon. Mr. Rouble:** Mr. Speaker, I would suggest that the member opposite also contact the mayor and other city councillors, who have a role to play.

Mr. Speaker, I’m sorry, but the member opposite, the Member for McIntyre-Takhini, has just done a “pffffff” as if that’s dismissing talking to the mayor, the head of our municipal government here in Whitehorse.

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

**Hon. Mr. Rouble:** Mr. Speaker, the —

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

**Hon. Mr. Rouble:** One can only appreciate the heckling that goes on in this Assembly when one’s sitting in the gallery here. Mr. Speaker, again for the member: I support him in his issue. I support the issue of addressing the bus by continuing it through to serve not only the seniors in the seniors facility but also the students up there. I believe that this is at 600 College Drive, and I support the continuation of the bus service up there.

### Speaker’s statement

**Speaker:** Before we go on to the next question, I just want to remind all members in this Assembly that off-microphone comments, although they are hard to stay away from, seem to be happening more and more all the time, on

each side of the floor. I’d ask the honourable members to please keep that in mind.

The Chair does not want to get involved in this debate but if you keep doing that you will force me to get involved.

The Member from Porter Creek South has the floor.

### Question re: Silver Trail maintenance

**Mr. Inverarity:** I would like to question the Minister of Highways and Public Works on a statement he made yesterday. In response to my question about the 47-percent cut in highways maintenance budget for the Silver Trail, the minister said, and I quote: We are putting an average of 13-percent increase this year in maintenance of our highways. The minister also stated, and I quote: “There will be a 13-percent budget increase on the Highways department systems.”

Let me focus on the question from yesterday. According to the billion-dollar budget, the Silver Trail between Mayo and Keno is facing a 47-percent decrease in maintenance funding.

Will the minister restore the maintenance funding for this road?

**Hon. Mr. Lang:** In addressing the member opposite, there has been a 13-percent increase, mains to mains, in the Department of Highways and Public Works, and that is infrastructure, roadwork and the things we are doing this coming year.

As far as the Silver Trail is concerned, Mr. Speaker, last year we did a BST program and that, of course, adds to the maintenance cost or the upgrade of that area. Also, brushing and all of these other things happen on a yearly or a five-year cycle. In the day-to-day operation of the maintenance of the highway, there is a lot more in the equation than just the maintenance of the road itself, Mr. Speaker.

There is work going on in all of our highway systems, whether it’s on the Campbell Highway, Alaska Highway, brushing, BST — that’s all put on to O&M. In fact, this government has increased the highway budget by 13 percent — mains to mains this year.

**Mr. Inverarity:** I think the minister needs to get an update on his briefing notes. The government has published a billion-dollar budget and here it is. In the amount of money for maintaining highways, it’s down. I file here the Highways and Public Works statistics for highway maintenance and it shows a six-percent decrease. Whether you compare actual expenditures, budget forecasts or main estimates, the results are clear, Mr. Speaker. This government is planning to spend less money on maintaining roads next year. There are dozens of roads listed in this budget that are seeing a decrease. Eight of the roads are expected to show a decrease in funding for maintenance next year. This minister needs to understand that he’s going the wrong way.

Let me ask the question a bit differently. Does the minister believe a six-percent decrease in highway maintenance is going to make Yukon roads safer?

**Hon. Mr. Lang:** In addressing the member opposite, our highways are very important to this government and any dollars we invest on the ground are prioritized through the department. Our roads are maintained to a very high standard. We

have a very good crew of individuals who work and maintain our highways on a daily basis.

Now, as far as mains to mains, in the highway infrastructure for this year, there will be an increase of \$13.8 million invested on the ground in our highway system in the Yukon. That, to me, is a very positive way to look at our highway system, mains to mains. We are committed here in the House to maintain our highways in a safe and drivable way over a 12-month period, and I'd like to thank all the individuals who work out in the field who do the good work to keep those highways in those conditions.

**Question re: Health care facilities**

**Mr. Inverarity:** In 2004, the Yukon Party government announced \$10.6 million to construct a multi-level care facility in Dawson and Watson Lake. It's now 2009 and neither facility is completed. The one in Dawson hasn't even been started. In Watson Lake, a new facility was started, \$5 million was spent on it, and then the government changed its mind and decided to try to convert the multi-level care facility to a \$25-million hospital.

In November of 2008, a contract was awarded to an architect to make changes to the project. That contract was for \$198,000. It was to be completed by February of 2009.

Will the minister responsible for this project release the findings of the architect? What did we get for \$198,000?

**Hon. Mr. Lang:** That study is due, and the government looks forward to reading it to see how we move forward on this project to complete the hospital for the community of Watson Lake — which, by the way, is very important to our government, because it's in southeast Yukon and that kind of facility is needed in that community.

**Mr. Inverarity:** The project was announced in 2004. It's now 2009; we have a half-finished building; we've already spent \$5 million; the previous Health and Social Services minister lost his job over how badly he handled the situation; and the government still has no idea how it's going to proceed.

This is another example of poor planning, poor oversight, and it is standard practice for this Yukon Party government. Last fall, the government spent \$198,000 on a local architect. The public wants to know what we got for our money, and I think waits around for reports to be coming on endlessly.

Will the minister responsible for this project release the findings of the architect and, if not, why not?

**Hon. Mr. Hart:** As my colleague indicated, work is underway with regard to the assessment that was put forth in the tender, and that will take place. The main course of what we're doing in Watson Lake is to provide an opportunity to enhance the health care for the Watson Lake residents and the area around Watson Lake. This is the reason we are working with the Hospital Corporation on the actual facility to ensure that we can get the best bang for the buck, as the member opposite indicated, and that we can provide health care services for Yukon residents in Watson Lake.

**Mr. Inverarity:** And the bungling continues. This government has already spent \$5 million on this project and still has no idea where it's going. Whether the shell is even in an appropriate location for the hospital remains undecided.

According to the chair of the Hospital Corporation, the government's own go-to guy admitted the future of the project is still up in the air. Last year this government spent \$200,000 on a local architect to decide the question. The minister won't release the information, and now he has gone out and hired another company to ask the same questions again. This company is called Resource Planning Group.

How much is this contract for, and will we see this one before the previous study is done?

**Hon. Mr. Hart:** We will present the results of the reports and they will be made public once we have seen both of them. Once the results of them are in there, we can do an assessment on how they're going to transpire in the future to ensure that we provide good health service for all Yukoners, especially in our rural areas. That is the emphasis that we will be looking at; we are trying to ensure that our rural areas get the health care they deserve and that's both in Watson Lake and in Dawson City.

Thank you.

**Speaker:** The time for Question Period has now elapsed.

**Notice of government private members' business**

**Hon. Mr. Cathers:** Pursuant to Standing Order 14.2(7), I would like to identify the items standing in the name of the government private member for debate on Wednesday, April 1, 2009: Motion No. 702, standing in the name of the Member for Klondike and Motion No. 691, standing in the name of the Member for Klondike.

**Speaker:** We will now proceed with Orders of the Day.

**ORDERS OF THE DAY**

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

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

*Motion agreed to*

*Speaker leaves the Chair*

**COMMITTEE OF THE WHOLE**

**Chair (Mr. Nordick):** Order please. Committee of the Whole will now come to order.

The matter before the Committee is Bill No. 15, *First Appropriation Act, 2009-10*, Department of Economic Development, Vote 7. Do members wish to take a brief recess?

**Some Hon. Member:** Agree.

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

*Recess*

**Bill No. 15 – First Appropriation Act, 2009-10 — continued**

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

**Department of Economic Development**

**Chair:** The matter before the Committee is Bill No. 15, *First Appropriation Act, 2009-10*, Department of Economic Development, Vote 7.

**Hon. Mr. Kenyon:** Mr. Chair and honourable members and all of the wonderful, smiling faces across the room there, it is with great pleasure that I table the Department of Economic Development capital and operation and maintenance budgets for the 2009-10 fiscal year.

The Department of Economic Development continues to support this government's key commitment to developing Yukon to the benefit of all Yukon people. Specifically, the department supports the government's priority of promoting a strong, diversified and sustainable private sector economy.

In order to ensure that Yukon's economic status and that the economy in general remains prosperous and diversified, the department continues to undertake work in three key areas. First, we enable a variety of wealth-generating, strategic economic projects and activities across all economic sectors. Second, we strive to increase the benefits derived from those projects and activities to Yukoners, First Nations and, of course, all communities. Third, we work to improve Yukon's business environment in order to attract increased investment, both nationally and internationally.

To support our work, and in all of these three and other areas, I might add, the Department of Economic Development has taken on very specific roles. It is our role to develop a diverse, sustainable and competitive economy that will enrich the quality of life for all Yukoners. It's also our role to forge partnerships with First Nations in the economic development of the territory, and of course it's our role to pursue economic initiatives with the shared vision of prosperity, partnerships and innovation.

Within our goals are the following key priorities and initiatives: We assist the advancement of responsible resource development, strategic tourism product development, and research and innovation industry development. We're committed to helping Yukon's economy expand by encouraging private sector growth through the capture of external investments in the natural resources, tourism and research and innovation sectors.

We're working to diversify Yukon's economy by supporting the growing research and innovation industry in Yukon, and promoting Yukon as a research destination. We also work to support business growth and expansion into new markets. To encourage this growth, we work to build a strong working relationship with the Yukon's business community, to ensure that it benefits from all of the work that we're doing. To support the ongoing work of the Department of Economic Development, we are introducing a total capital budget of \$9.091 million and a total operation and maintenance budget of \$6.996 million for 2009-10.

It's critical for our continued economic growth that we attract new investment into Yukon. Investment enables Yukon businesses to expand operations, pursue new opportunities and to explore all of the potential that we have. The department has developed an investment attraction strategy to guide the development of a diversified private sector economy, while focusing on key areas of opportunity. We will continue to implement this strategy so that we can assist in moving Yukon-based projects to the development stage for the benefit of all Yukoners.

The department has worked to develop Yukon's reputation internationally and has spread the message that Yukon has a wealth of opportunities across a variety of sectors. Yukon is both strategically located and has resources that fit the type of global demand generated by Asian markets. Our mineral deposits of copper, lead, zinc, tungsten and iron are some of the largest in the world. There are many other resources there.

By building a strong relationship internationally, specifically in Asia, we've positioned Yukon as an excellent place to invest, and we've had very good success at this. The relationship-building is taking place over time and we're now beginning to see the fruits of our labour.

Since July of 2008, three significant developments between Yukon-based companies and Chinese investors have been announced, and these are a direct result of the investment attraction strategy. On July 2, 2008, Yukon Zinc's Wolverine project was purchased by Jinduicheng Molybdenum Group, or JMG, and Northwest Non-Ferrous International Investment Co. for approximately \$87 million. Mr. Chair, that figure is actually closer to \$100 million, when you factor in the due diligence of work that the company did prior to the purchase.

This is the largest investment by Chinese investors in Canadian mining history. The project is moving forward with a 200-person camp being established and under construction, as we speak, and approximately \$240 million invested to bring the mine into production in the third quarter of 2010.

On November 27, 2008, Tagish Lake Gold announced that they are negotiating a merger with Yukon-Shaanxi Mining Co. Also in 2008, China Mining Resources Group Ltd, a Chinese company, purchased 18,770,500 shares in Selwyn Resources Ltd. China Mining Resources Group Ltd now owns 18.56 of the issued and outstanding shares of Selwyn Resources Ltd.

These are examples of how the investment attraction efforts of the Department of Economic Development are leading to new investment capital which is critical to the growth of wealth-generating industries. The Economic Development department plays a key role in investment attraction by introducing the potential investors to the opportunity and by facilitating the development of business relationships.

Yukon is focused on ensuring that Yukoners and Yukon businesses share in the benefits generated by developments in the mining industry. By ensuring this, we are helping to strengthen the private sector economy, especially in rural Yukon. Increasing Yukon's share of benefits generated from these industry developments as well as supporting First Nation economic development is an important step toward diversifying Yukon's economy.

The department seeks to optimize industrial benefits through supplier development initiatives to increase the number of local suppliers, procurement initiatives to increase their success in bidding on our work, and education and training initiatives to increase the number of local employees — and, of course, identifying and facilitating infrastructure and industrial synergies.

In addition, Yukon, on a government-to-government basis, has undertaken joint decision-making with Yukon First Nations on initiatives with significant economic impacts. For example, we have continued to follow the framework developed for allocating \$40 million of northern strategy trust funds in Yukon and jointly assessed project submissions to the fund. This fund will stop accepting new applications at the end of this month, but approved products and projects will continue to be able to access funds.

For example, a major project funded through the northern strategy trust is Selkirk First Nation's journey to self-reliance project. I had the great fortune of going up to Pelly Crossing on Friday to spend the day in celebration of the journey to self-reliance with the chief and council, the community and the dancers, and to tour the mine site and to see what this project, as well as other projects, including the community development fund, have to do with improvements in the quality of life to people there, and in terms of expanding on their capacity.

The journey to self-reliance is a four-year project that, one and half years since it was started, is already seeing a number of successes. The project focuses on building governance and economic capacity within the Selkirk First Nation and within their community.

We're also looking forward to the continuation of Canada's targeted investment program in a new form. In the past, this initiative allocated \$27 million for projects in the Yukon. With Yukon First Nations settling their economic priorities and playing the lead role in their economic futures, the Department of Economic Development works to support them from early planning stages through to implementation. Our activities include: assistance in building capable institutions of governance; capacity development; assisting with the development of strategic direction, including strategic planning and economic development planning; assisting with the development of policies that support economic development; opportunity identification and project selection; assisting with the development of feasibility studies and business plans, and then, of course, the implementation of these plans and strategies.

Another important priority for the department is to support the development of strategic infrastructure required for economic development in the Yukon.

Demands on Yukon's infrastructure base are set to intensify because of growth in the research and innovation sector, an increased interest in infrastructure developments from companies considering development in Yukon and the development of the natural resource sector since this government came into power.

Improvements are necessary to all economic infrastructure areas including energy, transportation, telecommunication and municipal infrastructure. Infrastructure enables industry and

lays the foundation for economic growth. Improving national and international transportation and trade links will lead to more business opportunities and jobs for Yukoners and all Canadians.

I'd like to highlight some of the many activities of the department identified in our 2009-10 budget. Diversification is the key to a strong and sustainable economy in the Yukon. In support of diversification, the department will continue to administer a variety of funds aimed at supporting Yukon's economic sectors. The ongoing injection of investment funds into business, industry and capital projects is a key component of long-term, sustainable economic growth. Our department supports the growth of Yukon business activity by allocating \$400,000 into the enterprise trade fund this year.

With a focus on business planning and export activities, the enterprise trade fund program stimulates and supports the growth of Yukon small- and medium-sized businesses in marketing penetration and business development. It supports marketing and export projects that enhance the likelihood of Yukon businesses generating increased production and sales of Yukon products.

The department maintains ongoing consultation with key industry stakeholders and chambers of commerce to help Yukon businesses develop and maintain a competitive advantage in external markets and to help raise the profile of Yukon business and industry and products and services in general. These relationships we've built will help the department to understand the needs of Yukon business.

In our efforts to assist Yukon communities and First Nations to fully benefit from the economic activity in their areas, we are also allocating \$450,000 in the regional economic development fund. This fund provides financial support to foster regional and economic community development. The fund was established in recognition of the need for effective coordination of planning and economic development efforts by all parties with regional economic interests.

Funding activities have included support for economic development planning, capacity development, opportunity identification and associated research, needs assessments and training plans, of course. The strength in this funding lies in the fact that it supports a variety of stakeholders from First Nations to municipalities to community associations. By working together, we are creating meaningful and realistic tools that communities can use to manage their economic regions.

Through the community development fund, we continue to support projects that create employment and improve Yukon infrastructure. To this end, we have allocated \$3.3 million in this budget to support a broad and wide variety of initiatives. The community development fund contributes substantially to the health of rural communities by allowing community members to get out and participate in the strengthening of their neighbourhoods and organizations. This fund fosters cooperation, partnerships, collaboration among groups and emphasizes the importance of recreation and training for Yukon people.

The primary goal of the community development fund is to support projects that provide long-term benefits and value to Yukon communities.



There are three intakes to that fund from the largest projects to relatively small local projects, and we encourage people to get involved and to take a look at this very worthwhile fund.

The strategic industries development program will also continue to provide significant support, with \$1 million allocated in this year's budget. The strategic industries development program provides assistance to research and identifies emerging opportunities and is for the preparation of scoping studies, feasibility studies and business plans.

Strategic industries include the natural resources, tourism and innovation and technology sectors. Strategic projects are of a scale that will generate measurable increase to the output of the sector and will act as a catalyst for development and generate secondary business opportunities. These projects support the government's goal of strengthening and diversifying Yukon's economy.

The department continues to work to diversify Yukon's economy by expanding the department's focus to the cultural, small business and research and innovation sectors. So we will invest \$1.36 million, as an example, into the film and sound industries. Yukon has an incredibly talented and committed film and sound recording industry. The Film and Sound Commission administers six different fund programs aimed at meeting the diverse needs of this industry.

The film industry in Yukon continues to be strong, providing Yukoners with employment and training opportunities. Yukon's sound industry continues to grow, as sound recording professionals develop their talents and expand their markets. By supporting the film and sound recording industry, we are positioning Yukon and its people to be competitive in the national and international marketplace.

Yukon's reputation as an ideal research and innovation destination is growing. We'll be supporting these efforts through our technology partnerships program, and this year we've allocated \$217,000 to this program to develop partnerships with the private sector and with the First Nation governments. These partnerships will enhance the capacity of Yukon residents and businesses to develop and use high-end technologies. A portion of this money will go directly to the technology innovation centre, to promote innovation technology applications.

In economic times such as these, it's increasingly important that we support Yukon businesses. We'll continue to support the business incentive program, which offers rebates to businesses that manufacture Yukon goods or hire Yukon employees. We are also continuing to support the Dana Naye Ventures business development program and the microloan program.

In conclusion, Mr. Chair, as is well documented, the latter portion of 2008 saw significant global economic downturn — we're aware of that — precipitated in large part by economic struggles in the United States.

Events associated with the global economic downturn happened very late in 2008 and did not have a significant impact on the various performance factors, nor did they seem to continue to have that effect. We seem to be well isolated and we're very thankful for that. Our economy remains well-positioned to

weather the global economic downturn. Our real GDP growth estimate for 2008 is now estimated to be around three percent, marking the fifth consecutive year of growth, in spite of the economic downturn.

So with those opening remarks, Mr. Chair, I will welcome any questions on the 2009-10 budget for the Department of Economic Development.

**Mr. McRobb:** Thank you, Mr. Chair. Before we get to the questions, we'd just like to put on the record a couple of opening comments. First of all, I thank all the employees in the department for all the work they've undertaken in the past few years. Hopefully, this will generate into a more diversified Yukon economy in the years ahead.

I would agree with the minister on a number of fronts. Personally, I believe the Yukon Territory has a lot of potential. Our potential lies within building our strategic industries, helping to diversify our economy, as well as assisting our resource extraction industries through sustainable development.

Mr. Chair, I would also point out this is my first assignment to Economic Development in conjunction with the Department of Energy, Mines and Resources, post-devolution. We have a lot of our own focus now on the mining industry since we have jurisdiction over that sector. I can say there is quite a bit of overlap between the two departments.

For instance, this morning we had a briefing with the good officials at the Department of Energy, Mines and Resources and some of the information that was brought to the table has been repeated today by the Minister for Economic Development. There is quite a bit of overlap.

We also see the Minister of Economic Development travelling abroad, trying to encourage overseas investment in our territory. Quite often those ventures are related to the mining industry, so I think we can all agree there's quite a bit of overlap.

In terms of mining developments, of course we have the current operation at the Minto mine, formerly Sherwood Copper which is now Capstone Mining and, on the near-term horizon, we have several promising prospects, including Alexco Resources at the Keno property, formerly owned by United Keno Hill Mines. They have obtained financing through an arrangement with Silver Wheaton and hope to further develop this summer.

In the southeast Yukon, we have Yukon Zinc at the Wolverine deposit and, as the minister indicated, they're putting the finishing touches on a 200-man camp as we speak. This is a major operation that's injecting millions of dollars into our economy.

We also have North American Tungsten. The Cantung mine is located just over the border in the N.W.T. on the Nahanni Range Road. It is a place I have been to probably dozens of times, Mr. Chair, over the years. It, of course, has an application before the YESA Board, a project description related to the Mactung deposit. Of course, we have the Western Copper property near Carmacks and it currently is trying to obtain developing financing.

We also have Northern Freegold Resources. At the recent mining roundup in Vancouver, Mr. Chair, I was talking to offi-

cials from the company and, indeed, they have some very promising resources there. Hopefully, it'll produce a resource study in the near future and that will bring to light the quantity of high-grade gold at that property. We could see movement there very soon.

We have a number of potential mines on the near-term horizon. We have also the placer mining industry to help benefit the territory. We must always remember the placer miners as being likened to the family farm of the north. We know the placer mining industry has been alive and well in the territory for well over a century now. It spans pretty much of the territory, mainly in the Klondike region of course, but also in the Mayo-Tatchun region, the Kluane region and others as well.

There are a number of bright lights on the horizon and I'm sure Yukoners are looking forward to seeing the day when they are in development. I'm not sure if the minister resided in the territory a couple of decades ago when there were about five operating mines in the territory, but certainly I was here and I had the occasion to visit each one of those mine sites several times. I certainly can recall how robust the economy was in those days.

Hopefully, we can get back some of what we've lost over the years and ensure those properties are developed on a sustainable basis, to meet the societal conditions and try to avoid future blemishes on our record, such as remain at the former Anvil Range mining deposit in Faro.

Those are some opening comments. Now I would like to remind the minister that when we attended the departmental briefing last week, we made some material requests. It is standard procedure to ensure that those material requests are delivered before a department is called for debate in order to provide the opposition members with the information they sought, in time to review it before the debate actually happens.

Unfortunately, the material has not been delivered. The minister did not mention it, so I'm raising it now.

Why didn't the minister first ensure the material requests were delivered before arranging his department to be called for debate?

## INTRODUCTION OF VISITORS

**Hon. Mr. Kenyon:** Before dealing with that, I would ask the indulgence of the House for a moment to help me to welcome a constituent, Mr. Steve Rose, to the gallery.

*Applause*

**Hon. Mr. Kenyon:** The simple answer to the member opposite is that the briefing was last Tuesday. I am told we are assembling that information. We weren't really sure what order it would be called in, but that information will be provided as quickly as possible.

**Mr. McRobb:** That's fine, Mr. Chair, but didn't the minister mention this to his House Leader or Cabinet colleagues before it was decided to call this department? Surely the minister would have pointed out how it's important for government to be accountable in order to provide those who ask the questions with the information they've already requested.

**Hon. Mr. Kenyon:** I'm not totally convinced that is quite the standard operating procedure, but I'll be happy to try to continue to give the member opposite as much information as I can right now and as he would like in the coming days.

Again, we're quite happy to be a bit sequestered and protected, in terms of the global economic downturn. I mentioned before that our real GDP growth for 2008 estimate is to be around three percent, and that would be the fifth consecutive year of growth.

Some of the results of the downturn, such as a lower Canadian dollar and lower fuel prices, will certainly help to reduce some of the negative impacts associated with the economic difficulties, but those, again, are only some of the parts of the puzzle. The lower fuel costs, of course, will certainly help the placer miners at the same time.

Also in 2008, Mr. Chair, the Yukon annual average population grew by 1,102, representing a 3.4-percent increase over the year 2007. Estimates for the mineral exploration expenditures for 2008 have decreased from the record year we saw in 2007, but remain significantly higher than the annual expenditures recorded prior to 2007.

Retail trade is another good monitor, and in the Yukon, that performed well in 2008. We posted a growth of six percent over 2007.

The value of Yukon building permits in 2008 was substantially lower than the value recorded in 2007 — largely, of course, due to the fact that the permitting at the Minto mine raised values in the first half of 2007. So, while down, the value is still almost \$72 million higher than the 10-year average, which is a better way to look at this over time, of course.

It should be mentioned that, like most jurisdictions around the world, the Yukon faces a number of uncertainties that could affect economic prospects in the short term. The department continues to monitor this and believes that several economic factors will contribute to continued economic growth, and these include: a strong global demand for gold, which has kept prices relatively high; projected spending on development of mining projects — as exploration might be affected down, development, as the member opposite had actually outlined a moment ago, is likely to be substantially up. Significant funding in the 2009-10 budget is allocated to the development of local infrastructure for the benefit of Yukoners and for the benefit of those industries.

Again, the economy continues to evolve, Mr. Chair, and change. The department's activities will continue to meet those demands and change as those demands change.

By supporting local businesses, First Nations, municipalities and communities, Economic Development continues to promote a strong and diversified sustainable Yukon economy. By continuing to build international knowledge of Yukon's investment opportunities, we're working to see that this economy prospers for the benefit of all Yukoners. So we're very pleased with the budget we have — both in terms of supporting the industries and supporting business, but certainly also in terms of supporting infrastructure to get ready for that business. To that end, I look forward to any specific questions that the member has.

**Mr. McRobb:** Well, Mr. Chair, none of the information offered up by the minister just now even pertained to the subject matter of our information requests. The minister should have done something. These requests were made on behalf of the public. We intended to ask questions based on the material we received on behalf of the public. Now it appears that opportunity will be lost, so the minister can skate away without having to answer questions pertaining to that material. Mr. Chair, that shouldn't be allowed. Our House rules should be changed to disallow that technique from ever being used again. It's not indicative of a government being open, accountable and transparent, and it is certainly not in the public interest. It's certainly not fair to members of the opposition side who took the time and did their due diligence to realize there is a need for certain information and then to go forward at the briefings and request that information. Yet the minister calls the department before the information is provided.

Now, there is a similar issue and that has to do with the economic outlook. This report basically outlines the economy in the territory and how it relates to the near-term outlook, and it is a source of information to the public. The opposition members also use it as a tool to ask questions.

That report has not been produced yet. Now, we understand it's normally out in April. Well, Mr. Chair, April starts at midnight, yet the minister again agreed to have his department called forward before the economic outlook was produced and made available to the opposition members. This report is extremely relevant, considering the current economic situation, and certainly we would be very interested to examine in detail the minister's words in that economic outlook and provide some checks and balances to that outlook for the benefit of the territory. But we won't have it in time. This is the main budget we're on, the Department of Economic Development, and once this opportunity passes, so goes the vast majority of our ability to ever ask these questions. Mr. Chair, if the minister's thinking about mentioning Question Period as a possibility, well, that's simply not the place for information-type questions. That opportunity is in Committee of the Whole debates, which we are in now.

That aside, Mr. Chair, I want to turn to what could be the most significant issue on people's minds and that is the great uncertainty with respect to the current global economic crisis and how it may affect the Yukon Territory. Now, we have heard the Premier say on record that there is no connection between what happens in the United States and what happens in the Yukon, but we know that to not be the case. There are direct connections and I think the minister understands that.

In doing my research for this opportunity, I reviewed the department's economic development strategic plan, 2006 to 2009, and have reviewed some parts of it.

The flavour of the report can probably be best described as "cherry," because everything is rosy. It talks about how the base metals have climbed; it talks about how the oil industry has reached new heights. It goes on and on. Now this report was probably stale-dated about a year and a half ago when the markets began to crumble, yet this report — this plan — covers this whole next year. So I see the minister busy trying to find

his notes and most certainly he has notes on the following question: has the current economic situation changed the minister's focus and how would it change how the strategic plan is written?

**Hon. Mr. Kenyon:** For the member opposite, I've always not really been a fan of asking 10 questions, then getting up and expecting that you can complain that one of them wasn't answered. So I'm going to take those in order.

First of all, in terms of the information and such that the member sought, I do understand that he might have missed the numerous announcements that have been made concerning all of the various funds, who has received them and how much and everything else. Those are put out all the time in press releases; they're put out in announcements. The Official Opposition has spent a great deal of time complaining about the fact that the information on the budget is out there, and that we're happy to share it with the public, so I would suggest that he spend a little more time reading the announcements.

Second of all, his comment that this was the only time that they could ask questions — I would draw the member to the Order Paper that he probably has in front of him that stipulates a section called "Question Period." Now, so far, in this year, in our seven sitting days, no one has bothered to ask a question concerning the economy or the Department of Economic Development. I think if you go back into the last year, I'm not even sure that all of last year anyone asked a question about the Department of Economic Development. I think that dilutes the member's ability to complain that he doesn't have a chance to ask questions, when in fact he has numerous times that he can ask questions, but hasn't bothered on that.

The economic outlook that he refers to is not something that is put out on a set-time basis as he has commented. Again, if he would read the Web site, he would understand that — that it comes out periodically. To claim that it is not out at a set time is simply an error in his reading.

My understanding and the main thing that the member opposite seemed to be hung up on was the fact that some of the information that he asked for in the briefings last Tuesday wasn't provided. Again, the department is one that does do a lot of travelling. We have had people away. We want to make sure that the information is accurate and the order of calling departments isn't necessarily set at a given time.

I am happy if that seems to be the member opposite's major concern, since it was the first part of the question that he asked — that he wants the information on who gets what funding and how it comes — then let me put some of that into the record, Mr. Speaker.

Let's start out with the community development fund. Since the reinstatement of the fund in June 2003, a total of \$16.9 million in funding has been approved. The community development fund — I think a lot of people understand now but maybe the member opposite doesn't — has three tiers. Tier 1 is for funding less than \$20,000; tier 2 is for funding between \$20,001, technically, to \$75,000; and, tier 3 is for funding greater than \$75,000.

The community development fund has seven intakes per year. Tier 1 has four intakes, tier 2 has two intakes, and tier 3

has one intake per year. Subject to legislative approval in this Assembly, the total for the 2009-10 budget for the community development fund is \$3.35 million.

Some community development fund applicants receive additional funds from other Yukon government funding programs. Since the member opposite wants specific details and seems most upset that he didn't get them, let's go back and review some of those, community by community.

In Beaver Creek, the Beaver Creek community club, a project called "Future Aspects of a Desirable Community" — \$16,375, for a total of work of 80 hours.

The White River First Nation received quite a number of different proposals: Together Gardening, \$11,378; Creating Careers for the Future 2008 Job Fair, \$5,465; the Wish Tree Community Garden, \$12,344; the Community Cultural History, \$29,404; the Snag Restoration, \$35,184; White River First Nation workplace knowledge tools, \$7,684; the coronary health improvement project, \$16,380; and community niceties — \$19,000. The total into the community of Beaver Creek is \$153,214, and generated 11,056 hours of work.

Let's stay with the member opposite's own riding. In Kluane First Nation, an activity centre for \$150,000; the community beautification, \$53,630; recreation director position toward that, \$4,100. The total there is \$207,730. That generated almost 14,700 hours of work.

If we move down to Carcross, the Carcross community and curling club — a maintenance upgrade which was desperately needed — \$18,000. These, Mr. Chair, are since 2003, since we started the community development fund after previous governments had tanked it. Also within the Carcross-Tagish First Nation, summer camp for \$20,000; the "I am Alcohol" — Don Burnstick, an incredible comedian we were so pleased to get up here to do some presentations, and I hope we can do that again — \$5,500; a social capital development of \$20,000; cultural centre totem carving, \$16,128; Singletrack to Success for \$73,461; Wellness through Trails, \$20,000; the coronary health improvement project — a very good project, by the way — for \$7,200; Carcross community revitalization, \$10,360; a parking lot and stairway construction at the Ted Harrison Artist Retreat Society was \$10,800, and cabin improvements at the Ted Harrison Artist Retreat Society was a further \$19,028. Mr. Chair, since June 1, 2003, that's an expenditure of \$220,477, and has generated 10,636 hours of work.

If we move back up to Carmacks, the Carmacks Christian Fellowship summer day camp received \$13,726. The Carmacks Family Entertainment Society: fitness equipment was \$17,963. The Little Salmon-Carmacks First Nation had several projects: campground improvements and planning for \$48,410, and that generated a total of 4,480 hours of work; traditional hunting technology, \$11,405; build and assemble a large greenhouse, \$44,870; and a Yukon heritage training needs assessment, \$21,285. The last one for Little Salmon-Carmacks First Nation is recreation facilities, an upgrade for \$10,071.

The Village of Carmacks also had a number of projects: lot 90 park development, \$49,000; the Tew Park walkway and boardwalk, \$20,000; Tew Park walking trail, \$6,000; visitor

kiosk and highway pullout, \$65,000; and the Park Avenue walking trail — and these are very worthwhile projects; I've been on that trail and it's a marvelous job. That's a total in Carmacks of \$315,730 for a total of 10,641 hours of work.

I know the Member for Klondike is always asking what we're doing up there and keeping me on my toes, so the A.C.W. St. Paul's Anglican Church, a thrift shop furnace project, \$15,972; a \$70,000 contribution toward the conference and symposium for 2008 for the Association of Yukon Fire Chiefs. The City of Dawson itself had a number of projects: construction of bleachers, \$9,000; soccer field upgrade, \$20,000; heritage management plan, \$20,000; seasonal worker needs analysis, \$18,000; trail development and management plan, \$20,000; Doors Open Yukon, \$8,023; the Conservation Klondike Society for a community garden, \$12,046; the Dawson Childcare Association for renovations for the daycare, \$80,892; the Dawson City Arts Society for a jigsaw puzzle art school promotion, \$14,000; renovations and additions to the old liquor store, \$377,195 — that generated 3,900 hours of work. Also the Dawson City Arts Society for hall floor replacement which was desperately needed — \$46,353; further phases 3 and 4 of the old liquor store renovations for KIAC at \$257,275. That was for a total 4,800 hours of work.

The Dawson City Chamber of Commerce storage shed — c\$3,941; the Chamber sets its site on the Web, \$16,861; strategic planning for the Dawson City Chamber of Commerce, \$19,243; radio broadcast training workshop — to get the community radio station up and contribute toward that — \$5,366; fire training facility for the Dawson City Firefighters Association, \$150,000; upgrade to create a soccer league for the Dawson City football club, \$11,165; a restoration project by the Dawson City Masonic Hall Association, \$132,812; mannequins for the Dawson City Museum and Historical Society — there is actually a lot more to that project than simply mannequins; the project was to actually design the mannequins based on historical characters and current characters in the Dawson City area — that was \$45,867; and the Dawson City Museum and Historical Society for exhibition revamp and exhibit plan, \$19,912.

It continues on through a number — just to pick some of the larger ones: the Dawson City Museum and Historical Society visible storage redesign project, \$56,187; the Dawson City Sled Dawgs Association — a trail expansion for \$18,821 that generated 1,070 hours of employment; we purchased a snow trail groomer for the Dawson snow trails association for \$35,000; Klondike Active Trails & Transport Society — upgrade and construction of recreation trails. There have actually been two grants there — \$25,730 and \$27,843.

We can go on to the Klondike Visitors Association — structural and related renovations for \$428,108; repairs and renovations in 2005 to the KVA was \$58,895; Learning Disabilities of Yukon, making reading work for \$21,600; and for the Percy DeWolfe Memorial Race Committee for the IFSS, or International Federation of Sleddog Sports World Championships, \$125,000.

Also, the Tr'ondëk Hwëch'in have received a wide variety of grants, some of the highlights being the cookhouse and

driveway project — \$75,000; a community playground and skate park, \$83,385; and Cache Creek development, \$66,750.

Without going into all of the smaller projects for Dawson City, Mr. Chair — and I know your great interest in this — there has been an investment of \$2,747,672 — and a creation of 50,758 hours of work. Now if the member opposite really is that interested and can't wait for the information, I'm happy to continue into any of the other projects, but all of these have been outlined in announcements over the years. All of them have been publicly available on our Web site. I encourage him to take a closer look at that.

**Mr. McRobb:** Well, Mr. Chair, what we just heard was a complete waste of about 15 or 20 minutes of House time. The minister elaborated on matters that did not satisfy our material requests. He avoided the question asked. I would remind him of the Premier's words last week when he said his government ministers would proceed expeditiously with this budget, yet the minister continues his long-standing pattern of wasting time in this Assembly. I asked a question about how the current economic conditions across the world have affected the plan —

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

#### Point of order

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

**Hon. Mr. Cathers:** I believe the Chair has ruled in the past on a number of occasions that a member's characterization of others' remarks as a waste of time or as wasting the House's time is not in keeping with the standards expected in this Assembly in terms of respect to other members and the principles within this Legislative Assembly.

#### Chair's ruling

**Chair:** On the point of order, there is a point of order. Referring to members' speech in the Legislative Assembly as a waste of time is definitely not in order. All debate in this Assembly is definitely not a waste of time.

Mr. McRobb, you have the floor.

**Mr. McRobb:** Thank you for that enlightenment, Mr. Chair.

#### Chair's statement

**Chair:** When the Chair rules on a point of order, the Chair does not expect or appreciate comments on rulings. Once the Chair makes a ruling, the members are expected to abide by the ruling, not to make comments afterward.

**Mr. McRobb:** And how did I do that, Mr. Chair?

#### Chair's statement

**Chair:** Mr. McRobb, the Chair has authority to make rulings in the Assembly, not for members to question those rulings. If you have an issue with a ruling the Chair makes, you are able to bring it up with the Speaker.

Continue, Mr. McRobb.

**Mr. McRobb:** I'd like to thank all members for the enlightenment.

I want to return to the words of the Premier. He said his ministers would proceed expeditiously with this budget. How was that the case when you look at what the Minister of Economic Development just did? He went on to boast about funding that was given out of one particular program; it wasn't in the format requested; it was entirely incomplete. We want to see that information on paper, along with everything else we requested.

He avoided the pertinent part, the question about the current economic situation and how that has changed his focus, how that has changed the current government's strategic plan. This plan was developed by his own department.

That was my only question, and he completely failed to answer it.

Mr. Chair, this is the most pertinent question in terms of economic development on the minds of Yukoners, and we need an answer to it. Can the minister respond? I'll give him another opportunity.

**Hon. Mr. Kenyon:** It's interesting that, again, he continues this pattern of asking five or 10 of his favourite questions and then finding one that wasn't dealt with and getting upset, because that specific one isn't ordered. If there is a pertinent part to the question, maybe he can get on with simply asking a question and I'd be happy to answer it. People are not able — at least I'm not able — to pick out which is pertinent from five or 10 different questions.

The member opposite is well known over the years for asking for community breakdowns. I'm giving the community breakdown. If I didn't give the community breakdown, he'd be upset because I didn't give it and, when I give it, he's upset that I did. It's a bit of a conundrum here in terms of what to do, but I think the member opposite has to understand that, if he doesn't like the answer, then don't ask the question.

**Mr. McRobb:** The minister may be in a conundrum and he may be confused, but in a helpful suggestion, all he needs to do is answer the question. He has now failed twice to do that.

He doesn't have to congest his mind with questions I may have asked years ago and bring them to the forefront. All he has to do is focus on the question at hand. For the third time — it's not five or 10 questions; it is one question: how does the current economic crisis affect his focus and the goals as set out in the strategic plan?

**Hon. Mr. Kenyon:** Mr. Chair — a straightforward question, a straightforward answer. Yukon's economy does remain strong but it's not immune of course to current conditions. We will continue weekly monitoring of key indicators that could impact on the economy. This includes monitoring of metal prices, stock prices, inflation, Canadian, U.S. and global economic conditions, and yes, Mr. Chair, even Chinese, Japanese, Korean and world markets.

The Government of Yukon will be monitoring tourism closely because that's part of the puzzle, in light of our reliance on U.S. traffic. The Department of Economic Development continues to work on an established set of key priorities intended to move us toward a sustainable economy.

These priorities include encouraging the diversified economic development of wealth, wealth-generating primary industries that will capitalize on the strengths of our existing enabling factors, facilitating the growth of secondary and tertiary industries that derive from and support the primary industries, and developing enabling factors that support opportunities and are flexible enough to respond to changing circumstances.

The global financial system has experienced a series of deep shocks, as the availability of credit and capital has been constrained by the amount of bad or questionable debt held by various financial institutions. I think we all know that. The coordinated response by governments and central banks — around the world, I might add — to support liquidity and keep credit markets functioning has helped to ease the situation. While Yukon's economy remains strong, the economic environment surrounding both the mineral exploration and development and tourism industries has been affected. Capital markets for both debt and equities have deteriorated, and financing development projects may be difficult for some sectors while this weakness persists. Price for key mineral commodities, including copper, have fallen significantly since the fall of 2008, and prices appear to have stabilized for the time being, although speculation, of course, abounds as to when they will improve. The bottom line, of course, is that nobody really knows.

The gold prices have held at a relatively high level, however, and the price of oil has fallen into the U.S. \$35 to \$45 trading range. As well, the Canadian dollar has decreased in value against the U.S. dollar from par in May 2008 to roughly 80 cents right now. These are welcome developments, actually, for the Yukon economy.

As a result of the depreciation of the Canadian dollar, the price of gold in Canadian dollars has actually increased — actually increased by almost 16 percent since March of 2008 to a high of \$1,033.20 CDN per ounce.

The Yukon's largest tourism market, as I mentioned, is the United States and currently in the midst of an economic recession. Should this recession be deep and pervasive the Yukon's tourism industry is likely to continue to feel the impact through reduced U.S. visitation and spending.

At this time, a major economic downturn in the Yukon is not expected — at least it is not expected by most people. It seems to be expected by the Leader of the Official Opposition but we will continue to monitor that quite closely. The world economic growth has been strong over the late 2001 to early 2007 period — fuelled in part by low inflation and low interest rates for debt. During this period, mortgage financing was readily available for thousands of Americans who had questionable abilities to service debt of any type. It helped fuel the boom in the United States housing sector.

As the risk large financial institutions had adopted through the provision of this financing became clear, the credit ratings of large mortgage providers in the United States, such as Countrywide, were downgraded and as share prices fell, many became insolvent. The number of institutions exposed to this risk grew significantly larger as investment in commercial banks attempted to write down large numbers of mortgage-backed

credit and securities products. This slow process of revelations, such as how the price reductions in these assets have left banks with too little capital and subsequent increases in risk, has led to a reduction in liquidity in credit and credit markets so that banks stop lending to each other. This has had the effect of freezing the global money markets, limiting the ability of both private and public institutions to resolve the crisis.

Mr. Chair, the U.S. Treasury introduced new measures beginning in October of 2008 to buy preferred shares in qualifying institutions — injecting an estimated \$250 billion U.S. to the financial sector.

Alongside this, guarantees in the commercial paper market and interbank loans have reduced the price of interbank lending to its lowest price since early March of last year. While these new measures, along with similar actions taken in the United Kingdom and Europe, reduced the pressure in the financial sector and enabled the market to function effectively, the risk of global recession is not abated.

While the provision of credit between large, quality financial institutions will resume, this does not guarantee an expansion of new loans. Without new capital entering the market, a downturn in motion will not be compensated for and a recession will not be avoided.

For individuals, a climate of declining wealth, both from lost home equity and from market losses to personal portfolios, along with a sharp tightening of credit availability, may induce a substantial reduction and tightening of credit availability and consumer spending. There has been strong evidence of this occurring in both the United States and Canada by following retail sales numbers, specifically on big-ticket items. It's interesting to note, however, that retail spending in the Yukon is up — again, we're well positioned to come through the cycle.

Interest rates have been cut to the lowest ever levels in both the United States and Canada, with overnight rates of 0.25 and 0.5 percent respectively, in an attempt to stimulate lending on the capital market, as well as consumer spending. Limits of monetary policy have effectively been reached in this respect, but it's important to note that part of the problem is that these lower lending rates to banks haven't been translated into lower lending rates for consumers, particularly in the United States, so that has severely limited the effectiveness of the policy.

Fiscal stimulus packages have now been introduced in many countries in accordance with the sentiment expressed at the G20 summit in November 2008 for a concerted global action to resolve the crisis. The U.S. package is about \$790 billion, and it may have a significant impact on Canadian exports, which is why I bring it up, in turn increasing domestic demand for other goods and services aiding in the recovery of the Canadian economy as well as its own.

The Canadian fiscal stimulus package is expected to provide a small boost to the Canadian economy overall, but it is in specific sectors, such as northern housing, where it will have the largest impact. There are some signs of recovery, although the world economy is still extremely fragile. One is the rise in the Baltic Dry Index, which is a measure in the price of transporting raw materials by sea after its collapse in 2008, indicating a rise in demand for raw materials.

Another is the higher-than-expected number of home sales in the United States as consumers begin to take advantage of the extremely low housing prices. And finally, the \$19.5 billion USD investment by the Aluminum Corporation of China in the mining group Rio Tinto, to date, Mr. Chair, is China's largest overseas investment, and may reflect the growing sentiment that the bottom of the market has been reached. So we certainly continue to monitor this; the strategic plan will be updated at least annually. It will be updated as necessary, and we'll be watching the developments of all of these plans to watch how they go.

Again, the Yukon is well positioned to come through this. In my travels around Whitehorse and around the territory, I always stop and ask the question of any business, how they're doing, and for the most part, I've gotten nothing but good reviews. Is there an effect? A little bit. But are they weathering through reasonably well? Yeah, they are.

We do realize that there are challenges in the rural communities, and I know that's much of what the speaker opposite is probably going to go to, but when you're dealing with a budget of the size that we're talking about here, and that we certainly hope to get to, of over \$1 billion, much of that will be infrastructure and much of that will be out in the rural communities. The project in the budget is designed that way. The Minister of Finance has done a stellar job of putting that together to put the assistance and help where it's needed. We look forward to getting on with that. If there are any specific questions on that, I would invite them from the member opposite.

**Mr. McRobb:** It sounds like the minister just read from the economic outlook that we're waiting for. What he just read on to the record was basically a status report. Now again, the pertinent question was not answered. It's a simple one and one that is quite significant to many Yukoners, so I'll repeat it.

How has today's reality changed the minister's focus from when the plan was written a few years ago?

**Hon. Mr. Kenyon:** As I just mentioned, the strategic plan is continually updated, revised and monitored, and we react to what we see that is going on.

I tend to think that the department is doing a stellar job. Again, I ask people, as I travel around the territory, how things are going and I have been getting very good responses. So I would say the response is good, and we're going with that. With the creation of a budget in excess of \$1 billion, I would say that's a significant response to the current world situation.

**Mr. McRobb:** So has today's reality changed the minister's focus at all?

**Hon. Mr. Kenyon:** Perhaps the member opposite missed that. The strategic plan and situation is being constantly monitored by our economists, by our good staff in the department and we react to it accordingly. So has it changed? Yes, it changes sometimes on a daily or weekly basis. Again, the department is doing — I think — a stellar job on that one, when you see the responses that we get. We have certainly been fortunate in some cases, and we have responded to those good fortunes, and I think we've responded to some of the challenges. The \$1-billion budget I would say is a significant response.

**Mr. McRobb:** Mr. Chair, just to clarify for the minister — I'm asking about his focus, yet he keeps reverting to the plan and how some economist in the department may be affected. I'm asking about the minister's focus. Has it changed at all in light of the current economic situation?

**Hon. Mr. Kenyon:** Again, we are constantly monitoring that and the focus changes according to the situation, market conditions and challenges that we face. Our focus is always on that goal — always has been and always will be.

**Mr. McRobb:** Let's put it this way: I'm satisfied with the answer in the respect that it's likely all we're going to get from this minister, because he's not very open, transparent or accountable, is he?

There are a couple of questions on some old matters that I'm sure he's more familiar with that I still believe are in the public interest. Let's start with the port access study that was done at significant cost to the taxpayer. What has come of it? Can he give us an update on any initiatives?

**Hon. Mr. Kenyon:** Before getting into the port access — which I do recognize is his pertinent question at this round — I will go back to his last question. Our focus has always been diversification of the economy and diversification of people here, and to touch all sectors across the board, in terms of successful development. The *Yukon Ports Access Study* came out of the rail study from some time ago. It was looking at what happens when you get to the end of the rail, and to secure the access into a deep-water port. It's essential that we have that. Previous governments' solution was simply to buy property, but what we have done is worked with the mayor and council of the City of Skagway, who now refer to Skagway as "Yukon's port". It's a deep-water port; it will take some of the largest ore-handling ships going. It will allow access into Asia. Already, we have ships leaving with ore from Capstone, which I found out Friday are going to Japan. Under previous years and previous mines, we have shipped ore into Incheon in South Korea, and we hope in the future to ship ore of one sort or another into China, probably through Shanghai or Tianjin.

We looked at that as a way of giving that information to proponents of mines as people look at developing mines or as people are investing in mines. Our job is to make sure that they have all of that information in front of them. They need to know how they are going to get the ore out. They need to know that they've got good roads. They need to know what the cost estimates and feasibility are on the possibility of rail extraction. Once they hit the end of the road or the end of the rail, they have to know if there is going to be a ship there. How is it going to get out? What sort of ore-handling capabilities are at that site? These are all things that the study looked at.

If the member opposite thinks that the study is going to involve a magic wand and instant economic development in Skagway — that is not quite the way it works, but it gives us the information to give to the various mining companies and developers and investors to know what the prospect is.

I think in my experience, Mr. Chair, most investors kind of like to know what they are investing in and what the prospects are of a return. That was the whole reason for the port and rail study, frankly.

**Mr. McRobb:** All right, Mr. Chair, I guess that will have to do.

The minister mentions the rail study. I would like to ask what has become of that. I believe in the recent Budget Address delivered by the Premier about two weeks ago there wasn't even a mention of it.

Yet, if we go back two or three years, it was big news to the government. The State of Alaska isn't even talking about the rail study any more.

From what I understand, one of the intentions of the whole rail study was to bring the Yukon government to the point where, in fact, it was a proponent behind the process to try to encourage and push the project along. Of course, this came at significant cost to the taxpayer. We know there was an expenditure — probably \$4 million CDN — into the study and other resources devoted to it as well. What is happening? Anything?

**Hon. Mr. Kenyon:** For the member opposite, the port study and the rail study were transportation studies, again to provide information for investors and to provide information for mines. The actual dollar value, I think, was closer to \$2.35 million and we partnered with Alaska — they footed the rest of it.

The member opposite says that Yukon was a proponent. Yukon was certainly not a proponent. This was not something that we were going to build. That has always been on the table or at least on most people's tables. It was a way of developing that information to give. When you're investing in anything — how are you going to get there? How are you going to get the product out? What is the workforce like? What is the housing? These are all things that have to be looked at.

But first and foremost, if you are going to invest in something, you want to know how you are going to get in there and how you are going to get out. That is what the rail study did. That information is available. I believe the member opposite had that from the beginning and, if not, I am more than happy to send over the information. It is publicly available and it has been presented and passed out at mining meetings, at conferences and anyone who is looking at investing in the Yukon, be it European or U.S. or Chinese or Korean or Japanese — they all have access to this. This was what the study did. There was never an intention for us to build anything.

It really comes out, Mr. Chair, that one of the things that I think people have to realize is that the last study was done in 1992. It was done looking at a very limited subset of what could be done. It looked simply at extracting resources from one area. It concluded at the time that it wasn't very feasible.

That study actually became a rather big challenge because many of the federal bureaucracy looked at it and basically said, "Well, we've already done it. Why are you doing it again?" What we did was expand it because not only are you looking at extraction of Yukon resources, but northern British Columbia resources, Alaskan resources — you're looking at re-supply, you're looking at tourism, you're looking at all of the various things. And when that was looked at in much more detail jointly by Alaska and the Yukon, it was concluded that this is very feasible as mines develop. That's the information that we wanted to get to the mines.

**Mr. McRobb:** Have any serious investors looked at the rail study? Can the minister give us a progress report?

**Hon. Mr. Kenyon:** Well, there have been individuals? There have been a few individuals who have come up and looked at it. But in terms of mines, I'll repeat again what I said — that every company that has looked at developing a mine, building a mine, investing in the Yukon in any way, have all had copies of that. It has been widely, widely distributed.

One of the things we're looking at with that, too, is what we refer to in the department as the "short-track solution". In other words, now that we know where that route goes — and for the most part, it came out not where anyone expected it would actually go — but once we now know where it is most equitable to go — where it is most reasonably and cheapest to go — are there sections of that rail that could be used for individual projects? In other words, to move from one project down to Skagway and simply look at that as a single piece or a short track.

You don't want to build something and then look at something farther down the road and say, "Gee, I wish we hadn't built it there. It's too expensive." We need to know at every point — if we develop any resource along that line — that it is going to fit in with the overall plan. You don't want to build a road someplace and then find out that it goes from one place nobody wants to get to, to another place nobody wants to get to — and meanwhile the super-highway goes right down the side. I've seen that too many times in the States and in other jurisdictions, and that's not something we're going to do.

So for the member's pertinent question — yes, it has been widely distributed; and yes, a lot of people have looked at it and a lot of people have been very appreciative. I think that probably has been a factor in some of the investment.

**Mr. McRobb:** Now, I didn't ask who received the study and who may be interested in it. I asked whether any investors seriously looked at the study with the intention of investing into this proposed rail line, I might add. Now, I know there is interest out there, especially by prospective mining companies. As a matter of fact, I saw something recently, where one mining company in at least one document referred to this rail study, practically as if it were already in operation. My question is about serious investors into the rail line itself. Can the minister identify which investors have looked seriously at this report?

**Hon. Mr. Kenyon:** The member opposite again sort of misses the whole point of what I'm saying. Is someone going to come up, build a rail line and hope that something develops around it? Or are you going to come up, look at investments in mining opportunities and know there is the prospect of developing a railway that would extract the resource? Nobody is going to build a railway, or invest in a railway, that they have no idea who is going to use it.

The purpose of the study was to show who could use it, but it is dependent on those projects — and as those projects progress, they're the people who will eventually build this. The Yukon government under any political leadership is not going to build an \$11-billion railway, but they will certainly give that information to all of the various companies as they develop to



show them how feasible this is. It's data that they would have to develop and again, it's data that we're giving them off the top to show them how this can be done — and done reasonably and equitably.

**Mr. McRobb:** All right then, Mr. Chair. So is the minister saying the intent of the rail study was as he has explained — in that no serious investors have examined the rail study with the intent of possibly investing into this piece of infrastructure? Can he clarify that for us?

**Hon. Mr. Kenyon:** Again, the member opposite has completely missed the point. The investors will be the various resources along the proposed railway line. If a mine is not anywhere close to a feasible railway, that might be a decision documented or a reason for the company to look at that investment. If, however, the most feasible rail line goes right past their property, well, it's probably going to have a different effect and cause somebody to take a more serious look at it. That is the reason — to show the infrastructure, to show where the rail line will go, what the viability of it is, what the capability of it is. Where could it go? Would it go down to Skagway? How would it interact with a narrow-gauge railway and a standard-gauge railway? Would you develop cars that would be adaptable, that could run on narrow-gauge tracks, but take cars from a standard-gauge railway from other parts?

Would you convert the White Pass — which is a private company, I might add — to convert the narrow gauge, which is part of its tourism potential, over to standard gauge? Why was narrow gauge put in there in the first place? It was put in there because of the tight turns and mountainous terrain. If you do that, you're probably going to be back into blasting more. How much? These are all the various things this report looked at over time.

Is it more equitable to put the rail down to one part of B.C. versus another part of B.C.? Is it worthwhile to go farther into the south and will that affect the potential investment that somebody would look at in a mine? These are the people getting the information. If the member opposite thinks again that a private investor is going to come in and say it's a good idea, let's build an \$11-billion railway — it's not going to happen and I think the member opposite is aware of that.

We're not building or looking at a railway from one point to another; we're looking at building that railway all the way to Halifax, if we have to, because once it ties into the North American grid — I think the member opposite is familiar with the term "grid" — then it's possible to get in much quicker.

As the world develops and container traffic becomes more and more important — and I think anybody who watches a little late-night TV will stumble into some marvelous shows on container traffic and the effect of bringing in containers — the port of Skagway is five sailing days closer to many parts of Asia than the port of Los Angeles, almost as much as Seattle-Tacoma; better than three and a half days closer than Prince Rupert, which is now developing as a container port.

When you look at the size of these ships and how much it will cause them to sit and wait at tens or hundreds of thousands of dollars a day, they could have off-loaded that product in a port like Skagway — or Haines is another possibility they've

looked at, or Stewart — they could have off-loaded that on to a railway like this and had those containers in Chicago before they even come off the ship in Los Angeles.

Is that a factor? What's the possibility of that? How would that affect ships coming into the Lynn Canal? There are all these factors. It's an enormous study and, again, it's not designed for somebody to simply invest in; it's designed to give this information to the various companies and investors and show them how this would best benefit their particular business plan.

**Mr. McRobb:** Well, anybody listening is probably having some difficulty connecting the dots on the minister's explanation that potential mining companies might turn out to be owners of the railroad, depending on the location of their deposits, given that the whole rail study identified routes, and the Yukon is not the end destination. The end destination is at least Alaska. There has been talk about going over the Bering Strait to Russia, even.

Some listeners are probably having difficulty wondering to what degree of flexibility a prospective mining company has in the routing.

It's my understanding the study identified the main route through the Tintina Trench in the territory. I'm aware of another study that identified billions of dollars of untapped mineral resources in that trench. We see some of the mining prospects I mentioned earlier proceeding, but to what extent a mining company becomes an owner of this railroad raises an entire host of new questions.

The Yukon Party government stated on record that this rail study would provide enough objective and quantified information to enable public and private sector investors to take a serious look at investing in this rail line. Mr. Chair, we're not hearing that from the minister today. Just like every other project the Yukon Party government seems to be involved with, such as the Watson Lake hospital or the Whitehorse Correctional Centre, it seems this project, too, has morphed into something it wasn't originally intended to be. The whole purpose seems to have changed.

Now, aside from this, Mr. Chair, I do have a few questions in other areas, and I'll give them to the minister one at a time. I would like to know, as many Yukoners would like to know, what assistance is provided by the Department of Economic Development to help encourage and stimulate diversification, especially with respect to small business start-up?

**Hon. Mr. Kenyon:** For the member opposite, again, he has completely missed the whole idea of why the rail study was done. The Yukon government and Alaska publicly released that *Alaska-Canada Rail Link Feasibility Study*, in March of 2007. The release of that phase 1 feasibility study demonstrates the desire of Yukon and Alaska to continue working collaboratively on issues of mutual concern between the two jurisdictions. We have presented that to the federal government. It is available and it is given to every company that has an investment interest. It is part of the puzzle. I certainly hope that the member opposite doesn't want to get into a discussion of his investment portfolio because obviously what he

saying is that people should invest with no information as to is how that investment would go ahead.

I would kind of tend to prefer to invest in things that I have some knowledge about, and that is what this rail study develops. Again, if the member opposite is purporting to invest in things that he has no knowledge of and has no desire to do the research on, then good luck, Mr. Chair.

In terms of the member's pertinent question, there is a great deal of small business support. We are committed to providing that support in a variety of programs to nurture and to stimulate the development and growth of Yukon small business.

We provide business development support — information, advisory services to the Yukon's small business community, through partnerships with non-government organizations, agreements with industry organizations, and direct assistance.

Businesses can access some capital through things like the microloan program. I'm happy to go into these in individual cases, and hopefully in the line-by-line discussion we'll be able to talk about the individual programs and where they stand within our budget. The Dana Naye Ventures business loan program, and the Yukon venture loan guarantee program — those are some of the places that they can go.

We also provide services that encourage and stimulate activities conducive to the development and growth of a positive business climate. The department provides access to funding and capital both directly and through partnerships and agreements with various financial institutions — certainly, the venture capital program and others. The Department of Economic Development maintains ongoing consultation with key industry stakeholders to ensure Yukon small businesses achieve a competitive advantage in external markets.

Specific assistance to small business is available, and again, I'm happy to answer any specific questions on these programs, and certainly I look forward very much to going in line by line and getting into detail on the individual budget items. The enterprise trade fund supports business development and market expansion of Yukon businesses. This does everything from assisting people to get to trade shows, to assisting people and businesses to develop business plans, and generally to give advice. The Dana Naye Ventures microloan program provides loans for the creation of small and home-based businesses in a variety of industries there.

The business incentive program — or BIP as it's affectionately known — promotes the hiring of Yukon residents in the manufacturing and use of Yukon goods and services. Before the member opposite starts making notes there, that is specifically exempt from the Agreement on Internal Trade.

The Yukon venture loan guarantee program is intended to encourage the provision of business financing from commercial lenders by sharing in the risk associated with the loan. The small business investment tax credit program encourages Yukoners to invest in small Yukon corporations. The business nominee program provides support to foreign nationals planning to make a business investment and immigrate to the Yukon.

In addition to these programs offered or the support that the Yukon government can give, the following programs exist to assist small businesses: the Canadian small business financing program — that's a loan guarantee program that's similar to the Yukon venture loan guarantee program. This program guarantees loans of up to \$250,000 made by financial institutions at 85 percent. I should mention, of course, that these do require good, solid business plans and the department is quite happy to work with people in developing that.

Applications are made to the bank, which approves the loan and registers it with the federal government, which provides the guarantee. Industry Canada administers the program, while financial institutions are responsible for all credit decisions and for actually making the loans.

The Business Development Bank of Canada is another avenue that people can go. Term loans for start-up or expansion are offered at fixed or floating interest rates, based on the risk, of course. Applications are assessed on the basis of relevant management experience, soundness of the business plan — including its assumptions and the risks — and securities such as a guarantee from the Yukon venture loan program or the Canada small business financing program. The amount of equity contribution or owner investment is another big factor.

The Business Development Bank of Canada requires an equity contribution, but the amount will vary according to the risk. Start-up restaurants, for example, need 40 percent to 50 percent of the loan value in owner equity. Generally the debt-to-equity ratio would not exceed 3:1.

We also have the north Yukon business advisory outreach. The department is operating the north Yukon business advisory outreach in three Yukon communities — specifically Old Crow, Dawson City and Mayo. The outreach provides mentorship and guidance in business planning, business development, marketing strategies and other related business activities to new and experienced entrepreneurs.

The Yukon government has contracted Dana Naye Ventures to deliver the outreach services and approximately 25 businesses, so far, have used the business advisory services.

Again, for the north Yukon business advisory outreach, we indicated and initiated business counselling outreach services in the north Yukon in July 2005 as a result of the northern Yukon economic development partnership agreement, which was signed by the Government of Yukon and the relevant First Nations in July of 2004. A survey to determine the success of the program will be conducted in the spring of 2009 and financial implications on that, of course. \$100,000 is budgeted for both professional fees and travel expenses. Again, we will get to that when we go line by line and have that discussion.

The Yukon small business investment tax credit encourages Yukoners to invest in small Yukon corporations. The program allows Yukoners who invest in eligible Yukon businesses to receive an income tax credit equivalent to 25 percent of their investment. Since its inception in 1999, the program has assisted eight Yukon businesses to raise \$5.2 million.

Now, that program is restricted to small business with a capital asset of up to \$25 million. The program's objectives are to make small Yukon business' share offerings more competi-

tive; to help small businesses to expand and grow; to help diversify the economy, of course; and to assist Yukoners in investing in small business in Yukon. To explain how it works, an eligible company can make share offerings up to \$800,000 per year and Yukoners who purchase those shares will receive an income tax credit of 25 percent of the purchase cost. The total value of shares offered by all companies under the program in any one year cannot exceed \$4 million — thus capping the Yukon government's exposure at \$1 million in income tax credits per year, or 25 percent of the value of shares.

The program is administered on a first-come, first-served basis until the program is fully subscribed, and the \$800,000 limit on an annual share offering per company was set so that at least five companies can benefit from the program in any year before the maximum of \$4 million in total share offerings is reached. Investors may carry forward unused credits for seven years or carry them back three years. From 1999 to December 31, 2008, \$1.3 million of tax credits were issued under the program.

So that's an overview of some of the programs that are available. Again, I would be happy to give more information, but I would assume that we will do that in the more detailed line-by-line.

**Mr. McRobb:** I think that was the most helpful answer yet, and I'm pleased that the minister finally got around to the part about assistance for small business start-ups.

Now I would like to ask the minister about the Internet to the territory. Of course, for several years there has been a constriction on this service going south, connecting us with the international network, and this is still a problem today. Can the minister just expand on the situation and reveal any plan he has that might see the Internet bandwidth increased?

**Hon. Mr. Kenyon:** The Yukon is recognized as one of the most connected regions in Canada, and that's a great business advantage that we have. In all municipalities over 99 percent of our homes have access to affordable, high-speed Internet. I was at a meeting of ministers responsible for innovation and technology, and I referred to that statistic and compared it to the 61 percent of the Province of Ontario, and was immediately corrected that they'd been working very hard on this and they were, in fact, now up 64 percent. We're at over 99 percent.

In terms of the long-term economic growth, we're working to ensure that the cost of Internet service is comparable to that in the south, and I think we've accomplished that. The capacity of the link to the south does not limit our use, and we're working on that, and I'll get to that. There is competition and innovation in the market for value-added services. It's always interesting, the number of Internet providers that we have here, and when you compare that to some of the major centres down south, we have more, interestingly enough. So, even within the confines of one company owning the link, we certainly still have some options there.

We continue to work with the regulatory system to push for more investment and more competitive choices. We are working with Northwestel and Bell and others to develop solutions to infrastructure challenges. We know they're there, and

we work with other governments and third parties to enable the investments and choice.

Now, the May 2003 Yukon telecommunications review recommended that three areas be addressed: complete fibre link to Yukon and increase capacity since the microwave system is nearing saturation. We're getting information from Northwestel that by the end of this summer of 2009, we should have a completion of fibre optic links and be able to move off of the microwave.

We want to reduce the cost of bandwidth to communities — always a concern — and increase mobile or cellular coverage to areas other than Whitehorse, and we're chipping away at that.

Now, how that will affect having to what's referred to as "throttle" some of the Internet, that does remain to be seen, but we will have the microwave saturation issue dealt with by — we hope — the end of this summer.

We're examining options to improve the bandwidth again and reduce that cost. Highways and Public Works, in their good work, is responsible for dealing with Northwestel and the mobile radio service, MDMRS, and the community cell service through Latitude Wireless, as well as any specific service issues.

Economic Development is responsible for the longer term and the strategy issues of telecommunications policy and how telecommunications may serve Yukoners well in the future.

The Yukon government continues to work with policy officials on northern interests to strengthen the representation of national policy arenas. We do participate in a group consisting of provincial and territorial telecom policy officials. We are also very active in the telecommunications working group of the Pacific North West Economic Region, or PNWER. In fact, the private sector chair of that telecommunications group is the vice-president of engineering for Northwestel. So we have very good communication and cooperation there.

The Yukon government participates in a pan-northern telecommunications policy working group to explore areas of common interest with the Northwest Territories and Nunavut. The Yukon government continues to work with Northwestel on a cooperative basis to determine where there might be opportunities for joint action. Sometimes it makes sense to work alone; sometimes — and more often — it makes much more sense to work in conjunction with other jurisdictions and approach things from a pan-northern approach.

**Mr. McRobb:** All right. I thank the minister for that, and I may decide to follow up in some detail at a later date.

In looking at the department's objectives, I'm left wondering where the department stands if someone within it develops an idea that would be good for the Yukon in terms of a business or perhaps an industry. One example comes to mind, and that's the aircraft manufacturing plant in Watson Lake that was mentioned. That sounded really good, and we know the government spent money on it, but nothing ever really happened. My question relates to process. Maybe the minister can explain what happens if someone gets a brainstorm that sounds good? Where does the department go with it? Does it go to the minister, and he in turn brings it to his Cabinet colleagues, or is there

something developed interdepartmentally? Can the minister just expand on that process for us?

**Hon. Mr. Kenyon:** For the member opposite, that's what our department does: develop ideas and brainstorm and work collaboratively to develop the economy of the Yukon. That's what we do for a living, basically. So for the member opposite, we're happy that he recognizes that good ideas come out. In terms of the one business that he mentions, that was dependent on a good business case being put forward. To my knowledge, that hasn't been done yet.

**Mr. McRobb:** Mr. Chair, I'm pretty sure I didn't get an answer to the question. In terms of process, how does it work? I outlined two scenarios; maybe the reality is it's neither. I don't know; that's why I'm asking the question. So can the minister outline for us just what might happen after a good idea has been identified? Can he explain to us the role of his department or himself for that matter?

**Hon. Mr. Kenyon:** Well, the role of the department, certainly, is to investigate and to analyze. With any ideas that are developed within the department, the idea doesn't just pop out and we decide we're going to do it. There are many, many people within the department who will analyze the business case, develop a business case and develop the policies around it. We communicate with other departments to see what other departments have done in those areas, or how it might influence other departments' decisions or projects. The amount of analysis is extensive, and I do realize that the member opposite sometimes can get frustrated at the timelines. Sometimes we get frustrated with the timelines, but there's no excuse for poor planning.

Poor planning — I would go for the delay every time over bad planning. What the department does is excellent planning. It does take some time, occasionally, but by the time that idea perks its way up it has been analyzed so that we are very familiar with its probability of success, its degree of need and the people in government at all levels — or outside of the government in the private sector — are going to best be involved in that project. It is a very complete and sometimes painstaking process.

**Mr. McRobb:** All right, Mr. Chair, I still don't believe the minister answered the question.

I wanted to ask now about regional economic development plans. Can the minister tell us which plans have already been developed in the territory and which ones are on the near-term horizon?

**Hon. Mr. Kenyon:** For the member opposite, again, even in the regional end of it, the one thing that I didn't mention in the last question — and should have mentioned — is the fact that if the idea is coming out of the private sector, then that is again something we do to help people develop the idea and business plan and to take that to funding issues and initiatives. Again, that is all part of the process.

In terms of the regional economic fund — which I assume is what he is referring to — the regional economic development fund was established in recognition of the need for effective cooperation and coordination of economic planning and development efforts by all parties with regional interests. In 2008-

09, \$479,780 was approved for 24 projects throughout the Yukon. The fund has invested approximately \$1.58 million in 80 Yukon projects since it was created in 2004. Eligible applicants include First Nation and municipal governments, Yukon First Nation development agencies, community associations, Yukon businesses and business-related organizations.

Funding activities have included support for economic development planning, capacity development, opportunity identification and associated research and needs assessments. Maximum eligible funding for a single application is \$50,000, with no more than 75 percent coming from Yukon government sources and at least a 15-percent cash contribution of the total project costs from the proponents. We expect the proponents to put something into this. The regional economic development fund budget is \$450,000 and I will be happy to field any details of that when we get to line-by-line.

We continue to work with the Executive Council Office on the land claims implementation secretariat, as appropriate.

The member opposite has asked for some specifics on this, so let's go through some of those. We've been working most heavily with Tr'ondëk Hwëch'in, Kluane and Na Cho Nyäk Dun on regional economic development. For the Tr'ondëk Hwëch'in, the Yukon government has undertaken an environmental scan and assessment of potential for developing an economic sector within the Tr'ondëk Hwëch'in traditional territory. An oversight committee of representatives from Yukon government, Canada, Tr'ondëk Hwëch'in and the City of Dawson are implementing a workplan to complete a regional economic development planning process for the traditional territory of the Tr'ondëk Hwëch'in.

It's anticipated that a regional economic development plan will be completed by the fall of 2009. We've been actively working on that.

In the area of the Na Cho Nyäk Dun, or the First Nation of Na Cho Nyäk Dun, they would like to focus on capacity and governance issues as a first step, so we're working on chapter 22 planning processes for this First Nation, and they will begin in the first quarter of 2009-10.

For the Kluane First Nation, they've requested the Yukon government work with it to develop a process to guide the economic opportunities planning for its traditional territory. Work on the opportunities plan itself will start in the 2009-10 year. I should point out to the member that, in some of these cases, there has been a direct request from the First Nation to slow the process down and allow them to meld in with some of the processes. So again it's a question of working with each First Nation individually and to work with them in such a way that we get the maximum benefit.

In the Village of Teslin, I should also note that we have approved funding through the regional economic development planning government for \$49,800. So there's another one that has been put in. Some of these other regional economic development projects have everything from skills inventory — regional fuel distribution was one project — investment opportunities, tourism accommodation, organizational assessment capacity and development planning, involvement in a mining conference, mining equipment and supply services feasibility,

mining scoping — there have been a number of different plans but this is sort of a quick overview of what has happened.

Again, we worked with each individual First Nation on a one-to-one basis. We think we have had some good success with that.

**Mr. McRobb:** I want to make sure we're on the same page here because my question pertained to regional economic development plans, which could include community development plans and I suppose First Nation development plans, but probably not fuel distribution plans. I think there's a separation there. What I'm looking for is an answer that responds to the question of which communities or regions in the territory have had plans already done and which ones are on the short-term horizon? Perhaps it would be easier, and we would certainly be willing to accept a written document at a later point in time — not too much later we would hope — that identifies these.

**Hon. Mr. Kenyon:** Can do.

**Mr. McRobb:** I thank the minister for that. It's a rare show of cooperation from the other side. Mr. Chair, I would like to ask about one particular plan, and that's the Haines Junction economic development plan.

I believe that is the formal title. It is now at least two years old. I know that there were some action items that were aimed at the Yukon government — things it could do. I am wondering about this in terms of process. How does the government approach those types of undertakings, such as the ones identified in the Haines Junction plan? Does it feel no obligation to take action or does it take action as soon as it can, or is it something in between? Can the minister illuminate our minds on how the government reacts to undertakings that involve it within any community or regional economic development plan in the territory?

**Hon. Mr. Kenyon:** Well, the simple answer to that is that it is, "somewhere in between". We work in collaboration and cooperation with the proponent. We are not going to come in and tell someone what to do. It doesn't make an awful lot of sense to ask to partner in something if we are told what to do.

Specifically with Haines Junction, we have worked with the Village of Haines Junction to create a scoping document, which explores two economic opportunities and economic anchors: a retirement community development and a research and educational facility. We funded the Village of Haines Junction to scope out these two priorities.

In 2006, funding was provided from the regional economic development fund to the Village of Haines Junction to hire a consultant. The consultant prepared a report entitled *Report to Economic Development Committee: Information Gathering for an Economic Development Plan for the Haines Junction Area*. How's that for a title? December, 2006.

In June 2007, the Haines Junction Economic Development Committee wrote its own response to the report, entitled *Haines Junction and Service Area Economic Development Report*. The village identified the two priority areas of a retirement community development and a research and educational facility for further research in late 2008. We contributed, at the time, \$12,250 to enable the Village of Haines Junction to produce that original report — their own — and in 2008, the re-

gional economic development fund funded \$32,800 for an economic scoping project, again, to characterize the profile of a retiree for a future retirement community, and to identify a specific area of specialization for a future research and education facility.

So again, Mr. Chair, going back to the short answer — "in between". We work collaboratively and cooperatively with the proponent. It takes us in all different directions, but it has to be a cooperative effort.

**Mr. McRobb:** All right. I thank the minister for that response. That's it for my questions for now. I'll give the Third Party an opportunity and perhaps come back in later.

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

*Recess*

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

**Mr. Cardiff:** Mr. Chair, I would like to dive straight into a few of the questions I have for the minister and some of the more general questions, I guess. Some of these questions come from when I attended the Partnering for Success event/conference/symposium — call it what you want. It was an interesting experience being there at the Chamber of Commerce Partnering for Success symposium. There was a lot of sharing of information.

One of the exercises that they went through was identifying gaps in the Yukon, and I won't list all of them. I couldn't write them all down as fast as they were — and the other thing I'm going to do is list some of the priorities. I'd like the minister to address some of these. Some of these things are in the purview of the Minister of Economic Development, and some of them aren't. But I think that it's important to listen to the business community and to try and address their concerns. They're the ones who work on a daily basis in small business and industry to generate wealth in our community, and they employ people. It's those people we need to worry about. They're the ones who actually generate the wealth — the employees.

The ideas and business management are all essential, but when it comes right down to it, it's the employees who work on the floor, behind the till, and on the ladders who generate the wealth. They're the ones who are actually doing the hands-on work. I'm not saying that small business owners don't work as well, because many of them work in their businesses, for sure. But I think that small business owners can see that, so they can see where the gaps are and they, as well, can identify what their priorities are.

Some of the gaps were access to post-secondary education. I know that the minister sits next to the Minister of Education, and access to post-secondary education is something that the Minister of Education will address when we get to the Department of Education.

But, support for small business — what was suggested was to shift the focus of government support more toward small business, more toward tourism and more toward culture.

One of the other things that came up was a local venture capital fund. There was a need for venture capital where banks wouldn't normally provide financing for start-up businesses, or for expanding businesses. One of the other ones that was mentioned earlier by the Member for Kluane was the need for better bandwidth infrastructure that increasingly — I can talk a little bit more about this, but business is being done electronically. I'll talk a little bit more about that a little bit later.

Another one of concerns was "stop the leakage". When I say "stop the leakage," it's about stopping the leakage of dollars and it's about investing more locally. We were talking about a billion-dollar budget — that's a lot of money the government is expending. If they ensure that it gets expended locally as much as possible as opposed to hiring Outside consultants or buying a lot of goods and services from outside the territory — that what we can provide locally and ensuring that we can provide goods and services locally and support for businesses that do — that would stop some of that leakage and the money would go around in the economy.

Interestingly enough, a lot of the priorities that were mentioned were exactly the same — education, venture capital, broadband infrastructure, stop the leakage. One of the priorities, though, was an economic strategic plan.

The department's strategic plan was referenced earlier but what was being looked for — what I heard when I was there was that they would like to see an economic strategic plan that looked toward the future for five years, for 10 years, for 20 years — a broad vision. In order to do that, I believe that the minister, the department and the government need to better engage the public and not just the business community. They need to engage working people. They need to engage labour organizations. The need to engage NGOs — NGOs contribute to the economy here as well — in that long-term economic strategic plan.

One of the other things that was identified in his capacity as another minister we'll be asking him how he intends to address issues of affordable and much better housing because that is one of the things that was listed as a priority as well — was the need for more affordable and healthier housing to attract people to come live in the Yukon and work in the Yukon, and for young people to stay in the Yukon. Young people don't want to live in four- and five-bedroom homes. They can't afford that when they're first entering the housing market, when they're starting out in their working lives.

Better wages — we need to ensure that we keep pace with other jurisdictions and that we keep pace with the cost of living here in the Yukon. One of the things — and I'm going to link this back to the bandwidth infrastructure — is to define our advantages. We have very innovative people here in the Yukon. We have a workforce; that's where the education comes in, to some extent, to make sure we continue to educate our young people in the workforce.

There's a lot of potential out there in communities to expand training and education for local people to participate in

the economy and to encourage them to get involved in business. One of the other advantages we have is beautiful — as the Member for Kluane says — "Kluane". The Member for Southern Lakes is mouthing "Southern Lakes". I would say that the drive home to Mount Lorne is very similar to driving into Haines Junction, actually, with the mountains and snowcaps. It is beautiful. Just about everybody —

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

**Mr. Cardiff:** There are glaciers. Everybody in this Legislature would advocate that they live in a very beautiful place. That is one of the advantages that we have. It is one of the things about the bandwidth infrastructure. There is that ability, and its low impact can be viewed as part of the green economy. People working and living in Whitehorse, Haines Junction or beautiful Mount Lorne, Teslin, Mayo — they can live there, and they can work in another jurisdiction.

One of the presenters at the Partnering for Success Conference talked about a person who works for their organization and is also an executive on a board — I can't remember which organization it was. But she works two or three days a week from her home for a company that is based out of — I believe it was Montreal. That's something that we can do here that benefits our local economy. They receive their money here, they do their shopping here, their home is here, and it is beneficial. It's just one part of diversifying the economy.

When I look at the minister's activities over the year, he spends a lot of time talking about going to China or going to the Far East and marketing the Yukon's natural resources to other jurisdictions. Believe me, I'm not against mining, but we need to think this through a little bit. I'd be interested — we keep hearing about the economic downturn, and how it's affecting North America. We hear about the economic downturn and how it affected Japan previously. The economic downturn is going to affect China, Korea, India, and Japan, and — you're right; it already has. The markets there — we can't rely on that; we need to think about diversifying the economy.

One of the other presentations that was made at the Partnering for Success symposium was by a gentleman by the name of Andrew Ramlo, and he presented a whole number of statistics — it was more statistics than a lot of people could take in

Unfortunately, StatsCan has some sort of copyright on the statistics so he can present them but he can't actually hand them out or give them to you.

When it comes to diversification of the economy — and I am looking forward to hearing what the minister has to say about this — is that we need to look at things other than just mining. He presented statistics of employment by industry. He presented statistics of employment by occupation. In some areas we are growing. It almost looks like the minister may have the statistics and if he does I would be interested in getting a copy of them. If they are available to him, I hope they are available to us as well.

One of the things that came out of the statistics was the fact that as much as manufacturing is growing in the Yukon in some areas, the actual on-the-floor jobs in manufacturing are declining. That can be due to a number of things. It can be due to mechanization and new processes, but we have natural re-

sources here; we have an established manufacturing industry; I think there are ideas out there and I think there is potential to increase manufacturing jobs if we put our minds to it.

With the new *Forest Resources Act*, hopefully there could be some manufacturing and some value added to some of the forest products, as opposed to just things like firewood and shipping raw logs out.

I don't want to use up too much time this afternoon, and I've gone on for a little while here, but I'd like to hear the minister's response to the priorities that were expressed by those people who were at the Partnering for Success and whether or not there is some plan to do some longer term economic strategic plan.

**Hon. Mr. Kenyon:** I am disappointed, of course, that the member did not mention Porter Creek. If you have to live in the city, at least it has some periphery that's really quite beautiful and it is a marvelous place to live and raise a family. So don't leave Porter Creek North out of there.

Anyway, we can talk about housing. It is certainly part of the puzzle. We always have to look at all the things. We can deal with specific things when we do the housing discussion, but we are very much aware that it's a part of the puzzle, for sure. I wish very much — the member opposite mentioned strategic planning that could look at years out. I would refer him to a document called *Pathways to Prosperity* that came out. If he doesn't have a copy, please by all means let me know and I'll get copies, although it is on the Web. It gives you an overview of where we see things in the distant future.

The problem with a strategic plan, especially given the economy and where it's going right now, is that if we write anything in stone over a period of time, chances are that within a few days — and certainly weeks — we would be in a lot of trouble. It's a dynamic structure.

It's a dynamic structure; it's a dynamic thing. Don't we all wish that we could do something, and put it down, and then follow it? But it has to be constantly changing. That's why we have started what we jokingly refer to as "brown bag lunches", although I haven't seen a brown bag at it yet. We tend to cater it.

We have regular meetings with the deputy minister, and usually I meet with the Yukon Chamber of Commerce, Whitehorse Chamber of Commerce, the Chamber of Mines and a wide variety of business owners. We sit down over a bowl of soup and such and have that discussion. What are the needs? What are their challenges? How are things changing? How are things going to change from day to day? It's very much a dynamic process.

There is also, of course, the Premier's deputy ministers committee on the economy. Our Deputy Minister of Economic Development sits on that, as well as on the steering committee for Partnering for Success, so we have very, very good input on that.

Local hire — yes, absolutely. I'm trying to sort of pick out questions. I'm sure the member opposite will remind me if I miss something. I'm a pretty reasonable guy, so if I miss anything, it's certainly not intentional.

We're aware of local hire. Now, there are some challenges, of course, with a variety of internal trade things, and could this add to leakage? It's possible, and that's something we have to be aware of. Could it also allow leakage back into the territory? Yes, very much so.

People who are qualified in one jurisdiction can suddenly come here without a problem. At the same time, as things progress — be it tradesmen or dentists or whatever who are in the Yukon, they can suddenly go to other jurisdictions as well. Our trick right now is to put out contracts and to put out work in a metered fashion — slowly or methodically — so that Yukon residents and Yukoners can take the maximum benefit of those contracts and those processes. That is an ongoing process that we're constantly working on and keeping everybody working on.

In terms of income — I mean, I agree with the member opposite, although I do draw his attention to the fact that the Yukon currently has the third highest income level in Canada, I think. We are doing pretty well with that. I realize that it is not a global statement by any means — and I'm sure the member opposite will cut me short if I try to make it look like it is — but I am very pleased to say that in many cases worrying about a minimum wage or something like that isn't quite our problem because, frankly, if someone wants to pay the minimum wage they won't get anybody.

There is just too much of a need for workers out there. I take that as a good sign, but there are cases in there, I agree, if you look at it critically, that there probably is an issue there.

In terms of diversifying the economy, yeah, very much so. That has been one of the challenges. That's why we're so involved with the film industry, we're so involved with the fact that while you're working on developing the mines — and the strategy on that comes out of the overall departmental strategy and the *Pathways to Prosperity* document — you're promoting mines, mining development, mining exploration, and all of the things that go around it, and at the same time you need the extra servers at restaurants, you're going to need the extra clerks at hardware stores. So there's a cascading effect that goes out that way.

Also at the same time, we have the variety of — and I won't go back through them — various projects and programs to develop expertise and develop small businesses. People who've come up with ideas, and sometimes people would think crazy ideas, but when you start developing them, they actually work, and work very, very well. We need the microloan programs, we need venture capital programs, we need to allow people to better market their wares, and that's done through business and trade. Or to help people develop the business case or prepare the documents that they can then take to financial institutions — all of this is part of what the department does and it acts in an advisory capacity. In the north Yukon, it's even more so with working with the First Nations and communities in the northern part of Yukon and allowing people to develop at their own speed in areas that they want. That's quite critical.

In terms of forestry, I think one thing I've never heard mentioned on the floor of this House — and I do want to give

credit where credit is due — the marvelous project called the Great River Journey which is not only a corporation, but also in cooperation with a variety of First Nations. The buildings that were built along the way for the most part were built out of Yukon logs. Those logs came out of the areas immediately around that area. They were not clear-cut; they were selectively harvested and they actually won a national award for the process of doing that logging as a showpiece on how to do it properly. I give high praise to the Great River Journey group for how they did that. Again, can it be done? Yes, it absolutely can be done.

I can go back through on some of the other things in terms of diversified, but I'd like to take it back to the member opposite. Maybe he has some specific questions he'd like to throw out on that before we get to line by line.

**Mr. Cardiff:** I know that the minister talked a little bit — there was a conversation about the broadband infrastructure earlier, but I would like him to put on record specifically what the government is engaged in when it comes to trying to improve the broadband infrastructure. I gave the scenario of people living here in beautiful Porter Creek North, but working in other jurisdictions, whether in Montreal, Atlanta or the Far East. That would be one question I would like him to expand on.

Another thing is that in the department there are a number of different program areas. One of them is the strategic industries development. I am wondering if the minister could tell us what he or the department considers to be strategic industries.

**Hon. Mr. Kenyon:** Without going in to all of the details on the telecommunications — again, just the overview — we are recognized as the most connected region in Canada and possibly in all of North America with all municipalities being served and over 99 percent of homes having access to affordable high-speed Internet.

With respect to the long-term economic growth, I completely agree on the necessity of that. We are working to ensure that the cost of the Internet is comparable to down south and I think we're achieving that or are close to it. The capacity of the link to the south does not limit our use and there is competition and innovation in the market for value-added services. There are some challenges there, of course, when there is a bit of perception of a monopoly, but we have certainly had very good luck in our cooperation with the company involved.

We do work with the regulatory system to push for more investment and more competitive choices. We work with Northwestel and others to develop solutions to infrastructure challenges. Their vice president of engineering is the private sector chair for the Yukon's Pacific NorthWest Economic Region and has been active in that group — and we hope more active, if he is listening — to work with other governments and third parties to enable investment choice.

The bottleneck, so to speak — we're basically fibre optic in the north, but it goes down through a fibre optic link, and there is a small part where, for want of a better term, the information highway becomes a goat path — a pretty good goat path, when I check from my house. I often get 4 megabytes per second. That's a pretty good throughput, and it's a lot better

than I got in downtown Victoria a couple of weeks ago. So we're not totally displeased with that. But there are other days when — I agree — you can walk to the tower for wireless service or such a little bit faster than you can probably do it with your computer. That's where the bottleneck comes in.

We are working on that — Northwestel is working on that, and we are told that somewhere in the latter part of the summer, we'll have fibre optic running down through. There have been a number of challenges, not the least of which is you'd kind of like it to follow a road, and the part in British Columbia — they keep moving the road on us. So that has been one challenge. But we should have that done by the end of the summer.

In terms of strategic industries, what is strategic is something that is going to have a wider effect across multiple sectors. For instance, oil and gas or mineral resources are certainly strategic because they have influence on everything from transportation to — as the member quite rightly pointed out — housing, education; right across the board, there is everything involved. So we tend to look at that part of the puzzle in a little bit of a different way but, for want of going into horrible detail, that's sort of the overview of what we consider strategic.

**Mr. Cardiff:** Well, I'm just wondering whether or not, when you talk about oil and gas — so basically, mineral or resource-based industries are what the minister considers strategic. So it kind of goes back to what I was talking about earlier, about the whole manufacturing industry. There are a number of examples, and I'm sure the minister probably has a number of those examples at his fingertips and has more information about it than I do, because I don't have it in front of me. But I know that we have Northerm Windows, which is manufacturing windows in the north, for the north and, for the most part, by northerners. It is an excellent example of something that started small and grew. It employs quite a number of people.

There are machine shops in town. I can't recall the name of the business off the top of my head, but it manufactures ice drills that have been used, I believe, on the Mars Lander, if I'm not mistaken. Then there are other examples. I know that the company where I spent many years of my life working manufactures just about anything and everything that can be made out of metal — anything from something that might sit on your desk to something that would fill this room — for just about any industry. It employs a number of people as well.

There are other examples. There is furniture in the Legislative Assembly that was built and manufactured here in the territory. There is furniture in our offices and throughout government buildings. I would call that a strategic industry because it does cross a number of areas and it does affect transportation and it is transportable to other communities. There are other communities where things are being manufactured as well on smaller scales.

You have to watch because you need to be able to produce — if you expand your market too much, you need an analysis of how far you want to take this because, if you expand your market too much, you actually create more of a problem because you won't be able to — I shouldn't say, "You won't be able to" but it will become difficult to keep up production with



demand. It does take some careful planning. Just one area that I believe should be eligible for support is manufacturing as a strategic industry.

I don't know whether — I'd be interested in hearing the minister's thoughts on that.

**Hon. Mr. Kenyon:** No, the member opposite has some excellent points there. Strategic can go into a number of different areas. What you have to remember is that when someone comes in with a proponent, we have a wide variety of funding options. So if it goes to the strategic industries branch, or business and trade, or regional or whatever group it goes into, the funding for the most part is just a question of which pot the money comes out of, but we fund all of them.

We have certainly become involved with the manufacturing sector — the metal end of it and something the size of this room — I mean, we don't produce the metal up here; we mine it but we don't produce it. So it might be harder to understand how you would ship it all in and then ship it all out again. But again, that's part of the business case. So business and trade might take the lead on that to produce the business case and show that maybe the product is something that could be utilized that way.

With furniture, it's the same thing. We've got an incredible resource up here. I mean, any of us who have been here long enough realize these trees grow so slowly, that for us, spruce is a hardwood. It's perfectly suited for many types of furniture and it's a resource that we would love to talk to proponents to get further into.

There is a shipping component on that, and that's part of the puzzle that you always see. You can go back and look at the rail study and the port study and see what your options are with that. As I mentioned before, that's one of the reasons why we produced this.

But really, we treat everybody the same in terms of the funding opportunities; it's just a question of sort of which one it goes into. When you look at other strategic industries that we're involved in — for instance, forestry we mentioned, and the furniture thing. Within the renewable resources, you'd have to include fishing. I'm not really sure where it has slowed down, but the prospect of active fisheries and fish farming up here, which is totally, totally different from fish farming in British Columbia or in other areas — properly done, it's really devoid of all of the problems and has incredible potential, I think, but it's still something that's coming together and emerging. Tourism, of course, is a big one there. Film and sound — and I'm always amazed at the number of people in Porter Creek North who are involved in the film and sound industry. General technology and innovation — one thing that we've certainly learned over the years is that if you're going to develop a technology and such in the Yukon, you would like to keep it here.

It makes less sense to develop a gadget and get everything set up so it can be produced in Manitoba. That's nice, but it's not what we want to do with it.

Oil and gas has huge potential, but right now it's stranded, so that's another reason for getting involved in the development of the Alaska Highway gas pipeline and looking at vari-

ous ways that we could potentially extract oil. It's there, but it's stranded at the moment. So it really depends on what we want to do and how we want to do it. I would really stress, again, that everyone is treated the same. It's just a question of which office they go to and from which pot of money it comes. That is what the department does: it promotes, works with, develops business plans, develops the documents to go to funding agency, helps with funding, gets people to meetings and so on. These are the various things that the Department of Economic Development does.

**Mr. McRobb:** I would like to follow up with the minister about the Yukon Party platform commitment to build a Yukon-relevant framework to guide the government's assessment of when and how to use public/private partnership or P3s. Can he give us an update on that and maybe we can go from there?

**Hon. Mr. Kenyon:** The public/private partnerships have an incredible usage when properly done. They can be used in a wide variety of ways to share risk, to do projects that are beyond or pushing the limit in terms of fiscal capacity. The main thing is that if the private sector has something to do with it and shares that risk, it is probably going to be a pretty reasonable way to look at it. The main thing to remember — and I know it is a controversial issue — is that public/private partnership does not mean that anyone is getting paid less. The trade unions and workers are still subject to the same rights and obligations and everything else. If you can share that risk — if someone on the private end of it is going to look at a cost overrun, they are going to look at it a little differently than a public government. Sometimes that is something that can be capitalized on. It has been used with great success in other parts of the country. There are certain areas that you don't really want to use it in and there are some that just make perfect sense to go that way.

**Mr. McRobb:** Well, I think what we heard was a brief overview of what P3s are. But my question pertained to the platform commitment to build a Yukon-relevant framework regarding P3s, and I asked: what's being done about that? So I would like the minister to focus closer to home and explain what, if anything, this government has done to develop that P3 framework.

**Hon. Mr. Kenyon:** All departments work collaboratively on this, but it is under the purview of the Department of Highways and Public Works as the contracting agency, and I'm sure that minister would be very happy to give the details he's seeking on that.

In general, we're working across many departments on this. As I say, I see great uses in many cases for it, and I see many cases it shouldn't be used on. I'm sure Highways and Public Works will be happy to discuss that at the appropriate time.

**Mr. McRobb:** Can the minister share with us his department's outlook on a P3 framework?

**Hon. Mr. Kenyon:** I think I did. I think we look at this as something that has reasonable usage and reasonable problems. We work collaboratively with the relevant department,

which is Highways and Public Works, which I am sure will be able to give a better overview to the member opposite.

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

**Hon. Mr. Lang:** I would like to thank all the members, but I would like to ask the minister, in his capacity as Minister of Economic Development: could you give us an overview of the work that the department has done with the Wolverine mine and what effect we can see in the future — whether it's southeast Yukon and Whitehorse — and what kind of work has been done with the First Nations in that area to make sure that they participate in this economic engine for that part of the territory?

**Hon. Mr. Kenyon:** For all members, the Wolverine project — or Yukon Zinc — was developed originally by a corporation that was eventually bought out for almost \$100 million by a combination of Jinduicheng Molybdenum Group Limited, and the Northwest Non-Ferrous International Investment Company. It really demonstrates the positive mining and investment climate in the Yukon.

This was a group that we had met with briefly in China; we invited them to come to the Cordilleran Roundup, I believe, in Vancouver, and introduced them more to the principals and to the various people, suggested further that they get to the Prospectors and Developers Association of Canada, PDAC, in Toronto, and they came back to that, and then came back and wanted to go and visit the mine and, much to our delight, in the end, bought it.

The cost of construction of the Wolverine mine is estimated around \$200 million; it may be \$220 million, somewhere in that range, and I believe the actual share purchase was about \$87 million, but closer to \$100 million when you put in all of the work that they did ahead of time. So really, a good \$300 million into that, and we expect that to develop in the future.

One of the things that we know, and I certainly have had a lot of fun reading the information on the Wolverine project, is that there is a lot of possibility around the site so it's not just simply that one site that can develop, much like the Capstone project in the Pelly area where they just keep drilling and it just keeps getting better and better. I think you're going to see that with the Wolverine project.

For those not familiar with it, the Wolverine is a high-grade lead-zinc-silver property, located west of Frances Lake. The Wolverine underground mine project is fully permitted with a minimum 10-year mine life — and I'm suspicious it will be quite significantly larger than that or longer than that. It's anticipated that the mine will open in 2010, probably in the third quarter — that's what they're aiming for. During the first three years of production, the mine is expected to produce 53,450 tonnes of zinc, 4,680 tonnes of copper, 5,860 tonnes of lead, 4.93 million tonnes of silver and 20,200 ounces of gold.

Selenium — for those who aren't familiar with it — has a couple of different uses. One is in health foods, one is in muscle functions so that in many areas — particularly the Great Lakes region, going back and stretching back to my former days as a veterinarian — newborn lambs, calves and horses would have to be treated with injectable selenium to prevent a disease called white muscle disease. We are in a very selenium-

rich area so that is not a problem in Yukon and this mine happens to be in an extremely selenium-rich area.

Selenium now is also utilized in construction and production of glass. So anyone who is looking at new construction and sees this sort of green-yellow tint to the glass for solar productions, that is all done with selenium. I had a chance of asking the principal of the Yukon Zinc project in China a couple of months ago if the selenium was of interest to them, and I got quite a nice smile and nod and he walked away.

We have provided quite a bit of funding down in the Wolverine area toward Liard First Nation and the Ross River Dena Council. I was there on one trip when they flew the chief and council in from the Ross River Dena Council. So we're looking at accessing benefits from the economic activity, and that is an ongoing thing.

I think the Capstone Mining project — well, any project is going to have some challenges. For the most part, it is a real example of working with the First Nation.

That mine, in particular, is First Nation land. It is on A-base land, so it really requires a close partnership. The now privately held Yukon Zinc is the largest mineral landholder in the Yukon. Exploration rights in two of Canada's emerging mining areas — the Finlayson and the Rancheria districts — the newly-formed management team will focus on advancing that project as quickly as possible, exploration of the Finlayson district potential — as I say, we feel the potential is quite large there — and investigating further acquisition opportunities.

Now, Yukon Zinc was a TSX venture exchange-listed company based in Vancouver. It focused on the development of its silver-rich Wolverine project and its large exploration landholdings in the Finlayson and Rancheria districts, as I mentioned. Yukon Zinc was acquired by Jinduicheng Molybdenum Group Ltd. and Northwest Non-ferrous International Investment Company Ltd. in July 2008. The new company operates as Yukon Zinc Corporation. Yukon Zinc has been de-listed from the Toronto Stock Exchange. As I mentioned, it is now privately held.

JDC, or Jinduicheng Molybdenum Group Ltd., is the largest producer of molybdenum and associated products in Asia and is reportedly the third largest in the world. It is publicly traded on the Shanghai Stock Exchange. JDC's operations are concentrated in Shaanxi Province in China. For the benefit of our friends in *Hansard*, there are two Shaanxi provinces. One has one 'a' and the other has two. This one has two 'a's. I won't even attempt the Mandarin pronunciation.

Northwest represents the Shaanxi state geological bureau and, in terms of revenue and technical capacity, it's one of the top five exploration and mining bureaus in all of China. It has more than 6,000 employees, including 800 geologists, technologists and engineers. It was the first bureau in China to conduct exploration projects in partnership with companies from Western countries. In fact, this project remains today the largest Chinese investment in the mining community in Canadian history. Since it has gone to the Yukon Zinc Corporation, I should point out that there has been no financial assistance or involvement on that.

The Department of Economic Development works with Energy, Mines and Resources, the Yukon Geological Survey and others to develop a mining sector. That is what we do. We are very proud to go to Xian, Shaanxi Province, and meet with the principals and Deputy Governor of Shaanxi Province.

Actually, our group had a chance to tour the molybdenum mine. It's about a five-hour drive out. Unfortunately, I missed that one, having gotten into some bad water or something. I'm afraid I spent the day in much less plush surroundings, which we won't go into, but it was not a pleasant day. So I didn't get a chance to see it out there, but the rest of our group did, our deputy and others did, and the photographs and such — it makes for quite the operation. Both the Yukon Zinc group and the Deputy Governor of Shaanxi Province will be coming back this summer. We are negotiating with further work with them, and hopefully further investments.

I should also point out an interesting event that, certainly personally, I found rather surprising, but the NDRC, the National Development and Reform Commission, is the federal government agency that is involved with approving foreign investment. In other words, for small-term investments you can sort of do it but, over a certain cap, the NDRC, National Development and Reform Commission, has to review and approve the project, and that has been one of the focuses that our department has made. We have gone over, and on some of these trips we have actually met with NDRC selectively, so that when companies or investors are going back to their government for approval to put the money outside of China, they're familiar with the Yukon, they know where we are, they know what our attitudes are, they know that they are subject to all regulations and they know the YESAA process — we've explained it to them in great detail.

In fact, in many of these government agencies, they've not been the most cooperative until they know they and their people will be subject to exactly the same environmental standards as Canadians, and they've been very concerned about this. We were summoned to a meeting on our last trip over there to the National Development and Reform Commission. We were brought in and, after a few moments of formalities, we were told that they will also be coming to the Yukon this summer to look at further investment in the Yukon. We're going to see some major movement over the summer in terms of more groups coming.

We also have groups that are coming from other parts of China. We also have groups that are coming from Korea. We're looking at developing a closer relationship with Japan. Stay tuned. There will be some major investment announcements coming over the next few months.

**Mr. Fairclough:** I do have a question for the minister. I would urge him to perhaps update the Minister of Highways and Public Works because he doesn't seem to have the details that the minister has. This could take place out of the Legislature. I would really like the Minister of Highways and Public Works to be up to speed on this matter because it does create a lot of questions.

We are going to be asking the Minister of Highways and Public Works questions in regard to mining also. Please do

that. The promise from the Premier was that we'd move through this quickly but it's not happening, especially with questions coming from another minister. If he wants an update, please give him an update. This is not right. It is a waste of time in this House and I think members opposite should do this properly and meet after caucus meetings, meet after Cabinet and just pull the minister aside and give him an update.

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

#### Point of order

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

**Hon. Mr. Cathers:** I believe you have already ruled this very afternoon on members accusing other members of suggesting that their debate was wasting time in this Assembly. I believe you already ruled on that point. The Member for Mayo-Tatchun, of course, just accused the Minister of Economic Development of wasting time.

#### Chair's ruling

**Chair:** On the point of order, the Chair feels that there is not a point of order in the comment. The earlier ruling was because of a personal comment, and this was a general comment toward the government.

**Mr. Fairclough:** Thank you, Mr. Chair, for that ruling. I hope that all members take note of this ruling because it is important.

There was a commitment to move ahead and the Minister of Highways and Public Works wanted to ask questions of the Minister of Economic Development. For what reason, really, could one see that the question be asked?

If he wanted an update, I'm sure that he has access to the minister — a lot more than we do on this side of the House. If we called for a meeting, it just won't happen. The minister should do that and he should be up to speed because we're going to be asking questions when it comes to the Department of Highways and Public Works when it comes to mining and so on.

The Premier and ministers — even past ministers — have talked about involving First Nations as full partners in economic development — making them full partners; making them partners in economic development. I know that this is the private sector, but somewhere down the road, government needs to promote Yukoners as being able to work in this type of development. It has gone to the extent that some First Nations have signed agreements with mining outfits, but I just want to tell the minister something. I think it is important for him to look into. I just had a call from a woman who works out at the Wolverine property. There is a subcontractor who does a lot of work there. This person happens to be First Nation. There are nine of them who were just laid off. There are about 65 people out there. Part of it is because they are local. I want to tell the minister this, so that he can keep it in mind when developments like this come forward and there are discussions between the minister and any of these mining companies. Yukon people should be put to work.

Now, there was a layoff of nine people — okay, the Government House Leader has been briefing the minister.

Mr. Chair, there has been a layoff of nine people, and it was because they are local, and they could be sent home, and the housing that's available out on this property could be used for other employees coming into the territory. The call was in frustration; they didn't know how to approach this whole matter. This person wanted to call the ministers, the Premier, and just to express herself on this matter, and I wanted to bring it forward to the minister also, because this is common in what we're starting to see now. We — all of us here, collectively — want to see Yukoners employed in these projects. We don't want to see this happen, and I was a bit taken aback by how she laid it out. They're laid off because they have housing. They can go back to their community and they have housing. They only have so many units that they can dedicate to house these people — others that the mine would like to bring in. It was a frustration. The other day — it was on Thursday — during the day, I had to run down to the Royal Bank. I was on my way back to the Legislature here and someone ran up behind my vehicle. He stopped my vehicle in the middle of Main Street and talked to me about his frustration about being laid off in Elsa. I was a bit surprised, because there are a lot of people who are working there, and they are local people from the First Nation. He expressed frustration. I couldn't talk very long with the person, because I was holding up traffic. But this was told to me.

I'll just take a break here, because the minister is getting an update again from the Government House Leader. The Minister of Economic Development is getting an update. I wanted to express this to the member opposite, because it has been told to me and I'm getting these phone calls.

Somehow, the government, collectively and along with any developers, needs to be able to fix this better than what it is today. Local people should not be taken advantage of in that manner. They want to work. Development is coming in around their homeland and their community. They want to work. They have expressed this to me. I really want to ensure that the minister is fully aware of this. I know he is going to have some answers on this matter for me. He has taken some interest in this issue. Perhaps he could take it up with the rest of the ministers. It is a matter that comes to us constantly.

As a matter of fact, when we look at the total percentage of the territory, we are at something like 25-percent aboriginal. That's not even reflected in the Yukon government employee stats, according to the staff of the Public Service Commission. We are now sitting at some 14 percent. Of course, the public would like to see a lot more interest and see that number climb.

Here's another one that comes straight from the Yukon Party platform. I offered to the Highways and Public Works minister and to the Minister of Energy, Mines and Resources at the time to come out with me into my riding. I would drive them. I just wanted to take them on the roads that lead to some of these developments that are taking place — the placer mines and some of the bigger possible developments like the Casino properties and so on — just to experience what other people and developers experience. There were no takers, Mr. Chair. It would have been a fantastic trip. Every now and then I go out

and I take somebody out to have a look at these properties and the road conditions, and so on.

The platform says that the Yukon Party would maintain and upgrade rural roads and mining roads throughout the territory. This was in 2006. Last year, I know that there was nothing that could be done, because of the kind of weather that we had — the washouts and the bridges that were washed out — but we could see some improvement here in the resurfacing some of the bridges and in building up the approaches to the bridges.

There was one bridge, for example — I know this is highways, but it's about economic development and getting people out there, making things happen. There was one bridge that was washed out on one side. When this happened 10 years ago on this same particular creek — it's a big creek — there was a person coming back from a mining outfit who was just driving along, and on the other side of the bridge there was nothing there. He went over the side and was killed. He wasn't from the Yukon or a Canadian, but that same bridge is now taken out, and it's becoming a real frustration for those who are using these roads.

This is probably all over the territory. People have been writing and sending pictures to our office about having to re-surface these bridges. It's about economic development, keeping people working and people having access to their properties.

So I'm interested to hear what this minister has to say about making First Nations full partners in economic development, how he would ensure that the word gets out to any companies out there that this is indeed a policy of government, and how he would like to see this happen, particularly with the person who phoned in today to my office.

I would like to call this person back with the answer that the minister has given me. Thank you.

**Hon. Mr. Kenyon:** I don't even know where to start on this, I have to admit. The member opposite has so far made some fairly serious allegations against two private companies. Many people, I'm suspicious, live in his riding, so congratulations — he has done a marvelous job to himself on that.

I am used to the fact that the opposition likes to go after and tell stories — so to speak — on the government. But to do that to a private company — a private corporation — and then he wonders — I won't even speculate on that. I think that's badly advised and badly unfair to a private company that can't speak for itself.

I was going to rise on a point of order on that; I will in the future. Again, I am just so stunned; I didn't know what to begin to say on that. Anyone can shoot themselves in the foot, Mr. Chair, but it's amazing when people keep reloading.

The regional economic development branch has been working with the First Nations.

**Some Hon. Member:** Point of order.

#### Point of order

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

**Mr. McRobb:** Point of order, Mr. Chair. You know, all afternoon long, the Minister of Economic Development has been levelling these cheap shots. I think he went over the line.

**Chair's ruling**

**Chair:** Order please. On the point of order, there is no point of order. Mr. Kenyon, you have the floor.

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

The regional economic development branch has been working with the First Nations of Tr'ondëk Hwëch'in, Kluane and Na Cho Nyäk Dun on regional economic development planning initiatives, as well as, of course, working with a variety of private companies that do their very best to meet commitments and obligations. They sometimes go far beyond those obligations.

The Yukon government has undertaken an environmental scan and an assessment of potential for development of economic sectors within the Tr'ondëk Hwëch'in traditional territory. Also, in the Tr'ondëk Hwëch'in territory, an oversight committee of representatives from Yukon government, Canada, the Tr'ondëk Hwëch'in First Nation and the City of Dawson are implementing a workplan to complete a regional economic development planning process for the traditional territory of Tr'ondëk Hwëch'in. It is anticipated that a regional economic development plan will be ready and complete by the fall of 2009.

The First Nation of Na Cho Nyäk Dun would like to focus on capacity and governance issues as a first step and work on chapter 22 planning processes for the First Nation, and that will begin in the first quarter of the 2009-10 fiscal year.

The Kluane First Nation has requested that the Yukon government work with it to develop a process to guide the economic opportunities planning for its traditional territory. Work on the opportunities plan itself will start in the 2009-10 fiscal year.

Now, chapter 22 of the *Umbrella Final Agreement* requires that Yukon government participates in the regional economic development planning process, and we're very pleased to do that. Under the terms of the implementation plans, chapter 22 activity is initiated when the First Nation notifies Canada and the Yukon of the intention to establish a tripartite planning group to prepare a regional economic development plan for the First Nation's traditional territory.

Economic Development is exploring various regional economic development planning models for the First Nations to consider. These models will incorporate learning from the Tr'ondëk Hwëch'in activities and will help to inform future chapter 22 initiatives.

There are no real financial implications for the department on this particular issue, itself, and in the overview. Of course, we'll get into that likely tomorrow in the line-by-line discussion. In 2007-08, the land claims and implementation secretariat expended \$90,000 for funding for chapter 22 initiatives and activities. In 2008-09, spending to date from the land claims and implementation secretariat funding is \$26,892.

Now the regional economic development branch continues to consult with the land claims implementation secretariat and the Executive Council Office as issues arise. As economic opportunities are identified, the Economic Development depart-

ment will work closely with all related Yukon government departments.

Economic Development will be actively engaging all Yukon government departments as soon as the community consultation process starts for the Tr'ondëk Hwëch'in First Nation planning process. We will be requesting information and input from any department with planned capital projects.

The department has been involved in a number of different projects. One that I had a chance to look at first-hand on Friday was the Selkirk First Nation's journey to self-reliance. In September 2007, the northern strategy trust approved a \$2-million contribution to the Selkirk First Nation's journey to self-reliance project, to be allocated over a four-year period. Successful completion of the four-year governance training and assessment project will strengthen the Selkirk First Nation's governance structure, and its ability to take full advantage of economic opportunities.

I do hope the Member for Mayo-Tatchun is paying attention and not spending the time getting briefed by the Member for Porter Creek South, but of course he can always read it in *Hansard* at his convenience.

Seeing the time, Mr. Chair, I move that we report progress.

**Chair:** It has been moved by Mr. Kenyon that Committee of the Whole report progress.

*Motion agreed to*

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

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

*Motion agreed to*

*Speaker resumes the Chair*

**Speaker:** I will now call the House to order.

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

**Chair's report**

**Mr. Nordick:** Thank you, Mr. Speaker. Committee of the Whole has considered Bill No. 15, *First Appropriation Act, 2009-10*, and directed me to report progress on it.

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

**Some Hon. Members:** Agreed.

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

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

*The House adjourned at 5:30 p.m.*