

Yukon Legislative Assembly
Whitehorse, Yukon
Monday, May 11, 2009 — 1:00 p.m.

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

Prayers

DAILY ROUTINE

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

Tributes.

TRIBUTES

In recognition of Police Week

Hon. Ms. Horne: I rise today to pay tribute to Police Week in Canada. This year Canadians will honour those who serve to protect the community and ensure safety from crime by celebrating Police Week from May 10 to 16.

Police Week is dedicated to increasing community awareness and recognition of policing services while strengthening police-community ties. Police Week encourages community involvement and initiation of activities through media awareness and community-sponsored events.

Police Week is governed by four specific objectives: to act as a vehicle in which to reinforce ties with the community; to honour police officers for the public safety and security they provide to their communities; to promote the work police do in their communities; and to inform the community about the police role in public safety and security.

I personally want to thank the police for the efforts they are making in reducing drug-related crime from the streets of Yukon communities. This has happened primarily through the street crime reduction team. This government is proud to continue to fight street-level crime by funding and supporting this successful team. The street crime reduction team is a special unit that has been established by the RCMP M Division with support from our government. This team is dedicated to street-level drug- and alcohol-related crime enforcement and prevention. It consists of six police officers, a criminal analyst and a communications strategist. Between 2007 and February 2009, the team has made 224 Criminal Code arrests, executed 74 warrants, undertaken 324 curfew checks on prolific and priority offenders, taken 105 intoxicated persons into custody, laid 34 charges under the *Controlled Drug and Substance Act* and executed seven search warrants.

Currently there are 182 full-time employees in Yukon M Division. These consist of 122 regular RCMP members, 24 civilian members, including special constables, and 36 employees in the public sector.

Many RCMP members work in communities throughout the Yukon, and form strong bonds with local citizens and community leaders critical to improving public safety over the long term. The work of the RCMP is aided by the many volunteers who are actively involved in crime prevention in their neighbourhoods. These volunteers work as criminal assistance

volunteers, auxiliary police officers and as citizens on patrol, or COPS. This is a true partnership between the police and the public.

The Government of Yukon will continue to support Yukoners and the RCMP in their efforts to make our communities, neighbourhoods and homes safe and healthy.

I ask all members of this Legislature to join me in expressing our sincere appreciation to all police officers, support staff and volunteers at RCMP M Division.

Günilschish. Thank you.

Applause

Speaker: Are there any further tributes?

In recognition of Yukon Mining and Geology Week

Hon. Mr. Cathers: I rise on behalf of the government and of the Official Opposition today to recognize Yukon Mining and Geology Week.

Mining and Geology Week celebrations are taking place from May 11 to 17 and occur in conjunction with National Mining Week this year. Across Canada, events are being held in recognition of the importance of the Canadian mining industry to Canada's economy.

Nationally and internationally, Yukon's positive mining investment climate is attracting recognition, interest and capital for investment. In 2009, investment in Yukon mine development is expected to exceed \$200 million, creating jobs and business opportunities for hundreds of Yukon people.

Yukon continues to be one of Canada's mining hotspots, with a fifth-place ranking in the Fraser Institute's global review of mineral potential and policy best practices. The Fraser Institute ranks the Yukon well ahead of British Columbia, Northwest Territories and Nunavut in all key areas including taxation, socio-economic agreements, elimination of regulatory duplication, and certainty around land claims, administration, regulations and protected areas. Our strong commitment to the Yukon mineral industry in the Yukon economy is evident in the considerable growth we've experienced in the last seven years. Over the last year alone, there has been progress made on a number of initiatives and legislative changes designed to support mining in the Yukon.

The Yukon is actively supporting exploration this year by providing an additional \$1.1 million in the Yukon mining incentive program. This will enable prospectors and mineral exploration companies to continue grassroots prospecting while continuing investment on more advanced projects.

Last fall, we brought forward changes to the Yukon's *Quartz Mining Act* and *Miners Lien Act*, which were passed by this Assembly. The updated *Miners Lien Act* enables investors and project proponents to better assess and quantify financial risk. The changes to the *Quartz Mining Act* range from claims administration to royalty rates.

Changes to the claims administration streamline and modernize claims administration in the Yukon and directly address some of the administrative and financial barriers to exploration. Changes to royalty rates later this year will establish a more competitive royalty regime, sending a strong signal of Yukon government support for investment in the mining industry.

The Yukon Geological Survey also makes a significant contribution to the long-term development of the mining industry. Exploration decision-making depends on up-to-date, quality information, and I am pleased to say we have one of the best geoscience information bases in Canada.

Over the past four years, the Yukon Geological Survey has been undertaking new geophysical and geochemical surveys with funds from Indian and Northern Affairs Canada's strategic investments in the northern economic development program, and much of this new data is now already in the public domain.

These broad-based efforts to support the mineral sector in Yukon are yielding results. Capstone Mining Corporation has invested over \$100 million to develop the Minto mine, and with an expanded reserve, the mine operates now at 3,200 tonnes per day and provides a significant boost to the Yukon's economy. The Minto mine employs 200 people, and about 67 percent of those people are Yukon residents with 35 to 40 percent of on-site staff being Yukon First Nation members.

Construction is continuing this year at Yukon Zinc's Wolverine project in the Finlayson district with more than 100 people working there. Again, almost 70 percent are Yukon residents. Located 180 kilometres southeast of Ross River, Yukon Zinc anticipates the bulk of construction activities for this new mine to be completed with construction starting in 2010.

Similarly, Alexco Resources continues to work toward restoring silver mining in the Yukon. Seeking to unlock value in one of the world's highest grade silver districts, Keno Hill, Alexco understands the value and importance of working in cooperation with Yukon First Nations.

In May of 2008, Alexco and the First Nation of Na Cho Nyäk Dun entered into a cooperation agreement. The agreement establishes the framework for wide-ranging collaboration as Alexco continues its exploration and remediation activities in the area and advances the Bellekeno deposit toward production. While Keno has a silver mining heritage, new high-grade gold intercepts in this project are also very encouraging.

The focus of this year's Mining and Geology Week is gold. Gold mining, of course, Mr. Speaker, is woven into the fabric of Yukon's economy, culture and history. The eager prospectors who sought to realize their dream of gold fortunes during the Rush of 1898 have left an indelible mark upon the Yukon. That work — the Klondike Gold Rush — is a large part of the reason why the Yukon even exists as a territory.

Over 100 years later, gold mining in the Yukon continues to contribute significantly to the territory's economy, with an estimated \$50 million being contributed by the placer mining industry each year.

This year, Energy, Mines and Resources is hosting Mining and Geology Week in partnership with Yukon's Chamber of Mines and the Klondike Placer Miners Association. A host of activities and contests are underway, including displays and activities throughout the week at the Elijah Smith Building, with chances to win prizes while learning about minerals and the importance of maps and geological mapping. Carmacks and Dawson City schools will enjoy visits by Yukon Geological Survey staff where students will learn about Yukon's geology and experience gold panning, mapping, soapstone carving and

other fun activities, and mining awareness contests that are open to participants of all ages.

To conclude, the mineral industry has provided immense opportunities for Yukoners historically, and that continues today. Despite facing uncertain times due to the global economic situation, here in the Yukon the mining industry is creating jobs and business opportunities. Yukon has a diverse mineral endowment with a range of base and precious metals and a number of projects at various stages of development. They will continue to contribute to our strong economy that benefits all Yukoners and, in closing, I encourage all Yukoners to participate and celebrate this year's Mining and Geology Week.

Thank you, Mr. Speaker.

Mr. Hardy: Mr. Speaker, I rise on behalf of the NDP caucus to pay tribute to Mining and Geology Week. It is my hope and the hope of my caucus colleague that mining in the Yukon will continue as a productive, safe and environmentally responsible industry for a good many years to come. Mining has long been one of the mainstays of the Yukon economy, and it will continue to fulfill that role. Our job as legislators is to act on behalf of all people of the Yukon — present and future generations — to ensure that any mining activity in the Yukon meets three principal goals. One, it must be economically viable, with Yukoners deriving the best economic benefit possible from the operation; two, it must reflect and respect the social values of the Yukon people and our communities; and three, it must pass the litmus test of environmental sustainability.

We cannot focus only on the positive economic impact of mining, as important as it is. The other two considerations cannot be ignored. Put quite simply, the greatest test is that any economic activity by the current generation must not compromise the ability of future generations to meet their needs and goals — and that is any economic activity, Mr. Speaker.

We have no reason for thinking that present and future mines will not live up to their environmental responsibilities. We expect they will and that this government will make sure that they do. It's their solemn obligation to future generations to make sure the Yukon is never again subjected to the kind of environmental travesties we have seen at places like Faro or Mount Nansen.

Canadian taxpayers will be on the hook for millions of dollars every year for decades to come because previous governments did not take action to prevent the destruction of our environment. We should never again allow our environment to be held hostage for the sake of economic gain.

It doesn't matter if future resource development is undertaken by investors from China or B.C. or right here in the Yukon; this territory welcomes investment and royalties. We welcome jobs, training and development for First Nations and opportunities for local suppliers. All of these things mining can bring.

We're not against mining; we are not afraid of its consequences, if it is regulated with concern for all Yukon's future and our environment. But we will not welcome anything that threatens the health and well-being of future generations or

diminishes the quality of our plant and animal life, the water, the land and the air. These vital elements sustain all life in the territory.

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

INTRODUCTION OF VISITORS

Mr. Elias: I ask all Members of the Legislative Assembly to join me in welcoming some young leaders from my community of Old Crow who have travelled down to the capital city to tour some of our high schools here.

In the gallery today we have Clifton Nukon; we have Melissa Lord, Brianna Tetlich, Liannah Tizya-Charlie, April Kassi, Rhianna Kyikavichik and their chaperones, Kim Rumley, the education support worker for the Vuntut Gwitchin First Nation and Kerri Ceretzke, a teacher from the Chief Zzeh Gitlit School. Welcome to the Legislative Assembly today.

Applause

Speaker: Are there any further introduction of visitors?

Are there any returns or documents for tabling?
Are there any reports from committees?
Are there any petitions?
Are there any bills to be introduced?
Are there any notices of motion?

NOTICES OF MOTION

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

THAT this House, at its rising, do stand adjourned until Friday, June 12, 2009, when it shall hold a special sitting in Dawson City, Yukon, the original home of the Assembly, to celebrate the 100th anniversary of the first wholly elected Territorial Council of the Yukon Territory; and

THAT the Speaker set the time at which the House shall meet on June 12 and give notice of that time to all members;

THAT the Speaker cause an Order Paper for the special sitting on June 12 to be produced and distributed to all members;

THAT the House shall meet prior to June 12 if it appears to the satisfaction of the Speaker, after consultation with the Premier, that the public interest requires that the House meet;

THAT the Speaker give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice and shall transact its business as if it had been duly adjourned to that time; and

THAT if the Speaker is unable to act owing to illness or other causes, the Deputy Speaker shall act in his stead for the purpose of this order.

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

THAT this House urges all Members of the Yukon Legislative Assembly to not interfere politically in due process in relation to:

- (1) the tendering and ordering of government contracts;
- (2) freedom of speech for Yukon government employees;

(3) hiring of Yukon government public servants and staffing of departments;

(4) the operations of the Public Accounts Committee;

(5) the operations of the process mandated under YESAA;

(6) the operations of the Workers' Compensation Health and Safety Board;

(7) the operations of land use planning commissions in the territory; and

(8) matters before the court.

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

THAT this House do issue an order for the return of the invoices and contracts showing the total cost to taxpayers for the advertising campaign related to the 2009-10 Yukon government budget, and these costs should include, but not be limited to:

- 1) radio advertisements; and
- 2) newspaper publication advertisements.

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

THAT this House urges the Yukon government to enter into discussions with the Village of Carmacks and the Little Salmon-Carmacks First Nation to build a bypass road in the Community of Carmacks this summer.

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

THAT this House urges the Yukon Party government to ensure that Yukon drivers' licences are up to the standard accepted across North America as a valid form of identification to:

- (1) drive a car;
- (2) rent a car;
- (3) confirm age; and
- (4) confirm place of residence.

I also give notice of the following motion:

THAT this House urges the Yukon government to start public service announcements reminding Yukoners that they will require a passport to enter into the United States at Skagway, Haines, Top of the World, Beaver Creek and all other points of entry by June 1, 2009.

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

THAT this House urges the Yukon government to honour its commitment to the substance abuse action plan by immediately establishing a proposed community harm reduction fund and implementing policies of harm reduction for addiction programs, which will:

- (1) minimize harmful consequences for addictions;
- (2) provide humane and practical help for addicted persons;
- (3) reduce high-risk behaviour; and
- (4) assist in reducing long-term costs of health care.

I also give notice of the following motion:

THAT this House urges the Yukon government to expand our capacity to generate electricity through wind power to meet the Yukon's future energy needs, particularly looking at wind power generation as an option to replace the burning of costly diesel fuel in off-grid communities.

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

QUESTION PERIOD

Question re: Dawson City sewage project

Mr. Inverarity: The minister clearly refused to clear up some confusion surrounding the Dawson City sewage project last week. This government is expected to ensure an open and fair public tendering process and what we have witnessed seems inconsistent with that obligation. The minister has said that this is a very complicated process and that this is one of the largest contracts this government has let.

Under the circumstances, Mr. Speaker, Yukoners should be concerned about the minister's comments. A lot of anger has been stimulated over the disqualification of one of the bidders on this contract. In fact, letters are starting to arrive that raise serious concerns about the government's handling of this public tender process.

Will the minister do the right thing and put the brakes on this project until the confusion is sorted out?

Hon. Mr. Lang: For the member opposite, we certainly are going to follow the process through. There are very highly qualified people overseeing the waste-water project in Dawson City. We're only one of a partnership between ourselves and the City of Dawson and certainly the process will proceed as laid out. All individual companies and all individual stakeholders understand how the process works, and we're waiting for that to be concluded so that we can move ahead with managing and building a waste-water treatment plant for the City of Dawson.

Mr. Inverarity: The smart thing to do under these circumstances is to clear up the confusion around the public bidding process before awarding the contract — something this minister does not appear prepared to do.

The minister has received a letter from a company that was part of the disqualified bid. I have a copy here for filing. The letter cites a number of reasons provided by the government as to why the bid was disqualified. Allow me to quote: "The proponent lost points because they agreed to meet the requested project's schedule." Yet it is my understanding that the other bidder has already asked for a time extension.

Mr. Speaker, as the minister has said, this is a very complicated process.

The minister needs to pay attention to these concerns that are being raised by the bidding process. Will the minister commit to addressing these concerns?

Hon. Mr. Lang: The process will certainly answer the questions the member opposite has. Again, I remind the member opposite that it's a partnership between ourselves and

the City of Dawson. There is a process in place. Hopefully, on the floor of the House here we're not going to question the qualifications of the individuals who are working on this project. They are highly educated and trained individuals. I'm going to wait for the decision to come and, at that point, proceed with the installation of a waste-water treatment plant for Dawson City.

But, again, Mr. Speaker, this is a process. Everybody understood the process when it started. This has been a long, long process and certainly no contract has been issued to date. So let's wait for the process to take the appropriate steps. Hopefully, in the near future, we will have a waste-water treatment plant for the City of Dawson. That's what we're working toward. That's what the City of Dawson requires, what the court has deemed that we have to do and we're going to work toward that goal.

Mr. Inverarity: The letter addressed to the minister has some serious allegations that have been levelled against this government's handling of the public tender process. In fact, the proponent says this about the government's technical evaluation committee and their conduct in this public tender process, and I quote from the letter, Mr. Speaker: "I personally have been involved in many bids around the world, including such places as Venezuela, which is not renowned for its democratic process, but I have rarely seen such blatant bias and/or incompetence as evidenced by this committee."

If something is not done to address the concerns that have been raised by this proponent, this government runs the risk of being sued yet again. Will the minister do the smart thing here? Will he have this specific bid reviewed by an independent body with an independent technical expert and an independent chairperson?

Hon. Mr. Lang: I remind the member opposite that we have full confidence in the individuals in the government who are working on this project, the firms that are overseeing the engineering of this project, so whatever the Liberal Party says in the House against those individuals, we defend them. They've done a stellar job in putting this project forward. As far as a review of the project, the doors are open to any individual company that feels that they've been treated in any way negatively by our contracting process — there is the opportunity to do just what the member opposite asked.

Question re: Government accountability

Mr. Mitchell: Mr. Speaker, in 2006, the Yukon Party asked Yukoners to imagine tomorrow — a tomorrow where government would be "practicing open, accountable, fiscally responsible government" — admirable rhetoric, Mr. Speaker, admirable indeed. Unfortunately, as it is turning out, it's nothing more than that, just rhetoric. I refer to things such as the annual state of the environment report, where government details its efforts in protecting our environment. But this government never gets around to releasing it on time to the public. Another example that we've heard of is this very less than transparent, tendering process on the Dawson City waste-water treatment facility. When will this Yukon Party government start living up to its promise of being open and accountable that it made to Yukoners in 2006?

Hon. Mr. Fentie: Obviously, the Leader of the Official Opposition has presented to the House an opinion, and all Yukoners, including the member, are entitled to an opinion. But the statements about open and accountable government — let us reflect on what we're dealing with. A contracting process that is a due process, if strictly followed, is very open and accountable. What the members opposite would have this government do — obviously that's exactly what they would do — is interfere in it.

Well, we recall how they interfered in the matters for Dawson City when they were in office. When the Liberals were in office, not only was the sewer project a complete debacle, not only was the public facility — the arena — a complete debacle, they allowed the City of Dawson to overextend its debt limit under the law.

So, Mr. Speaker, we'll continue to do our work as we committed to Yukoners. That is why today's Yukon is so much better than it was under the Liberal watch those few short years ago.

Mr. Mitchell: Words and more words. Unfortunately, they do not address the issue of openness and transparency of this government that has been there for some six years plus.

Now there was a study commissioned to report on the condition of a shell of a building in Watson Lake being done by Kobayashi & Zedda, an architectural firm. That report would go a long way to revealing the state of that building and the proposed new \$25 million hospital. It will be released only after the House rises.

Then a second report was ordered by the Yukon Hospital Corporation. A company called Resource Planning Group will conduct yet another study of the project — this one done at arm's length from government and, again, not made public. Millions of taxpayer dollars are on the line here and yet secrecy and non-answers are the order of the day. So in the name of practicing open and accountable, fiscally-responsible government, will the government release these reports before this sitting ends?

Hon. Mr. Fentie: You know, all the reports in the world, released or otherwise, aren't going to solve the Leader of the Official Opposition's problem, nor the Liberals in the House — the problem that they have. They don't understand the content of the reports, as released. They don't even understand the budget as tabled and released, and we deal with that on a daily basis.

However, to suggest that the government isn't open and accountable — I would challenge the member to then reflect on how this government has presented to the public any and all information that we can possibly make available. The members, just moments ago, challenged the government to provide Yukoners information on investments that the government is making across this territory.

I think the member opposite is incorrect in his assertions and, once again, it's an opinion and it's only the member's opinion.

Mr. Mitchell: The problem lies with the government, not the Official Opposition, and it's only their opinion that they're being open and accountable.

There are other instances where “mum” is the word of the day — the long-awaited economic forecast in the midst of an economic recession. The sounds of silence are deafening. Yukoners are losing their jobs and no forecast is provided. Teaching positions are being taken out of schools — no announcements. Parents and teachers are being kept in the dark. There are these: the Southern Lakes flood report; the Yukon Development Corporation chair contract information; the Building Canada fund information; the decisions on the \$50 million housing funds, and; the *What We Heard* report and the summary of the Yukon public's response to the Yukon health care review and survey.

The government needs to explain how holding back all this information is being open and accountable. I suspect that May 15 is going to be a banner day in Yukon with the amount of reading material that will be released.

Will the government, in the name of openness and transparency as promised in the 2006 election campaign, release this information?

Hon. Mr. Fentie: Well, Mr. Speaker, as we committed — not only in 2002, but in 2006 — to build a better quality of life for Yukoners, the government continues to do that — not by reports, but by real action with real investment into the territory, with building Yukon's future, its economy, strengthening its social fabric, reforming its education system, reforming its corrections system, expanding our borders to attract international investment to the Yukon. Is the member surprised that the biggest growth in the Yukon in terms of GDP is in the private sector and the corporate field and the corporate investments here in Yukon? The member shouldn't be surprised at that. That is not done by reports; it is done by hard effort, plan and vision for the territory. That is what we committed to Yukoners; that is what we are delivering; that is why Yukon has a much better quality of life today than it did when we took office.

Question re: Health care review survey

Mr. Hardy: It's really nice to be back in the Legislative Assembly for the last week of this wonderful spring sitting. I see everybody is still eager to continue, and I will continue with the questions from the NDP caucus.

Now, this government has taken the pulse of our public health care system, focusing on the sustainability and affordability of the system, but it ignores good ideas on how to use its resources more effectively and efficiently. The government released a health care review and appointed a steering committee to do research and hold hearings. It asked the public to complete a survey. The government promised the steering committee would complete a *What We Heard* report for an all-party oversight committee to review before this sitting ends.

Unfortunately, we're going to be out of the Legislative Assembly before we can even respond to it. And following the previous question, it's the same situation we're facing here as well. Could the minister stand up and tell us what is the oversight committee's real value here, and what's following it?

Hon. Mr. Hart: The committee that is going out to hear from Yukoners, I would say, has had an outstanding amount of response to their questionnaire. It has been substan-

tial. The secretariat is currently compiling the information to present to us. I did indicate, during the health review, that we would be in a position to present to this House, at least a draft report, prior to its closing and I intend to do that, Mr. Speaker.

I anticipate that I will receive the draft copy sometime this week, and I will present it to the committee for them to review at the same time I review the responses that come from Yukoners. As mentioned, all we're doing is presenting the information of what we've heard from Yukoners, and the oversight committee is there to ensure that all the information that is compiled is in the report and demonstrated in the report that's presented to the House.

Mr. Hardy: Does the minister realize that the on-line survey can be filled in dozens of times by the same person? Are there any checks and balances to ensure that it's representative of a multitude of people across the territory and not just a few people trying to sway the government in a certain direction? Mr. Speaker, there are serious concerns about the direction this government is taking on the delivery of health care. On the one hand, this government sows seeds of fear by talking about how fast the cost of delivering health care is rising. They did this before the review went out. It was a set-up, Mr. Speaker. But then it asked the Yukon Hospital Corporation to look at establishing two new expensive hospitals — one in Watson Lake and one in Dawson City, which doesn't seem to be part of the review. We're talking about expenses here.

Was there any cost analysis done on establishing these two new hospitals by the minister and by the department? Have there been any other studies done with regard to this?

Hon. Mr. Hart: Mr. Speaker, just to remind the member opposite that the facility in Watson Lake is a hospital. It has been a hospital since 1979, and it has been in that process. There's nothing new with the hospital in Watson Lake. We've asked the Yukon Hospital Corporation to look at managing that facility to ensure that they have the ability, the expertise in managing a hospital and they demonstrated they can do it. We've asked them to do that for us on their behalf. They are investigating that process currently and we are waiting the response from them and their consulting company as to what's required and what footprints are going to be required in doing the assessment, not only in Watson Lake, but also in Dawson City.

Mr. Hardy: I am asking about cost analysis — whether it has been established — has it been around since 1970s or not? Has there been any cost analysis done around this project? Also, does the survey ask the question: should we be going to acute-care facilities both in Dawson City and Watson Lake and what would be the benefits — the pros and cons — of doing it? Does the survey address that? Also, what role does the oversight committee really play in this? What role do we have? I am on that oversight committee; I haven't seen anything. I'm not sure what I am supposed to do with the information I get. The minister hasn't given me any direction whatsoever in what our role actually is. So what is it?

Hon. Mr. Hart: For the member opposite, as it was stated previously, we do have a hospital in Watson Lake. It has been there since 1979, and it has been operating as a hospital

since then. So the actual cost of the hospital with regard to the member opposite has been on our records since that period of time.

With regard to the oversight committee and the review, I have not seen the results of the information myself. As I mentioned during the debate on the budget for Health, we will be getting that information this week.

It will not be complete. We will still be accepting comments from the general public after the House is out, and that final report will be provided to us through the chair. The good doctor will provide us with a finished copy of the results of what the public has stated their aspects are and their response, not only to the report but to the actual questionnaire itself.

As I've said previously, I've been advised that we had a substantial number of responses to the questionnaire and a very good response to the review itself from the rural areas, as well as what we've had publicly.

Question re: Community development

Mr. Hardy: Now, 25 percent of Yukoners live in communities spread out over large distances. In the communities, we find poor housing conditions, high unemployment, and the reliance of importing expensive food produced down south. Many communities are still using costly diesel fuel to generate electricity, as well. But there are progressive communities in other northern countries. The first eco-municipality, Overtornea, was started in Sweden in 1983. It's located above the Arctic Circle in Sweden and set the goals of reducing dependence on fossil fuels, reducing encroachment upon nature and meeting human needs fairly and efficiently.

This has led to amazing improvements in planning, housing, alternative energy, public transit, and in agriculture, as well. Their path to self-sufficiency was mapped out in 1983. It was a long-range plan with a vision. What is the government's vision and long-range plan for creating communities in the Yukon that are self-sufficient and sustainable?

Hon. Mr. Lang: We are certainly working toward — with our hydro energy, we are working toward trying to become more independent in our smaller communities. Of course, we see that with Pelly coming on-line and further expanding it to encompass Stewart Crossing, so that we have a manageable grid right from northern Yukon to southern Yukon.

We certainly have a gas tax that's coming forward that all of the communities can look at to, again, address some of the issues the member is talking about. Infrastructure money — that money itself will be invested on the ground in our communities, whether it's a First Nation or small communities in the territory.

So, as we work forward, I certainly see the communities — certainly, our hydro expansion, which is huge investment for the territory. We're looking at four or five of the communities still being left on diesel, which, again, is something we have to look at.

But it's certainly a massive improvement over where we were five years ago.

Mr. Hardy: Mr. Speaker, I'm talking about long-range vision and a cohesive look at what communities need to be self-sufficient, not just about energy. But energy is a significant

part of it. The solutions, ingenuity and resources are out there to become more self-sufficient and sustainable. We don't have to create anything new. What's desperately lacking is any kind of long-term vision from this government.

Take the example of wind power in the territory. The other day, a former Yukon Energy Corporation engineer was quoted about the Haeckel Hill wind turbines, and he said and I quote: "You would think that this demonstration project which is put in at considerable cost would be operated seriously. Many off-grid communities are still using costly diesel fuel to generate electricity though they have the right conditions for alternative energy solutions like wind, like micro-hydro and solar." I haven't heard the minister mention any of those projects.

Does this government have any long-term plans and visions for helping off-grid communities in this territory to switch from diesel to alternative energy?

Hon. Mr. Kenyon: For the member opposite, the matter of wind power is always controversial here. The Yukon Development Corporation/Yukon Energy Corporation have looked at several sites and have only identified two sites that would be suitable on Mount Sumanik in Whitehorse and Mount Ferry in Stewart Crossing, communities that are both on the grid. But they are long-term projects to monitor.

I would remind the member opposite that the huge wind farms that you see down south that generate up in the range of 20 megawatts are costing, per tower, about \$4 million per megawatt production. They have almost 20-percent efficiency. They only run 20 percent of the time, so if there's no wind, we can't run it. If there's too much wind, we also can't run it, because of the possibility of breaking it. We can never really say it's going to be there when we need it. It's maybe there when we don't need it.

There is 40 percent in the summer, for instance, when we don't need it, and then in the winter, much of that production is to deal with the rime ice buildup on the blades. So, while wind power down south is a viable alternative, studies have conclusively shown here that it simply is not the best solution. Good political decision to put it up. It looks good, but it really doesn't solve any problems.

Mr. Hardy: Mr. Speaker, I actually believe we can do something up here; I don't just dismiss it. Since I've had two ministers up, I'll go after the third one now.

Local food security is a serious issue and in the Yukon we are extremely dependent on trucking food from the south. In terms of climate change, the Yukon's greenhouse gas emissions are overwhelmingly generated by the transport of goods, but it doesn't have to be that way, Mr. Speaker.

On Earth Day the NDP caucus tabled a motion calling on the government to invest in community greenhouses in rural Yukon, and we would like to see an agricultural curriculum taught in our schools so that children learn about where their foods come from. I saw that when I was a child, and this is similar to what was recommended by the Member for Old Crow in regard to sports. We would like to see a day where Yukoners can eat a variety of food grown in Yukon in their communities.

What is this government's long-term plan to build self-sufficiency in terms of food production?

Hon. Mr. Cathers: I am very pleased to hear that question from the Leader of the Third Party. I am pleased to see the recognition of the potential of the Yukon's agriculture by him and his party. I would like to tell the member that a number of formats include the multi-year development plan, the new Growing Forward agreement with the federal government and the very significant increases in the resources made available to the Yukon in agriculture, both in terms of federal money and territorial money. The federal money, for example, went from \$321,000 per year under the old agreement, which this is replacing, to \$592,000 per year in investment, coupled with the Yukon government's increased investment, making a total amount of investment in Yukon agriculture of \$987,000 each year throughout the life of this agreement.

That will be used to do things, including greenhouses, which is one thing that is eligible. The Growing Forward guide lists a number of eligible activities. Our focus will be on supporting opportunities, increasing marketability, increasing profitability, increasing food security for our operators, both large and small, creating potential, not only for large — of course "large" in the Yukon context — operators to improve, farmers to improve their access to markets and what they can produce, but also for smaller people. I would be happy to discuss that further with the leader, but I see I am out of time, Mr. Speaker.

Question re: Yukon Housing Corporation programs

Mr. McRobb: Let's follow up on the Yukon housing issue and the minister's refusal to provide sufficient funds in the mortgage loan programs to help Yukoners build their own homes. Only a few months ago, the Premier assured Yukoners they could depend on his government to help them out this spring; however, we've now discovered that funding for the mortgage loan programs was sufficient to last only three weeks and the minister said he was rather pleased about that.

Since raising this matter, we've heard from several more Yukoners who feel let down by their own government. Their stories are the same — they were repeatedly assured that funding would be available in the spring, only to now be turned away.

Can the minister tell us the amount actually spent this fiscal year on the mortgage loan programs?

Hon. Mr. Kenyon: In taking a look historically at mortgage portfolios, it's interesting to take this all the way back to 1993, a year when five mortgages were let or 1995 when in fact there were zero mortgages let. Look at it in terms of the short 22 months that the Liberal government had — the shortest lived majority government in the history of the Commonwealth of Nations — seven in 2000 and 12 in 2001. Under this government, we have let up to 16 in 2005, 16 in 2006, 27 in 2007 and in 2008 — 25. The value of the portfolio currently stands at nearly \$30 million.

Mr. Speaker, our emphasis is really at this point to look at affordable housing, to increase social housing — and this is an emphasis — when bank rates are at historic lows, this is not the place that we should be putting our money.

Mr. McRobb: Mr. Speaker, the question I asked the minister was to tell us the amount actually spent this fiscal year on the mortgage loan programs? Yukoners need to know how much of the \$7 million allocated in the budget was actually spent as intended. This information should not be kept secret.

Mr. Speaker, this government campaigned on being open, accountable and fiscally responsible, but it obviously won't deliver. There is something else that Yukoners are saying — something to the effect that the government has removed funds from the \$7 million budgeted for the mortgage loan programs. Is this true, and why won't the minister give us the actual figure for this fiscal year?

Hon. Mr. Kenyon: As I mentioned before, the current value of the portfolio is actually \$29,783,866. The mortgage portfolio is dynamic. It moves all the time. It is something that we do not consider that we spent; we consider that we invested it, and invested it well in Yukon Housing Corporation programs.

But at this point, what I hear the member opposite saying is that we should be putting resources into \$400,000 homes and not put them into affordable housing for middle- and low-income families — that should be the priority of Yukon Housing Corporation. In a time of the lowest mortgage rates historically in many, many years, we are not that far ahead of the banks. And if the member opposite is saying that we should be dealing with bank-refused clients, some of whom we have been able to help out in the future, isn't that how we got in the financial problems in the first place?

Mr. McRobb: The minister still has not answered the question. How much money was spent in this fiscal year for these mortgage housing programs? I wonder why we're not hearing the answer. I put on the floor the prospect that money has been siphoned out of this budget allocation, yet the minister is pleased there was only three weeks of funding available for people in the territory who were promised there would be sufficient funds this spring. We're trying to get to the bottom of this matter, Mr. Speaker, and this is the government that campaigned on being open, transparent and fiscally responsible. Well, why can't we get this information? Will the minister tell us how much was spent in this fiscal year, for these mortgage loan programs?

Hon. Mr. Kenyon: Thank you, again, the portfolio is a dynamic portfolio. To suggest that anyone is siphoning funds off any program, I think is borderline, in this House, at best. Our job at this point in time is to work with people who are in need of housing, not necessarily to compete with the banks, not to take on clients who could potentially have other problems or have access to the other lending institutions within a point of interest. You can do 3.89 percent through some of the banks right now and do it quite nicely. For the member opposite to suggest that we should be in the mortgage business as opposed to the housing business for affordable housing, for social housing, I would suggest to the member opposite that this is perhaps why, globally, and certainly in North America, we are in the financial problems that we are.

For the exact amount, it is in the budget. If the Official Opposition, the Liberal Party, would get into the debate of the

budget, it is there, but they really don't want to talk about it; they would rather sit there and heckle across the floor off microphone, like they are right now.

Speaker: The time for Question Period has now elapsed. We will proceed to 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. 69, *Miscellaneous Statute Law Amendment Act*.

Do members wish a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Bill No. 69 — *Miscellaneous Statute Law Amendment Act, 2009*

Chair: The matter before the Committee is Bill No. 69, *Miscellaneous Statute Law Amendment Act, 2009*.

Hon. Ms. Horne: I would like to talk a few moments about the changes to this act. The act corrects inadvertent errors in several statutes. This set of amendments does not make substantive changes to the statutes. This legislation makes technical corrections to the following acts.

There is a drafting error in the *Electoral District Boundaries Act*. Subsections 22(2) and (3) of the *Electoral District Boundaries Act* are not necessary as subsections 39(2) and (3) of the *Legislative Assembly Act*, to which they relate, were repealed in 2007. To clear up any possible confusion, this amendment repeals subsections 22(2) and (3) of the *Electoral District Boundaries Act*.

There is a numbering error in the *Environment Act*. The cross-reference to section 151 and subsection 151(1) is incorrect. We are going to replace the incorrect cross-reference with the correct cross-reference of section 152.

We are going to clarify wording in the *Executions Act*. The judgement amount that the Territorial Court can enforce under the *Executions Act* is outdated and no longer consistent with the amount under the *Small Claims Court Act*. The monetary jurisdiction of the Small Claims Court used to be \$1,500, but was increased in 2006 to \$25,000 and may be changed from time to

time by Commissioner in Executive Council. The solution is to clarify that the Territorial Court can deal with enforcement of judgements issued by the Small Claims Court against personal property, up to the monetary limit of the Small Claims Court by repealing reference to the dollar amount that used to be in effect and use an expression that it may change from time to time in accordance with the *Small Claims Court Act*.

We are making changes to the *Interpretation Act*. The term “treasurer” is defined to mean the treasurer under the *Financial Administration Act*, when that term is no longer used in the *Financial Administration Act*. We are going to redefine the term “treasurer” to mean the deputy head of the Department of Finance to be consistent with the *Financial Administration Act*. The term “treasurer” is still used in 13 different regulations under 10 different acts, so eventually the term could be deleted if those regulations are amended.

We are going to modernize the wording in the *Liquor Act*. We are going to redefine the term “treasurer” to mean the deputy head of the Department of Finance to be consistent with the *Financial Administration Act*.

We are modernizing wording in the *Public Lotteries Act*. We are going to redefine the term “treasurer” to mean the deputy head of the Department of Finance to be consistent with the *Financial Administration Act*.

We are clarifying wording in the *Retirement Plan Beneficiaries Act*.

The act does not make reference to the new tax-free savings plans recently introduced by the federal government. Our solution is to amend the definition of “plan” to clarify that a tax-free savings plan is another type of plan that may be included as part of a beneficiary package.

We are amending the *Securities Act*, because there is a language error with the wording of the word “if” instead of “that” in subsection 60(1)(m).

We are going to amend by replacing the expression “if” with the expression “that” to increase the clarity of the subsection (m) and to be consistent with the French version and other subsections in this section.

There is a numbering error in the *Smoke-free Places Act*. There are two sections — inspectors and compliance order — numbered as s.(11). We will renumber the two sections so there is delineation between the two sections.

We are correcting two drafting errors and also clarifying wording in the *Wildlife Act*. Wording that was in the old *Wildlife Act* under section 6, should have been included in the new act. We are adding the missing wording back into the section to correct the omission.

Paragraph 9(3)(a) of the *Wildlife Act* requires that a minor be accompanied by an adult when hunting, but it is not as clear as it might be as to whether the adult, as well as the minor, must have the appropriate seals. We are amending the wording to clarify the original intent that the adult only need have a valid Yukon resident hunting licence and not the seals.

Subsection 24(2) of the *Wildlife Act* prohibits the hunting of an animal within 48 hours after it is located by aircraft, but is not as clear as it might be on how that time period is measured and what persons are subject to the restriction. We are going to

repeal paragraphs (b), (c) and (d) of section 24(2) and replace them with two reworded new paragraphs, which better express the objective that both the hunter and the person in the aircraft are subject to the 48-hour restriction from the time the animal is located by aircraft.

Finally, subsection 93(8) of the *Wildlife Act* uses the expression “must” when the expression “shall” is used throughout the rest of the section. We are going to repeal the expression “must” and substitute the expression “shall” to clarify the intent of this subsection and to use a more appropriate word in this charging provision.

Mr. Chair, these are housekeeping amendments. Thank you.

Mr. Mitchell: Mr. Chair, I thank the minister for her explanation. As the minister has said, these are largely housekeeping amendments. As I said at second reading, and I’ll be equally brief, we fully support these amendments and changes. Small errors or individual words in legislation can sometimes have unintended but significant consequences, so we would just like to thank the officials within the Department of Justice as well as all the officials in the other departments who have worked on this bill and brought these errors or necessary changes to the drafters’ attention. We will be supporting this act, and we have no further questions. Thank you.

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

Mr. Mitchell: Mr. Chair, pursuant to Standing Order 14.3, I request unanimous consent of Committee of the Whole to deem all clauses, including the title of Bill No. 69, *Miscellaneous Statute Law Amendment Act, 2009*, including all schedules and the preamble, read and agreed to.

Unanimous consent re deeming all clauses and title of Bill No. 69 read and agreed to

Chair: Mr. Mitchell has requested unanimous consent of Committee of the Whole to deem all clauses and the title of Bill No. 69, entitled *Miscellaneous Statute Law Amendment Act, 2009*, read and agreed to. Are you agreed?

All Hon. Members: Agreed.

Chair: There is unanimous consent.

Clauses 1 to 11 read and agreed to

On Title

Title agreed to

Hon. Mr. Cathers: Mr. Chair, I move that Bill No. 69, entitled *Miscellaneous Statute Law Amendment Act, 2009*, be reported without amendment.

Chair: It has been moved by Mr. Cathers that Bill No. 69, entitled *Miscellaneous Statute Law Amendment Act, 2009*, be reported without amendment.

Motion agreed to

Chair: The Committee of the Whole will proceed to Bill No. 15, *First Appropriation Act, 2009-10*, Department of Finance.

Chair: Do members wish a five-minute recess?

All Hon. Members: Agreed.

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

Recess

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

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

Department of Finance

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

Hon. Mr. Fentie: I would like to begin my remarks by expressing, on behalf of the House and especially the government side, our appreciation for all the work and effort the Department of Finance does during the course of the year and specifically during the budget cycle. It takes a tremendous amount of capacity and indeed talent to produce budgets the size of which the Yukon is now experiencing on a regular basis. I will have a few brief, introductory remarks, and then we can get on with debate.

The 2009-10 estimates for the Department of Finance total \$7.2 million. The total consists of \$7.16 million for operation and maintenance and \$42,000 for capital expenditures.

The O&M budget is spread among four program areas as follows: the largest program and the program to which all departmental FTEs are assigned is the treasury program at \$6.7 million. Salary costs account for approximately 78 percent, or \$5.2 million, of the treasury budget. Banking services, supplies, telephone, travel, contracts, et cetera at \$1.3 million account for approximately 19 percent of the program budget. The public utilities income tax transfer accounts for the remaining program budget of \$213,000 or equivalent in percentage — three percent.

The workers' compensation supplementary benefits program is \$426,000, and is legislated under an act of similar name. It provides supplements to benefits paid to workers who were insured by private insurers prior to the Yukon Workers' Compensation Health and Safety Board coming into existence. These supplements bring the benefits these workers receive up to the sums that would be paid had they been covered by the territorial board.

The allowance for bad debts is \$48,000. It covers the annual provision that is expected to be required of uncollectible accounts receivables. The actual amount that is charged to this account each year is the result of a formula calculation that takes into account — among other things — the age of our accounts receivable.

The capital budget for the Department of Finance comprises the following: computer systems of \$10,000, computer workstations of \$17,000, printers and photocopiers of \$15,000, for a total of \$42,000. Now, Mr. Chair, on the revenue side of the ledger, growth is once again occurring. While there are increases and decreases in various revenue categories, overall revenues are expected to increase by 5.5 percent over 2008-09.

We all recognize that Canada continues to make an important, significant investment in the Yukon. We've had this discussion many times. It is to ensure comparable services for Yukoners as other Canadian citizens have access to. The mechanism to ensure that is the territorial funding agreement, which, as members opposite can see, is an increased grant from Canada of \$48 million. So, Mr. Chair, these are the basic highlights of the Department of Finance's budget and I welcome any questions.

Mr. Mitchell: Thank you. The Premier has thanked the officials and I would like to start by doing much the same.

There is a tremendous amount of work, as the Premier has noted, in preparing a budget of this size — both its physical size, in terms of the number of items and pages in it, and because it's a \$1.3-billion budget. That is a lot of money and it takes a lot of work to put it together. So, again, I do thank the officials.

We do have some questions. The grant from Canada is up, as the Premier says. Transfer payments are up — I think some \$48 million this year. Although the Premier and I seem to disagree over this — he will cite own-source revenues and say they're going up because there is more money, and I say that they go down as a percentage of budget. It's the figures in the budget book that we use. We're not computing them ourselves.

The Department of Finance has very kindly indicated that only 11.4 percent of the budget revenue is generated locally. I would just point out again for the record that after six years of a Yukon Party government, we are more dependent on these transfer payments than ever before.

I know that the Premier had said when he was first elected that we needed to move away from that, and he criticized his predecessors for that. So I just want to point that out. On a percentage basis, less and less of the revenue we're spending is of our own economic development, one might say.

I know the Premier is eager to respond and ask if I understand. Well, what I understand is that that's the figure in his budget book and it goes down every year. There are some questions I would ask that are general questions. The Premier may choose to say some of those will be answered in departments, but we're never sure which departments are going to be called, so I will put a few questions on the record and the Premier may answer some of them.

First of all, Mayo B — because the Premier has, generally speaking, been the minister talking about that even though it is not necessarily his portfolio. He does a lot of the negotiating and indeed, lobbying, with the Government of Canada, so I would ask if he can provide us with a progress report on how that's happening, because it's clear that the only way in which that particular expansion of our hydro capacity and associated grid expansion to distribute it is going to occur will be if we obtain extraordinary funding from Ottawa — although ironically, then as a percentage of course — the percentage will go down even more. How is that going and how is it intended for that to be funded?

The dollars for the Building Canada fund are, I believe, received into Finance, although they then are advanced to departments. I want to ask the Premier about the decision made to

not advance any of these dollars or to be trying to move them into the economy sooner as other provinces have done. Was that because we didn't have the capacity to get projects in place? Is it strictly a matter of consultation? We've seen the job numbers recently and the unemployment numbers are going up in Yukon. In fact this last weekend with the figures that were released on Friday, we were bucking the national trend in that our unemployment numbers went up; whereas in Canada, they were going the other way, so we are now moving in the wrong direction, and we are getting back to levels not seen since 2003. It would be unfortunate if all the Premier's hard work that he has been talking about all these years, got back to ground zero.

The Other revenue on page 10-10, is down from \$4.8 million to \$1.6 million. I'm wondering if that is strictly reflective of banking and investment, of lower interest rates, or is some of that related specifically to the restructured asset-backed commercial paper investments?

There are some other questions I have of the minister, and I'm rolling them up into one time on my feet, because we are getting near the end of the sitting and I don't know how much time we'll have to debate the Department of Finance.

Other questions would relate to the \$50-million housing fund. There are the two funds. There is the northern housing trust of \$50 million, of which \$32.5 million was distributed to First Nations, leaving us \$17.5 million, I believe, for Yukon, for public government. Initially there were funds from that that were going to go toward the single-parent housing in Riverdale.

Now we've heard that that will be funded out of the new affordable housing money. So I would ask: just what is the status of the original \$17,500,000 — what's remaining of that fund — and how much has been expended? I think I'll stop there, because I've given a number of questions and I know that the officials are taking notes. I'll let the Premier answer those and then we can move forward.

Hon. Mr. Fentie: Thank you. I think I'll answer the question around the investment earnings. I'm sure the member, the Leader of the Official Opposition, will clearly understand this. Interest rates over the last period have dropped from 3.15 percent to 0.5 percent. That is certainly indicative of where the banks have gone with their interest rates these days. So that explains that. Now the member, once again, has stated that there is this ever-growing dependence on the federal government. You know, Mr. Chair, in 2001-02 under the former Liberal government, the percentage of total revenue for the Yukon Territory from Canada was 69 percent. In 2009-10, the percentage is 64 percent.

So the member is incorrect in his assertion that there is a growing dependence. In fact, there is a decreasing percentage and balance of our total revenues when it comes to the federal government transfer. But let's do some comparisons. Even in the Province of Alberta, with the massive own-source revenue power that the province has, the Province of Alberta still receives from its total budget 12 percent from Canada. In Ontario, it's 17 percent; in Prince Edward Island, it's 41 percent; in Nova Scotia, it's 36 percent; and, in Nunavut, it's 93 percent of its total budget.

So, Mr. Chair, I would encourage the member to recognize that I think it is fair to say that, across the country, increases to federal transfers to the provinces and territories has taken place. Let us delve into why that is. It was the federal Liberals in 1995 that, in their so-called managing of the national deficit, cut the transfers to provinces and territories significantly.

What has been happening since then is that the federal government has been forced to put back into what they cut from the system — significant dollars, especially in health care. So, again, the member is entirely incorrect.

Now, yes, we do have an increase in transfers from Canada. Is the member not aware of the fact that, during the last census, 1,000 more Yukoners have been accounted for, which generates an increase in our transfer? And the provincial and local expenditure base mechanism, which is measured in relation to comparable services, increases in an upward trend.

But we've also experienced growth in own-source revenues, especially when you use the most relevant factor, which is our income tax. With those measurables, one can clearly see what is happening in Yukon in relation to the rest of the country, and that is to do with personal income tax. It shows real economic growth and it's a significant increase from the actuals from the year-end 2007-08.

But if the Leader of the Official Opposition is ever carrying the responsibility of these financial decisions, he could always send this money back. That would be a matter of choice if the member has issue with what we receive.

Furthermore, Mr. Chair, I'm going to take some issue with the Leader of the Official Opposition's view of this wonderful Canadian federation of ours and what comparable services based on comparable levels of taxation mean. Is the Leader of the Official Opposition suggesting that approach, on balance in this country, where every region, province and territory has by principle the right to comparable services, based on comparable levels of taxation? The member should be a little clearer on his position. If the member doesn't agree with that position, he might want to state it for the Yukon public — being so open and accountable as the Official Opposition claims to be — on what their position on the matter of comparable services based on comparable levels of taxation is all about.

So, Mr. Chair, if you look at what has transpired since this Yukon Party government took office, a great deal has transpired — less dependence on government and a solid fiscal agreement that puts Yukon in a position where we are able to provide, to the extent possible, to provide comparable services to Yukoners based on comparable levels of taxation — where we are able to deal with health care, education and social services.

I know that the member has problems with this transfer, so he might want to explain to Yukoners how much he would reduce health care, social services and education — how many government employees he would lay off to deal with sending all that money back to Canada. The Leader of the Official Opposition has stated now numerous times and demonstrated an aversion to that transfer for comparable services.

So, Mr. Chair the Department of Finance and the work it has done in part — a great deal of where we are today is due to

that work in negotiating the fiscal arrangement we have. It is not something that was just simply dreamt up. It came out of a lot of work by a national committee who travelled across this country to deal with what the former federal Liberal government created in their cuts.

It was called fiscal imbalance, and addressing the fiscal imbalance became priority one for our national government. A great deal of appreciation is due to the committee that travelled the country receiving input to dealing with the fiscal imbalance issues. So, the member is really short on the facts of the matter and tends to state that one position, so we can only draw the one conclusion — too much money from Ottawa, it should be returned, and the member would figure out a different way to pay for health care, education, social services, and so on.

Now, Mr. Chair, on the issue of Mayo B, I'm hoping the member understands that there is a federal program newly instituted in this year's budget called the green infrastructure program. It is a program that has a two-year time limit and it is the area through which we applied to Canada for the building of the Mayo B project. Now the Mayo B project is a continuance of the connection of our WAF grid. It makes no sense to have that particular grid in this region of the Yukon disconnected. We're not maximizing the use of our hydro.

The second part of this is to increase our hydro capacity at the existing site in Mayo by adding a second turbine. All of this investment, in partnership with Canada, will result in increased hydro, a connected grid, a reduction of dependence on diesel, the removal of thousands of tonnes of carbon from Yukon's atmosphere, and it takes us to the next level of dealing with one of the most important issues in the Yukon today, tomorrow and long into the future — energy and/or the availability of green, affordable energy in this territory.

The issues of the northern housing trust — that is a mechanism that was set up some time ago and is quite different from the new housing initiative. The new housing initiative is the responsibility of the Canada Mortgage and Housing Corporation, and it is this corporation that the money has been provided to. We have to get agreement, concurrence and approval from CMHC before one dollar of the new housing monies will be spent, and that's what we're working on with Canada Mortgage and Housing.

Other than any other questions that may come forward, it's going to be difficult for the Leader of the Official Opposition to convince Yukoners that our increased fiscal position — which includes increased own-source revenues and increased investments from Canada for comparable services — is wrong, that it is not providing and it serves no purpose for Yukoners — because a great deal of benefit is being provided to Yukoners these days, unlike that time a few short years ago when we were even more dependent on the federal government transfers in our total budget.

Mr. Mitchell: You know, Mr. Chair, it never ceases to amaze me how many minutes the Premier can stand on his feet and not answer any questions and spend his time responding but not answering.

So let's go back to some of these. With Mayo B, yes, I was aware of the green fund and we've discussed it previously. The

question was this: what's the progress? Has the minister heard anything back — either a provisional answer or timing of when we might hear? We hear a lot of announcements about Mayo B, but it boils down to requiring those approvals.

It is a simple question. The Premier can either stand up and say we have meetings in June or in July where there is a round of decision-making scheduled for August or September and that is when we hope to hear, or he can stand up and simply speechify. That is up to him.

On this issue of own-source revenues and the transfers, the Premier is very fond of stating again and again and again — he spends most of his time, when he is on his feet, saying that the Liberals would want to send all the money back to Ottawa, that we don't want the money; that we don't think Yukon requires the money. Let's be clear here. I will say it once, and if the Premier doesn't understand me, he will show his lack of understanding when he is next on his feet and then I will say it again. I think it is going to be clear to other ministers, because I can see the rapt attention, so I'll be clear here: receiving the appropriate transfers from Canada and developing our own economy are not mutually exclusive. Yes, we are truly deserving of the necessary funds to provide equivalent services in health care, education and other areas to Yukoners. As in any other jurisdiction, Yukoners are entitled to the same level of services that they would receive if they lived in British Columbia, Alberta, Ontario or New Brunswick or anywhere else in Canada, and we would like to believe perhaps better.

So to be clear for the Premier, we don't want to send the money back. When we say that the own-source revenue as a percentage of the whole goes down under this government, we're not saying that the answer is to accept less from Ottawa; we're saying develop more here as well. All of the money that comes in transfers and the good negotiations that have been done by the officials over the years to establish a better system for these payments and to establish the principle that per capita in and of itself is not going to be the way in which we can provide those services — we agree. We support it.

So the Premier can save dozens of hours in this Assembly by not standing on his feet any longer to say, "The Liberals want to send the money back, and they don't think Yukoners should be getting good services." That's not our position. Perhaps it's the position he would like to be taking. I don't know why he says it. It's not ours.

Secondly, the percentages that I refer to — if the Premier had looked in his own budget speech in the other information on page 6, for example, it says, "Subtotal territorial revenue, 11.4 percent; 2008-09 forecast, 12.6 percent; 2007-08 actuals, 12.2 percent." Now, those are the percentages that the officials have prepared. We accept them. We are not here to debate whether that's what it says on the page but simply that the trend is the wrong trend and it's the wrong trend not because we should receive less funding from Ottawa to provide the programs that Yukoners need and depend on, but rather, because we should simultaneously be developing a stronger economy in Yukon. That seems to be a very straightforward principle, and ironically enough, it's one that this Premier made frequently when he sat in opposition. How quickly he forgets. The subto-

tal of the transfers from Canada, in this year's estimates, are 71 percent of the total and then there are third party recoveries which add up to another 17.6 percent of the total, so I am aware of where the numbers are coming from and I don't know why the Premier wants to dispute the numbers in his own budget speech. He should have confidence in the work done by his officials. We do. So that should be enough on that topic.

I can see that the Premier doesn't think so. Well, the Premier can stand up and frame it any way he wants, but the fact of the matter is, in opposition, we too believe that Yukon should receive the funding necessary from the federation to provide the services that Yukoners require.

As for what was done under previous governments — be it Liberal or Conservative under previous Canadian governments — the Premier wants to make the case for the budget cuts that put Canada in the strong fiscal position it's in. He says they were destructive. Well, he can make that case. I suggest he run for Parliament and go to Ottawa and make the case there. We don't need to be debating it here.

Regarding the housing fund, the question that I asked was, since the project is being moved from the previous trust fund to the new funding, I asked how the funds would now be shown on the books in the future from the previous fund and whether there were any decisions on spending for them. I also was interested in whether or not this project was actually considered a qualifying project — whether the government has heard.

I don't expect to get answers to these questions, but it is good to put them on the record. We know we will hear responses, not necessarily answers. The government banking contract expires this year. Is the government looking at other banks or is it simply a negotiation that is ongoing with the current provider? What is the status of that in terms of what services the banks need to provide in Yukon as part of that contract? It is a straightforward question.

I have asked previously, but as time goes forward, again the expiry of the territorial health access fund — whether there can be an update on negotiations that are ongoing. The Premier asked for all-party support for that and other issues with funding having to do with health care, and we provided that support in this House, so it is simply a request for an update.

The corporate tax is down some \$2 million, or 16 percent. Could the Premier explain that? I'll leave him with those questions, since he has indicated a great desire to go back to the earlier questions.

Hon. Mr. Fentie: The first point to be made is the statement by the Leader of the Official Opposition that the Official Opposition has confidence in officials. That is really a wonderment, considering what we've experienced over the last number of years in this House — wanting to use the Public Accounts Committee to investigate officials; Googling government employees who exercise freedom of speech; interference in the contracting process — and actually today, categorically stated that the people involved in the contracting process are incompetent. "Confidence in officials," the member says — the issues at the Workers' Compensation Health and Safety Board, the issue at the Yukon Hospital Corporation, and the long list of issues that the members opposite have been held

accountable for in elections and beyond demonstrate zero confidence in officials, and it's really too bad.

Now, Mr. Chair, I did answer questions regarding Mayo B. It's in the hands of the federal government. Progress will be reported when there is progress; it's their decision to make. On housing, it's the same issue. Nothing happens in moving anything anywhere in regard to the new \$50-million housing fund until Canada Mortgage and Housing Corporation makes decisions based on approvals. The bank services contract, as always, is tendered out. The member expressed the issue of corporate tax revenues. Well, the reduction is really representative of national events, because the share of national income from national regional corporations — the real true and indicative measurement of our economy's strength — is personal income tax and that is certainly something that is very much in the positive. The member continues to discuss the percentages. I think it's clear the member has the capacity to read a budget document, but the capacity to understand how that relates to the realities of today's Yukon, where we've come from and where we're going is certainly void.

So again, Mr. Chair, dependence on the federal government — even though we've had dramatic increases in our fiscal position when it comes to total — the total revenue for the Yukon has been reduced. I'm going to challenge the member then to explain that, since 2003-04, the federal government has been increasing transfers to all provinces and territories. Yet in the same period, Yukon's own-source revenue has grown by an impressive 50 percent in the same period. So that's the problem with the member's position.

The member also in his attempt to be clear has further muddied the water, because once again there has been a change of the Official Opposition's position. The Leader of the Official Opposition cannot have it both ways. It's as simple as that. At the end of the day, Mr. Chair, the comparable services and investment, how we've managed the finances in the Yukon and where we're investing our monies have shown a dramatic turnaround and are demonstrating a dramatic turnaround in Yukon — indeed, the positive direction we are now going versus where we were.

So, overall, there is much more to this than reading a couple of lines in a budget document. There has to be a clear understanding of what was, what is and what will be. The challenges that the global economy faces today are unprecedented and we all know that.

The member brought up a trend of unemployment. Well, overall, the trends for Yukon, when it comes to unemployment, are very positive. But, again, the member is void of all of the facts — the full context of the issue. Unlike the past Liberal government that dealt with a double-digit unemployment rate with an exodus of the population and a shrinking workforce, today's Yukon has single-digit unemployment, we're still below the national average and we have a growing population and a growing workforce.

Now, what is going on in today's Yukon was to be expected. That is why the work that has been done over the last many months resulted in a \$1-billion, \$3-million budget. The

real question here is the member's position. This budget is heavily weighted to stimulus.

This budget is job creation in many, many areas. This budget is a budget to meet the challenges of today while continuing to build the Yukon that all Yukoners want to see in our future. The real question is: does the member oppose, at least this time around, support benefits for Yukoners; jobs for Yukoners and Yukon families; growth in the Yukon's population and workforce; growth in our infrastructure on the ground contributing to long-term economic development; increases in hydro capacity; reducing dependence on diesel; taking communities off diesel and putting communities like Pelly Crossing on hydro; and attracting investment to the Yukon from the private sector? How can the member dispute a 5.2-percent growth in GDP for 2008?

It is astonishing that the Leader of the Official Opposition puts on the floor of this House the information that he does. How does the member justify his comments about dependence on the federal government when Yukon's corporate profits saw an 84-percent increase from last year?

There is an 84-percent increase in 2008, Mr. Chair, so it doesn't make a lot of sense and I'm sure Yukoners recognize that. So, Mr. Chair, on and on and on it goes. I'll just recap the best I can. By the way, the territorial health access fund negotiations are ongoing. When there is progress to report, we will report progress.

I'll recap, Mr. Chair: the Yukon's fiscal position since we've taken office has doubled. The Yukon's investment capacity has dramatically increased. Our dependence on the federal government has been reduced and we've demonstrated that with fact and, furthermore, in our territorial funding arrangement with Canada, we've addressed the perversity factor and we now have 30-percent retention of own-source revenues that we keep here in Yukon for future development. But we do send back to the federal government 70 percent of those own-source revenues. So the member is going to have a hard time arguing about more dependence on the federal government when we return 70 percent of what we've earned in this territory.

Mr. Chair, all of this has resulted in a growing territory, a growing population, a growing workforce, a growing private sector, investment coming now from international companies such as China, a number of economic sectors running in this territory for mining, tourism, research and development, agriculture, trapping, arts and culture — the list goes on and on and on.

We've provided tax incentives for small business. There are tax breaks for Yukoners. We are helping seniors in many ways. We are addressing affordable and social housing needs. We are improving health care across the territory, which by the way, goes back to that issue of confidence in officials. The members have stated categorically in this House that they have no confidence in the Yukon Hospital Corporation and take great issue with the Yukon Hospital Corporation fulfilling its mandate in delivering health care to Yukoners. I could be here for hours demonstrating the error of the Leader of the Official Opposition's way, but I think the public has already demonstrated that on a number of occasions.

So, Mr. Chair, the Department of Finance's budget — which is essentially what we're debating today — as I've articulated is small in nature. The majority of it goes to the treasury budget. Much of that is for salaries for those officials for whom the Leader of the Official Opposition has continually demonstrated, along with his colleagues, that the members opposite in the Official Opposition have absolutely no confidence in. They'd rather investigate them.

So, Mr. Chair, the total budget for the Department of Finance is as stated. It has very few changes, other than the normal increases, as we go forward. The capital investment is strictly to do with equipment where needed within the Department of Finance. Our government has a great deal of confidence in the Finance officials, in the Department of Highways and Public Works officials, in Community Services officials, in Health and Social Services officials, in the Department of Education officials, in the Department of Justice officials, in the Department of Economic Development officials — who are leading the charge in this increased investment and growth in our economy in Yukon — and a great deal of confidence in Tourism officials.

I hope I haven't missed anybody — Women's Directorate, Department of Justice, and the list goes on and on and on.

It's too bad that the Official Opposition continually demonstrates — even though what they say — by their actions they have no confidence in the Yukon government employees. In fact, they even go so far as to Google government employees who exercise their right to freedom of speech.

That said, Mr. Chair, there is not a lot else we can add with the Department of Finance for the fiscal year 2009-10. The total budget in the estimates is \$7.2 million; there's \$7.16 million O&M and \$42,000 for capital expenditures.

Mr. Mitchell: Well, you know, Mr. Chair, the Premier talks about the perversity factor, as it used to be known, in terms of our transfer payments. What is perverse is that this Premier doesn't understand the concept of ministerial accountability. Every time we ask a question of this Premier or one of his ministers — ask why a department that they are responsible for and why a department that this Premier is responsible for has a problem, he says, "Oh, you're blaming the officials. It's the officials."

He doesn't get accountability. It's probably why one of his first acts was to repeal the ethics and accountability act, Mr. Chair; he didn't like accountability.

I think Yukoners understand that when we're standing in this House, we're looking directly across at the members who are sitting opposite us. We're asking questions of why they failed in their due diligence or why they're not getting their jobs done. It's about ministerial accountability. The minister should have more courage than to continue to deflect that on to officials who don't get to answer. He should understand who we're talking about. He can look in the mirror and he'll know. This is the Premier who is in charge of a government.

He talks about Googling. Well, speaking of computers, he investigated every last one, all 4,000-plus of his officials in the computer-use investigations. We won't use the more common term that was assigned to it. He caused some 4,000 Yukoners

to feel that their neighbours were looking at them as suspects. For what? How many people were prosecuted? How many people were found to be at fault? He investigated every last one of the Yukon government's employees — made them feel like their actions were improper. Where is the whistle-blower legislation, so that government officials can talk about the things that they see without fear for their jobs? So don't tell us on this side of the House about wanting to investigate officials.

In terms of investigating asset-backed commercial paper, you bet, Yukoners would like to know what happened to that \$36 million. This Premier loves to give lessons and talk about how frightening it would be if the members on this side would ever be in charge of government. Well, I can tell you, he likes to refer back to his predecessors. Which one of his predecessors — Liberal, New Democrat or Yukon Party — or Yukon Progressive Conservative Party as they were once known, before we sucked the “progressive” out of the name — which one of them were found by the Auditor General of Canada to have improperly invested money that's now tied up for eight years, to have failed to follow the *Financial Administration Act*. Which one of them? The Premier has a record all right — the one and only — so don't talk about officials, Mr. Chair.

Mr. Chair, this Premier said that overall — he made reference to the unemployment numbers and that they're very positive. Well, tell that to the additional 700 Yukoners from last April 2008 to April 2009 who are unemployed. In April 2008, the figure is 700 unemployed; in April 2009, it's 1,400. That is an additional 700 Yukoners — 700 families who have lost a wage earner. The change from April 2008 to April 2009 is the Yukon Executive Council Office Bureau of Statistics, 100 percent. Congratulations, Mr. Chair, the Premier got an A — 100 percent — 100 percent more people unemployed this year than last year. March 2009 to April 2009, two-hundred more people are unemployed. The number of people employed from April 2008 to April 2009 is down 500.

So if these are exciting numbers to this Premier, then so be it. They're not exciting to Yukoners. Now, the Premier likes to talk about the previous government. Well, I will quote from the Hon. Mr. Fentie. He wasn't the Hon. Mr. Fentie then; he was Mr. Fentie.

Chair's statement

Chair: Members have been in this Assembly long enough. You can't refer to members by their names.

Mr. Mitchell: Thank you. The Member for Watson Lake. Sorry, Mr. Chair, it was written on the page when it comes out of *Hansard* and I forgot to translate it into “the Member for Watson Lake”.

His words, from March 6, 2001 — the Member for Watson Lake: “Well, that wasn't my question. I asked the Premier: given the evidence in this outlook, which is a very bleak picture — bleak picture of which the Liberal government members opposite are the architects — what is this minister and her government prepared to do now to avert this desperate situation Yukoners find themselves in economically? Now, whether the Yukon Party tabled a document eight years ago or not is irrelevant in this situation. This is the government; this is the minister

responsible; we have a serious problem. What is the minister prepared to do now?”

So, in his own words, Mr. Chair, Yukoners aren't asking what happened six, seven, eight years ago under former governments. They are saying, “What is happening now? When my next-door neighbour on this side or that side has lost his or her job, when my husband or wife has lost his or her job, what is this Premier doing about it?”

That's what they want to know. So the Premier can talk about former governments all he likes, but Yukoners want to learn what the current government is going to do about their record. What are they doing about the figures that are going in the wrong direction now? The Premier wants to talk about what the unemployment figures were seven years ago. Yukoners want to talk about what the unemployment figures are today and they don't want them to get worse. People are losing their jobs. The Premier may not be losing his, but a lot of Yukoners are losing theirs. Maybe if the Premier attended Association of Yukon Communities meetings or got to some of these community functions, he'd hear directly from the people.

So here is another question for the Premier. I am eagerly looking forward to the Premier's convoluted explanation of why — when the newly restructured funds that were sold last week into the markets sold for 35 cents on the dollar, both MAV1 and MAV2 — this Premier is fully confident that in eight years all of the money is going to be there. The Premier says, well, we're not selling ours now. Well, investments are valued based on what people get when they try selling them. This Premier would have us believe that these derivative-based, collateralized debt obligation instruments — these securitized investments that aren't even backed, in many cases, by real assets, but by vehicles that are meant to mirror and track assets, as if they were there. This Premier would have us believe that it's all going to be there in eight years. Well, the Premier can have that approach, because he knows he has no plans himself to be here in eight years.

But there is \$36 million tied up, and the most recent example of a sale is that almost two-thirds was lost. What did the Premier say, back on November 7, 2007? “Secondly, we're not talking about a loss here at all. This member is actually standing on the floor of this House informing Yukoners that we've lost \$36.5 million. That is incorrect. We have merely extended a maturity date.”

Well, he's extended a maturity date, and those people who are trying to get some value out of those investments are seeing a big loss, Mr. Chair.

Did the Premier decide in August of 2007 that he wanted to make an eight-year investment? Was that part of his plan? We won't need any of this money for eight years, let's invest it, long term. I'm sure there were some very secure long-term investments we could have made.

The Minister of Economic Development — the minister responsible for the Housing Corporation — was on his feet earlier this afternoon stating that we don't want to put any more money in mortgage funds for Yukoners so they can build houses. He seems to think everyone is an elitist. He talked about more \$400,000 houses. Well, why is the government

selling lots in Mount Sima and in Whitehorse Copper only to tell people they don't deserve a mortgage? The inference was that they wouldn't be paid back; they would be deadbeats. Well, we've seen some examples in this House of loans that weren't being paid back, Mr. Chair, but they weren't loans to Yukoners in the mortgage programs building houses. Those weren't the loans that the government was having trouble receiving back. As the Premier correctly pointed out to me the other day, that money is not gone that's in those programs, the money is simply invested and it still shows up on the books. Suddenly we can't get a straight answer for those Yukoners that need the money now to build their homes.

The Premier and the Minister of Economic Development say, "We don't want to compete with the banks." Well, Mr. Chair, it has been a long-standing policy of the Yukon Housing Corporation to provide money as the lender of last resort. That's not what is happening today. Maybe that's where the money could be if it wasn't tied up in restructured asset-backed commercial paper that's going to be worth something someday — we hope, we pray. But we can't use it now, can we, Mr. Chair?

And another thing: the banks are not too eager to make loans in small Yukon communities. So let's just not talk about Whitehorse. Let's talk about how people can borrow money to build homes in Carmacks, Haines Junction, Dawson and Watson Lake, because they might want to borrow money from the Housing Corporation because the banks won't make the loans.

Just to remind the Premier, I look forward to hearing him answer exactly how much of a writedown we are anticipating having to take — and I know that it was in the interest of the investments — but basically when the principal deteriorates as much as these have, it's going to be a very interesting negative interest rate, Mr. Chair. The Premier can answer that.

Hon. Mr. Fentie: At the risk of sending the Leader of the Official Opposition into a complete tailspin, yes, I'm going to have to try to answer these questions. You know, the member points out who was involved in this asset-backed paper situation and who provided the information that the government followed. Mr. Chair, it was the Auditor General. The Auditor General even told that member a number of things; told the member when the notes to the financial statements were presented that the government had invested \$1.7 billion in asset-backed paper since the fiscal year 1989-90. I don't know where the member thinks he can go with this, but that is a matter of fact. This is in — if the member wishes to look at it — the public accounts, duly audited. That's the member's problem.

Even the Auditor General's statements are something that the member seems not to recognize as valid. The statement of accounts also says that this is not a writedown; it is an interest adjustment — an adjustment that will be eliminated over time. Now the member has listened to the news — and, by the way, I would caution the member that using the news and what's in the news media at any given time is not a good demonstration of leadership. One should have their own vision and plan and not have to use what is in the media to help develop one.

The Leader of the Official Opposition says that the wheels have fallen off; it is a 35-cents-on-the-dollar sale; it's a fire sale. Out of \$33 billion, the member is talking about someone who has decided to sell one of their bonds at \$170,000 and another one at \$70,000. Out of \$33 billion, what kind of leadership would we have if the member would succumb to such things and decide that we have lost it all? Where is the member's staying power in dealing with issues that happen?

After all these years of investment in asset-backed paper — \$1.7-billion worth — the member has hit the ditch over one instance where the banks decided that they would not honour their conditional guarantees, which are allowed for by a policy change by OSFI, or the Office of the Superintendent of Financial Institutions, who is the regulating body for these matters. None of that means anything to the member. The member has had a complete disastrous event, because somebody sold something for 35 cents on the dollar. You know the salient point, Mr. Chair, is we're not selling. We are, as many other governments involved, working on the issues of maturity and that's what this is about.

Now, the member talked about the issues of investigation. Well, yes, the government did have to go through a process here given what was on our computers but we certainly haven't investigated Yukoners who exercise freedom of speech, so I would hope the member can see the difference, but you never know.

Mr. Chair, there was quite an eruption from the Leader of the Official Opposition and I can understand why. We reference past governments. You have to reference past governments, because you have to know where you have come from to know where you are going. Is the member suggesting that you just ignore all that, that didn't mean anything back then? Isn't the member aware of the impacts that are being experienced by Yukoners even today because of what was happening back then? Does Dawson City ring a bell? The situation that the municipality found itself in? The issues around the infrastructure and so on — the debt limit. All those are from the past and they are being dealt with today. The difference between our government and past governments is we actually have a plan and a vision for the future, so what we do today is going to ensure that we are continuing to build and grow tomorrow.

Now the member brought up the unemployment rate. You know, Mr. Chair, the government did expect impacts, and we have stated it many times — publicly and here in the House — that, given the global situation, unprecedented in nature, we would be experiencing impacts. That is why we went to work with economic stakeholders, municipal governments, First Nation governments on the matter. That is why we garnered so much input into what is the largest budget in the history of the Yukon Territory. That's what the intention of the government, through that process, was all about — addressing what we knew would be the impacts that would be coming.

The question for the member is this: does the member support a \$1.3-billion investment in Yukon, of which \$240 million is capital investment creating jobs for Yukoners? The member shouldn't lose sight of the fact that even on the operation and

maintenance side, there is a great deal of job creation for the Yukon public and for Yukon families.

So the member has to make a decision on whether — I would caution the member not to be too presumptuous about the statistics, because we have a lot of work forthcoming and a lot of Yukoners will be going to work — does the member support the investment or not?

Mr. Chair, the Yukon Housing loans — the programs continue. It's fully subscribed this year. We have a tremendous amount of investment for the Yukon Housing Corporation. I can tell you that the actual figure for 2007-08 — duly audited and accounted for in Public Accounts — was \$26.6 million. If the member is interested in supporting anything — here's another example where a decision is going to have to be made. This year's budget has gone from \$26.6 million to \$38.4 million. That's a dramatic increase in Yukon housing. That's something that we recognize requires more than just building new homes. It requires renovations, retrofits and the need to deal with social housing stock. I believe Yukon Housing is even now providing housing for doctors where we are starting to compete on a much more level playing field with other jurisdictions of Canada who have been doing this for quite some time.

So, Mr. Chair, all these challenges that we face in today's Yukon are part and parcel of where we've come from. The challenges that we face today and into the future are challenges that must be met. The Yukon public will judge on the basis of who is best able to meet those challenges. Regarding the performance of the Official Opposition, I think Yukoners are indeed in a situation where they're quite concerned and have demonstrated that.

The member referred to some statements made here in the House and what we did about the economic situation back in 2001-02. We didn't do it; Yukoners did it. They voted the then Liberal incumbent government out of office in a very dramatic way, and elected a Yukon Party government to govern this territory. The rest is history, because there has been a marked improvement in the Yukon. I think the member opposite recognizes that, so a lot of what we are discussing here certainly isn't the Department of Finance's budget for 2009-10. It's an opportunity to see clearly how lost the Official Opposition really is; how disconnected the Official Opposition is from the realities of today's Yukon; how they haven't been able to get their finger on the pulse of the Yukon Territory and where it wants to go. That is being demonstrated by its public. Its public wants to go in this direction, the direction that we embarked upon when we charted the course for the Yukon back in 2002 when first elected to office, and we have a lot of work yet to do.

Again, the member shouldn't be too presumptuous about who is going to be here, in what year and when. The member should focus on what's happening over there in the Official Opposition. I can understand why the member gets so upset, because it's certainly a situation that the Official Opposition finds themselves garnering very little support in the public. They're having great difficulties; they don't get along.

We experience things where food for an isolated northern community is secondary to a motion on the Canadian Broad-

casting Corporation. That was really an eye-opener, I'm sure. Many Yukoners have expressed that already to us — about what was really going on there.

Mr. Chair, this could be a needless discussion, which it has been to date, or we could get into the Department of Finance's budget and move along. The members don't have a lot of time. There are some sizable investments being made for Yukon and the members haven't even made a comment on some of these investments.

The Department of Finance is a very small percentage of this budget — very small. I think it represents 0.7 percent of the total budget. What the members have left to debate — Highways and Public Works represents 19.4 percent of the total budget. The Department of Education — there is lots to say in Question Period about education, but 12.8 percent of the total budget is the Department of Education. That's another area that the members might want to debate. And the list goes on and on.

But I can understand why they don't want to debate the budget in a meaningful way, because the budget is addressing the challenges of today and because the budget reflects a great deal of input from Yukoners — input that the members have already opposed, such as marketing for tourism in the European market. The Member for Porter Creek South was quite clear in his opposition to that investment. That investment came from the tourism industry itself, where they felt in their deliberations with government that this was a very positive initiative to embark upon to try to address some of the impacts we know we'll be facing.

So the member opposite has another problem. The government side listened to Yukoners, received that input, and constructed a budget that is the largest ever to meet the challenges of today and continue to build the Yukon of tomorrow. I'm sure that the Official Opposition will vote against and oppose these investments creating benefits and jobs for Yukoners and Yukon families, building infrastructure, building Yukon's future. The Official Opposition obviously will be opposing it.

Mr. Mitchell: Thank you, Mr. Chair. Well, that was a very interesting presentation by this Premier. You'd think we were on the campaign trail with all of the grandiose statements that we're hearing here today.

I'll point out to the Premier, since he talks about what a small infinitesimal percentage of the budget actually appears under the Department of Finance, that this is our only opportunity to question this Premier. We spent less than one hour — less than an hour, Mr. Chair — in general debate on the main estimates by the decision of the Premier. He called it after 4:30 p.m. of a particular afternoon. He spoke twice. I spoke once. That was our debate. That is the whole budget of \$1.3 billion. Apparently that is all the stomach the Premier had for debating his budget. In the past, all previous premiers have spent days in general debate. They didn't run from it. They looked forward to it. So that is what happened in the past, Mr. Chair. We spent less than an hour there.

Since the Premier wants to quote from the Auditor General, here is what the Auditor General did say under "What we found" on page 1, Mr. Chair. I would think that the Premier would have this memorized by now, "The asset-backed com-

mercial paper in which the Government invested was not one of the three types of investment permitted by Yukon's *Financial Administration Act* — was not guaranteed by the Government of Canada or any provincial government, was not issued or guaranteed by a bank, and was not issued by a company incorporated federally or provincially and given the highest rating by at least two recognized security rating institutions." That is on page 1.

It gets better on page 2, the Member for beautiful Kluane says.

"That is her opinion", quoting the Premier's previous dismissal of the Auditor General's comments. "In addition to the investments in question, we also found that the Government has made prior investments in asset-backed commercial paper issued by trusts set up by both banks and non-banks, which also did not meet the conditions set out in the Act." She said that. She also said, Mr. Chair, "The Government has yet to quantify the financial impact on its investment, as the financial terms of the restructuring have not yet been made available." Well, it was a long time before they became available, Mr. Chair.

Since the Premier wants to suggest to me what the Auditor General said to PAC, let me tell the Premier what the Auditor General said to the entire Assembly. In his briefing for this Assembly, Mr. Chair, perhaps the Premier wasn't listening attentively that day. When asked, "Who is responsible?" she said, well, ultimately the Minister of Finance. That is what she said, Mr. Chair.

I have yet to hear this Premier say it. Not once has he said, "Ultimately, it is me." Instead, by claiming that we're attacking officials — that we are blaming officials — he infers that he believes it is the officials' fault. But the Auditor General said, Minister of Finance. That is what she said, Mr. Chair.

Now, regarding officials, Mr. Chair, who blames them and who goes after them, the Minister of Economic Development had some things to say about that today, but just a few years ago in 2005, here he was sitting side by side with the Premier, offering an apology to the government officials. In this article, which is from the *Whitehorse Star*, Tuesday, January 18, 2005: "When it was pointed out to the minister ..." I'm having to substitute the words "the minister" for the name, Mr. Chair, "that it is virtually unheard of for a minister to publicly call a department to task, he replied, 'Don't you think they should sometimes? If somebody screws the pooch, kids, come on, it's time they be held accountable.'"

Unparliamentary language

Chair: Order please. The Chair shouldn't have to explain to members that what they say, they are responsible for saying. It doesn't matter if they are reading from articles, it is their words being said. The member, for one, isn't even on topic. All day, people have been debating everything besides the Department of Finance, and this is just really the straw that broke the camel's back. In the Chair's opinion, the member is quoting language in this Assembly that is not parliamentary — language that isn't even on topic. I encourage members to get back on topic, get back to Vote 12, Department of Finance, and be responsible for what you say. Mr. Mitchell.

Mr. Mitchell: Thank you, Mr. Chair. The Premier spent a good portion of the last time on his feet —

Chair's statement

Chair: Order please. Order please. Order please. When the Chair makes a statement or a ruling, it's not really up to members to debate and challenge the Chair. The Chair has allowed the Assembly to have a wide-ranging debate today. I'm encouraging members once again to debate the Department of Finance, Vote 12. So if members are going to stand up and debate Vote 12, feel free.

Mr. Mitchell.

Mr. Mitchell: Thank you, Mr. Chair. I'm presuming that's all members — that we no longer can talk about officials?

Chair's statement

Chair: Order please. Mr. Mitchell, this kind of conduct to the Chair is unacceptable. When the Chair makes a statement, it is for all members. It's not pointing out one individual. Challenging the Chair and insulting the Chair like that doesn't benefit this community.

Some Hon. Member: (Inaudible)

Chair's ruling

Chair: There is no point of order. We will now proceed with Vote 12, Department of Finance.

Some Hon. Member: (Inaudible)

Chair: Is there any debate on Department of Finance?

Some Hon. Member: (Inaudible)

Chair's statement

Chair: Order please. We really have two ways to handle this. One, we can continue discussing Vote 12, Department of Finance, or the Chair has no alternative but to call the Speaker in for disturbance. Which way do we want this?

Mr. Mitchell.

Mr. Mitchell: Thank you, Mr. Chair. I apologize for straying off topic. I respect your rulings and I was only making sure I understood for clarity where we were going. So I thank you for the clarification, Mr. Chair.

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

Recess

Chair: Committee of the Whole will now come to order. The matter before the Committee is Bill No. 15, *First Appropriation Act, 2009-10*, Department of Finance. We will now continue with general debate.

Mr. Mitchell: Mr. Chair, as I look at my notes on what the Premier has said this afternoon in debate, about 95 percent of it is off topic and the other five percent doesn't respond to the questions anyway. I am not sure about what the point is of debating with the Premier, because there really isn't any debate. We don't get answers to the questions; we get lectures. I would be, however, still interested to hear the Premier's

view, because I certainly have lots of things that he has said in the past about the investments. I could spend the rest of the afternoon reading quotes from the Premier and the Deputy Premier about those investments, how they were guaranteed by the banks, how there is no loss, how we're going to get all our interest back, who provided the guarantees and that they are backed by the banks. That is not what the Auditor General found. That is not what she found at all, Mr. Chair. She said, in paragraph 13 of her report, "We found that the investments in the two trusts were not obligations of, nor were they guaranteed by, the Government of Canada or by any provincial government."

She also said in paragraph 14: "We also found that the investments in the two trusts were not issued or guaranteed by a bank." She also said in conclusion: "Yukon's *Financial Administration Act* prescribes the investments that the Government of Yukon can make. We found that the government's investment in summer 2007 in two asset-backed commercial paper trusts that were set up by non-banks (total value: \$36.5 million) did not meet the requirements of the Act." She said, "When this report was written, the Government had not yet received any payment of principal and interest from these two trusts, and it has not determined the financial impact this may have." Well, we have received some interest, Mr. Chair — not all the interest we were due, but some. We haven't received the principal, and it looks like we won't for some time. I'm sure that the Premier will stand on his feet with his tremendous investment experience — private sector and public sector — and provide me with all kinds of advice on what's going to happen. I'll just leave the debate by saying that the Premier was responsible, not officials.

The Premier signs the cheques, the Premier is responsible for investments and the Premier should be overseeing the investments. That is what ministerial responsibility is all about. This is the Premier who is responsible for tying up the money for eight years. This is the Premier who is responsible for whatever losses we incur. This is the Premier who is responsible for the \$6.1 million in interest revenue adjustments we have seen to date. This is the Premier who will be responsible for the losses that we will see when the public accounts next come out. The Premier can cite us all he wants. He can obfuscate all he wants. It is his legacy. It will be his legacy. He is the one and only Premier ever to do it.

Unparliamentary language

Chair: Order please. The Chair was kind of hoping that after the break people would use polite terminology. I know the meaning of the word "obfuscate", and it is not in order.

Mr. Mitchell: Thank you, Mr. Chair. I hadn't seen that on the list of words, but we won't use it, and it will be added to our thesaurus of words not to be used.

Chair: Order please. Just to clarify for people, there is not a detailed list of words.

You can use words in different contexts, different meanings, so please continue with debate on Vote 12, Mr. Mitchell.

Mr. Mitchell: Very politely, I will congratulate the Premier on the legacy of the bad investments that didn't comply with the act and thank you, Mr. Chair.

Hon. Mr. Fentie: Well, thank you, Mr. Chair. I want to extend my heartfelt appreciation to the Leader of the Official Opposition for recognizing that there is indeed a legacy by this Yukon Party government. It is this: a legacy of economic growth; a legacy of improving the quality of life; a legacy of building infrastructure; a legacy of some \$20 million in investment earnings; a legacy of strengthening our social fabric; a legacy of correctional and educational reform; a legacy of practicing good government; a legacy of being open and accountable; and a legacy that resulted in, for the first time in seven years, an incumbent government being re-elected to office. So I want to thank the Leader of the Official Opposition for recognizing that there is indeed a legacy.

Back to the Department of Finance, as I stated, there is a total of \$7.2 million in the 2009-10 estimates. The breakdown is \$7.16 million of O&M and \$42,000 in capital expenditures.

Mr. Chair, I think it's important that we recognize that the majority of the program dollars is to the treasury program at \$6.7 million and out of that, salary costs account for approximately 78 percent or \$5.2 million of the treasury budget. Then the banking services, supplies, telephone, travel and contracts, et cetera — at \$1.3 million — is only 19 percent. We should be aware always of the public utilities income tax transfer that is still ongoing as part of the program budget, and this year will be \$213,000, or, three percent.

We have to also recognize the workers' compensation supplementary benefits program at \$426,000 and, always, the allowance for bad debts — a mere \$48,000 — which really refutes what the Leader of the Official Opposition has been saying. Computer systems, work stations, printers, photocopiers — the regular needed type of equipment for offices — will receive a total of \$42,000.

Mr. Chair, the Department of Finance budget is certainly a very small portion of the stimulus budget that we have tabled. Thank you.

Mr. Hardy: It is wonderful to actually be able to stand on the floor and enter the debate. I don't have a tremendous amount of preamble. I think there has been enough preamble already, and I definitely don't want the Chair to rule me out of order. I am going to try to avoid repeating a lot of the rhetoric that has been presented so far. I am going to go quickly into questions and move along. If the Premier doesn't mind, he answers the questions and then, hopefully, we can deem all items carried at the end of this.

Under O&M, is the government planning to hold a 2009 economic review?

Hon. Mr. Fentie: I am not sure in what context the Leader of the Third Party is presenting this. We are reviewing our economy constantly. I would like to hear further from the Leader of the Third Party what his intention was with that question because, of course, the overall review of the direction of the Yukon's economy is very important under the circumstances, and we want to make sure by measure that what we are doing with this budget which, as I stated, is very heavily

weighted toward stimulus, is actually producing results for Yukoners. I think a lot of the reviews that we do are ongoing. It is the collection of data, the production of statistics. I know the Department of Economic Development will monitor closely; indeed the Department of Finance is another area of review as we monitor our corporate and personal income tax revenues and other own-source revenues. These are the types of things that we will continue to do on an ongoing basis.

Mr. Hardy: I will broaden it just slightly. Unemployment has gone up for the first time in a few years. Construction has slowed down, and most people recognize that in those areas, as the Premier has indicated, this is a stimulus package to try to stimulate the economy. The only reason you bring forward a stimulus package is if the economy is slowing down a little bit. You wouldn't be doing that if the economy was cooking as it has in the last few years. So construction in that area has gone down slightly. Corporate tax income is down. There are more Yukoners on EI.

Maybe this is a question for Economic Development, but maybe he can answer as the Premier of the territory. The question is also based upon global recession that has washed upon our shores to some extent both in the mining industry and other industries — tourism and that. Will the government be holding not just a continuous review that the Finance department and Economic Development may be conducting on a regular basis but they will be taking a look at, in a more collective manner, an economic review for the year 2009, possibly with the idea of bringing forth a supplementary budget for the fall that may address some of the shortfalls that this budget may not have? How's that?

Hon. Mr. Fentie: Mr. Chair, in the broader context, there are two deputy minister committees that have been established that I do chair. The one committee is to continue to work with stakeholders in a broad sense with respect to the economy and also the impacts that we may experience from the global situation. The other is a deputy head committee that is going to monitor, as the member said, infrastructure construction projects. That's important too, because we want to maximize the retained benefit for Yukon. So those are two examples of a broader approach.

You know, the issue, right now of the unemployment statistics has to include the fact that it is quite clear that we have a number of Yukoners now returning to the territory looking for work who were recently working outside of the Yukon, and I think that's indicative that the impacts are much more severe in provinces like Alberta and British Columbia. That's one factor. The other is the fact that we do have a growing population and a growing workforce overall. That speaks to some degree that there is recognition of opportunity in Yukon. The member had mentioned corporate tax. Well, the issue of corporate tax right now for us is the fact that the impacts experienced outside of our borders have reduced our share of the corporate tax collected nationally. A real good indicative measure, though, for us and our economy is personal income tax, which has risen and is projected to rise even further in the coming fiscal year.

I hope that captures most of what the Leader of the Third Party was seeking. I just want to emphasize the fact that we

have taken some unique and new steps with these deputy head committees to stay firmly engaged with the Yukon business community, with the Yukon public and with other orders of government.

Mr. Hardy: I will get to the corporate tax and personal income tax shortly, but I just want to finish up in this little area. This is a very general question. We often talk about when a mine opens and Faro would be a good example: the economic impact it has, how many jobs it creates directly and indirectly — we've talked about that. There have been many studies based upon the benefits we get from mining activities and such. Does the Finance department have a study on their own budget on how many jobs their budget creates directly and indirectly? Does the department have job creation numbers that aid in their planning — some targets set or some goals to achieve? For instance, if we see the economy slowing down, and increased unemployment levels, does the department set some job goals in order to guide their investments?

Hon. Mr. Fentie: Not the Department of Finance, per se. It would be line departments who are the lead in the expenditure. And I can tell you that if you look at the \$240 million in capital, that does equate into hundreds of jobs here in Yukon. It's certainly strategic in the areas of investment. For example, on the seasonal front, there is a continued investment in highway construction, bridge reconstruction and maintenance overall, which creates a lot of work seasonally. But we've also strategically created construction projects for public infrastructure that will be ongoing into out-years. And then if you factor that into our fiscal framework — and I just want to bring the member to that particular point, because it's very important to recognize that the Department of Finance has, in measuring the overall investments for capital, for example, and how that results in job creation — we will see that we are maintaining in the out-years a level of capital investment equal to what we have this year.

I would remind the member that this is net numbers in the fiscal framework. It does not include the total dollar values of recoverables that we receive. We are also going to have the benefit of some more strategic investment. We are negotiating through the green energy infrastructure fund, which is a sizable capital project in Yukon. The infrastructure stimulus program — Yukon will receive about \$7 million through that program. We are negotiating through the process for eligible projects there and, of course, the \$50 million of housing dollars.

We have to remember that the aforementioned programs are all very time limited — two years. Simply put, it is a use-it or lose-it principal-based investment by the national government. I can assure the member that we are doing everything we can so that we do not experience the use-it or lose-it scenario, but are maximizing what we get for Yukoners.

Overall, in measuring the number of jobs — and that is happening — but not necessarily at the Department of Finance, except for the fact that in long-term planning we are recognizing that keeping that stimulus and those job levels in an upward trend requires this kind of long-term fiscal framework to be put in place.

That was done by the Department of Finance in work with the departments.

Mr. Hardy: I thank the minister for that response. He touched on some of the funds. I'll touch on those in a bit.

With taxes, I just want to kind of go through the Finance budget book here. You have a mineral exploration tax credit and a research and development tax credit. Has the department been exploring any other tax credits for the future? I have asked this question over the years, so it should be no surprise — tax credits for investment in green technology, and I am talking territorially, not what the feds are doing.

Hon. Mr. Fentie: We have explored the tax regime overall and, recognizing that we want to make sure that whatever we do in the area of taxes results in a net benefit to Yukon, we have been careful in how we proceed with that. Some of the tax initiatives we have undertaken include small business and single families — the issues around, I believe, daycare — and the supplements there.

Frankly, the increase in the income supplement is part of what we're dealing with here, and that has been done. We've also gotten into the issue of revised tax brackets for such things as medical credit, personal exemption and pension exemption, new child credits, Yukon child benefit, lower small business tax rates as part of this, and, of course, the ongoing Yukon mineral exploration tax credit extension wrapped up. That tax credit is no longer available. But we were successful in getting the super flow-through shares regime by Canada extended for one more year, considering the global circumstances. So that's part of the overall tax initiatives, but that's not to say we're not going to look at more. The total ongoing cost with our tax benefits to Yukon on an annual basis is approximately \$5.43 million — money back into Yukoners' pockets.

Mr. Hardy: Can the minister explain for me the public utilities income tax transfer? It's not a lot of money. As a matter of fact, it's consistent across the board. Could you give me a briefing on that, please?

Hon. Mr. Fentie: It's an initiative that came into being some time ago — we call it PUITT — public utilities income tax transfer. This year, there's a \$200,000-some tax initiative — I think \$223,000? It was in my budget speech. Sorry, it is \$213,000, or, three percent of program dollars.

Now just as an explanation on this particular program, the federal government used to refund to provinces and territories 95 percent of the income tax they collected from private utility companies. This program was terminated by the federal government effective April 1, 1995 in the 1995-96 federal budget. You will all remember, as I pointed out earlier, the then-federal Liberal government's position on addressing the national deficit and how they transferred or off-loaded that to the provinces and territories.

Provinces and territories were free to do as they wished with this money, but the idea behind the refund was to permit the province or territory to, in turn, refund the money to private utilities to reduce power rates and thereby put their customers on the same basis as tax exempt public utilities whose customers do not have corporate income tax built into their electrical rates.

The Yukon government also refunded territorial income tax received and continues despite the termination of the federal portion of the program. So even though Canada ended that program under the federal Liberals back in 1995-96, the Yukon has continued on to date, and there is a dollar value in the program as it exists, which is somewhere in the neighbourhood, in total dollars in PUITT, the public utilities income tax transfer, of around \$500,000 existing in that program right now.

Mr. Hardy: Mr. Chair, I thank the minister for his answer. I have one more question about taxes. I have others, but I'm just going to ignore them. Tobacco tax of course. It's a new increase that was brought in when we also brought in the *Smoke-free Places Act*.

The Premier also introduced a substantial increase to the tobacco tax. The revenues have increased dramatically in this area. I think it is a good thing. Hopefully it has been a deterrent. The Premier may have some information in regard to tracking the usage of tobacco. Has it dropped because of this tax? It could have dropped for other reasons. Has there been a noticeable change in the amount of purchasing of tobacco products?

Hon. Mr. Fentie: Mr. Chair, I don't have with me any detailed statistics on the impact. I can say, though, that if we look at the forecast for 2008-09 and 2009-10 and the length of time that the tax increase was in, given the date it was implemented, we can then comfortably say that there has been a drop in consumption. I think we have to look at this when we passed the legislation itself. The discussion and the debate then were all inclusive, not just the taxation issue. It's the prevention, the education factor and anything else that we can do, not only to get individuals to stop smoking, but to ensure that we do everything that we can to stop young people from starting to smoke. We have about a nine-month window right now, and I think as we go forward there will be a better historical database to be able to determine what kinds of reductions we are getting in consumption of tobacco, specific to the tax increase.

Mr. Hardy: I look forward to that information in the future so we can track the impact of the changes the government has made in regard to the consumption of tobacco products, which we do know increase costs to health care. It can be quite a savings even broader than just people smoking less, I hope, and young people not starting.

I was looking at the outstanding economic loans and what is still outstanding. Dana Naye Ventures, I believe, is still handling the collection for some of these outstanding loans. There was quite a flurry of activity initially, and a substantial amount of money was paid back once the government turned it over to Dana Naye Ventures to start collecting, but there are still some businesses and individuals who owe a substantial amount — especially one. It's over half the amount left owing among all of the loans. What is the status of this right now? Does Dana Naye Ventures still have a process in collecting a lot of these loans? Some of them are quite small, but a few of them are very, very large. What process is being used now? Or, has the policy changed and Dana Naye Ventures is not pursuing them any more?

Hon. Mr. Fentie: First, we have four loans valued on our books at \$520,000 that are considered to be in good standing — therefore, not delinquent and aren't part of the Dana Naye Ventures process. To date, Dana Naye Ventures has collected approximately \$1.354 million. There is a remaining delinquency of \$1.661 million that is, as I said, considered to be delinquent. There is probably going to be a write-off at some point, Mr. Chair, but I think that will be determined once we get to the conclusion of the Dana Naye Ventures collection process.

We have made progress, but I would remind the member that we created another initiative with Dana Naye Ventures, which is a risk capital, if you will, or small business loan fund through Dana Naye Ventures for Yukon small businesses to access with a good portion of the dollars collected. That went back into this fund to be loaned out to Yukoners in a more controlled manner. The total contribution of that, to date, from the collections has been \$1.15 million.

Mr. Hardy: The minister indicated that there is going to be a wind-down of this and probably writing it off, which makes sense. At some it just becomes ridiculous, trying to collect any more. Are there any timelines around that?

Hon. Mr. Fentie: I can't give the member a timeline at this juncture. We would take advice, though, from Dana Naye Ventures should they deem any further collections fruitless and unnecessary. That's the point at which we would have to deal with the writedown.

Mr. Hardy: I only have a few more questions. Yukon beverage container recycling program — it's my understanding that this program is based on consumers paying a deposit when they purchase beverages from retailers and receiving a refund when they return the empty containers to a registered recycling depot in the territory. Many of us participate in that and have for many years. Will the government increase the amount for refunds, which has been known to increase recycling efforts and definitely supports our recycling depots? Will the government explore expanding the range of products and packages that a refund will be paid on?

Hon. Mr. Fentie: At the risk of being seen as avoiding this question, I have to inform the member that this particular fund, its overall operations and administration is now under the Department of Environment.

I am sure the — actually we have debated the Department of Environment, so I can't go there, but I can assure the member that the process for recycling continues — always looking to ways to improve it. That includes our overall process of assessing waste management sites across the territory. We have provided some interim assistance, I believe, for Raven Recycling. There are challenges for such materials that are being received for recycling that are non-refundable, and finding a place or a distribution network to handle those. We are dealing with some challenges. At this time, though, the rates for recyclables are status quo.

Mr. Hardy: I thank the minister for that clarification.

Housing is \$50 million. It has been brought up many, many times. What has happened with the money? When is it coming? What plans and proposals have been brought forward

to the federal government in regard to accessing the \$50 million?

The Premier has indicated that it's a two-year lifespan. Can the Premier inform the House what the actual proposal was to CMHC — I believe it's CMHC that's administrating the \$50 million — and some idea of what kind of spending projects we're applying for to try to maximize that money within the next two years?

Hon. Mr. Fentie: The one thing we have to recognize is that regardless of the list of projects we may have brought forward, or indeed have brought forward, we do not have the final say, and CMHC will approve or not. There is a broad range of investment that we presented to CMHC and it includes areas of affordable and social housing. Depending on CMHC's view of things, it may include the family-focused units and the Watson Lake seniors complex. But all of this is dependent on what CMHC believes to be eligible.

Our job is to present to them what we believe to be essentially projects that we could proceed with. That was one of the issues right up front — what have we got that is on the shelf or on the books, ready to go. I know the Yukon Housing Corporation did a very good job in trying to put all that together. They did work with the Department of Finance on this also. So, we are awaiting now Canada Mortgage and Housing Corporation's view of that and we'll see where we go from there. We're not ignoring the fact, however, that we still have significant dollars from the original northern housing trust that we must also expend and invest in affordable housing. The majority of that was directly allocated to First Nations for housing in their communities. So with this new \$50 million, the objective here is to ensure we maximize what we can make eligible with Canada Mortgage and Housing Corporation so we can access those funds now. That will contribute, by the way, to our fiscal capacity in out-years.

Mr. Hardy: Just a clarification — hopefully, the minister can respond to this. Do we have to have those projects accepted within a two-year span or do we have to have those projects actually working?

I guess I will try to clarify a little better. At the ninth hour, can we still have an application being accepted although we don't have everybody on the ground working at that in that period — that money will still be guaranteed for a third year and a fourth year, as those projects move forward? Does this all have to be done within that two-year period?

Hon. Mr. Fentie: First off I want to just clarify that the northern housing trust monies are not subjected to that type of condition. The \$50 million with CMHC is, however, conditional on firm commitments and physical work within the two years undertaken.

That is why it is a bit of a challenge to present projects to them, because these projects must commence immediately and there must be firm commitments on the projects themselves. It is a positive for the federal government to come up with this housing initiative, but it is a bit of a challenge to work with the conditions as presented by CMHC.

Mr. Hardy: I have to agree with the minister on that. That is actually a huge challenge, especially with the small

Yukon population base and the projects that we have and the projects that we need. There are always tons of projects, but sometimes they take a long time to develop and it is, from my perspective, a little unfair. If the project is going to go — if you have everything ready to go — I mean two years is pretty tough to work under, because there are a lot of other things. I mean, it can really stretch this territory. Hats off to the department for trying to put things together and to the Yukon Housing group as well for the work they are doing, and all of the other departments that are really contributing to try to maximize the money to stimulate the economy, training and infrastructure for everybody. I just really think that the federal government has really put a restriction on this that is going to make it hard, not for just this territory, but for other territories and even provinces.

One simple last question — I know everybody wants to get into education as well — on capital — we're on capital. The very simple question is furniture purchase. Are we still trying to purchase as much furniture locally to stimulate the furniture and cabinet shops around the territory?

Hon. Mr. Fentie: To the extent possible, in general, across government, we do that, but we do also have to recognize that on the IT side, what we budget for every year, which is in the neighbourhood of \$5 million to \$6 million, is really earmarked for the local IT business here in the Yukon. So there is a direct relationship there. On the furniture itself, it might be somewhat more of a challenge to buy locally, but to the extent possible, across government, that's what is attempted.

Chair: Is there any further general debate?

Seeing none, we will proceed line by line with Vote 12.

Mr. Hardy: Mr. Chair, I would request the unanimous consent of Committee of the Whole to deem all lines in Vote 12, Department of Finance, cleared or carried, as required.

Unanimous consent re deeming all lines in Vote 12, Department of Finance, cleared or carried

Chair: Mr. Hardy has requested the unanimous consent of Committee of the Whole to deem all lines in Vote 12, Department of Finance, cleared or carried, as required. Are you agreed?

All Hon. Members: Agreed.

Chair: There is unanimous consent.

On Operation and Maintenance Expenditures

Total Operation and Maintenance Expenditures in the amount of \$7,160,000 agreed to

On Capital Expenditures

Total Capital Expenditures in the amount of \$42,000 agreed to

Department of Finance agreed to

Chair: Committee of the Whole will now proceed with the Department of Education. Do members wish a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Department of Education

Chair: The matter before the Committee is Bill No. 15, *First Appropriation Act, 2009-10*, Department of Education. We will now proceed with Vote 3, general debate.

Hon. Mr. Rouble: I rise in the House today to present the 2009-10 budget for the Department of Education. I'm pleased to say that, thanks to this year's budget, we will continue to build on the good work we have done during this government's mandate, while bringing forward a number of exciting new initiatives.

The Department of Education is presenting a budget that will be responsive to the education needs of all Yukoners. Education is a lifelong journey, and this year's budget will support the territory's diverse and changing needs for education.

On April 28 of this year, we had an opportunity for an excellent discussion on education, the vision, the objectives and several of the key initiatives undertaken by this government. The Liberal Party did not put any comments on the record that day, and if the member would like to engage in a debate about that today, I would entertain that.

But I will continue with providing some opening comments. I will apologize — there are about 23 pages of comments. I've anticipated many of the questions that may be asked and have tried to ensure that the budget speech addresses many of the issues to clear up any questions that the members may have prior to them being asked.

Before I begin, I would like to extend my thanks to the Department of Education officials for their ongoing excellent work not only putting this budget together, but also for the support that they provide to the Department of Education. I'd very much like to extend my thanks to them and to all of our administrators and teachers in the education system. Indeed, it's their work that makes a difference in the lives of our students.

Mr. Chair, the total budget for the Department of Education is \$128,172,000. Before I speak to the number behind the 2009-10 budget, I'd like to thank all Yukoners for their continuing commitment to education. The planning and consultation phase was an integral part of creating the budget that I'm here to present today. Mr. Chair, our vision is for all Yukon people to see all of their lifelong learning needs met. Through this year's budget, the Department of Education continues its commitment to providing for the knowledge and skills that Yukoners need to live meaningful, productive and rewarding lives.

I would like to begin by addressing the capital portion of this year's budget. The capital budget for 2009-10 is \$8,390,000. This budget reflects the planning that we have done over the past year and the recommendations that have come out of that process.

Under the 2009-10 Department of Education capital budget, the government is requesting the following funds: \$400,000 is being requested to establish the planning committee that will work on the program and design needs of a new F.H. Collins Secondary School. The new high school will be

designed to take advantage of the program opportunities that were outlined in the secondary program review that was released in October 2008. This request confirms our commitment to improve options for secondary education programming in Whitehorse secondary schools to address student needs. The first step in this process is to establish a building advisory committee to ensure that the community and educational stakeholders are involved in the project. The department is also requesting \$315,000 to repair a roof at F.H. Collins Secondary School. Even though we are planning to replace this school, the roof on the gymnasium and old wing are in poor condition and will require some work to avoid leakage.

In order to accommodate the cost to complete the Wood Street roof replacement, the department is asking for \$368,000 to replace the roof over the main wing.

There is \$578,000 also requested for the Vanier Catholic Secondary roof replacement. This is the last of several phases to replace all older roof systems.

To complete paving of the parking lot and driveway at St. Elias Community School in Haines Junction, the department is requesting \$115,000. This project was started during the summer of 2008; however, paving could not be completed before the snow fell. Paving will be completed during the summer of 2009.

For general site improvements and recreation development throughout Yukon schools, the department is requesting \$335,000. For ongoing routine projects, such as soccer field replacements and upgrades, school-initiated renovations, special needs infrastructure, various school facility renovations, indoor air quality improvements, energy management projects, capital maintenance repairs and school painting, the department is requesting \$1,780,000.

Also, under our capital budget, the Department of Education is requesting funds to support our instructional programs. Mr. Chair, \$40,000 is requested to support our distance education program. Due the relative isolation of many Yukon schools, we see video conferencing technology as an excellent way of increasing education opportunities for Yukoners.

Mr. Chair, I think we've had discussions with people in your community also about extending this for summer school opportunities. So it's great to see that many people throughout the territory are taking advantage of these great technological innovations in order to continue their education.

Continued investment in this kind of technology is key to providing the best possible classroom environment for our students. Video conferencing keeps the students and staff better connected and increases our programming capacity. Video conferencing is a very important component of our distance learning system at the department, as it connects teachers and students in the communities and also gives schools access to experts from Outside, including Canadian astronauts.

The department is requesting \$132,000 for return replacement of the EDUNet system. The department is requesting \$807,000 to improve and enhance school-based information technology. I believe that investing in this kind of infrastructure is money well spent. There is \$415,000 requested to purchase school-based equipment; \$315,000 is requested to continue the

replacement of our school vans; \$70,000 is requested for special education equipment; and \$50,000 is requested for school furniture of local manufacture.

The government is also committed to continue its support of advanced education through the 2009-10 capital budget. The department is requesting \$1.5 million to continue the community training funds at their previous levels and to support localized training initiatives throughout the Yukon. This initiative is a successful and proven means of addressing the training needs of Yukon people. This funding provides Yukoners with training opportunities to succeed in the ever-changing local and global economies. The training is an important investment in our people, in our workforce and in our communities. These funds will provide a variety of training opportunities for Yukon residents by supporting training in trades and technology, literacy, basic employment development skills, heritage and cultural development.

To provide for maintenance of the student financial assistance on-line system, we are requesting \$35,000. To continue our support of the Yukon Work InfoNet, also known as YUWIN, we are requesting \$35,000. As I'm sure you are aware, Mr. Chair, this Web site is a great help for employers seeking staff and for anyone seeking employment in the territory. It is a portal that can be accessed from anywhere in the world, which can help address current labour market shortages. Not only does the portal function as a clearinghouse for all jobs advertised in the local media, it provides information on career planning and job search tips.

In order to provide funds for youth-at-risk initiatives, we are requesting \$200,000. This will be used to support a number of initiatives, including assisting Yukon College to run the Yukon employment strategy, also known as YES program, at various campuses throughout the territory and fund other youth-at-risk initiatives. Developed in partnership with Human Resources and Skills Development Canada, the program enables Yukon College to host an 18-week program that targets youth at risk between the ages of 15 and 30. These youth are considered at risk, because they have previously had difficulty obtaining work experience necessary to enter the workforce.

The government is also committed to continue its support of Yukon College through the 2009-10 capital budget. Yukon College is the territory's primary delivery agent for post-secondary education and has now the Climate Change Research Centre of Excellence.

Mr. Chair, our total support for Yukon College this year is just over \$20 million. This is a significant increase of what was a \$14-million budget for the college when we originally took office.

This clearly demonstrates the support for Yukon College. Our support has also been demonstrated by the recent changes made to the *Yukon College Act*, which were endorsed by all members of the Assembly and which provide Yukon College with the opportunity to grant degrees. Yukon College is a leader in trades education in the territory and offers a full complement of academic courses, as well as certificates and diplomas. They also offer degrees through articulation agreements with other post-secondary institutions in Canada and Alaska.

As I am sure you are aware, Mr. Chair, many Yukoners have already started to take their first two years of either an arts or science program through Yukon College and having their credits transferred specifically to B.C. institutions.

Also, Mr. Chair, we have recently made announcements regarding the master of education program that is being offered through Yukon College in association with the University of Northern British Columbia. This is already on top of the other programs, such as the bachelor of social work and the bachelor of education program and the master of public administration that are offered through Yukon College in partnership with other institutions.

In order to continue our support for Yukon College, Mr. Chair, \$750,000 is requested to support Yukon College's capital expenditures. This sum represents our annual base support for Yukon College and under the 2009-10 capital budget, the department is seeking a further \$99,000 for Yukon College trades education infrastructure improvements. This project began during the 2008-09 fiscal year to develop a housing maintainer and an oil burner technician program. The initial delivery of this program is scheduled for the upcoming summer. In addition to promoting the skilled trades as a very smart career option, and working with Yukon employers to develop skills trades training opportunities in the workplace, we are also working with Yukon College to ensure that they have the support they need to provide the best educational facilities possible for our apprentices. Apprentice-level classroom enrolment at Yukon College is now at capacity for some programs. Enrolment has increased 90 percent over the last four years and our government wants to support this growth.

We believe that by ensuring Yukon's labour market has an adequate supply of skilled tradespeople, we are also taking an important step in ensuring the long-term health of our economy. That's a very encouraging statistic. I would suggest we've seen enrolment in the trades program increase by 90 percent over the last four years. Monthly, I receive the stats outlining the number of apprentices enrolled and I am always amazed at seeing the numbers grow. In fact, each month we continue to have a record level number of apprentices.

Mr. Chair, on the operation and maintenance side of things, there are a few additional announcements I would like to provide to members. The 2009-10 operation and maintenance budget includes a number of new initiatives as we move forward in response to the many recommendations received during our planning and consultation. Our most important work at the Department of Education is to ensure that all Yukoners have the skills and education they need to support their families and to participate fully in their community and workplace.

The \$119,782,000 that is dedicated under this year's operation and maintenance budget for the Department of Education will help us to support Yukoners on their journey of life-long learning.

First, I would like to address the funds the department is seeking on behalf of advanced education. We are working diligently to expand every available labour pool in order to assist employers to fulfill their labour force needs. I'm pleased that the federal government has extended the program for the tar-

geted initiative for older workers another three years. Research demonstrates that older Canadian workers will be the fastest growing, domestic-born labour pool over the next 10 to 15 years.

Funding of \$286,000 is being made available for projects to improve the employability of older workers by assisting them through activities such as prior learning assessments, skills upgrading, and experience in new fields of work. It is anticipated that the targeted initiative for older workers will provide the opportunity for 73 individuals between the ages of 55 and 64 to develop employment skills to find and retain employment.

There is \$210,000 also being requested to complete the development of a labour market framework for Yukon that will guide Yukon government's labour market activities over the next 10 years. This framework will generate several strategies that will further identify and attempt to address labour market needs. These strategies are being developed by multi-stakeholder working groups, including employers, federal governments, Yukon First Nation governments, non-governmental organizations and, of course, Yukon government departments.

We are now in our third year of a funding agreement with the federal Department of Citizenship and Immigration Canada for the immigration web portal — \$200,000 continues to be available for the immigration web portal. This portal provides information and links for perspective immigrants, information and forms for the Yukon nominee program and promotes Yukon as a destination of choice.

The Department of Education also continues to work in partnership with the federal government under our existing labour market development and immigration agreements. Under a contribution agreement, Education co-manages \$4 million that is invested annually in adult education and skills programs. Mr. Chair, these are all proactive initiatives that we continue to work on in partnership with others. These initiatives confirm this government's commitment to addressing labour market issues and skills development in Yukon.

Mr. Chair, I can see I'm pretty close to running out of time. I would like to continue.

I'll sit down, and if the member would like me to continue I'll get back up and continue sharing some of the other significant parts of this budget with the Assembly.

Mr. Fairclough: I thank the minister for his opening remarks and introducing the Department of Education. We do have questions for the minister. There has been a lot of interest in this department over the last 10 years or so, but particularly since the review of the *Education Act*, which began in 2000 and was completed in 2002-03.

We are getting a lot of phone calls and we are meeting with a lot of people about this department. There is a lot of frustration out there, and I know the department does work hard to try to make improvements. There is still a lot of work that needs to be done, and good direction needs to be given by the minister and by the governing party. They are looking for that; they are looking for that leadership.

Recently at the annual general meeting of Association of Yukon Communities, the Minister of Education — always does

an address, and this year the minister was not there. Yukon Teachers Association — sorry, not AYC — sorry about that — the Yukon Teachers Association annual general meeting.

The minister said that he had other ministerial duties, but that was it. There was plenty of time given to the minister to attend this meeting. No one showed up as a substitute from the government side. We're still getting calls from teachers on this matter. I thought I would give the minister an opportunity to clear the air, to state his reasons for not being there and perhaps show some commitment that a minister or a representative of government should be there at these annual general meetings.

Hon. Mr. Rouble: Mr. Chair, when the member opposite first rose to his feet, he said that there was a lot of work that needed to be done. I would like to share a lot of the work that is being done with the member opposite. There are many significant changes that have happened and are taking place within the Department of Education — many changes that are going on.

In fact, I did talk to some folks who are very involved in Yukon school councils. They commented to me that there were so many good things going on that they really didn't understand some of the questions being asked in this Assembly. They said that either people don't want to know what's going on, or they're just not paying attention. So I guess that is a choice that members make out there. They can either find out what's going on and ask questions related to the budget about initiatives that are happening or shy away from it and claim ignorance over knowing what's going on. So I would like to provide some more information about what's actually happening in the Department of Education.

I found in the past that when I provide information to members opposite, it usually clears up many of their questions and their misperceptions or misunderstandings, and I think this is a very good opportunity to do that here in budget debate, when we can really talk about the different initiatives that are underway.

For example, when looking at the support for post-secondary students and the importance that the Government of Yukon puts on the role of people continuing their education, members will realize that the government is committed to indexing the Yukon student grant to the actual cost of living. In order to accomplish that, Mr. Chair, we are asking for \$107,000 this year.

People have seen the student grant — which is a non-repayable contribution to assist people with their post-secondary education — grow by a considerable amount in recent years. Currently we have over 1,000 Yukoners who receive the Yukon student grant, and it is used to offset the cost of education whether they attend Yukon College or one of over 100 different institutions across North America.

This government also continues to support Yukon College. We are very proud of this northern institution, and we are very grateful for the quality of education opportunities that it provides Yukoners. That is not just here in Whitehorse but also in our community campuses. Mr. Chair, in this current budget, \$605,000 will be provided to Yukon College to continue operation of the School of Visual Arts in Dawson City. This further

demonstrates this government's contribution to diversification of the economy and to the enhancement of arts and culture programs throughout the territory.

Mr. Chair, \$448,000 is also being requested for the licensed practical nurse program. This is the second year of a four-year program.

Members will recall that there were issues with finding people with experience and accreditation to perform the functions of a licensed practical nurse here in the territory and we, in association with Yukon College and other partners including the Department of Health and Social Services, went to work on this. This is one more example, Mr. Chair, of preparing Yukoners for Yukon opportunities. This funding is an important part to this government's support for Yukon College and the excellent programming it provides for Yukoners.

Mr. Chair, to support apprenticeship training in the territory, the Government of Yukon continues its partnership with the federal government. As a result, a total of \$825,000 is reflected in this budget for apprentice training — a sum that is entirely recoverable from the federal government as part of its skills development initiative. This, in addition to the funding for trades education infrastructure at Yukon College campuses, is going to make a real impact on how we are able to train apprentices in the territory. — again, preparing Yukoners for Yukon opportunities. The government is proud to be part of the solution to skilled labour shortages.

Now, I would like to take a moment to speak to a number of initiatives that will support the work of public schools in the 2009-10 budget.

I am pleased to say that the operation and maintenance budget for 2009-10 will introduce a number of new initiatives that come from the New Horizons planning and consultation process that has now been completed. New Horizons will transform education in Yukon. New Horizons is the go-forward process that arose from the education reform report and represents the second phase of the planning cycle following the information gathering completed with the acceptance of the education reform document. The New Horizons process will be based on cooperation, collaboration and partnership and will be solution-focused. During the consultation process, much work has continued to unfold with stakeholder input. An education summit was held on March 4 and 5, 2009 to provide stakeholder groups with an update on the progress being made and to provide an opportunity for input, questions and suggestions. New Horizons is not a project, but it is a process that we are embarking on as education in the territory continues to evolve and move forward.

The secondary school programming final report was also released in October 2008, and the development of a multi-year implementation plan is now underway. The recommendations from this report align with the recommendations from the education reform document, the Auditor General's report, the First Nation Education Advisory Committee's *Helping Students Succeed* strategic plan and the internal review done of special programs.

Mr. Chair, \$75,000 has been set aside to establish a new leaders in education/innovation fund that will provide financial

support to innovative educators. These funds will invest in projects led by teachers and community-based teams which can then be shared with other schools. This fund supports the enhancement of the school growth planning process that will be implemented this spring.

There is \$150,000 also being requested to implement an early years transition learning program that targets pre-kindergarten to grade 3 students. This will help to reduce the performance gap in both First Nations and other Yukon children. Mr. Chair, this is a very significant initiative. As we have discussed in this Assembly — although not in Question Period — early years transition and early years education is a very important process that we need to be part of. This government is committed to working in this area, not only with the Department of Health and Social Services, but with the Department of Education and also with our other partners, such as the Child Development Centre.

In addition to these initiatives, we're also requesting \$150,000 to implement a curriculum and special programming training process. This funding will provide training for counsellors, learning assistants and educational assistants in specific areas related to the socio-emotional well-being of vulnerable students. Engaged student learning requires enabling a safe and secure environment.

Again, this is a very important issue, where we've received a lot of concern from parents, teachers and other people in our community about putting in place appropriate curriculum and special programs. It's not something we're often asked questions about in this Assembly, but we are very encouraged to be able to provide funds for additional training for our counsellors and learning assistants. It's important to provide these people with the training that they need in order to make a difference in our schools.

Mr. Chair, \$140,000 is being requested for assistive technology software and related training program. This program will provide support for special needs students, enabling an inclusive model for individual education — or IEP — goals and objectives to be met. Improved opportunities for skills development and content knowledge will create expectations for success, enhance socio-emotional learning and foster student responsibility.

Again, Mr. Chair, this is a very important issue that has been raised with the Department of Education, with teachers and with me. It is not one of those areas where we hear a lot of questions. We often — in fact, I don't recall a time in Question Period where I have been asked what we are doing to assist early childhood education or what we are doing to assist children with their socio-emotional learning. Mr. Chair, I am pleased to provide that information here, because that is an important question and it is an important concern that Yukoners have. They are very encouraged to see that these funds are being allocated for these very progressive and responsible steps.

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

Chair: It has been moved by Mr. Rouble 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: Committee of the Whole has considered Bill No. 69, *Miscellaneous Statute Law Amendment Act, 2009*, and directed me to report it without amendment. Also 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 of the Chair of Committee of the Whole. Are you agreed?

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

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

The House adjourned at 5:30 p.m.

The following document was filed May 11, 2009:

09-1-95

Bid process: letter (dated May 5, 2009) to the Hon. Archie Lang, Minister of Highways and Public Works, from Dan Huras, President, Sapphire Group re: Dawson City wastewater treatment system bid (Inverarity)