

**Yukon Legislative Assembly
Whitehorse, Yukon
Thursday, November 12, 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.

Are there any tributes?

Introduction of visitors.

Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Mr. Fairclough: I have two documents for tabling.

Mr. Hardy: I have for tabling a response from the chair of Public Accounts Committee to the newest representative from the NDP.

Speaker: Are there any further returns or documents for tabling?

Are there any reports of committees?

Are there any petitions?

PETITIONS

Petition No. 9 — received

Clerk: Mr. Speaker and honourable members of the Assembly: I have had the honour to review a petition, being Petition No. 9 of the First Session of the 32nd Legislative Assembly, as presented by the Leader of the Official Opposition on November 10, 2009.

This petition meets the requirements as to form of the Standing Orders of the Yukon Legislative Assembly.

Speaker: Petition No. 9, accordingly, is deemed to be read and received.

Are there any petitions to be presented?

Are there any bills to be introduced?

Are there any notices of motion?

NOTICES OF MOTION

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

THAT this House urges the Government of Canada to continue funding support for the historic places initiative that funds important preservation work of Yukon and First Nation historic properties.

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

THAT this House urges the Government of Yukon to continue to follow the process outlined in chapter 11, land use planning, of the *Umbrella Final Agreement*, in relation to the

land use planning process that has been established for the Peel River planning area.

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

THAT this House respects the hard work of our Canadian Rangers and urges the Yukon government to work with the Minister of National Defence on ways to improve the treatment of Canadian Rangers and ensure that these men and women receive fair remuneration for their efforts and are compensated in a timely manner.

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

(1) THAT this House urges the Yukon government to issue orders-in-council to withdraw from mineral staking all lands within the Peel watershed land use planning area recommended for protection due to their high conservation, cultural and recreational values, as soon as the Peel Watershed Planning Commission submits its final report to the Yukon government and the four First Nations whose traditional territories overlap in the area while the parties are negotiating the final regional land use plan there; and

(2) THAT the Yukon government immediately develops a policy to address the problem of ‘nuisance’ mineral staking — similar to that witnessed in the Peel watershed land use planning area, when the number of mineral claims jumped from fewer than 2,000 to more than 10,000 during the planning process — whenever future regional land use planning processes are occurring to reduce the risk of exposing the Yukon government and Yukon citizens to potential legal actions for financial compensation or restitution by the mineral exploration and extraction industries; and

(3) THAT the Yukon government avoid repeating the mistakes made during the Peel watershed land use planning process by immediately developing a policy to address the issue of compensation and expropriation for any mineral claims that are staked on lands that end up being recommended for protection due to their high conservation, cultural and recreational values, by any future regional land use planning authority.

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

THAT this House urges the Department of Community Services to develop a community well near the junction of the Hot Springs Road and the north Klondike Highway.

Speaker: Are there any further notices of motion?
Is there a ministerial statement?

Hearing none, this then brings us to Question Period.

QUESTION PERIOD

Question re: Peel watershed land use plan

Mr. Mitchell: We’d like some answers about the irate phone call that the Premier made to the Deputy Minister of Environment. In March of this year, the Premier picked up the phone and yelled at the deputy about the department’s submission to the Peel Watershed Planning Commission. The

Premier was very angry. This is how his former colleague, the Member for Lake Laberge, who was in the room at the time described it and I quote: “The Premier’s treatment of the DM — behaviour toward the DM as being irate is an accurate depiction. He was also disrespectful and condescending, with no interest in listening to that official, and that is something that’s certainly in my opinion extremely unprofessional, not to mention very unfair to that person.”

Shortly after the call was made, the department watered down its submission to the commission; 80 percent of it was cut. Why was the Premier so irate?

Hon. Ms. Taylor: Mr. Speaker, again, for the members opposite, I would just like to reiterate that the Government of Yukon very much supports the independent work of the Peel Watershed Planning Commission — work that is currently underway. It is tasked, by the way, to recommend a regional land use plan under the First Nation final agreements. Likewise, we also very much support the work of the respective departments, including the Department of Environment, Department of Tourism and Culture and many others, who have for the past number of years — I believe it is five plus — have been contributing to the land use planning process.

Mr. Speaker, as was articulated last week in a letter to the editor signed by both the Deputy Minister of Environment and Energy, Mines and Resources, at no time did the Premier comment, again, on the specific details contained in the draft memo, nor did the Premier direct the department to change its comments. Again, we do respect very much the independent process and the integrity associated with land use planning that is currently underway.

Mr. Mitchell: Mr. Speaker, you don’t have to be very specific if you start out by yelling at the deputy. I think the message was transmitted. The public has seen this side of the Premier before. We all remember him angrily walking out on a CBC television reporter.

The former chair of the Energy Corporation Board recounted a meeting he had with the Premier last year. He said, “The Premier phoned over in a rage and demanded that officials come to his office.” We know staff who have worked for the Premier are familiar with this type of behaviour and this type of treatment.

Now the Environment minister is standing up today. It’s too bad the Environment minister didn’t stand up to the Premier, but that’s what we’ve come to expect from this group. They’re all in this together and they all condone the Premier’s actions by their silence.

We’ll ask again: why did the Premier make this irate, disrespectful call?

Hon. Ms. Taylor: Well, again, Mr. Speaker — and I’ll reiterate for the members opposite about the letter to the editor that was signed by both the deputy ministers of Environment and Energy, Mines and Resources, in which they indicated that the Premier did not comment on the specific details of the memo, as provided by the member opposite. At no time did the Premier direct the department to change the contents of the memo either, versus what in fact the member was articulating. What I’m articulating on this side of the House is the Pre-

mier’s purview to ensure that Yukon and all of its respective departments certainly adhere to the obligations as set out under chapter 11 of the *Umbrella Final Agreement*.

I will reiterate for the members opposite that certainly when it comes to the Department of Environment and the very good work that the department officials do, we very much respect that work. We support that work and have been able to demonstrate that through a number of park planning processes that are currently underway; never mind the habitat protection area for the Old Crow Flats, which designated over 1 million hectares of land set aside, in conjunction with the Vuntut Gwitchin First Nation; never mind the first ever Yukon land use plan that was signed for north Yukon; and never mind the *Tombstone Territorial Park Management Plan* that was also signed with the Tr’ondëk Hwëch’in First Nation.

Mr. Mitchell: Well, for the Minister of Environment, who is now quoting chapter and verse of the *Umbrella Final Agreement*, where in chapter 11 does it say that a Premier should call a deputy head and get irate? I don’t remember that portion.

Now, the angry call left officials in the department feeling quite uncomfortable, and who would blame them? Shortly after the call was placed, the department cut its submission to the Peel Watershed Planning Commission by 80 percent. This is supposed to be an arm’s-length process, yet the Premier is right in the middle of it, dictating what Environment can say and what they can’t say. And the minister — what did she do when she found out about it later on? Nothing. She just went along with the Premier.

Now, Yukoners are owed an explanation. They want to know what the Premier found so offensive about the Department of Environment’s work. Why did the Premier place this irate, disrespectful call? What part of the submission was he upset about? And for the Environment minister, why did she not do something about it at the time?

Hon. Ms. Taylor: I would just remind the member opposite to perhaps try his very best to address members opposite in a respectful manner. I will certainly do my very best to address the member opposite in a respectful manner and again reiterate and make reference to the letter to the editor. That was signed and that was submitted by both the deputy ministers of Environment and Energy, Mines and Resources. Again, I don’t have to reiterate, but I will, that the Premier did not comment on the various specific details of the presented memo; nor did the Premier ask the department to change its comments. Rather, these words are a direct quote from the letter to the editor that was presented by those deputy ministers. It’s not a quote from me; it’s not a quote from the Premier or any member on this side of the House, Mr. Speaker.

I’ll reiterate: we support the independent work of the Peel Watershed Planning Commission. That work is currently underway and that work has resulted in a number of comments being taken into consideration. There have been many years of direct input from the Department of Environment when it comes to writing data, completing regional, ecological land classification process data, and so forth.

Question re: Peel watershed land use plan

Mr. Inverarity: Mr. Speaker, the government's response to the tourism industry was questioned by the chair of the association. On June 19, the chair of the Yukon Tourism Association said, and I quote: "We are appalled by the blatant disregard for the integrity of the planning process."

He was referring, of course, to the Peel watershed planning process. When the Premier's interference in the planning process was made public, the tourism industry asked the Minister of Tourism to voice their concerns over the interference. Unfortunately, we are still waiting for this to happen.

Where does the Minister of Tourism stand on political interference? Is she with the tourism industry or is she with the Premier?

Hon. Ms. Taylor: Mr. Speaker, indeed, this government is on-board with the tourism industry and indeed, it was this government that reinstated the Department of Tourism and Culture, unlike the previous Liberal administration who actually got rid of the Department of Tourism.

I just will reiterate for the member opposite that the Government of Yukon supports the independence, the integrity associated with the planning process currently underway for the Peel watershed.

We certainly look forward to the recommended plan coming forward from the commission itself. I believe it will be coming forward by the end of the year, if not sooner. We look forward to receiving that document. We look forward to also working with the other First Nation governments who are also going to be in receipt of that plan in working toward protection, preservation and certainly receiving a balance of priorities associated with that plan. We are very much in support of the tourism industry. We will continue to show our support through actions versus words by the member opposite.

Mr. Inverarity: Mr. Speaker, the minister can't have it both ways. Mr. Speaker, allow me to quote the chair of the Tourism Industry Association, again. I quote: "We have repeatedly contacted our Minister of Tourism and Environment about our concerns with the process. She stated at our board meeting and in other meetings that she could not interfere or make any statement of position until the final report was submitted by the Commission."

We know the Premier interfered with the Peel planning process. We know the tourism industry was barred from representing its views to government. What we don't know is this: where was the Minister of Tourism while all this was happening? Will the Minister of Tourism tell us why she failed to stand up to the Premier's interference?

Hon. Ms. Taylor: Well, again, this government does not condone political interference in the land use planning process. Mr. Speaker, what the member opposite is asking me to do is just that — to politically interfere in the planning process. We will not do that, Mr. Speaker. I certainly pride myself in not interfering in that planning process, as does the Premier and all members on this side of the Legislature.

We are very much committed to land use planning and, in fact, we were very pleased to be able to sign off the first ever Yukon land use plan for north Yukon to be signed with Vuntut

Gwitchin First Nation. Likewise, we were very pleased to be able to sign off the Old Crow Flats habitat protection area, as well as *Tombstone Territorial Park Management Plan*.

Now I see the Member for Vuntut Gwitchin is laughing and it's unfortunate, Mr. Speaker, because in his own territory, the Old Crow Flats habitat protection area is comprised of over a million hectares of protected area. I find that that is very indicative of our commitment toward protecting lands that were deemed necessary. We look forward to the outcome of the Land Use Planning Council's final recommended plan.

Mr. Inverarity: The Premier interfered with the planning process on the Peel River and this minister's silence on this issue raises a lot of questions. The tourism industry brought forward the issue of integrity or the lack thereof. The tourism industry asked to be heard, but was silenced.

Some Hon. Member: (Inaudible)

Point of order

Speaker: Minister of Justice, on a point of order.

Hon. Ms. Horne: Point of order, Mr. Speaker — 19(g)(h) and (i). The members opposite are basing their assumptions on rumours and innuendos, and the facts have been presented.

Speaker: Member for Kluane, on the point of order.

Mr. McRobb: On the point of order, Mr. Speaker, there is no point of order. It's not up to the Speaker, as I'm sure you know, to delineate what is factual. These are difficult questions, but they must be asked.

Speaker's ruling

Speaker: From the Chair's perspective, firstly to the Member for Kluane: the Chair gets the option of deciding whether there is a point of order or not. The advice I need from members is where one feels that it is or it isn't a point of order, not whether it is.

Secondly, the House has over the years ruled that we will accept two contradictory forms of the same issue. Therefore, there is no point of order.

Mr. Inverarity: The tourism industry brought forward this issue of integrity or the lack thereof. The tourism industry asked to be heard, but the Minister of Tourism wasn't interested in listening. By her silence, the Minister of Tourism is condoning this political interference. How did she allow the integrity of the Peel watershed planning process to be compromised?

Speaker's statement

Speaker: Before the honourable member answers the question, the Chair has absolutely no problem with the Member for Porter Creek South asking how the integrity of a process can be compromised, but honourable member, be very careful about questioning the integrity of other members in this House because that is, of course, against our Standing Orders.

Hon. Ms. Taylor: Mr. Speaker, let me correct the member opposite once again. At no time did the Premier comment on the specific details contained in the draft memo, nor

did the Premier direct the department to change its comments. Again, these very words are a direct quote from the letter to the editor that was signed and tabled by the Deputy Minister of Environment as well as the deputy minister responsible for Energy, Mines and Resources, which I believe I tabled in the House earlier this week.

Mr. Speaker, that very letter also makes reference to the Premier's purview to ensure Yukon adheres to its obligations as outlined in chapter 11 of the land use planning process of the *Umbrella Final Agreement*.

I am not too sure, but is it the Leader of the Official Opposition, the Member for Porter Creek South, the Member for Mayo-Tatchun — are they in fact insinuating that both deputy ministers are not telling the truth in their letter to the editor? If so, I would ask that perhaps they would like to take their accusations outside of the House and make those allegations.

Mr. Speaker, we on this side of the House very much support the independence and the integrity of the land use planning process that is currently underway. We look forward to the recommended plan coming forward by the end of the year and certainly working to implement that plan.

Question re: Land-based treatment centres

Mr. Cardiff: This government has a tendency to forget election promises. They forget election promises even when they have a minister whose sole reason for running as a candidate was a Yukon Party promise to establish land-based treatment centres. They lost that minister, and the government still ignored his motions and his questions on treatment centres. That member decided to become Independent, and he got nowhere with treatment centres that way either. He returned to the government fold, with a government that hasn't moved on this promise for seven years. Will this government come good on that election promise now, a promise that appears not to even be worth the paper it was written on?

Hon. Ms. Horne: I can inform the member opposite that we are actively working on a land-based treatment centre in Yukon, and I have reported such in this House previously.

Mr. Cardiff: Well, the substance abuse action plan was introduced four years ago. There was \$2 million attached to that plan, and part of the plan suggested — but it only suggested — community land-based treatment.

There are a multitude of communities that want to see land-based treatment in their communities. There should be a plan to assist communities to expand addiction services. Community addictions are at the same stage as they were when this government was elected with its promise to act on this problem.

Is this government committed to acting on the substance abuse action plan and assisting all communities to establish community land-based treatment centres?

Hon. Mr. Hart: This side of the government is committed to reviewing land-based issues for Yukoners. We already have before us a couple of briefs from some First Nations with regard to the possibility of incorporating a land-based treatment centre in their area. We are reviewing that, and we've asked for some additional information from those First Nations and are awaiting a response from them on that.

Mr. Cardiff: This government, through the Department of Justice, promised to assist First Nations in developing treatment centres to support the Community Wellness Court. It's yet another hollow promise and a disappointment for the newest member of the Yukon Party caucus.

Communities are working hard on developing and planning community treatment centres. They're being told to go elsewhere for funding. They're told they are misinterpreting the intention of the Yukon Party promise. Will the Minister of Justice now clarify what the government means when it talks about assisting in the development of treatment centres, if it doesn't intend to provide funding for them?

Hon. Ms. Horne: Again, the members opposite are basing their assumptions on rumours and innuendo. I have stated that we are actively working on a land-based treatment centre. We have had submissions from First Nations, and it is up to the First Nations to decide where they would like this facility and how it is operated. There are a few land-based treatment centres already working in Yukon with First Nations. We are aware it is required and we are working toward that goal.

Question re: Public Accounts Committee

Mr. Hardy: The Premier has been pretty clear in saying that the Public Accounts Committee will get to the bottom of the ATCO/Yukon Energy Corporation issue but, in a letter from the chair of the Public Accounts Committee, which I just tabled, the Liberal leader is unwilling to call a meeting. He quit a few years ago, then he joined again. Members across the way quit, so this Public Accounts chair won't call a meeting because he quit. Maybe if he called a meeting, we'd find out if they would join again, too. Both sides go back and forth, back and forth and at the end of the day nothing gets done, Mr. Speaker, and the Yukon public has further proof of the dysfunction of this Legislative Assembly. I am going to give the Premier a chance, right now, to make a clear statement in support of the Public Accounts Committee and put to bed all this innuendo and rumour. Does the Premier support getting the Public Accounts Committee up and running again?

Hon. Mr. Fentie: Well I couldn't agree with the Leader of the Third Party in this House more — this Assembly and its functioning and the need for us to make this institution work better on behalf of Yukoners.

Let me just go back briefly in history. The Public Accounts Committee had not functioned for years. Under this government's watch, we actually got it up and running again. I can assure the member that the government side will commit itself to participate. We await the chair's decision, and we would encourage the chair of the Public Accounts Committee to recognize that it is time to move on from what was and focus on what we are required to do as elected people here in this Assembly to make this Assembly work better. That means making these committees that are a part of this Assembly work better.

Mr. Hardy: It's unfortunate I can't question everyone in the Legislative Assembly; I can only question the Yukon Party.

Earlier, I tabled a letter dated November 9 from the Liberal leader and chair of the Public Accounts Committee, and here's

his excuse for not calling a meeting: “The committee has on file two letters from the four government members stating they do not intend to attend Public Accounts Committee meetings while I remain as chair. Until those letters are rescinded the committee has no quorum.”

The Liberal leader seems to really have no interest in the Public Accounts Committee because he won't call the meeting to find out if they will attend. He tried to quit the Public Accounts Committee before and his colleague from Porter Creek South — we can't forget him — followed his lead. Now I'm going to give a chance to put it all on the table in the Legislative Assembly and the Premier can do this — he can call the bluff.

Will the Premier assure this House — particularly the Liberal leader because he seems to need it — that the Member for Klondike, the Member for Riverdale South, the Member for Pelly-Nisutlin and the Member for Southern Lakes will attend a Public Accounts Committee meeting — if they are willing?

Hon. Mr. Fentie: On a matter of clarity, the government's members to the committee have never quit. They've lost faith in the chair, but under this renewed commitment to making the Assembly work better — which I repeat, includes ensuring that the committees established by this institution work better — we will set aside that loss of faith and encourage the Leader of the Official Opposition — the chair of the committee — to do his job. But nobody on the government side has quit. One thing is certain though: there may be a reason why the Leader of the Official Opposition is hesitant to call the meeting to address many facts regarding their position — the Official Opposition's position — with respect to exploratory discussions with ATCO. That could be the reason why the chair of the Public Accounts Committee is so hesitant.

Mr. Hardy: Whether you say they never quit or not, the fact is they refused to come to a meeting. It's time to call their bluff as well. A bluff on this side, a bluff on that side — I'm tired of it all, frankly. I'm really sick and tired of it all. The last Public Accounts Committee meeting was nine months ago. This committee is perhaps the most important body we have, as members can scrutinize financial matters in the public interest. The NDP wants to get the Public Accounts Committee up and running again. We've just got a brand new member on it. We need to move beyond the scapegoating and the blame laying. Frankly, there's enough of that that goes on in here already.

I am willing to facilitate a meeting today, tomorrow or whenever — when there's an offer by the chair of the Public Accounts Committee to get a meeting date for the Public Accounts Committee, so we can put this kind of disgraceful gamesmanship to rest. Will the Premier take me up on that offer?

Hon. Mr. Fentie: Well, of course, I would meet with the respective leaders of the parties in this House, as we have in the past. I can assure the member that the government members of the Public Accounts Committee have done a lot of soul-searching, have looked deep within their hearts, and have made a very clear, substantial decision. The government members of the committee are prepared to proceed, and we would hope that the chair of the committee will do his job and convene the

meeting as soon as possible. Let's get on with the work we were elected to do.

Question re: Peel watershed land use plan

Mr. Fairclough: Yukoners know that the Premier has a habit of stepping in to run his ministers' departments, and it seems the Minister of Environment, for one, doesn't mind him doing it. Last March, the Department of Environment prepared a response to the Peel land use planning commission's request for information. The commission needed Environment's technical expertise, but they didn't get it because the Premier lost his temper with departmental officials and made them change their submission.

When this minister finally clued in on what was going on in her department, she didn't do anything to defend her people. She never stood up to the Premier and said that she wouldn't stand for him intimidating her staff. Does the Minister of Environment believe that it is acceptable behaviour for the Premier to berate her officials?

Hon. Ms. Taylor: What this minister does condone is we condone the independent work of the Peel Watershed Planning Commission. We also support the independent work of the respective departments, including the Department of Environment, the Department of Tourism and Culture, the Department of Energy, Mines and Resources and others that have over the past number of years — and is not just the last year but five years plus — been contributing to the land use planning process by providing data, technical analysis, completing regional ecological land classification, mapping and participating in multi-stakeholder processes to develop conservation criteria and assessments.

Again, Mr. Speaker, that work of the planning commission is well underway. We look forward to receiving the recommended plan. We certainly continue to support the integrity of that process.

Mr. Fairclough: There seems to be nothing the Minister of Environment won't let her Premier get away with. She hasn't stood up for her officials or her department or the planning commission, or even for the Department of Environment. Despite her best efforts, she can't just give up that responsibility and say that the Premier knows best.

How does the minister expect people to believe that she will stand up for Yukoners when she can't even stand up to the Premier in the corner office?

Hon. Ms. Taylor: Instead of pointing fingers, this member is actually a team player. I am part of the government; all the members on this side of the House are government members, and we support the work of one another. Again, in terms of environment, our accomplishments are very wide and varied. I will just point out a few of them.

There's our government climate change action plan, which was released earlier this year; the climate change secretariat that was also announced to provide government-wide leadership and coordination of our government's response on climate change. There's a new site assessment remediation unit to assess and remediate Yukon government-contaminated sites throughout the Yukon for the first time ever. We've launched a new animal health program, in partnership with other depart-

ments. We are working collaboratively with Yukon College on the recent launch of the Yukon Climate Change Research Centre of Excellence, and much of their mandate concentrates on climate change mitigation. We're working in collaboration with First Nations on the creation of a number of new parks, including a number of habitat protection areas, special management areas, new territorial parks; and we are also contributing to the land use planning process to do with the Peel River watershed.

So we are very much committed to the Department of Environment and will continue to be.

Question re: Peel watershed land use plan

Mr. Mitchell: We have more questions about the Premier's latest irate phone call. We know he has a habit of making these types of calls. The Yukon Party government has lost the public trust. Over the summer months, Yukoners learned the Premier was interfering in the Peel watershed planning and was busy trying to privatize Yukon's energy system. These two episodes have shaken the public's confidence in this Premier and in the government he leads.

What's worse, Mr. Speaker, is the fact that they're all in this together. The Premier's colleagues on the government side have condoned these actions. We heard the Minister of Environment today again defending the Premier and condoning his way of doing business. The minister had an opportunity to stand up today and say, "No, we don't support this type of behaviour" — calling a deputy and yelling at them and insisting they change information is wrong. Instead, the Environment minister backed the Premier.

What was in the document that the Premier found so offensive?

Hon. Ms. Taylor: Mr. Speaker, unlike the members opposite, we on this side of the House would not politically interfere in what is provided to the land use planning commission. I can understand the issues and the challenges on the side opposite, and I can appreciate they're doing their very best. We on this side of the House very much support the independent work and the integrity associated with the land use planning process. Certainly that ensures adherence to chapter 11 of the *Umbrella Final Agreement* when it comes to land use planning.

Now, Mr. Speaker, I will quote again from the letter to the editor that was prepared by the deputy ministers of Environment and Energy, Mines and Resources: "At no time did the Premier comment on the specific details contained in the draft memo, nor did the Premier direct the department to change his comments."

Now again, Mr. Speaker, if the members opposite take issue with those words of the deputy ministers of both those departments, then perhaps they should take their allegations and accusations outside of the House. In the meantime, we will continue to support the work of the departments that have been contributing to the land use planning process in the Peel River watershed over the last number of years and providing their evidence and supporting their information pertaining to land use planning.

Mr. Mitchell: Well, let's be clear. We take no issue with anything the officials have said, including what they said in the documents that were tabled earlier this week. Now, when

the Premier made that call, he was very angry. His former colleague confirmed that: "The Premier's treatment of the DM — behaviour toward the DM as being irate is an accurate depiction. He was also disrespectful and condescending, with no interest in listening to that official, and that is something that's certainly in my opinion extremely unprofessional, not to mention very unfair to that person."

The Premier and the minister say there was no interference. We don't believe that, nor do most Yukoners. The former minister certainly doesn't, and he should know: "There was always some kind of response when a Premier makes an irate phone call," is what he said about this shameful affair.

So I'll ask the Premier this: why does he think it is acceptable to treat Government of Yukon employees this way?

Hon. Ms. Taylor: The Premier's direction was intended to remind departments that Yukon's responses to the draft land use plan needed to respect the Peel watershed planning processes, as provided in the *Umbrella Final Agreement*. These are the very words — the very direct quote from a letter to the editor that was signed and delivered by the two department officials, the Deputy Minister of Environment and Energy, Mines and Resources, which I tabled for the members opposite to review.

Again, we do not support political interference in the land use planning process. Rather, we have been contributing, through the respective departments, information that we on this side of the Legislature do not get involved. We do not dictate as to what is to be included or excluded from the planning commission.

I will just also quote from a media release of the Peel commission itself that was delivered on September 23, in which the chair of the commission was also extending how pleased he was with the extent of input received through the draft consultation process: "As a result of our work this year, the Commission is now drawing upon an expanded body of scientific and traditional use information, new data, advice and direction."

Mr. Speaker, we on this side of the House will continue to respect the independence of the land use planning process and we will continue to respect and support the processes associated with the departments.

Mr. Mitchell: You know, Mr. Speaker, the Premier hands out awards of excellence to employees at lunch and then he picks up the phone and yells at them during regular business hours. This is how it works in the corner-office democracy we live in. When it was promoting last year's budget, the government produced a brochure. It said, "The Yukon government prides itself on being a good employer."

Under this Yukon government if you do something the Premier doesn't like, you get an irate phone call. If you think your minister is going to defend you against this sort of behaviour, you had better think again. The ministers will simply do as they are told by the corner office. Yukoners are very disappointed to see how it really works behind the scenes. Direction is given by irate phone calls. Why does the Premier think this kind of phone call is ever acceptable?

Hon. Mr. Fentie: We've now listened to a version of events — I think the members opposite should be a little more careful.

Some Hon. Member: (Inaudible)

Speaker: One can only presume if the honourable member asks the question, he would like to hear the answer. Hon. Premier, you have the floor.

Hon. Mr. Fentie: Thank you, Mr. Speaker. We've heard now a version of the events coming from the Official Opposition, as we've listened to for days now in this sitting. Obviously, even the evidence they've provided is contradictory to their version of events. When it comes to our employees, the government employees, this government has treated employees with the highest of respect — always has. That's why the two deputy ministers presented to the public on record, clearly written and signed by them, that the depiction of this event was not conveyed appropriately. It was not conveyed as the discussion took place, as is the member's version of events being presented in this House.

For a government to accomplish all it has in the last seven years is not done by yelling at people. It's not done by being disrespectful. It's done by a plan that presents the vision to the Yukon public, and it's done by working with its public service as team members.

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

ORDERS OF THE DAY

Unanimous consent re proceeding with Motion No. 877

Hon. Ms. Taylor: Pursuant to Standing Order 14.3, I request unanimous consent of the House to proceed with Government Motion No. 877 at this time.

Speaker: The Government House Leader has, pursuant to Standing Order 14.3, requested the unanimous consent of the House to proceed with Government Motion No. 877 at this time. Is there unanimous consent?

All Hon. Members: Agreed.

Speaker: Unanimous consent has been granted. Government motions.

GOVERNMENT MOTIONS

Motion No. 877

Clerk: Motion No. 877, standing in the name of the Hon. Ms. Taylor.

Speaker: It is moved by the Government House Leader

THAT, notwithstanding any other Standing Order, the first item of business under Orders of the Day on November 18, 2009, shall be Motion No. 850, standing in the name of the Member for Mount Lorne.

Hon. Ms. Taylor: The motion before us recognizes the utmost importance of the motion brought forward by the Third Party — I believe it's the Member for Mount Lorne — which calls for the creation of an all-party select committee to review and to conduct public consultation on the *Landlord and*

Tenant Act for the purposes of reporting the committee's findings to the Legislature next spring, as well as introducing legislation — whether that be in the form of amendments to the current statute itself or to provide a new statute in its entirety.

Mr. Speaker, in recent years there has been a much-heightened awareness of the need of affordable housing, including housing for victims of violence, housing for single-parent families, youths, seniors, single men and women and so forth. We very much recognize the importance of addressing this issue in an expedient manner, and we thank the Member for Mount Lorne for bringing forward this motion. We would like to ensure that it receives first order of business on November 18 of next week and to ensure that it receives the unanimous consent of all members of the Legislature.

Thank you.

Mr. McRobb: We in the Official Opposition have agreed today to allow this motion by the Government House Leader to proceed and be debated. We look forward to the debate next Wednesday afternoon. I would encourage the government to be just as cooperative on other undertakings that are on the Order Paper from all members in the opposition benches. Certainly a number of bills come to mind. It would be nice if perhaps House Leaders entertained a discussion on which items standing in the name of members in the opposition benches should be called forward and when.

Mr. Cardiff: I would like to thank the Government House Leader for bringing this forward today. I would also like to thank them for offering to take one of their private member days and afford time to bring forward what I believe is a very important issue: the public consultation around revising or re-writing the *Landlord and Tenant Act*. This is something that we in the Third Party caucus, in the New Democratic Party, have been asking for, for quite a number of years. We're thankful that the government has finally recognized the importance of this.

I hope that this is the beginning of more cooperation among political parties here in the Legislative Assembly, to recognize that we all have a role to play and that there are important issues, and we all can bring these issues forward.

I look forward as well to having a select committee and the participation of members here in the Legislative Assembly on that committee. The timelines proposed in Motion No. 850, the cooperation — because it's going to take a lot of cooperation on the part of all parties and especially, I believe, on the part of the government — are really tight. We need to ensure that we're going to do a good job and that we're going to come up with a statute — a piece of legislation that addresses all the issues for landlords and tenants, and I hope that we can do that. I don't want to take up any further time today. I look forward to debating the motion next Wednesday and presenting the arguments for the need for a new *Landlord and Tenant Act* then.

Thank you.

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

Hon. Ms. Taylor: I'd like to thank members opposite for their support for moving forward with this motion. I think, as has already been said here today by a couple of the members, this initiative does remain outstanding, and it has for some time. It has been identified as a key priority among a number of women's organizations throughout the territory. It has also been identified as a priority by the Anti-Poverty Coalition and many, many other entities, I may add.

Certainly, in recognition of the very importance of this matter and the expedience with which we wish to proceed with this motion and reviewing this statute and coming forward with recommendations, but also coming forward with tabled legislation for the spring sitting, we do have a lot of work to do. Certainly, I think that we on this side of the House and from what I'm hearing across the floor — all members are very much committed.

With respect to the Member for Kluane, we are also very much committed to receiving suggestions and recommendations coming from the Official Opposition. In fact, we are taking a closer look and having the department provide that technical analysis on their respective bill to do with energy at this time.

So again, Mr. Speaker, we look forward to moving expediently on this review and more importantly, making changes and if not, respective particular amendments and looking forward to a new statute in its entirety to be presented next spring.

Thank you.

Motion No. 877 agreed to

Hon. Ms. Taylor: Mr. Speaker, 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. 17, *Second Appropriation Act, 2009-10*. 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. 17 — *Second Appropriation Act, 2009-10* — continued

Chair: The matter before the Committee is Bill No. 17, *Second Appropriation Act, 2009-10*. We will now continue with general debate.

Mr. Mitchell: When we left off last, we were talking about the Government of Yukon's misadventure under this Premier into investments in asset-backed commercial paper. They were investments that were contrary to the *Financial Administration Act*, according to the Auditor General of Canada and investments that have had interest writedowns in the order of some \$11 million against the original \$36.3 million of invested principal, although they show as against other investment income; nevertheless, it is a big writedown.

You know, Mr. Chair, we have seen over the past couple of weeks in this Assembly that the Premier has been unwilling or unable to respond to direct and specific questions. We've asked many questions about the secret corner-office negotiations — the negotiations that went on between the Premier and the CEO and president of ATCO, Nancy Southern — the phone calls and the letters.

We see the Premier parsing words and skating back and forth about when is a negotiation a negotiation, and when is it simply a discussion on the way to a negotiation. We've heard of interference, again from the corner office by the Premier, in the arm's-length independence of the Peel Watershed Planning Commission. We know that last spring, early last March, the Premier phoned the deputy head of the Environment and in an irate call, was yelling at the deputy head. We know according to the former Minister of Energy, Mines and Resources, the Member for Lake Laberge who was in the room at the time, that that phone call was disrespectful, that the Premier was not listening to what the deputy head had to say. He has also indicated that when the Premier calls or makes an irate phone call that it always has an impact.

Then we've seen what the government's response is. Do they apologize to the civil service? Do they apologize to the deputy head? No, the minister whose deputy head was being so chastised stands here and says that the deputy head has written a letter to the editor and said no specifics were discussed. There weren't details being discussed and that's the purview of the Premier to communicate on any matter to the civil service."

Well, there's communication and there's communication, Mr. Chair. When you stand up and speak respectfully to a civil servant, that's one form of communication. When you pick up the phone and make irate calls and demand that things be changed, that's another. We've heard it before; we've heard it from the former chair of the Yukon Energy Corporation. The Premier got irate in a meeting with him in December of 2008. According to the compendium that we now have, apparently December 10 is the date this occurred.

We know that the Premier has interfered in many ministerial portfolios, and we know that in those secret negotiations that the Premier conducted with Nancy Southern — negotiations that he would prefer to characterize as discussions — we know that from the joint position paper that became public, which was verified at the briefing we had a week ago tomorrow by officials, it says on the very first page of that summary: "This joint position paper arises from a meeting between Yukon and ATCO on May 12 in Calgary."

We know that within that, it says here, on page 3: "ATCO related that in an April telephone call between the Premier and

Nancy Southern, the Premier asked ATCO to consider making Whitehorse a northern base for a wider set of investments, and they discussed water infrastructure, waste management, and specific forms of housing.” Now, we asked the Premier if he would explain what those conversations, those discussions and those negotiations were about. He didn’t answer those questions. Instead, the current Minister of Energy, Mines and Resources gave us an explanation of the energy strategy. That’s not a response to a question. Well, it’s a response but it’s not an answer.

From that same document, we know that ATCO indicated that the president would be from within the ATCO organization and would have a term for a minimum period of time. Five years was mentioned. ATCO noted that the Premier told Nancy Southern that longer would be better.

That certainly sounds like a negotiation too, doesn’t it, Mr. Chair, when one party suggests something and the other party responds with a counter offer? That’s what the Premier was doing. The Premier has been asked repeatedly what else was discussed during those telephone calls. He hasn’t answered that. He won’t answer that. He doesn’t want to answer that.

We know the charts that show in here — yes, Yukon Electrical Company Ltd. continues to own all its existing assets — (no sale) — but invests in agreed-upon new assets to be included in rate base. ATCO’s position is that 50/50 assets are all existing distribution and transmission assets and that ATCO has an option to invest up to 50 percent in all new distribution assets and a portion of all new transmission and generation assets that is included in the rate base.

We don’t know where these negotiations would have ended and how they would have ended if they hadn’t become public. We do know that last summer the Premier was saying that we haven’t even been briefed. I think he said in July — and I’ll just find the reference — the Premier said he’ll be, “lifting that veil of secrecy soon.” Now that was a lead-in from a CBC reporter and then, “The government hasn’t even been briefed on the outcome of those discussions yet and that is something we expected to take place shortly.” That is the quote from the transcript. And at the same time — that was in July — the government hasn’t even been briefed yet. We know, technically, he is referring — government is Premier and Cabinet. Yet, the previous November, why was the Premier writing to the CEO and saying, “Thank you for the opportunity to meet with you last week to discuss Yukon’s electricity options. I have discussed your proposal for partnering on a new entity for electrical generation transmission and distribution in Yukon with the Government of Yukon caucus and have full approval to proceed. A new entity will provide many benefits to Yukoners into our organizations.”

Later on, he refers to negotiations, but the question becomes, who does this Premier think he’s fooling when he splits the line and says, “That was discussions with my caucus”?

Is the Minister of Energy, Mines and Resources not in his caucus? Is the Deputy Premier not in his caucus? Are the Minister of Education and the Minister of Health and Social Services not in his caucus? The Premier’s going to stand on the fact that there was not yet a Cabinet minute endorsing what he

was negotiating privately. That’s fine. The facts are that everyone in his government, in their capacity as his caucus — as the Government of Yukon caucus — knew what was going on. They knew that the Premier was leading negotiations from the corner office.

We’ve asked the Premier how many phone calls he made to the CEO of ATCO and what was discussed. We’ve asked this Premier how many times he picked up the phone and gave direction to the deputy head or other officials in Energy, Mines and Resources.

How many times did his chief of staff do that? We know from the former minister that this happened frequently and yet the Premier says, “You have all the information because you have a listing of the dates and times that officials participated in meetings.”

Those officials also pointed out that they couldn’t speak to what other conversations may have occurred between this Premier and anyone that they weren’t privy to. I mean, the Premier says we have all the information.

On December 12, a meeting between ATCO and the Yukon government in Calgary — the event is described as “ATCO and YG discussions in Calgary.” We see quite a few members from ATCO in attendance and we see a negotiating team from the Yukon government. We also see that it was eight hours, so when this Premier says we have all the information, that we have a thorough understanding and explanation — we know that it’s not all the information.

We’ve seen this before; we’ve seen it before. We’ve seen examples of this Premier getting angry with people, storming out of an interview with CBC reporter Nancy Thomson. I think I referred to it earlier as a TV reporter, but she’s — I believe it was a radio interview at the time, Mr. Chair.

We’ve seen what happens when this Premier gets angry; we’ve seen what happens when he gets angry with officials. If this Premier doesn’t think the civil service talks among themselves about it, that the word doesn’t travel around this territory, he’s sadly mistaken. The civil service may respect the confidentiality of all matters they are briefing the Premier on or being instructed on by him, but that doesn’t mean that people aren’t aware of how this Premier treats people. They are.

We gave quite a few opportunities today for the Deputy Premier, the Minister of Environment, to stand up and say, you know, that shouldn’t have happened that way, that was wrong, no. Instead she cited the officials’ letters to the editor, saying that the details weren’t discussed. She missed the big point because she got mired in the details. She missed the fact that a premier had picked up the phone and made an irate call to her deputy head, without her being present, without her knowledge, although she surely would have heard about it afterward — and not much happened.

I see my time has expired, Mr. Chair.

Hon. Mr. Fentie: Well, that was an interesting presentation on the budget. I guess we can all sit back and reflect on exactly what the purpose was.

Let me point out that the other day the member was into asset-backed paper and had occasion to keep referencing the Auditor General. The member did suggest that the only prob-

lem that the Auditor General had with the investments of the government took place recently. But, you know, the Public Accounts Committee certainly contradicts the member's position. All we have to do is read the notes on the public accounts that the Auditor General has reviewed and approved. Those notes include the fact that asset-backed commercial paper did, in fact, not meet the conditions, and that goes on to say that the government had invested \$1.7 billion in asset-backed paper since the fiscal year 1989-90, with \$223 million invested.

Now, Mr. Chair, this government is the first government since that time that has actually taken action by way of policy prohibiting investments in asset-backed paper, but the member conveniently ignores the report and the public accounts duly reviewed by the Auditor General and the Auditor General's office.

Again, it's another example of, I guess, the member's position being clearly contradicted by facts in writing.

We're here to debate the budget; we are in general debate on the supplementary estimates, Bill No. 17. Bill No. 17 has a sizeable increase in the investment here in the territory — a substantial increase, well over \$60 million. It puts this territory's fiscal investment for this year, ending March 31, 2010, up to \$1,071,000,000. Is the member taking any position on the investments of the Yukon government? Does the member have any position on investments in health care, education, infrastructure, justice and so on? That's what Yukoners would like to hear, and what I'm sure the government side would like to hear. The ministers who are responsible for their departments are ready and waiting for the debate to take place.

We have nothing of the sort as of yet, Mr. Chair.

We will just leave the version of events all inclusive as the member has presented. We will be here to debate the budget and do the public's business as we were elected to do. The Leader of the Official Opposition can do whatever it is he thinks and believes and his party believes and his caucus believes is why they were elected to be here.

We have already gone through a long list of factual items that completely contradict what the Leader of the Official Opposition is saying. Everything the leader is saying about ATCO is based on privatization; his own evidence refutes that. The member is fixated on discussions versus negotiations and nothing is going to change that. Frankly, I think the government side has come to the realization why. The member doesn't even understand it. He doesn't understand what it takes to get to a mandate that would allow for negotiations to take place on any level.

This whole issue of privatization is contradictory to what is happening out in today's Yukon with the investment being made in assets for the public utility. In many cases, those investments are contributing to our ability to produce reliable, affordable energy to Yukoners and, at the same time, reducing our carbon footprint by thousands of tonnes of CO₂ omissions.

That is what's happening in today's Yukon, but we will continue to talk to people about partnerships. We are a government that has fostered and pursued partnerships in many, many areas because the Yukon — considering its challenges — needs partners. Whether it be governments, industry, First Na-

tions, partnerships are fundamental to the Yukon meeting its challenges of today and the future, and the partnerships to date have produced results. They've produced results in health care; they've produced results in the Yukon taking its position on the national stage. It has produced results in offshore investment in this territory — millions upon millions of dollars being invested in today's Yukon offshore because of the hard work by the Minister of Economic Development nurturing and fostering partnerships.

The member can talk privatization all he wants on energy. The government is pursuing partnerships, as we already have, and we've produced results and will continue to pursue partnerships, whether it is in phone conversations, exploratory discussions, correspondence — whatever vehicle makes sense for the Yukon to be able to meet its challenges in any area in the public interest.

That's essentially what the budget is all about — it is a fiscally responsible supplementary, addressing needs and dealing with issues that must be dealt with that government faces on a regular and daily basis.

So, Mr. Chair, the debate continues. The government is waiting to debate the business of the House. The Leader of the Official Opposition is presenting his version of events.

Mr. Mitchell: Well, Mr. Chair, the reason we're raising these issues is because the public is asking for them to be raised. The public is saying that this government has lost their trust. As far as asset-backed commercial paper, the Peel and the interference in it, and the Premier's adventures in negotiating privatization of the Yukon Energy Corporation — for the public corporation — those are the three issues that the public say they're most concerned about. So of course the Premier thinks we should move on to other matters.

You know, Mr. Chair, we've gotten used to it. The new phrase now seems to be "pursue partnerships."

Is that why the former chair and three board members quit the Yukon Energy Corporation — because of the pursuit of partnerships? Is that why the former Minister of Energy, Mines and Resources quit, took the salary cut, and moved to this side of the House, saying that it was about integrity and not about electricity? Did that former minister not understand what was happening? He was there. He witnessed it. He was quite aware that the Premier was directly phoning his officials and providing instruction. He was aware that meetings were going on between his senior officials and this Premier without him being present, unless he stumbled upon them or somebody gave him a heads-up.

The former minister responsible for the Yukon Energy Corporation and the Yukon Development Corporation didn't even know what was going on — didn't even know what was going on — because the Premier wasn't keeping him informed.

So, you see, Mr. Chair, it's not our opinion — it's not about what the Official Opposition thinks. It's about what Yukoners think. It's about the former minister, who quit because he could not go along with what was happening, and who left because he said it's about integrity, and who felt he was not going to be participating in any form of cover-up.

Or the former chair who left —

Unparliamentary language

Chair: I would just like the member to realize terminology like “cover-up” or “shell game” — those kinds of comments — are not in order. Past members have disputed what the Chair was referring to so I am giving examples of what terminology is implying. That terminology is not allowed in this House.

Mr. Mitchell: Thank you, Mr. Chair. Let me rephrase. The former chair and the former minister left because they said they could not condone or participate in what was going on, that they felt it was not in the best interest of Yukoners. The former chair said that, by increasing the investment in transmission and generation, as was being contemplated by the private company, it would lead to de facto privatization — I believe those were his words.

These are people who have spent a lot of time in Yukon. In the case of the former minister, he was born and raised here. So it must have taken a lot for him to reach that point — it took quite a lot.

So we asked very specific questions; the Premier didn't answer them. And in response to something he said today about how previous governments invested in asset-backed paper and that the Auditor General, in a footnote, cited that this had been going on — I think the Premier said since 1990 something — I don't have the document in front of me, Mr. Chair — I would ask this question of the Premier: how much was lost previously — either in interest or principal — by former governments prior to his investing in asset-backed commercial paper? Were there ever any \$11-million interest rate adjustments previous to the watch of this Premier? Did any former Finance minister ever table public accounts that indicated a negative adjustment against earnings from investments in asset-backed paper in the order of \$11 million? Does this Premier know — going back into the 1990s — were the sorts of asset-backed paper that were being invested in back then consisting not of real assets, but of collateral debt obligations and other forms of collateral swaps and such, rather than actual assets?

Can he answer that? Did this Premier even ever look at the list of investments? I think there were some 36 of them in late July — July 31 and August 1, 2007 — and I notice that two of these are not like the other. We'll bring it down to *Sesame Street* level since the Premier likes to cite television programs — we'll move beyond *Seinfeld*, we'll go to *Sesame Street*. Which of these two are not like the other? The rest of the investments were in bank and corporate bonds and guarantees. They were all recognizable by name — being banks, being General Electric or General Motors or others of those sorts — and then there was Opus and Symphony. The Premier likes to play with the words and say there is no writedown. It's an investment interest adjustment. Well, it's an adjustment of some \$11 million plus.

The Premier is not going to ask any of the specific questions, and we know that. He's just going to say that it's time we got on with the budget. The Premier can be comfortable in knowing that when we get to the Department of Health and Social Services, and should we get to the Department of Envi-

ronment, and when we get to Energy, Mines and Resources, there will be very specific questions about those departments. Our questions now have been a little higher level than that. They have been about why this government has lost the public trust.

The Premier thinks that's funny. He thinks it's funny that people have lost trust in his government. Well, there are a lot of Yukoners who aren't laughing. They are looking forward to an opportunity to send a real message to this Premier — and to those of his colleagues who have gone along with this — that you don't operate out of the corner office in secret; you don't phone deputy heads and demand that they change things; you don't demand that people say or not say certain things by yelling at them.

The Deputy Premier has made reference to what's in the purview of the Premier. Well, yelling at officials shouldn't be in the purview of the Premier, and then to suggest, as the Deputy Premier did today, that we should take it outside of the House. Are we challenging what the officials said in the letter? Of course not. The letter is public record. The officials — after being yelled at by the Premier — wrote a letter saying the Premier didn't get into the details. That's fine. It is also the word of the officials in those emails saying that the Premier was irate. We don't challenge that either and we are presuming that neither should the Deputy Premier, the Minister of Environment, because the officials were talking there too, but they just didn't know that it was going to become public until access to information and protection of privacy legislation allowed it to be so.

Frankly, Mr. Chair, we've gotten used to the fact that we won't get answers to questions in this House. The Premier is never going to explain his telephone calls to the CEO of ATCO. He is never going to assume responsibility for the investments. Instead he is going to hide behind officials. It is hiding behind officials to stand up and say that we must be criticizing officials when we criticize the lack of oversight.

You know, I've asked former premiers — not just Liberal former premiers: did they ever look at the investments or was it normal to never oversee this? The answer is, they did look at them — at least they looked, Mr. Chair.

All this Premier had to do is say, “Why is there \$36 million in these two?” Ask that of Finance officials; ask them to double-check. They would have been found. If this Premier had done that in the month of July, he would have looked like the smartest leader of all the premiers. He could have stood up and said, “Unlike the others, I did my job and I found out that there was a problem and I got us out of that.”

Maybe if he had access to that \$36 million before 2013 and 2016, he wouldn't be struggling to find where Yukon's contribution or where the Yukon Energy Corporation's contribution for half of Mayo B is going to come from, because there would be that much more money available — funds he could actually access and transfer via the Yukon Development Corporation into loans for the Energy Corporation. If he had done his job, it would have been so much better — if he had done that.

We know we're not going to get answers. We asked a lot of questions over the last day and a half and we didn't get an-

swers to any of them. Not how many phone calls he made; not which phone call it was that he suggested that the term of a president of a new joint company — the president who is hired from ATCO, should be seven years instead of five. We didn't get to hear that. The Premier doesn't want to tell us, but I'm sure someday he'll explain it to Yukoners. I'm sure that day will be fascinating when he explains why he was directing this out of the corner office with the full knowledge of the Yukon government caucus, of his colleagues.

Hon. Mr. Lang: Well, that was quite an afternoon, Mr. Chair, listening to the debate on the budget — interesting. It was information put on the floor that has very little to do with the budget and a lot to do with rumours and opinions about who did what. I find it interesting that the chair of Yukon Development Corporation and Yukon Energy Corporation has become so important to the Leader of the Official Opposition and the other members that resigned from the board.

There's no mention of the members who stayed on and contributed to the running of the corporation while these other members resigned and left. It is an interesting debate about that because on April 30, 2009, Mr. McRobb, stood up in this House and said that it was the Yukon Party who promised when it appointed the chair that a salary would be capped at \$38,000 a year. It was the Yukon Party who made this commitment and it was the Yukon Party who did not live up to it. This is a comment made by Mr. McRobb.

Last year, the chair was paid about —

Chair's statement

Chair: Order please. When we are in Committee of the Whole debate, we have to refer to members by their constituencies or ridings and not by name.

Hon. Mr. Lang: Thank you, Mr. Chair. It was the Yukon Party who made this commitment and it was the Yukon Party who did not live up to it. Last year, the chair was paid about \$95,000. Understanding this position is a part-time position, Mr. Chair, the member we're talking about, or the chair, lived six months a year in Arizona. When a person receives two salaries for doing one job, it is called double-dipping. This loophole needs to be closed — recommendation from the Member for Kluane.

The chair does not run the corporation's day-to-day operations. The function is filled by the president, who is well paid. In fact, his salary exceeds \$200,000 per year. There is no need for the chair to collect nearly \$100,000 a year for what is, in fact, a part-time job. Those were the comments made by the Member for Kluane.

Now, it's again put on the floor of the House — the question about double-dipping, and certainly it's a question out on the street if, in fact, this was going on. But I find it interesting that the same member makes a comment to the *Yukon News*. The Member for Kluane recognizes himself as “the former Liberal Minister of Yukon Energy who criticized Phelps for receiving a higher than average wage for board duties, two months ago got a laugh when he paid respect to Phelps. ‘I just want to say,’ said the Member for Kluane, ‘It doesn't matter what they pay you ... You earned every penny of it.’”

If the member opposite from Kluane thought that the chair was double-dipping and, in fact, then gets around it by making a comment like that, I'm shocked at the Member for Kluane.

Mr. Chair, this is all coming from the Member for Kluane and I appreciate that. There's no proof that the chair was double-dipping. The question has been asked out there and certainly in time, everything will unfold as it should. But I certainly don't believe — like the Member for Kluane — when he makes a comment like that to a newspaper. “I just want to say,” said the Member for Kluane, “it doesn't matter what they pay you ... You earned every penny of it.”

That is actually what we're getting from the opposition. We have one of the biggest budgets this territory has ever seen, Mr. Chair. We haven't had any comments on the budget. We haven't talked on any level of concern about the \$64-million extension on money spent to invest in Yukon. All we've talked is in circles — circles about who said what, what newspaper said what and pointed fingers at this side of the House. Our responsibility to the Yukon people is to be a government that is open and transparent.

Members that put their names forward to sit on these committees have every right in the world to resign. We have resignations all the time from our boards and committees and we fill them as we have done with the Yukon Energy Corporation and Yukon Development Corporation. This is proven today, or in the last three weeks, that it had nothing to do with privatization. It had to do with a partnership, which we do on a daily basis — whether it's the Kwanlin Dun partnership in the cultural centre and library, that's a partnership. The First Nation in Mayo, the partnership in Mayo B — that's an investment and that's a partnership. Our partnership with the federal government, Mr. Chair — all part and parcel of our partnerships here in the territory. A partnership is what will make the territory work. The First Nation final agreements depend on partnerships. We only have 34,000 people in the territory. It will only work if we get together in partnerships with the federal government, with First Nations, and by the way, with industry. When we talk day in and day out about privatizing the Energy Corporation on one hand, and we see the announcement of a \$150-million investment on the other hand in Mayo B, privatization doesn't make any sense to anybody who has any logic.

Maybe what the Member for Kluane was saying — maybe we're not talking about privatization. Maybe we're talking about double-dipping. Maybe that's what it boils down to.

Yukoners depend on us to get an energy source that's affordable and dependable. Mr. Chair, how many times has the power been out in our communities? How many times have we come to work here and found we don't have dependable power? If we don't expand our grid and if we don't expand our Mayo B facility, can we afford the alternative, which is based on the oil price? To me, that will become the point where we are not having affordable energy.

Will Alexco go forward with its mining proposal in Bellekeno, like they announced yesterday, without some affordable energy to participate in that partnership?

So when the member opposite talks at great length about who said what, who did what and what newspaper article said what — it boils down to affordable, dependable power. As far as the corporation is concerned, I'd like to thank the members who stayed on board and didn't abandon the ship, because of questionable operations at the corporation.

Privatization. Privatization. Mr. Chair, that's got nothing to do with the debate that's going on in that corporation and nothing to do with the energy management in the territory. You only have to go to our *Energy Strategy for Yukon* — which all departments and the Energy Corporation participated in — to know that this government is not privatizing anything. This government is actively looking at partners to make our Energy Corporation more dependable and more affordable for Yukoners. You only have to look at the statistics, Mr. Chair. If we don't do Mayo B, we're going to have a shortage of energy by the year 2012. At that point, we start up the diesels again. That is not good management of our energy issues.

I remind you, Mr. Chair, we're not the only jurisdiction in Canada or in North America that doesn't have a questionable energy issue. We're actually one of the luckiest jurisdictions, because we do have potential out there, like Mayo B, like the third wheel at Aishihik, which will boost our hydro production. By the way, at this point we have 93 percent of our customer base onto hydro. That's good news.

As far as privatization is concerned, it wasn't on the table, never has been on the table and will not be on the table as long as I'm sitting in this government.

Let's talk about the financial situation we find ourselves in. Actually, thanks to the Minister of Finance, the Premier, we've done a lot in seven years. We have the resources to do the work that Yukoners expect us to do. Drive downtown; go to Mayo; go to Dawson City; go to Watson Lake; look at the construction that's going on in our communities. Look at the seniors complex in Watson Lake.

Look at the new hospital in Watson Lake. Look at Dawson City — look at Front Street in Dawson City. Look at the wastewater proposal for Dawson City and a new hospital for Dawson City, Mr. Chair. Mayo has a fabulous recreational complex. By the way, look at all the seniors complexes we're building in Teslin, Faro and Watson Lake and look at Dawson City for the spring.

We're going to talk about our budget, are we? Well, I recommend that we get off the rumour mill and we go to work like the people of the Yukon elected us to do. The Minister of Finance has stood up and he has tried to debate in general debate on the budget. We've had very few questions on that and I look forward to more participation by the opposition. It's very hard for us on the government side to debate if the members opposite will not debate. The general debate on the budget is very important for Yukoners.

What do the members opposite think should be in the budget? What priorities would they give this budget? Are they against what we're doing on the housing issue? Is there a question about the building or the investment we're putting on the ground in the Whitehorse area for social housing? Are they against what we're doing in Watson Lake — replacing the old

hospital? Are they against the seniors complexes we're building throughout the territory? Let's have a discussion here about real things — real things that affect Yukoners every day — whether it's in Dawson City, Old Crow, Mayo, Pelly, Carmacks — with their waste-water treatment plant, their vision about how we as a government can partner on an expanded sewer grid throughout the community. Those things are all partnerships, and it works if we all work together. The opposition has a responsibility to stand up in the House here and debate the general debate on the budget, because without doing that, they're not fulfilling their responsibility — their responsibility to Yukoners — to have the debate on the budget.

Thank you, Mr. Chair.

Mr. Cardiff: I have a few questions I'd like to ask the Premier in general debate. I'd like to go back in time a little bit — six or seven years — and remind the Premier of some of his words back then. When the minister talked about how previous governments had mortgaged the future of the Yukon, had to borrow money for the day-to-day operations of the government — and he talked about the trajectory of spending. Well, the trajectory of spending has not really changed all that much. We've managed to secure more funding from the federal government. The federal government has been issuing substantial sums of money across the country in order to stimulate the economy and to build the infrastructure of the country, and we've all been beneficiaries of that. What we've seen are budgets grow from the \$500-million and \$600-million range to over a billion dollars for this fiscal year.

I'd like to ask the Premier about borrowing money. I asked this question yesterday in Question Period. I just want to delve into it a little bit more. I'd like to start with the Yukon Development Corporation. We also asked this question. In the budget, Bill No. 17, Vote 22, Yukon Development Corporation, there's \$25 million that is being provided to the Yukon Development Corporation to develop and promote energy systems in the generation, production, transmission and distribution of energy in all its forms, consistent with sustainable development. That's the note in the budget document.

It's our understanding this is being provided as a short-term loan and it is being provided to the corporation for the purposes of either the Mayo B project or to jump-start the transmission line from Pelly Crossing to Stewart Crossing. Yes?

Some Hon. Member: (Inaudible)

Mr. Cardiff: The connector. It is all one project now, the Premier is saying.

The government is providing the \$25 million. It's supposedly a short-term loan to the Yukon Development Corporation. I am wondering if the Premier could provide some details and information about the terms and the conditions of that loan and when it is expected that the Yukon Development Corporation will be repaying that loan.

Hon. Mr. Fentie: Mr. Chair, first, the government has committed to the Energy Corporation, as it works on its plan for the fiscal requirements it must meet as a signatory to a contribution agreement with the federal government under the green infrastructure plan, a \$25 million commitment to assist

the corporation in proceeding with the Mayo B project. It is a term of only up to one year. We have not transferred or expended any of the \$25 million as yet; this has merely been put in place to assist the corporation should they need it. The corporation — the Yukon Energy Corporation — is right now actively working on putting together its fiscal requirements as a signatory to the contribution agreement, and they are doing so within their mandate.

Any borrowing for the Yukon, by the way, is completely controlled by the federal government; we cannot go outside of that or beyond that or above it. It's controlled by order-in-council of Parliament. The member made mention of "mortgaging the future". Well, it's more than borrowing money to pay for wages and programs. It goes back — and this is not intended to be critical or suggest that at the time when decisions were made years ago — going forward to today — there were any alternatives or options for other governments.

The point is, the future was mortgaged as we now see it today, because if we had invested in energy infrastructure and begun those investments years ago, we would not be faced with such a compressed timeline on meeting supply issues. 2012 is not very far away, and when you consider a 25-percent increase in supply requirement, how do we get that supply? Do we tell Yukoners not to use electricity? One thing we as a government disagreed with the former chair on is that Yukoners have the right to choose to heat their homes with electricity. It's about the infrastructure needed and the capacity to provide the infrastructure to meet supply — so the future is mortgaged in that sense also.

The member mentioned trajectory of spending. Well, the Yukon Party government's plan, as far back as 2002, was based on the need to increase the stimulus in the territory to turn around the direction in which the territory was going in — an exodus of people. There was a very uncertain investment climate here in the Yukon. Our economy was completely stagnant — in fact shrinking in many respects. That all had to change and the first step of the plan was to increase the stimulus. Well, how did we do that? We had to go get more fiscal capacity for the Yukon. We negotiated that; we had to go out and negotiate how we got there. There is great success in that process, considering we've gone from between \$400 million and \$500 million to over a billion dollars in fiscal capacity. I think that's significant.

We have listened to the Leader of the Official Opposition today. You don't have those kinds of successes — a \$500-million plus increase in fiscal capacity — by yelling at people. You don't have the successes we've had in health care and investment from the private sector, and offshore investment to the tune of now over \$100 million plus coming into the territory, by yelling at people. You don't deliver the number of projects that are on the ground in today's Yukon — headed by deputy heads, by public servants — by yelling at people. This is all rubbish in terms of making this Assembly work better. The Official Opposition will have to do a better job. That's a fact of life.

I'm trying to cover the bases the Member for Mount Lorne has brought forward. I think what the member is striving to

understand is this: what is the Energy Corporation going to do in addressing its requirement as a signatory to a contribution agreement with Canada? It's going to have to come up with its share. The government will be supportive in ensuring that that happens, and we will do that through our Crown corporation, which is the Yukon Development Corporation. We are going to get Mayo B done, because if we don't, that 25-percent increase in supply requirement without Mayo B is going to have to be addressed in another way.

It's going to take too long to work on geothermal to meet that 2012 timeline. It will take much too long to deal with wind alternatives to meet that timeline; other possible alternatives, whatever they may be — cogeneration and other forms of energy production — the time needed to put those things into a process where, one day, they could become an actual contributing factor to our energy needs takes more time than we have to meet 2012's 25-percent supply requirement. So the only alternative here, outside of Mayo B, is to burn more diesel. That's a significant mortgaging of the future, if we allow that to happen.

This would be an equivalent investment of \$27 million a year of diesel costs. Now let's do some arithmetic around that. Today to invest in Mayo B at some \$140 million to \$160 million — and those things have to be addressed, of course — at \$27 million a year, in five years, you've got some — let's call it \$140 million, okay? That would mean that we have some \$170-million invested in diesel in five years. In 10 years, we would be at a \$270-million investment in diesel. The purpose here is not to mortgage the future but to invest in the future today, to avert that kind of cost to the ratepayer, because there is only alternative to pay for an increase of \$27 million in the cost of diesel. The only alternative is to go to the ratepayer. This government does not, in any way, support that kind of a decision by the Energy Corporation to meet that supply requirement by 2012.

And furthermore, that increase of diesel consumption dramatically increases our carbon footprint. That's not in keeping with the climate change action plan that this Yukon Party government has brought forward. So it is about doing what we need to do today so we don't mortgage the future and we meet that supply requirement by the year 2012.

We have a lot of other challenges in energy coming, and partnerships are going to be a requirement. One of the ways we're addressing that — at least a step toward addressing that — is the independent power producing policy. This will allow independent power producers to invest in generation infrastructure, for example, and allow our public utility to purchase power, put it on our grid, distribute it to the consumer — all of this, however, regulated by the Yukon Utilities Board. So that's another step. Net metering is another small step. But if we look at the energy strategy, I think we can understand that the blueprint that is the energy strategy is emphasizing partnerships and the need to look and explore all the alternatives Yukon has available to it. Realistically we need to address the challenge of today and the timeline is very compressed — the choice, by the way, on Mayo B is a project that the corporation felt was the one project we could get done and put in on stream in the time we have available.

Now back to the point about Mayo B — actually the Mayo B project includes the first phase of Carmacks to Pelly and now the second phase of Pelly to the Stewart Crossing line. Now the Whitehorse-Aishihik-Faro power grid is connected and the second turbine will be going into place in Mayo, increasing our hydro output.

Over and above that, we've put a third wheel in — or we are putting in; the investment is in place — we are putting a third wheel into Aishihik, which will even improve our efficiencies in hydro production.

I hope that helps the member, but I can't give the member finite detail until the corporation has concluded its work and brings it forward. The \$25 million is a safeguard, if you will, so that the corporation can get the project going. Tenders are out, I believe, on the line and work is being done on the turbine itself.

Mr. Cardiff: I thank the minister for his answers and some of the clarification around that. He talks about the need for an increase in the supply of energy. The demand side is going up. There is going to be more demand. I understand people should have a choice in how they heat their homes. If they want to use electricity then they will pay the price that the electricity costs, I guess. It will affect ratepayers because if they are not paying for oil then they will have to pay for electricity. If they are not paying for propane or wood then they will have to pay for the electricity to heat their homes. In some instances, it is probably more efficient in some of the newer homes to heat with electricity than with other fuels.

What the minister has said is that they don't want to go to the ratepayers and increase the rates. The big question is, I guess — and he is the minister responsible for not just Finance but he is also the minister responsible for the Yukon Development Corporation. What I'd like to know is whether or not he is aware — he's obviously in touch with the corporation and gets briefings about the status of the work the corporation is doing. What I would like to know is, what are the options that the Yukon Development Corporation is pursuing around securing some \$71 million in financing? We know that the government has provided \$25 million short term. That's short term, and that's kind of a security so they can get started. It has to be repaid. It means that the corporation still needs to come up with the \$71 million.

What I'm wondering is, what are the options? The Premier has to be aware of this because ultimately, as the minister, he is going to approve whether or not the government approves of it. It's a Crown corporation. And the Premier is going to have to authorize whatever method it is they're proposing, so he must be aware of it.

What we'd like to know is: what options is the Yukon Development Corporation pursuing to secure this financing and how are they going to ensure that it's rate neutral, that they're going to be able to pay it back without affecting the rates that Yukoners are paying for energy?

Hon. Mr. Fentie: First off, I want to make it very clear here that the Development Corporation is not pursuing this; it's the Energy Corporation who is the signatory to the agreement. Okay? The Energy Corporation is, however, a subsidiary wholly owned by the Yukon's Crown corporation, which is the

Yukon Development Corporation. Of course, the Yukon Development Corporation Board has a lot to say about this; they must approve. Before we get into anything here on government, it's the corporation and its board that will come forward, once they have reviewed what the Energy Corporation is bringing forward, and make some determinations. So it's the Energy Corporation that's actually working on this right now, as it's required to do.

There are probably all kinds of options. I am assuming that the Energy Corporation is reviewing all available options to it. I am somewhat hesitant to talk about concepts and options and models because the Official Opposition right away takes those to be partnerships, realities, agreements and all this stuff. It is not a good opportunity to have constructive debate. I can tell the member opposite, Mr. Chair, that the Energy Corporation is looking at what options it has available to it.

I am very comfortable, as the minister responsible, that the Development Corporation and its board are very much involved and on top of it. We certainly have no concern about the \$25 million we've committed. Nothing has been expended yet but we've committed it just to assist to get things moving on Mayo B.

The other point is the green energy infrastructure fund has a two-year time limit. It is over in 2011. We have to be expeditious in our work.

When we have detail that is at a level of completion where we can present information to the House and to the public, then we will do so. I don't think it's going to serve the Energy Corporation or anyone any good to get into speculation and talk about things that may be or might be. We need the corporation to get the work to a point where it can present something to the Yukon Development Corporation Board. It's no different from what the exploratory discussions with ATCO were about. Before we can do anything with discussions they have to get to the point where there is some factual matter — critical mass, if you will — that can be reviewed and informed decisions can be made. We can't circumvent or usurp that process. That has to happen. Informed decision-making is critical and a prerequisite for government.

I want to assure the Member for Mount Lorne that there's nothing out of the ordinary taking place. The Energy Corporation is working in it within its mandate. Should that be incurred, the level of debt is controlled by Canada, by order-in-council of Parliament, so we can't go beyond that or outside of those parameters.

I've explained why the Mayo B project is so critical to the Yukon — because the alternative would mean that in 10 short years, the expenditure of diesel at today's price — and, by the way, all indicators and all experts in the field believe that the price of fossil fuels is going to keep increasing. We're talking about today's cost of diesel. In 10 short years, the cost of diesel for the Energy Corporation is \$270 million. When you consider the cost of producing the same kilowatt hour of electricity with diesel versus doing the Mayo B project, it doesn't take long, when you do the math, to recognize that the payback for hydro infrastructure is really quite positive for the corporation and for the Yukon.

The member's question about the rate — part of what we're doing is to ensure that this total investment for the infrastructure of Mayo B, just as transpired with the first phase, is rate neutral. That can happen by methods of investing in infrastructure that will become the Energy Corporation's infrastructure. That can happen without exposing the ratepayer to the cost of that infrastructure.

Why we can do that on Mayo B is thanks to a partnership with Canada. Without Canada's partnership, this is not going to be possible. Canada's partnership and its investment is making this possible, not only to construct Mayo B — add that hydro capacity to the grid by not having that grid connected — but it also allows us the option to make sure it's rate neutral.

Mr. Cardiff: I understand the concept that, because the federal government is providing the \$71 million, Yukon taxpayers aren't on the hook for that portion of the \$140 million to \$160 million on the Mayo B project. It's the other money and the other options that the Yukon Energy Corporation — incidentally, the board members are the same, is my understanding, still, at this time, anyway — and that could be a question for the minister as well, I suppose: what are the intentions about governance of the two corporations, Yukon Energy Corporation and Yukon Development Corporation? There was some talk about separating the governance of those two corporations.

I understand the minister's reluctance to be too forthcoming with what may or may not happen, but I honestly believe that the taxpayers of the Yukon and the ratepayers of the Yukon are owed an explanation about what the corporation's intentions are. Are they pursuing partnerships with First Nations? Are they pursuing partnerships with other governments and other power corporations in other jurisdictions? Are they pursuing partnerships with private corporations?

I understand that it's preliminary, but I still think that the public has a right to know. It was Right to Know Week six weeks ago and we've been talking about access to information and protection of privacy around a number of issues. It's a public corporation; they're out there doing business. I think the minister who is responsible for the Yukon Development Corporation is having conversations with the chair of that board and the members of that board and must know what options they are pursuing.

Can he tell us anything about what options are being pursued about financing this project? Because the boards are one and the same and, as he said, Yukon Development Corporation has a responsibility and a direct interest in whatever Yukon Energy Corporation is doing and pursuing — the boards are one and the same.

Hon. Mr. Fentie: Mr. Chair, let's see. First off, forthcoming — it is not a question about being forthcoming; it is a question of having that level of detail and information that can be presented. We have to let the Energy Corporation do its work.

Second, yes, there is an allowance for First Nations' involvement but it begins with the First Nation in whose traditional territory the infrastructure is housed. That is Na Cho Nyäk Dun. First the government had discussions and produced

a memorandum of understanding, meeting our treaty obligations. I know the corporations had discussions with Na Cho Nyäk Dun on options for them to invest.

When the member said other private sector companies — well, here's where it gets problematic, Mr. Chair, because the private sector companies would need some sort of return and that would mean — in all likelihood — there would have to be an application going before Yukon Utilities Board, which would put a portion of the Mayo B infrastructure into the return-on-equity formula. Well, that wouldn't be rate neutral. It would create a scenario that would probably be quite the opposite. That isn't an option that the Energy Corporation can pursue at this time.

Partnerships, though, are something that have been ongoing and will be something for the foreseeable future because we need partnerships and we need partners. On this project, we have to let the Energy Corporation finalize its work. It's looking at what options it has available to it within its mandate, ensuring rate neutrality and being accountable to the Yukon Development Corporation and its board. The government will be there in a supportive role to ensure that the Mayo B project is appropriately and fiscally resolved in an appropriate manner and the project is built on time to meet the two-year timeline of the green energy infrastructure fund.

The other point, on board structure and governance — the government is on record and the energy strategy points out clearly and emphasizes the fact that we are looking at governance and structure. There are requirements under the *Umbrella Final Agreement* that a percentage of First Nation representation on the Yukon Energy Corporation Board itself — Yukon Energy Corporation, not the Yukon Development Corporation — is required, based on percentage of population. That is an obligation that has to be met.

There will be, in all likelihood, because of that, some crossover between the boards. What I can tell the member, though, in the governance and structural area, the chairs will no longer be the same. The chair of the Yukon Development Corporation will not, once we complete the process, be serving as the chair for the Yukon Energy Corporation. Because the position at the Energy Corporation is not filled at this time, we still need to have both corporations functioning. But in the context of governance and structure, when we complete our work, there will be two different chairs.

As we have been able to accomplish at the board level in YDC, we now have some disciplines and some skills added to the board — engineering, accounting, geological skills through a geologist. These are things that will contribute to the Yukon Development Corporation's Board's ability to provide the necessary oversight of its wholly owned subsidiary. Expertise is important too for the Energy Corporation Board. That's one of the aspects of what we will be pursuing as we continue to work on the governance and structural issues. But there will be changes, unlike what has happened in the past.

Frankly, one can question at what point was the decision made to have both boards and the chair — sorry, the chair and members of the Yukon Development Corporation — be one and the same as the chair and the board members for the Yukon

Energy Corporation. It's something that has been in place for some time now. Our energy strategy is intended to review that, look at it and make the necessary changes to ensure this scenario — that the shareholders of the Crown corporation, government representing the citizens of Yukon, has the ability to provide oversight and direction through its Crown corporation to the Crown corporation's wholly owned subsidiary, which is the Yukon Energy Corporation. In all related matters that reflect the operations of a public utility, all related matters that are required to go before the Yukon Utilities Board will also be brought before the board so that the regulator will continue to provide that level of oversight in Yukon's public utility.

Mr. Cardiff: The minister mentioned in his remarks about net metering and an independent power producer policy. I heard the Premier talk about this as well in some of the community meetings. He talked about how the process is going to be starting shortly.

We haven't seen any newspaper advertisements, radio advertisements, or anything about an independent power producer policy consultation. It was a commitment that the Premier made at those meetings that there would be a public process about the development of a policy around independent power production, and it would involve the Yukon public. We can support the concept of independent power producers. What we don't support is giving away our natural resources to the private sector, and the rights to those resources, without getting a return for Yukoners. That, basically, is what I'd like to know, is what Yukoners would like to know is — because they're interested in this policy, but they're interested in participating in a discussion and a consultation about the development of that policy. We haven't heard anything about that.

I think it was at the meeting in Marsh Lake that the Premier said it would be starting shortly and we just haven't heard anything about it. I'm wondering if he could bring us up to date on that?

Hon. Mr. Fentie: The announcement has gone out that the Department of Energy, Mines and Resources will proceed with a public consultation process on net metering and independent power production. I can get the member firmer dates once I check with the department, or the minister can even delve into this during debate on the Department of Energy, Mines and Resources, but there will be public consultation on these two policy items. We'll get the firmer dates, or the member can get it through debate with the Minister of Energy, Mines and Resources when that department comes up, but the announcement has definitely been made that Energy, Mines and Resources — the government — will be proceeding with public consultations on those two policy areas.

The concept also includes it be regulated by the Yukon Utilities Board — similar to what happens when the Yukon Utilities Board reviews a power purchase agreement, as presented to it; very similar to what we're doing now jointly with Yukon Electrical Company Ltd. and Yukon Energy Corporation: we will be going before the Yukon Utilities Board on a cost of service analysis.

Nothing — let me put it this way: the statements that independent power production is a backdoor method of privatiza-

tion is patently false; that is not on, that is not what the independent power producer policy will accomplish. It will allow for independent power producers — if they wish — to invest in infrastructure that would then be based on a return to that independent power producer on a rate that is established for them.

The transmission and distribution of that electricity will be done by the public utility. So it's a purchase arrangement. Net metering is different. In general terms, what it results in is individuals getting a return on their bill based on the metered amount of use and then a return on their bill comes forward based on net metering. None of this is privatization, nor were the discussions with ATCO — even the concept or proposed model of a joint operating company privatization.

It is about partnership and how do we invest in the infrastructure needed for maintaining a public utility and meeting the demands and the challenges of the future. We are growing. The Yukon is growing and that is a good thing, but with that growth, comes challenges, and this is one of them.

Mr. Cardiff: There are some other concerns. The Premier talked about the ability of the private sector to participate in the production of energy or to participate and invest in projects. I just want to know whether any project is on the table. I guess what I am wondering is if a company comes forward with a project to, say, burn coal — just as a for instance — what would be in this policy that would ensure that what we are producing is green energy, so to speak?

The rationale behind Mayo B and the third turbine at Aishihik is because there is going to be a shortage of supply. One of the other things we don't want to do is increase our carbon footprint, but if we're going to have an independent power production policy, I guess what I'm looking for is this: will there be a green component to it, to ensure that not only will this benefit Yukoners and be regulated by the Yukon Utilities Board, but will there also be a requirement that there be a certain green component to that independent power production?

Hon. Mr. Fentie: The first point I would make for the Member for Mount Lorne is that the government has a climate change action plan, and we have to be careful that we meet those requirements and so on.

Secondly, I think it's more important right now that the discussion in the public take place. A lot of this will be fleshed out, I'm sure, and then we have to go from there. But that's why we're going to consult with the public. I mean, the point about coal-fired generation — this is not a new issue or question for the Yukon. I mean, it's all been hashed out before. I think we have to be cognizant of where we're at, what that means, what is in the best interest of the Yukon.

There is a definite move to be greener. Even in simple things, like exchange of appliances. Its intent, objective, is to be a greener place. We all know that coal is a challenging form of energy production. There is going to be a major global debate in a month's time in Copenhagen, where things like a carbon market and credits being traded, bought, sold, carbon sequestration, capture and sequestration — another possible technical movement, in terms of progressing in that regard.

For us to get into a debate about coal-fired generation in today's Yukon is not really relative to what the Yukon is facing

in challenges today. First off, to make that kind of investment — at least, this is from overview or insight — you need quite a sizable customer base. We don't actually have that today. I can't predict though what the future may hold. I'm not suggesting here for a moment we're considering coal-fired generation on any level, but I can't predict what might come forward in the future.

Right now we want to pursue the policy development for IPP and net metering through consultation. We want to maintain a focus on green energy — Mayo B is that, and the connection of the grid certainly is that. The third wheel at Aishihik is actually more focused in its use at peak demand, whereby instead of flashing up diesels to meet peak, we should be able to — by being more efficient at the Aishihik site — continue to use hydro to meet peak.

I guess the best way to put it to the member opposite, if the member's question is, "Is the government considering coal-fired generation for electricity at this time?" No. All the government is doing is focusing on Mayo B, increasing hydro and moving ahead with the policy development for IPP and net metering, doing a joint cost-of-service analysis and forging partnerships to continue to address the future challenges that we are going to face when it comes to energy.

By the way, if I may, Mr. Chair, this issue is not just Yukon. It is national and global in its overall problem. It is a global challenge and that is something that is really starting to take hold globally. What are we going to do about energy? The world has long been dependent on cheap energy and, in this case, a dirty form of energy — fossil fuels. It is no longer cheap and the issue of climate change has now been part of this debate globally. There are global issues that, as a part of the global community, we are all going to have to recognize need to be addressed.

Mr. Cardiff: I thank the minister for that answer. I am looking forward to that and I thank the government for the opportunity to attend and listen and hopefully participate in some of those discussions around climate change and hear what some of the energy solutions are that we can bring back here to the Yukon and see what is being done in other countries around the globe and discuss some of those issues with people from around the world in Copenhagen.

This is probably going to be it around YDC/YEC, I guess — one of the other projects that the federal government has committed funds to under its green energy infrastructure program — I'm not sure if that's totally the right name for the program — is the extension of transmission lines into north-western B.C. I'm just wondering whether or not there have been any discussions between either this government, the federal government and the B.C. government or whether there have been discussions between the corporations here in the territory, the Government of British Columbia and Canada — about the potential for linking that line with the line here in the Yukon?

Hon. Mr. Fentie: Well, we certainly have indicated to the B.C. government — not the federal government per se, but the B.C. government — that the north-west focus of energy, energy grids, production and supply is critical because, nation-

ally, for far too long, the emphasis has been on an east-west energy system. If you look at where we've come from — NCPC, isolated pockets of energy generation, usually diesel-fired generation — there has been very little focus on a north-west energy system.

We presently are making that case nationally. The national interest right now is to produce another 25,000 megawatts, but on an east-west basis. We are making the case that the north-south option has to be addressed. So, the green energy infrastructure fund, of which Yukon was the first investment recipient, I believe, includes British Columbia's application. I can't speak for the B.C. government, but I believe B.C. did apply to the fund and it is to do with the extension.

What is interesting to all of us is what that might mean, not today, but sometime in the near future on where do they go beyond that in British Columbia, and how can Yukon be involved. Also, regarding British Columbia, we're having discussions on better water management in the area that relates to the Whitehorse dam, which extends all the way into Atlin, of course. Nothing of a concrete nature has transpired, but one of the things the Yukon Energy Corporation has looked at is water management, and can that help us provide more green energy to the system, and that's certainly good work. Water management becomes critical, especially if it's hydro. You're trying to utilize for the production of electricity. So, we're very interested in what B.C. is doing. We're also interested in what Alaska might need. You know, if you go back years and years ago, there were all kinds of NCPC options for projects out there, across the Yukon, and there were notations made decades ago that were also part of the land claim process.

Those sites are still there, and we'll have to see what the future holds, but for now, the steps are as presented: Mayo B, IPP, net metering, third wheel at Aishihik, other options for better water management in our system and beyond. Much of it is housed in the energy strategy, the blueprint and the Energy Corporation's 20-year resource plan.

Mr. Cardiff: I thank the minister for those answers. In the public accounts on page 246, are the notes to the consolidated financial statements for the Hospital Corporation. It shows that the corporation has entered into a long-term lease agreement with the Government of Yukon relating to No. 2 and No. 4 Hospital Road and the ambulance station. It also talks about, in the last paragraph, the corporation building a new residence at No.1 Hospital Road.

Now, the other day, the minister said that they're just moving the lease from one building to the next, but it's our understanding that the government could actually be moving other — I don't know about other departments — but other functions of the Department of Health and Social Services, other functions of the government, into the new No.1 Hospital Road project.

What I'm wondering is, if there are any new lease arrangements being negotiated? I guess for the Minister of Finance, the question is — here we are, we're authorizing a Crown corporation to borrow, in this instance, \$17 million and somehow they're going to have to service that debt. Somehow they need a revenue stream to service a \$17-million debt that

they've never had before. I'm just wondering what role a lease is going to play in that — in servicing that debt — and how is the government expecting the Hospital Corporation to service the \$17-million debt, because that's just one debt that they're going to be expected to service?

Hon. Mr. Fentie: Mr. Chair, I'll let the Minister of Health speak to what services and functions will be going into the new building that is being built by the Yukon Hospital Corporation. But we have a long-term agreement on the fiscal side of things with the Yukon Hospital Corporation that includes the government's commitment to the Hospital Corporation that it would address any shortfalls for the Hospital Corporation in this regard. So that's where the arrangement is: we will support the Hospital Corporation. Once again, the Hospital Corporation is working within its mandate. The facility was certainly needed, as are other facilities, like two hospitals — one in Dawson, one in Watson Lake. These are facilities that are required to meet the need now and an ever-growing need in the health care system. The Hospital Corporation is going to be working to the fullest possible extent of its mandate to deliver that level of health care to Yukon citizens.

But as far as the services and what functions will go into this new building, we can deal with that during Health and Social Services debate, in good detail, because I think it's important, contrary to what the Official Opposition says about the corner office, that we all recognize that's the kind of detail the Premier's office doesn't get into.

Mr. Cardiff: I just wanted to clear it up, for my understanding. I know that the government has supported the Hospital Corporation; they supported the college when there were shortfalls in the pension funds. What I just heard the Premier say is that the government is going to support the Hospital Corporation in servicing that \$17-million debt if they can't do it on their own. I guess what I'm asking, or the question that that leads to, is this: what impact is that going to have on territorial budgets? Ultimately what the Premier is saying is that taxpayers are going to be making those debt-servicing payments on this \$17 million and the proposed — there's also a proposal in the notes to the consolidated financial statements for the Hospital Corporation that there are plans to grant authorization to the Hospital Corporation to borrow up to another \$25 million for the hospital in Dawson City. This isn't even about the hospital in Watson Lake yet. And we don't know what that's going to cost. That could be another \$25 million.

So the corporation could be borrowing \$67 million to provide for these facilities. And I'm not saying that the facilities aren't needed. I just want to know how we're going to go about paying for them.

The Premier is on record as recently as saying, given the global financial situation, we're actually in pretty good shape, but we need to be cautious. I'm not sure that going out and borrowing \$67 million is what I would call "being cautious".

I'm not saying we shouldn't be doing this, but what I want to know is this: what are the plans? And how does the government intend to provide the assistance necessary to the Hospital Corporation to service a debt of that size? The other question it leads to is this: what are the limits?

I know that in legislation — and we remember this very succinctly and in great detail — there are legislated limits to what municipalities can borrow. The minister just told me that the territorial government is limited to what it can borrow by orders-in-council from the federal government. Are there limitations on what the Crown corporations, such as the Yukon Hospital Corporation, can borrow because we are talking about a substantial amount of money? There are a few questions there. I look forward to the Minister of Finance's answer.

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

Recess

Chair: Order please. Committee of the Whole will come to order. The matter before the Committee is Bill No. 17. We will now resume general debate.

Hon. Mr. Fentie: Mr. Chair, before our break, the Member for Mount Lorne was discussing and asking about the Hospital Corporation borrowing limits and other matters. First off, any borrowing by the Hospital Corporation can only be done with the approval of the minister. Second, the limit that we are under, placed on us by Canada, is all inclusive.

As I said earlier, we can't go outside of that, beyond it or above it.

Thirdly, the member asked the question about comments made about being fiscally cautious. Well, this approach with the Yukon Hospital Corporation will of course result in increased contributions to the Hospital Corporation, which we have already been increasing, by the way. We have also entered into a longer term arrangement. That would mean it would impact or affect Yukon government's annual surplus. But so, too, would it if the Yukon government capitalized said facilities, vis-à-vis the depreciation of those facilities on an annual basis.

I think the underpinning to all of this is, recognizing that to meet the needs in health care, facilities are required. A cautious approach is the one we are taking because now the fiscal capacity remains to address the program delivery. If we flip this around and have the Yukon government capitalize, in total, the needed facilities, are we to go then and borrow the money to deliver the programs?

The alternative for the government side, anyway, is obvious: work with the corporations to the full extent of their mandate, meet those needs facility-wise with the corporation and then provide, where we can, always the necessary fiscal capacity for the program delivery — that includes recruitment, retention of medical professionals and other factors.

This is the cautious approach, keeping within our means. The other thing we have to reflect upon is, if we don't deal with these matters today, we will then be faced with the decisions long into the future when we build something, some facility, and that would result in what I think we're all aware of: the ever-increasing cost of materials and other contributing factors to construction.

The choice is being made to do it this way and thankfully we have the fiscal capacity to deal with this. I would remind the member opposite that we have — on an ongoing basis as a

government — been addressing the shortfalls at the Hospital Corporation and at the college all along. This is really not that much different from what we've been doing already, and I'm sure the Minister of Health and Social Services can get into the other details on how it will affect what agencies, and so on and go into what is a sizable project. It's going to be four floors. You can see by the towers going up and so on.

So it puts Yukoners to work, it's a stimulus instrument, it's addressing the needs, it's enhancing our health care, and it's allowing the government to minimize its immediate fiscal output by retaining significant amounts for the future requirement for program delivery.

Mr. Cardiff: I thank the minister for that answer. He talked about the borrowing limit for the Yukon being limited by the federal government and being all-inclusive. Can he tell us what that limit is?

Hon. Mr. Fentie: By order-in-council, the borrowing limit for Yukon — dramatically lower than for the provinces, for example — is \$300 million. The approximate room the Yukon has today, I'm very pleased to announce, is around \$255 million.

Mr. Cardiff: I thank the minister for those answers, and I understand what he's saying about wanting to ensure that there are fiscal resources there to provide for the operation and maintenance of the services that Yukoners are going to need and require.

The supplementary budget shows a reduction in revenue. I'm just wondering what the government is doing to address this. This has always been one of the criticisms, I guess. One of the things that we see here in the territory — and we've been talking a little bit about this — is the fact that we seem to ever-increasingly rely on transfers, whether or not just the actual transfer or specialized transfers, around the provision of reduced wait times for health care funding. Whether it is for infrastructure funding, increasingly we seem to be relying on these revenues.

In this budget we see a reduction in the forecast revenue. I'm just wondering if the minister can tell us what the government is doing to look at increasing own-source revenues, whether it is through royalties or taxation. I'm not necessarily talking about increases in taxation but about increases in economic activity so that if we're producing more, there are actually more taxes being paid.

We actually had this discussion about corporate income tax during second reading and the minister provided an explanation. I don't know if he can go into more detail about how the fiscal situation in other jurisdictions in Canada affects our ability to collect corporate income tax, because there are fewer corporations actually incorporated in the Yukon, yet we see an increase in personal income tax that is almost offsetting.

What I would like to know is — there is a million-dollar discrepancy there as far as offsetting — what is the government doing to try to increase its own-source revenue as opposed to relying on transfers — whether it be taxation or royalties? What is it forecasting for future years?

Hon. Mr. Fentie: The only thing I can do on the latter part of the member's question is point to the fiscal framework

that was presented with the budget as tabled in the spring of 2009. That is the forecast. It has the revenue side in a five-year window. The majority of what the member is referring to in this reduction of revenues is, due to the booking required by the Auditor General on the Building Canada adjustment — that is the majority of it.

Third party recoveries can range through a number of issues; most of that will be able to be picked up in departmental debate because each department that is reflected in this total amount will have it housed in their actual budget on the department line-by-line debate.

What's the government doing to increase own-source revenues? What has it already done? Our own-source revenues are heading in the right direction. If you look from 2002-03 to 2008-09, we've had a 69-percent increase in the seven representative tax systems that are basically what comprises own-source revenues by measure. The total values of own-source revenues have definitely gone up and, based on our consumer price index, that's up 10.5 percent for the same period — so we're heading in the right direction. These adjustments in the supplementary reflect, in many cases, matters that are accounting in nature, and part of the tax revenue issue is due to how Canada has booked corporate taxes.

As I said some days ago, our real measurement — our real barometer — is income tax. Yukon's income tax earnings are certainly up. That's a better measurement of what's happening in our economy because the corporate tax rates are more affected by what Canada does, and we either go down or up, depending on how Canada is dealing with their corporate tax revenues. And I'll repeat — the majority of this reduction is the accounting adjustment for Building Canada.

Mr. Cardiff: I'm just wondering: can the minister explain — I'm not fully up to speed on this issue of how corporate tax rates that are being dealt with by Canada affect — especially in this instance, I guess, because it's substantial; it's more than 50 percent — the difference in what's being shown here in the budget. We anticipated receiving \$11 million in corporate income tax and the revised vote is for a little over \$5 million. It's a difference of a little over \$6 million that we're basically voting out of the budget. What I'd like the minister to do is explain to us how Canada deals with corporate income tax — how it affects us so greatly here.

Hon. Mr. Fentie: I think the best example is the banks. Banks' taxable revenues go down and Yukon's share of that corporate tax revenue goes down. There's much more to it, but that's a single example that demonstrates why there's this effect. We also are affected by how Canada addresses other corporate taxation from other corporations, and if there's a drop, then Yukon's share goes down accordingly. That's why the government has made the point that our real barometer is income tax, because that's ours. By measure, that's what we can clearly see is heading in the right direction economically — that growth in own-source revenue.

The revenues as forecasted are lower, largely due — and I'll just recite what has come forward from Finance officials — to the impact of the global recession and the financial crisis on corporate taxes in 2008. So there was a downward trend there

because of that global situation and how Canada handled that has directly affected Yukon in a drop in corporate tax. But I would point out to the member that when you take it all inclusively at this point in this fiscal year, we've still added \$2,509,000 to our revenues for a revised vote of \$964,611,000.

Mr. Cardiff: I probably have one more point here to make today or I guess a question to ask for clarification and then I'm pretty much done. It's still about this corporate income tax. The minister used the example of the banks. So the corporate income tax we receive — our whole taxation system's money is collected by Ottawa and then it comes back to us is the way that I understand it.

The Premier used the example of banks. Is it only from corporations that do business in the Yukon that we're receiving this tax? How does that formula work? We only get a percentage of the corporate income tax that is collected by the federal government, based on the amount of business that a bank or a corporation in the Yukon does that is working here in the Yukon? Can the minister explain how that works?

Hon. Mr. Fentie: Mr. Chair, first off, the one element is that we are impacted by the corporations that are permanently established in the Yukon. That is one element. There is an attribution factor to this where we get a share based on a very complicated formula, which I can't explain and it would take us considerable time to go over it and try to explain it, that gives us a share of the national revenues, if I could put it that way — corporate tax revenues.

It's called an attribution formula because, as I pointed out, the global situation has created this downturn and we've been impacted negatively on the corporate side. We have not been impacted negatively on our income tax side — PIT, personal income tax revenues, are up. All in all, although it's unfortunate we have lost somewhat on the corporate side, we are still gaining and hope to continue, but if this global situation lasts for any length of time and if the U.S. situation — as the Prime Minister and Minister Flaherty, the federal Finance minister, have pointed out — doesn't start to resolve itself, there is going to be further trouble, probably in a manner that even puts downward pressure in other areas. That's one of the reasons why we've been maintaining the surpluses that we have.

There is a golden rule: what goes up will come down. And that ever-rising, economic growth factor in Canada did come down. It came down suddenly, and it has really impacted Canada, but we're in better shape than many other countries. Our financial institutions are in better shape. Our manufacturing sector has been hit hard — yes, of course — but if you take Yukon and compare it with other jurisdictions, we have not experienced any of those very deep reductions. That's because we weren't affected by those areas, and we've managed to continue to grow. I think that's a positive and we must make it continue to happen, not in boom phase or measurement, but nice, incremental, managed, responsible growth.

Mr. Cardiff: Just one more area, I guess, that I thought I'd like to explore with the Premier while we have him available here in the — if he could tell us — I guess I'm looking for what's happening at a higher level, as far as discussions about the pipeline. I know he's in contact with premiers and

governors in other jurisdictions. There's some talk that it doesn't look like the Mackenzie Valley line may go forward.

I'm just wondering what kind of discussions the Premier has had with the premiers or governors in other jurisdictions. I'm mostly interested in what's going on in Alaska, I guess, and what the Premier is hearing about the possibility of proceeding with the pipeline, as well as from an overall leadership/corner-office perspective of whether or not the Yukon is up to speed. Are we doing all the things that we need to do to be ready in regard to — I mean, we've been talking about power production, and the increased demand there. I am thinking more along the lines of the impact on government, social services, the impact on the environment, the impact on the labour market, and ensuring that Yukon is best prepared to meet the challenges, should this project go ahead. I would be interested in hearing what the Premier has been hearing in his circles about where these projects are at.

Hon. Mr. Fentie: First, Mr. Chair, there can be more detail in regard to what Yukon is doing in pipeline preparedness when the Department of Energy, Mines and Resources comes up for debate. We do have a pipeline branch established in the department. We've established a relationship and have provided investment to the aboriginal pipeline group here in Yukon. They are also out doing work. TransCanada PipeLines is also doing work internally here in the Yukon. So too is the Denali group; they are doing things.

I think it's going to be dependent on — everything is going to be dependent on what happens in Alaska. You know, the member knows that the *Alaska Gasline Inducement Act* was passed under former Governor Palin. Through that process a proponent was chosen and that is TransCanada PipeLines. TransCanada PipeLines is required under law in Alaska to do a number of things — hold an open season and it includes in all-Alaska possibility, which is liquefied natural gas. So all these processes are happening as we speak.

The Mackenzie Valley pipeline has had extensive assessment and investment by governments. The list goes on and on. There has been no definitive decision on the Mackenzie Valley pipeline as yet. I believe that project is awaiting a report back — I'm not sure if it's the Mackenzie Valley water board — or there's a report that is due to be provided. Other than that, the ultimate decision rests with the producers. Are they going to go or not? Until a lot of this work has been completed, I do not believe we're going to get any indication if a go-ahead decision for either project is imminent.

Much of the work that is being done will dictate, to a large degree, what that decision will be and, of course, the marketplace is going to be the ultimate point of decision — if the economics are there, given the return or value of natural gas.

Chair: Is there any further general debate?

Hon. Mr. Lang: Mr. Chair, I'm going on the conversation the Premier just started with the member opposite, on the pipeline. Certainly, we are very aware of the Alaska Highway pipeline, and the process that is in place, understanding that Denali was one of the proponents of the pipeline, and they have been to the territory discussing issues they had with us and, of course, the affected First Nations. And, of course, TransCanada

has been doing their good work. So we're waiting to see what comes out of this agreement — this process — that Alaska has put together. That will be out in July of this year, I think is the date.

We are certainly working with our aboriginal group and making sure that we are as aware and ahead of the curve as far as the Alaska Highway pipeline is concerned, understanding that we have been talking about this for almost 35 years. It's certainly something that hasn't been decided yet. The producers are all very important in this. There are also guarantees that have to be put in place with the government, the American government and other investors to make this project financially feasible. We have certainly been monitoring the Mackenzie Valley pipeline and we have been very vocal in our support of both pipelines, understanding that the Mackenzie Valley pipeline could be part and parcel of the north Yukon gathering situation. We are monitoring that.

I would say that the comment that I've heard out of the territory is they're waiting for the environmental and economic study, which is going to be out fairly soon, so that they can move forward with some decisions in that respect.

It is ongoing. I understand the situation of wondering what's happening, because we go through these periods of great quietness and then the interest is piqued at different times. So, what we've done as government, what EMR has done, is moved ahead, kept in contact with the Mackenzie Valley pipeline people, and certainly have worked with the Alaska Highway pipeline, which is a separate issue. We've always said or commented that that the Alaska Highway pipeline would be after the Mackenzie Valley pipeline, but that again is a question. Two or three years ago, it looked like the Mackenzie Valley pipeline was going forward at a faster rate. So, all of these issues, as it unfolds — and of course, the Alaska Highway pipeline depends on the producers, and it depends on their process.

The member opposite asked a question about the scheduled meetings for the public/private partnership and the net metering. They're working with the corporation at the moment to put together what those discussions are going to be, and the scheduling will be out, hopefully next week, as the corporation and Energy, Mines and Resources can work out how best to go forward. I am looking forward to a schedule for the beginning of the week or next week, at the end of the week.

Chair: Is there any further general debate?

Seeing none, we will proceed with Department of Education, Vote 3. 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.

Department of Education

Chair: The matter before the Committee is Bill No. 17. We will now proceed with Vote 3, Department of Education.

Hon. Mr. Rouble: Thank you, Mr. Chair. I am pleased to rise in the House today to speak to a number of important initiatives supported by the Department of Education's supplementary budget for 2009-10. There are significant investments throughout this supplementary budget for the implementation of New Horizons. New Horizons is the planning for and implementation of conceptual and systematic shifts in education involving communities and partners, supported by education research, that will lead to greater success for each and every student.

We are also continuing to make progress on the commitments made in the January 2009 Auditor General's report and the response from the Department of Education. In addition, there are also significant investments in labour market initiatives and development. We are continuing to support Yukon College in research and the implementation and operation of the Climate Change Research Centre of Excellence. This supplementary budget includes a significant investment in climate change and the environment, as well as the economy. There are significant investments to enable education, training and skills development in order to prepare Yukoners for Yukon opportunities.

Mr. Chair, in order to build a sustainable and competitive economy, the territory must address skills shortages by helping employers identify needs for development and attract skilled workers to Yukon. I'm pleased to say that the Department of Education's commitment to the implementation of New Horizons focuses on creating a responsive education system, enhancing transitions, developing and maintaining partnerships, and our work and labour market development is well supported by this year's supplementary budget.

I am also pleased to announce that this year we will be seeing a significant increase to the Department of Education funding. Under the 2009-10 supplementary budget, there will be a 4.1-percent increase in O&M expenditures and a 41.4-percent increase in capital expenditures. Indeed, these are significant increases for the department, and I'm sure all members in the Assembly, including the members in the opposition, will strongly support this.

As I can see from their nods of approval, I'm sure we'll have a productive debate for the duration of today and, I'm sure, for many days to come. In fact, I can see the Member for Mayo-Tatchun and his obvious enthusiasm for the issue, eager to stand and support the many initiatives that we will be discussing and debating for this department in the remaining minutes to come.

The total operation and maintenance supplementary budget for 2009-10 is \$4,868,000. Under education support services, we are requesting \$134,000. This request is to support a communications coordinator and the annual education summit as part of our community engagement. That will be held in February.

Mr. Chair, members will remember that last year we held an education summit. We do plan to make this a regular activity in order to provide ongoing information to, really, all members of Yukon's community who are interested in the undertakings of the Department of Education.

Communications is critical to the success of implementation of New Horizons and ensuring healthy participation that is going to enhance programming, capacity building, and positive community engagement. Ongoing communications and mechanisms must be in place. Timely communications and community access to regular progress updates is also critical to successful systemic reform.

Under this year's supplementary budget, the Department of Education is also asking for \$1,211,000 to support operations and maintenance activities in public schools. The most significant investment for public schools is to support the implementation of New Horizons. Mr. Chair, we have had several discussions on this in the past and members have wanted to see some of the on-the-ground implementation of this, some of the activities that we're undertaking. There have been many undertaken already, and these include more, outlined in this budget.

Included in this is \$983,000 that has been requested to address the themes of consultation in order to ensure a systemic shift necessary to meet required targets. Mechanisms for appropriate community involvement and innovations have been linked with a tracking of evidence to ensure that planning and strategies for improvement are indeed achieving established goals.

We are going to continue to make evidence-based decision-making. What that means is looking at actual results that come forward from our testing, from our assessments, from our informal and formal evaluations, to ensure that we are accomplishing the goals that we intend to achieve and using research to back that up. We'll continue to monitor and test different initiatives and then use the information received from that in order to make decisions on how to go forward in the future.

First Nations' need for involvement for the support of their language and culture and for experiential ways of program delivery will support the learning of all Yukon students and healthy communities. This funding is allocated to various initiatives, including \$289,000 for school growth planning. Mr. Chair, this is a partnership process that is designed to focus on the needs of students. It is a process that engages staff, students, school councils and First Nations in identifying and prioritizing specific needs, intervention strategies, targets and the monitoring process to support student growth.

Mr. Chair, \$191,000 has been allocated for a Yukon First Nation secondary school experiential program. I can see members' enthusiasm for this type of program. This will build upon the experiential programs that the Department of Education has provided, such as many of the ones housed at Wood Street, including ACES, OPES and MAD. This will create a program that, while it is not specifically limited to students of First Nation ancestry, will focus on many of the issues and concerns and content — in addition to regular curriculum content — that is expected to engage them.

This program will integrate and focus on Yukon First Nations content and perspectives, inclusive of history, languages, practices, laws, values and beliefs throughout the curriculum, as well as student assessment and evaluation.

Mr. Chair, \$163,000 has been identified for the Southern Tutchone bicultural program. This program will provide educational experiences that reflect the aspirations, goals and needs of Yukon First Nation communities, parents, students and Yukon schools. This program was recently launched in Haines Junction, in the St. Elias Community School, and I'm very pleased to see the support from the Champagne and Aishihik First Nations for this program. The Champagne and Aishihik First Nations have worked very closely with the Department of Education, with the school council and with the school to create this program. We will undertake this program — it has already launched with the beginning of a kindergarten program, and we will continue to measure, monitor and evaluate the program and learn what best practices we can take from that initiative, so that we can look at that to share the information with other programs or other schools throughout the territory.

Mr. Chair, \$150,000 for resilience and transition will support the healthy social/emotional development of our students, which is critical for success. Addressing the student dropout rates following transitions, particularly of our rural and First Nation students, is of the utmost importance if Yukon students' life chances are going to improve and if communities are to be healthy, vibrant and productive.

\$110,000 has also been identified for leadership development. Since literacy and language are inextricably connected, leadership development will ensure that there are trained leaders to support the learning of all Yukon students. There is \$80,000 for community engagement, as we move forward, for greater community involvement in planning for the success of individual students and/or for all adult learners moving beyond the school to consider lifelong learning opportunities within a community support network.

Mr. Chair, the Department of Education is also requesting revotes of \$23,000 for school-based programs that weren't completed as a result of the differences between the school year and the government's fiscal year. Programs included under this line item, such as the tutor program and the cultural enhancement programs in schools, make a real difference for students.

The department is also requesting a revote of \$55,000 to complete projects approved under the northern strategy trust: Revitalizing Culture Through Story and Technology, and Walking Together. In Revitalizing Culture Through Story and Technology, a DVD will be produced that will feature Yukon First Nation languages and culture under the guidance of the Yukon First Nation curriculum working group, which represents the eight Yukon First Nation language groups.

Also included under public schools is \$150,000 to cover the estimated legal fees the department will incur in relation to the Commission scolaire francophone du Yukon court case.

Under the 2009-10 supplementary budget, the Department of Education is asking for \$2,738,000 under operation and maintenance for Advanced Education. A large part of Advanced Education funding is dedicated to supporting labour

market initiatives. Our kindergarten to grade 12 education system sets the foundation for lifelong learning, but Advanced Education plays a key role in preparing people for engaging in the world of work and enhancing transition between education, training and the world of work.

Advanced Education has entered into a very important joint initiative with Canada that will be of significant benefit to Yukon. There is \$1,457,000 requested for year 1 of a five-year agreement with Canada on a labour market agreement. This agreement will give Yukon the resources to assist in the training needs of Yukon residents who are not eligible for employment insurance benefits, particularly vulnerable groups in the labour market such as First Nation people, social assistance clients, youth and persons with disabilities, who will also have additional programming opportunities.

A number of initiatives have been implemented under this agreement. Support for First Nation people in heavy equipment operator training, youth employment in rural Yukon and Kwanlin Dun First Nation House of Learning are just a few.

In addition, a negotiation of a significant devolution of responsibility under the labor market development agreement will allow Yukon to have a more significant voice in determining the nature of employment benefits and support measure programs that Yukoners can access under part 2 of the *Employment Insurance Act*. I know this has been of particular interest to the Member from Mount Lorne, and he has asked on several occasions when this devolution of federal program is going to occur, and I'm pleased to have already announced that the devolution of it has occurred, and that Yukon now has much greater control and direction over this type of programming. This allows us to be much more responsive to Yukoners' needs, to the changing nature of our economy and our employment situation, and indeed, allows us to be more responsive in preparing Yukoners for Yukon opportunities.

Mr. Chair, \$750,000 is being requested for the first year of what is intended to be an ongoing arrangement between Canada and Yukon.

These programs are designed to assist EI-eligible clients to re-enter the workforce. Fully accepting administrative responsibility for these programs will increase Yukon's participation in and responsibility for providing employment and training programs to residents of the territory.

Mr. Chair, \$226,000 is also requested as a revote to complete the strategies under the labour market framework for Yukon. This funding is from the community development trust. The framework will generate several strategies that will further identify and attempt to address labour market needs. These strategies are as follows: (1) a comprehensive skill and trades training strategy; (2) immigration strategy; (3) national recruitment strategy; (4) employee retention strategy; and, (5) labour market information strategy. It is expected that these strategies will be completed during the winter of 2009.

\$155,000 is also being requested to support the legal work to complete a legal review to comply with the *Agreement on Internal Trade*, chapter 7, labour mobility. \$77,000 has been requested to develop comprehensive, clear and consistent proc-

esses to assess and recognize the credentials of foreign-trained individuals in key occupations.

A practical, effective approach to apprentices and trades education is needed. In general, apprenticeship training projects that are community-focused and have participation from aboriginal groups, unions, employers, trainers, community groups and apprenticeship administrators have been successful.

\$73,000 is being requested for a two-year term position to provide additional capacity to respond to trades and apprentice initiatives and activities under New Horizons. By putting systems in place to help ensure employers have the workers they need, the advanced education branch is working toward fostering an adaptable and inclusive labour market to meet the needs of a strong, diversified economy.

There is significantly more to add, and I will be putting more information on the record as we enter into debate. But I believe that has probably given the members opposite a lot of information for now. They probably have some questions on it, so I'll turn the floor over to them.

Mr. Fairclough: I would like to thank the minister for his opening remarks and the support staff for being here, to help in answering questions that we have. I'd also like to thank the minister for helping out the Government House Leader in identifying something else to debate this afternoon, because this information was not given to the opposition parties about what next to debate. I'm hoping that perhaps government is going to pull up their socks when it comes to at least that bit of work.

Last year I asked the minister a number of questions and some of them the minister has written back on to me. I think also we would like to be updated on some of the things government has been doing. This department is pretty important to the Yukon Territory and it's nice to be able to have some time to debate issues under Education and it's good that it has been brought forward for early debate; hopefully, we can continue on and get this done.

I have voiced the Official Opposition's concerns in regard to the education reform project — government's direction in bringing forward amendments to the *Education Act* that have been long overdue. I'm looking forward to having those come forward sometime under the minister's watch.

During that process, Mr. Chair — I just want to refresh the memories of members on the government side — the general public was not happy with a lot of what was taking place. When it came to things like talking about education and a holistic view about how to make changes within government, that wasn't on the table when it came to the public consultation on the *Education Act*. What was being debated in the public were the contents of the *Education Act* and not others that the communities wanted to talk about. A lot of anger was out there. There were demonstrations outside of the Legislature on the government's direction when it comes to education.

There were high expectations that this government was going to do something different, and quickly, when they got into power some seven plus years ago. What we've seen is we've graduated from one to another to another, and now we're into New Horizons. We started off with public consultation and the

Education Act, moved into governance, and this government ran into some problems there, in my view, Mr. Chair, and one of the biggest ones was the whole issue of governance.

Now, yes, we've been talking about integrity on the government side for quite some time in Question Period and, when it comes to whether or not governance was on the table, we had all kinds of mixed views between ministers and the Premier on that side of the House. In the end, the whole issue of governance was not on the table and not there for discussions, and was not going to be recognized as part of the education reform project.

That was unfortunate, because I think that, as we go into New Horizons now, we're taking, hopefully, what we learned from the public consultation in the education reform project and perhaps are moving some things forward.

The whole issue of governance — this Yukon Party government really doesn't like to talk about it a whole lot. It really puts the control into the hands of community people and that is not what this government wants to do.

We will hear the lines — I know from the minister he will bring out the Premier's lines again. We will hear again what they have to say in regard to governance. I believe that Yukon, as a whole, missed a huge opportunity to make some difference. It was the Yukon Party that pushed that opportunity aside and we've gone year after year after year. We are talking; we are supposedly consulting out there with the general public to make some changes, which eventually will be reflected in the amendments to the *Education Act*, which was mandated back in the year 2000.

We have also talked a lot about the documents that have been tabled in this House: the First Nation graduation rates and how the department has been reporting this to the general public and how the Auditor General stepped in and said this is not the right way to go about things.

I think all that information shocked the Yukon public quite a bit, about exactly what is taking place out there in the communities and with our First Nations and our First Nation graduates. The reporting system that government was using — I think this has been brought to the minister's attention time and time again — the graduation rates and the commitment from the minister to put a new system in place for reporting.

As the minister gets up to continue his opening remarks — because it was a bit longer than 20 minutes — he may want to answer that question about how this new system is working and what we are to be expecting over the next little while in regard to making those changes and the suggestions from the Auditor General.

I asked an important question here in the Legislature to the minister about the impact of the influenza that is in Canada, in the Yukon and around the world. It has been reported out there that in Yukon schools, as we see across Canada, there is quite a large absentee rate, and particularly in the community of Carmacks, which has seen about 80 percent of students just not showing up to school. It's understandable. This is a scary situation for some people. If the minister doesn't — I know he understands it, but to give it more understanding — when the influenza last hit the Yukon in a really hard way, it was in the

early 1900s. A lot of the First Nation people of Little Salmon-Carmacks died off. There were a lot of deaths as a result of that. So people are taking it seriously. Parents are not allowing their kids to go to school for fear of getting H1N1 or the seasonal flu. So there are two things that are taking place of course — those who do have it and those who don't want their children to get H1N1.

We're really seeing it. I asked the minister whether there was a plan in place to get the students up to speed if they were away from school for quite some time. The minister didn't answer until the last supplementary and he said there was —

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

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: Mr. Speaker, Committee of the Whole has considered Bill No. 17, *Second 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?

All Hon. Members: Agreed.

Speaker: I declare the report carried. This House now stands adjourned until 1:00 p.m. Monday.

The House adjourned at 5:31 p.m.

The following document was filed November 12, 2009:

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Public Accounts, Standing Committee on: quorum, letter (dated November 9, 2009) from Arthur Mitchell, Chair, PAC, to Steve Cardiff, NDP representative, PAC (Hardy)