Yukon Legislative Assembly
Whitehorse, Yukon
Thursday, October 7, 2010 — 1:00 p.m.

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

Prayers

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

Tributes.
Introduction of visitors.

INTRODUCTION OF VISITORS
Hon. Mr. Rouble: Mr. Speaker, I’d ask all Members of the Legislative Assembly to join me in welcoming Mr. Tim Falkenberg and several students from Porter Creek Secondary School to our Assembly today. Welcome.

Applause

Mr. Cardiff: I’d like to ask all Members of the Legislative Assembly to join me in welcoming Sandra and Vivian Fowler, who are visiting us from the land of Tommy Douglas, Eyebrow, Saskatchewan. They are visiting relatives in Carcross, I believe.

Applause

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

TABLING RETURNS AND DOCUMENTS
Mr. Cardiff: I have for tabling, for the information of the Legislative Assembly, briefing notes regarding the motion debated yesterday.

Speaker: Are there any further returns and documents for tabling?
Any reports of committees?
Are there any petitions?
Are there any bills to be introduced?
Are there any notices of motion?

NOTICES OF MOTION
Mr. Inverarity: Mr. Speaker, I rise today to give notice of the following motion:
THAT this House urges the Yukon government to table an independent commission to review all processes and procedures regarding appointments to government boards and committees, including the major government boards and committees listed in Standing Order 45(3.2), including processes for Yukon government appointments to boards and committees established under the Umbrella Final Agreement; and
THAT this commission report its findings and recommendations to the House not later than the end of the 2011 fall sitting of the Legislative Assembly.

Mr. Cathers: I rise today to give notice of the following motion:
THAT this House urges the Yukon government to table a report detailing the public response to each of the questions asked in the distracted driving survey prior to calling Bill No. 91, Second Act to Amend the Motor Vehicle Act, 2010 for debate in Committee of the Whole.

Speaker: Are there any further notices of motion?
Is there a statement by a minister?
Hearing none, this then brings us to Question Period.

QUESTION PERIOD

Question re: Yukon Housing Corporation mortgage portfolio

Mr. McRobb: Once again it is necessary to revisit an issue this government denied in this House. Evidence obtained later through an access-to-information request has provided hard evidence proving this government wrong. On April 12 of this year, the minister responsible for the Yukon Housing Corporation was asked about selling off mortgage portfolios. The minister not only closed the door to this possibility, he slammed it shut with these words: “It is absolutely not true,” he said.

Mr. Speaker, the minutes from the Yukon Housing Corporation Board of Directors meeting for August 6, 2009 provide the hard evidence that proves the question was legitimate and the minister’s answer was wrong. Why did the minister deny it, when the hard evidence proves otherwise?

Hon. Mr. Kenyon: I thank the member opposite for the question since it does give us a chance to clear the record. The documents that the member opposite referred to before — this summer — when he called me some uncomplimentary names, which were, in fact, very much as uncomplimentary to him. What he presented as evidence, was an analysis done by the Management Board Secretariat, not by Yukon Housing. That analysis from the Management Board Secretariat was never actually presented to the Management Board. It was never considered by this government. We like to deal with facts, not fiction. I do realize that the member opposite does continue to rumble around, and he has no experience in government. I can understand that he doesn’t understand what a Management Board analysis is. It was never presented to this government.

Mr. McRobb: Mr. Speaker, this government is in denial. This is the same government that denied it was negotiating the sell-off of Yukon’s energy future to a private sector company in Alberta, even after the hard evidence proved otherwise. Now we discover this government was actively working on selling Yukoners’ mortgage portfolios to private interests, which they also denied. The minister said it is “absolutely not
true”. Those are his words, but the hard evidence states that the committee considered the option of selling the mortgage portfolio to a private sector lending institution. Why did the minister deny it, when the hard evidence proves otherwise?

Hon. Mr. Kenyon: The member opposite obviously doesn’t understand what an analysis is and something that has actually been presented to government. He also seems to forget that the Yukon Housing Corporation Board of Directors is, in fact, an independent body. If he Googles that, I’m sure he would be able to discover that, and that seems to be the way he gets most of his information.

For the member opposite, I will repeat; it is absolutely not true. It was never considered by this government to do anything with the mortgage portfolio. What we did do was allow some people to go into the private sector — to banks and other mortgage lenders to take a look at their mortgages — because it opens other things, such as lines of credit, et cetera — things the Yukon Housing Corporation does not do.

At that time, we decided we would probably — at the discretion of the board — waive the three-month or whatever the penalty clause is within that mortgage. That only makes sense. We had no intention of selling anything off. It was a decision document. We like to deal with facts. The member opposite seems to be more content dealing with speculation.

Mr. McRobb: It’s no wonder why Yukoners are crying out for good government. It, too, is no wonder why this Yukon Party government has fallen into disfavour with the people it is supposed to serve. The hard evidence, which I will file now, proves this government was actively working behind the scenes to sell the Yukon Housing Corporation’s mortgage portfolio to a private sector company. Hansard proves this minister denied it was actively considering any such thing, and he just confirmed that today. The evidence is clear — this matter will be decided in the court of public opinion and, once again, the verdict won’t be good news for this Yukon Party government. Again, why did the minister deny it, when the hard evidence proves otherwise?

Hon. Mr. Kenyon: The hard evidence is that it was a decision document done by the Management Board Secretariat. That’s what they do for a living. They analyze options and analyze what would happen — pros and cons — of various decisions. The document was never presented to Management Board; it does not appear in Management Board documents; it does not appear in Management Board decisions.

Again, the member opposite seems to confuse that the Yukon Housing Corporation Board of Directors is an independent body from government. I don’t even get copies of their minutes because it’s not part of what I want to know or should know. We have discussions occasionally on philosophy and that sort of thing, but in terms of being an independent board, they are in fact an independent board.

I again go back to June 22, 2000, when the member opposite is quoted in Hansard saying, “It wasn’t long ago when the Liberals had all the answers. Now they have none.” They still have none. What we have here is Men with Brooms, Part Two.

Question re: Yukon Housing Corporation mortgage portfolio

Mr. McRobb: I’ll agree with the minister on that one. If he would just answer some of these questions, then we would have an answer.

Yukoners deserve better — much better. We have a clear-cut case where the minister responsible for the Yukon Housing Corporation denied privatization efforts were occurring behind the scenes, yet the hard evidence proves otherwise. The board meeting minutes filed this afternoon undeniably prove otherwise. The minutes revealed the sell-off of the mortgage portfolio to a private sector company was considered. The minutes then went on to analyze public reaction to this option. By the way, it’s also interesting to note that public consultation was never considered prior to the privatization of Yukoners’ mortgages.

Can the Housing minister explain that to Yukoners? Why would he not want to hear from Yukoners first?

Hon. Mr. Kenyon: Again, the member opposite seems to be confused about the Housing Corporation Board of Directors, and the fact that they are an independent body. Now, we do know what the Liberal Party and the Liberal members think about good Yukoners serving on independent boards. We appreciate those comments; we appreciate the participation. We don’t go after and assault these individuals and make claims against them. We accept their advice, and part of that advice is to advise — that’s the definition. If the member Googled that definition, he’d probably know that too. So, Mr. Speaker, I really don’t know if it’s ignorance or apathy, but, frankly, I don’t think he knows, and I don’t think he cares.

Unparliamentary language

Speaker: The use of the term “ignorance” in relation to another member in this House is not acceptable. I know the minister wasn’t referring to the individual member himself, but please be careful of that type of terminology.

Mr. McRobb: One would have thought this government would have learned its lesson about selling off Yukoners’ assets without a mandate from the voters, yet this behind-the-scenes activity occurred after the public uproar following the exposure of this government’s secret plan to privatize Yukoners’ energy future. Furthermore, not only did this government not let Yukoners in on its secret plan, this Housing Corporation minister stood up in this Assembly and pointblank denied it, as he continues to do today. It’s no wonder Yukoners have lost trust in this government.

Why did the minister sanction this secret plan and order it to be taken to Cabinet through a Cabinet submission, yet still deny it in this House?

Hon. Mr. Kenyon: Again, I do feel that perhaps the member opposite has some difficulties, having never been able to sit in government — he has been a long time in this House but has never really been privy to what actually happens.

It was never presented to Cabinet; it was never presented to Management Board. The Yukon Housing Corporation Board of Directors did their good work to give advice. The Management Board Secretariat did their good work to give advice and
options, and the decision was made that it would not be taken to government; it was never presented to government at any point in time.

So I do hope the member opposite continues to understand that, regarding Yukoners involved with boards and committees, we really appreciate their work and we appreciate their input.

We really appreciate their work and we appreciate their input but, frankly, this government is not about to go after these members, as the member does give some impression that he might be.

Mr. McRobb: Mr. Speaker, make no mistake about it. This sell-off was considered at the Cabinet level. This means that all members of Cabinet, which means all Yukon Party ministers, were in this together. The board meeting minutes prove it was brought to Cabinet. I refer everyone to the blanked-out section marked “15.1”, which means this section was whited-out due to Cabinet confidentiality. That’s the hard evidence.

The hard-working board members were concerned about the ramifications of this secret Yukon Party plan and the minutes reflect that concern. But that didn’t stop this Housing minister from ordering a Cabinet submission. Again, why did he sanction this secret plan and order it be developed into a Cabinet submission, yet he continues to deny it in this House?

Hon. Mr. Kenyon: For the member opposite, this was never presented to Cabinet; it was never presented to Management Board. And if the member opposite wants to say again it was considered at Cabinet level, he is wrong. He is wrong again. I could be more blunt about that — I can’t in this House — but I do ask the member opposite to go outside and make some of these allegations, because they are simply not true.

We deal with fact; we deal with analysis. That’s what government does, and what we do on this side of the House — we are responsible for what we say, and what we do, and for the actions that we take. The member opposite and the Official Opposition aren’t. They can say anything they want. What’s the member opposite’s view of collaboration and consulting with Yukoners? As the Member for Mayo-Tatchun pointed out in Hansard on May 29, 2002, the Minister of Renewable Resources — and that is the Liberal minister, Mr. Speaker — rented an RV to travel to the Yukon campgrounds — $5,000. Is that the Liberal way of consultation? We consult with our boards and the good people that serve on them.

**Question re: Boards and committees, appointments to**

Mr. Cardiff: Yesterday we presented a proposal to look at the important work done by 600 citizens serving on 100 boards and committees on behalf of Yukoners. We brought this proposal forward because we are quite frankly disturbed by the acrimony, the mud-slinging around appointments to boards. Opposition and government are both guilty of this. We brought forward this proposal because we were looking for solutions, Mr. Speaker. We wanted to see improvements to our extremely important method of citizen democracy and how we recognize the valuable contribution that they make.

It only makes sense. But the government shot this down. They amended the motion so the government could conduct the review, which they then vetoed.

Why was it so important for this government to maintain control on this issue?

Hon. Mr. Fentie: Actually, the government doesn’t maintain control on this issue at all. There is the Umbrella Final Agreement; there are legislative mechanisms, policy and regulatory processes that control boards and committees. There are even corporate acts that control boards and committees.

Unfortunately, the member of the Third Party, after coming to my office to talk to me about this, does not reflect here in the House to Yukoners what our discussion was. I was very open and clear with the member opposite that what the Third Party was proposing logistically, timeline-wise, and given the order of magnitude of what must be addressed, cannot be done. I expressed that to him in no uncertain terms. Then I said the government would probably, in the debate in this House, amend that motion so we are better able to actually conduct the process that the member seeks.

That’s what the amendment was about. Unfortunately yesterday, as private members’ days tend to go, the debate turned into political theatre instead of focusing on the item at hand. The government does not control boards and committees.

Mr. Cardiff: But they wanted to control the review process.

Now when the issue of wages for MLAs came up, what did we do? We had an independent review. It just makes sense that on certain matters we ask others who have no stake in the outcome to review and to make recommendations. Our boards and committees system is an integral part of our democracy. Our boards are responsible for so many functions and so many laws. Through our motion we suggested that there are some problems that might need to be addressed, like the inconsistency with remuneration levels, like deciding when boards outlive their usefulness, or when new boards should be created. The major issue is the politicization of appointments. Whether truth or perception, this is a problem and it may make it more difficult to find Yukoners willing to participate on boards. Yesterday was an opportunity to be non-partisan and to give away a little bit of power to do something for the good of all. Why did the government reject that opportunity?

Hon. Mr. Fentie: Unfortunately, the member opposite not only doesn’t understand the task and the scope and the order of magnitude of what boards and committees do, how they’re structured, how appointments are made, how all facets of this process are conducted, he doesn’t even understand what transpired in the debate yesterday. The government side was pretty clear in our response to what we thought was a constructive motion, which is now appearing to be something else, but we pointed out that this Assembly and these members and this House should not even be alluding to a perception of politicization when Yukoners submit their names. If the member had looked at the process, he’d realize that soliciting names from Yukoners to serve on boards is done in a very public manner. It’s advertised through the media. Yukoners who choose to put their names forward aren’t expecting a political appointment;
they’re expecting to serve on boards and committees on behalf of Yukoners. That’s what the member doesn’t understand.

Furthermore, the member, once again, ignores the fact that the Third Party was clearly told that the scope of the undertaking of what the motion proposed was impossible. The government offered an alternative to get there.

Mr. Cardiff: The Premier seems to have a little bit of a defeatist attitude on this.

The former MLA for Whitehorse Centre used to talk about the need for us as MLAs to raise our game and to set a higher standard. For him that was critical if we were to engage people and to combat cynicism, the indifference and the apathy. That was our motivation in bringing this motion forward yesterday, to get away from the mudslinging, the accusations around appointments and to improve the system.

At the end of the debate, Hansard records that the government voted against the motion, even after they amended it. It was their motion at that point. Unfortunately, Hansard doesn’t capture everything. It doesn’t capture the behaviour on the government side; it doesn’t capture the mocking, the laughter and the derision. Maybe they can let Yukoners in on the joke: what was so funny about yesterday’s motion debate?

Hon. Mr. Fentie: Nothing is funny about yesterday’s debate. What’s even more of a concern is, before the government side could even fully articulate the amendment it was proposing, media were calling government offices about an amendment. I wonder how that happened, when it comes to raising our game?

Furthermore, when you talk about raising our game, yesterday the NDP released a press release regarding the Peel planning process. Clearly, the NDP would usurp the obligations of governments in that planning process by standing down on the public consultation required under the Umbrella Final Agreement, which is enshrined constitutionally.

Raise our game? I think it’s time the Third Party raised its game.

Now, back to a constructive approach, the member tabled a motion, once again, and the government’s side offered, unequivocally, our support to address the issue, but the government’s more interested in doing it in a manner where we actually get something done.

Question re: Peel watershed land use plan

Mr. Fairclough: I have some questions for the Minister of Tourism. Yesterday I asked the minister about a proposal by one of her colleague’s for a new tax on tourists. The minister didn’t respond. We know it’s the minister’s prerogative, but Yukoners want to hear from her. She was silent yesterday, just like she has been silent about the Peel. Last week, one of her colleagues was talking about tourism, and how this Yukon Party government should put a new tax on tourists using the Peel area. Now I quote: “...if you’re going to have a value for that pristine environment, then the people who use that pristine environment will have to be taxed accordingly.” Let’s hear from the Tourism minister. Does she support her seatmate’s new tax on tourists?

Hon. Mr. Hart: I rise today to advise the House that I misspoke during the second reading of Bill No. 22 on September 28 with regard to a tourism tax. My remarks were taken out of context. I would like to make it emphatically clear to the House that the Yukon government is not considering a tourism tax nor was it my intent to do so. Mr. Speaker, the government, over the years, has produced many bills to reduce taxes on small businesses, including tourism. Also, Bill No. 92, Act to Amend the Income Tax Act, is before the House, and it’s another example of how this government is reducing tax for small business.

I apologize to the House for my comments being taken out of context.

Mr. Fairclough: Mr. Speaker, last week in this House, in the middle of debate, while the cameras were off, the Minister of Health and Social Services told Yukoners that he supports a new tax on tourism. He said that; that was clear. The members opposite know that this is going to have a very negative impact on our visitor industry, and the Minister of Tourism knows that. This is what the Minister of Health and Social Services said: “...if we are going to have a value for that pristine environment, then the people who use that pristine environment will have to be taxed accordingly.”

That was clear from the Minister of Health and Social Services. It was clear; we stated it verbatim. Yukoners want to know from the Minister of Tourism whether she supports this new tax. Now the Minister of Health and Social Services is retracting this statement from last week; my goodness, they must have heard a lot from the general public. Why did it take so long for the Minister of Health and Social Services to change his mind?

Hon. Ms. Taylor: Again, to the contrary, this government is not imposing any new taxes. It’s not increasing taxes. In fact, this government has worked very hard over the last eight years to reduce the corporate tax rate. As the Minister of Health and Social Services just outlined, a bill is before the Legislature right now that further raises the small business deduction limit — in fact, to the tune of 150 percent when one looks over the last eight years. Again, this government has been very supportive of the tourism industry. We recognize that it is very integral to the growth of the economic health of this territory and, as such, that is why this government continues to invest in infrastructure that is complementary to the growth of the tourism sector — infrastructure such as the expansion of the Whitehorse International Airport — something the members opposite take issue with. We continue to invest in product development, in marketing and in research. We continue to work very hard in collaboration with the tourism sector to grow this territory and continue to invest in infrastructure that will see the continued growth of the tourism sector.

Question re: Land-based healing initiative

Mr. Mitchell: I have some questions for the Minister of Health and Social Services about the land-based healing initiative that took place at Jackson Lake this past summer. For several years the Yukon Party refused to fund this program. When the Member for McIntyre-Takhini quit the Yukon Party the first time, he cited the Premier’s unwillingness to move ahead on this program as one of the main reasons. That same member rejoined the Yukon Party last year and, imagine that,
the program received some funding. It was funded this past summer by the northern strategy, a federal program that has now expired. In other words, this was one-time-only funding and that money has now been spent.

Can the minister tell the House how much money was spent on this program this past year?

Hon. Mr. Fentie: What’s interesting is the concept that the Liberals continue to put forward about muzzling. We just experienced a prime example of that very thing.

Furthermore, if the Leader of the Liberal Party would reflect on the factual information and items like party platforms, the member would see clearly that the Yukon Party government committed to land-based treatment to the Yukon public, and we’re very pleased with the efforts that the Minister of Health and Social Services brought to this commitment and that the Minister of Environment brought to this commitment. We’re extremely pleased with all the efforts the Kwanlin Dun First Nation and their government brought to this commission and to the Department of Justice. By the way, in that regard we’ve even had inmates from the Whitehorse Correctional Centre attending programs and treatment at the land-based treatment centre. It’s another commitment delivered and we’re extremely pleased with that.

The problem for the Liberals is they voted against the investment dollars that actually created this treatment program, and now they’ve demonstrated how they muzzled their own colleagues. First it was the Member for Vuntut Gwitchin on the long-gun registry and now it’s the Member for Mayo-Tatchun in what he seems to think is a very important issue.

Mr. Mitchell: Having heard all of this praise passed around to his colleagues, we’ll have to assume that the Yukon Party is going to try to fund this program again next year. If the government decided to pull the plug, we suspect the Member for McIntyre-Takhini would probably be taking another walk, something he has become well known for.

The program was funded last year with money from the Government of Canada. It was from a program that’s now expired. The government cannot go back to that well next year. If the government had better controlled their spending, it could have been funded next year out of the remaining surplus. Yukoners know that two years of reckless spending by this government has almost drained the savings account down to near nothing. The minister’s officials confirmed last week that funding for this program is currently up in the air. How does the Premier, or the Health minister, plan to pay for this program next year?

Hon. Mr. Fentie: The Liberals appear to now think that the program is a very important program for Yukoners. Unfortunately, they weren’t there, at the camp itself, standing before all its clients and the individuals who were doing the hard work to create this program — to create this healing camp. They weren’t there expressing their appreciation for all their efforts and their support. They were nowhere to be seen — speaking of taking a walk, Mr. Speaker.

Furthermore, the member, the Leader of the Liberal Party, has just stated in this House that the Yukon Party government has conducted, by some measure, reckless spending. How can the member explain, then, to the public, that in North America during the time of a global recession, Yukon was one of the only bright spots of economic growth — real economic growth in North America? The reason is our stimulating the economy through our investments because we had created a savings account after doubling the fiscal capacity of the Yukon, creating jobs and benefits for Yukoners. Actually, we’re walking the talk.

Question re: Whitehorse Centre by-election

Mr. Mitchell: Mr. Speaker, we have asked this government repeatedly why the residents of Whitehorse Centre don’t deserve to have their own representative in this Chamber. The government has repeatedly dodged this question and the residents of downtown Whitehorse are still left wondering why they aren’t allowed to be directly represented. The Premier has said and I quote: “The fact is that we have not precluded representation for Whitehorse Centre and its citizens. We are deliberating on what that decision will be. We hope to have a decision on that matter as soon as we possibly can.” Even if this government called a by-election today, it would be too late for Whitehorse Centre to be represented during this House’s sitting. Does the Premier thinks this is fair to the people living in downtown Whitehorse?

Hon. Mr. Fentie: Of course, the government fully supports the fact that all citizens of the territory deserve to be represented in this House. That is a given. But when it comes to the opposition benches, I think Yukoners deserve to be represented much better than what we’re seeing today. The Leader of the Liberal Party, who opposed a healing camp — a land-based treatment camp — now stands and voices his opinion that this is a very important program for Yukoners and how the government is going to continue to support it.

The members opposite — the Liberal Party — have recently implied that Yukoners, people who serve on boards and committees, are somehow involved in cronism, Mr. Speaker. Well, by definition, that would mean that these individuals are either friends, trusted companions or partners in a criminal organization. Is that called fair and equitable representation for Yukoners — how they’ve singled out those hard-working individuals?

When you compare representation from the Yukon Party — the government side of the House — and the Liberal Party, there is quite a contrast. We actually represent people. We actually deliver for people programs like land-based treatment while the Liberals, who don’t really care about Yukoners — it’s about power — simply oppose all those things.

Mr. Mitchell: Since the Premier suggests it can be done better, perhaps the Yukon public will provide the Premier and his Yukon Party colleagues an opportunity to do a better job in opposition.

The Premier has dragged his heels on this issue. He has dragged his heels on calling a by-election and he says his government is deliberating on what would be in the best public interest.

Let’s define the term “public interest”, since it’s clear this government has been so caught up by its own agenda that it has never fully grasped this concept. “Public” in this case refers to
Yukoners, all of whom would be in support of giving the citizens of Whitehorse Centre their democratic rights to be fully represented. “Interest” in this case refers to what is best for these people — not, we might add, what is in the best interest of the Yukon Party.

So we would ask the Premier again: how is it in the public’s best interest not to have a say in who represents them and how they are represented?

Hon. Mr. Fentie: In the first instance, the Liberal leader’s assertions about representation are incorrect. Furthermore, it is all about the public agenda. That’s why the Yukon Party government has been working so hard over the last eight years, now going on nine years, to ensure the public interest is being met. We have a litany of examples of the Liberal Party where the public interest is not even part of the discussion.

I point to the facts where the Liberal Party has singled out citizens of this territory because they practice their right to freedom of speech. They are brought before this House in a manner that is unacceptable when it comes to the public interest; when they reference people’s involvement in boards and committees and, by some strange assertion, that they may have a political affiliation and that speaks to some type of wrongdoing.

That’s not representing the public interest, Mr. Speaker; that’s an attack on the public interest. The Liberals can’t have it both ways. They’re either here for the public interest and the public agenda or their own.

Mr. Mitchell: Well, perhaps the Premier is afraid to call a by-election because he knows that any Yukon Party candidate would face an uphill battle trying to explain why there was no election in time to sit in this Chamber. This would serve as a reminder of just how little Yukoners respect and trust this current government. People are tired of the scandals; they’re tired of not being given straight answers, and they are tired of being treated like their opinions are an inconvenience to this government. The people of Whitehorse Centre have a right to be elected if they want it, and it is truly sad that this right has been squashed by this Premier. It may be fruitless to expect a direct answer from this Premier, but in the best interests of the public, let’s try one more time. When will the residents of Whitehorse Centre be given their right for elected representation?

Hon. Mr. Fentie: Well, Mr. Speaker, I think that we’ve already responded to that on many occasions, and the fact of the matter is that we are endeavouring, as quickly as possible, to do exactly that. It is about the public interest, Mr. Speaker, but the Leader of the Liberal Party is now suggesting that there are numerous scandals. You know, the real problem here is how the member presents that to this Assembly, because they use the fact that people who serve in the public are somehow affiliated to government in whatever manner and that’s how they intend to present to the Yukon public that that is a scandal. I could respond to this question in the appropriate manner, as it should be, but I would be called out of order because it’s unparliamentary.

The member obviously wants to get into an election campaign — soon enough — and the Liberals will have a lot to answer to in an election campaign, frankly, and we know what that’s all about. That’s where we’re not hiding behind the immunity of this Assembly. That’s where the Liberals will have to face the public with factual information.

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

ORDERS OF THE DAY

GOVERNMENT MOTIONS

Motion No. 1172

Clerk: Motion No. 1172, standing in the name of the Hon. Ms. Taylor.

Speaker: It is moved by the Government House Leader

THAT the membership of the Members’ Services Board, as established by Motion No. 7 and Motion No. 887 of the First Session of the 32nd Legislative Assembly, be amended by appointing Steve Cardiff to the board.

Hon. Ms. Taylor: I won’t be too long in my remarks in response to this motion that I am bringing forward.

The motion is quite self-explanatory; it speaks to a reconfiguration of the Members’ Services Board, with the loss of the former Member for Whitehorse Centre. He is to be replaced by the Member for Mount Lorne. I look forward to the support of this motion by all members. It will facilitate the Members’ Services Board to be in full operation, so that they can continue to conduct business, as is intended. Thank you very much.

Mr. Mitchell: I will be very brief, as was the Member for Whitehorse West. This is something that is necessary, due to the sad loss of the former Member for Whitehorse Centre. It is important that all parties in this House be represented on Members’ Services Board, as this board does deal with important issues, including setting the terms of reference and also the budgets for the Office of the Ombudsman, the Privacy Commissioner, as well as many other important matters, in terms of actually running this Assembly. It’s important that the Third Party have representation, and appointing the Member for Mount Lorne to that board will achieve this.

Mr. Cardiff: I would like to thank the Government House Leader and the Leader of the Official Opposition for the motion and for their support. It is extremely difficult, given the circumstances, but I look forward to serving on the Members’ Services Board and hope to provide good representation, just like my former colleague from Whitehorse Centre.

Mr. Cathers: This is a housekeeping matter occasioned by the sad loss of the Member for Whitehorse Centre. It is a change to bring about the standard configuration on the Members’ Services Board, so I will be supporting the motion.

Motion No. 1172 agreed to
GOVERNMENT BILLS

Bill No. 86: Act to Amend the Business Corporations Act — Second Reading

Clerk: Second reading, Bill No. 86, standing in the name of the Hon. Mr. Lang.

Hon. Mr. Lang: I move that Bill No. 86, entitled Act to Amend the Business Corporations Act, be now read a second time.

Speaker: It has been moved by the Minister of Community Services that Bill No. 86, entitled Act to Amend the Business Corporations Act, be now read a second time.

Hon. Mr. Lang: I am pleased to rise today to speak to Bill No. 86, Act to Amend the Business Corporations Act. Before highlighting the changes in this bill, however, I want to take a moment to point out that amendments proposed to the Business Corporations Act are part of a much larger initiative by this government. This initiative, called the “business legislation reform project” began over two years ago when we introduced Yukon’s new Security Act. At that time we recognized that our business legislation was outdated and that we needed to make changes to ensure we had not fallen behind the rest of Canada.

The goals of the business legislation reform project are to modernize Yukon’s business-related legislation, recognize modern business practices, and simplify procedures to reduce the administrative burden of existing and new corporations while maintaining protection for shareholders and consumers. The business legislation reform project has sought to create a more inviting economic climate for new business registrations. In particular, the proposed amendments to the Business Corporations Act not only puts Yukon on a level playing field with other Canadian jurisdictions, but also puts us in a leading position when it comes to attracting new businesses to register and operate here.

Since the spring of 2008, a working group of representatives from Community Services and Justice have been working collaboratively on the business legislation reform project. This work includes public consultation, as well as close collaboration with the local business law subsection of the Canadian Bar Association.

I want to acknowledge the Yukon business law section of the Canadian Bar Association. They recognize that the Yukon Business Corporations Act is an important tool that can be used to ensure a sound marketplace and contribute to job creation and economic growth. These corporate lawyers have provided valuable advice at all stages of the business legislation reform project, including before the project began. So I do thank this group for their contribution to this project.

I would like to thank the team of professionals — both in government and in the private sector — who have worked so hard to develop and review the proposed amendments. Through their efforts, I have the honour today of introducing this bill, an important step to highlight that the Yukon is open for business. The Act to Amend the Business Corporations Act that we are discussing this afternoon is the flagship of the business legislation reform project.

Its changes prompt complementary and consequential amendments to the three other Yukon acts, and the creation of one new act. The other acts involved in this package will be addressed later in this session. One of them is the new Securities Transfer Act, which is part of the security harmonization initiative discussed in this Legislature during the debate of the Yukon Securities Act in 2007. The effect of the Securities Transfer Act is that it replaces and updates much of section 6 of the Business Corporations Act, addressing rules around ownership and transfer of shares.

The other pieces of legislation to be introduced in this session are the Act to Amend the Partnership and Business Names Act, which contains rules for partnership, registration and renewal, and for legally naming partnerships and sole proprietorships, the Act to Amend the Societies Act, which contains the rules for registering and operating of charitable and nonprofit entities, and the Act to Amend the Cooperative Associations Act, which covers registration and operation of cooperatives.

As I stated earlier, our commitment to business legislation reform comes from our awareness that Yukon’s business legislation was out of date, and out of step with the rest of Canada under the existing legislation. Yukon has been at a competitive disadvantage. This is because other Canadian jurisdictions have updated their business-related legislation, whereas ours has remained relatively unchanged for 20 years. These legislative reforms are necessary for Yukon so we can maintain a positive business climate in today’s global economy.

Updates to these business-related acts will provide the legal infrastructure necessary to facilitate current business and encourage new economic development to take place. For example, if the number of corporations registered here increased, there would be increased tax revenues for Yukon government programs, direct job creation in law firms and new businesses and indirect job creation due to increased business interest, more business meetings and new business-related tourism.

Standing still with outdated legislation is not an option. In all five acts introduced during this session, our goal is to use terminology clearly and consistently to avoid confusion, to reduce barriers to effective management of corporations, to fully enable the use of technology and to accommodate modern business practices.

I’ll now speak more specifically about Bill No. 86, an Act to Amend the Business Corporations Act. Yukon’s current Business Corporations Act was established in the early 1980s. Like the business corporations legislation in most jurisdictions, Yukon’s act was modelled on the Canada Business Corporations Act.

The Canada Business Corporations Act was substantially revised in 2001 and, while other provinces and territorial jurisdictions also updated their legislation, Yukon’s Business Corporations Act remained virtually unchanged.

Yukon’s Business Corporations Act contains the rules around corporations carrying on business, including what shares can be issued, the rights and obligations of shareholders and directors, the requirements around record-keeping and holding meetings and other specific or corporate structures and management.
Yukon’s *Business Corporations Act* enables and regulates the creation or incorporation of local Yukon businesses and the registration of corporations created in other jurisdictions that operate in the territory. The existing act sets out the process to create a corporation, manage it, dissolve and revive it, amalgamations, expanding continuity into other jurisdictions, and fundamental changes to a corporation’s basic structure.

Users of the act include corporate lawyers, accountants, directors, shareholders and creditors, as well as the general public and parties dealing with corporations. The existing *Business Corporations Act* has 208 sections and it is by far the largest, most comprehensive and complex of the acts being amended during this session. The amendments themselves are very technical and there are over 100 pages of changes to this act.

The amendments are primarily modelled on the Alberta *Business Corporations Act*, which was substantially updated in 2006, and the federal government’s *Canada Business Corporations Act*.

In order to summarize for you the numerous and highly technical changes proposed to the act, we will group them into three themes. The first theme of amendments updates sections that deal with corporate governance. These amendments include measures designed to facilitate communications, enhance the effectiveness of audit requirements and balance privacy concerns with public access to information.

Some of the changes are related to financial structure and transactions, record-keeping, corporation reorganizations and the decision-making responsibilities and liabilities of management. Other amendments improve measures related to foreign entities carrying on business in Yukon and strengthen shareholders’ rights.

Collectively, these amendments provide for more effective management of corporations. They provide more flexibility and efficiency, clarifying procedures, create a better defined scope for directors’ duties, and provide broader access for corporations to resolve issues through the courts. The registrar’s powers are clarified, and balanced consideration is given to the rights of all stakeholders.

The second theme of amendments deals with securities transfer law, which involves security certificates, registration and transfer of securities. Updating these topics in the proposed new *Securities Transfer Act* meant deleting much of part 6 of the existing *Business Corporations Act* and making related changes in the other sections of the act.

The third theme of the amendment corrects errors and omissions and updates terminology. For example, the amendments now allow most company naming requirements to be specified in the regulations rather than fixed in the act. These amendments remove inconsistencies, uncertainty, and provisions that duplicate, and sometimes conflict with, provisions in the new *Securities Act*. Penalties are moved to regulations where they are typically found in legislation, rather than fixed in the act. Various administration procedures are clarified, and additional authority is given to the registrar to correct incorrect documents.

Public and stakeholders consultation on this bill took place in May and June of this year. Due to the complexity of the subject matter and the large number of proposed amendments, draft legislation, a plain language document and question-and-answer notes were provided to key interest groups and posted on-line.

Feedback from the consultation was positive. Both the Whitehorse Chamber of Commerce and the Institute of Chartered Accountants of Yukon welcomed the proposed amendments. Yukon’s business lawyers were, for the most part, pleased with the amendments and asked for additional amendments. The value of this input can be found, for example, in the amendments codifying existing case law regarding the circumstances under which a corporate director may pursue a business opportunity that the corporation has declined. Yukon becomes the first Canadian jurisdiction to address this issue by statute, and this step should help make Yukon a more attractive jurisdiction in which to incorporate. This was an important change requested by the business lawyers.

As a result of these proposed changes, Yukon will be better able to compete with other jurisdictions for corporate registration on a modern, level playing field. The role of corporate lawyers will not substantially change, however. Lawyers will still play a critical role in advising clients about the creation and maintenance of corporations in Yukon and about individual responsibilities and duties to corporations and shareholders.

We recognize that some smaller corporations incorporated under the current act have been created without legal advice. The proposed changes will allow maintenance of those corporations exactly as in the past. Rather than making life more complicated, the amendments will increase options regarding meetings and record-keeping.

Most Yukon corporations don’t issue shares or securities to the public, and the shareholders are often also the directors and officers of the corporation. These shareholders will benefit from the amendments that add flexibility to the way corporations can be structured and managed. As in the past, these shareholders will have the ability to address whatever issues are important to them through their articles of incorporation, bylaws or unanimous shareholder agreements.

Corporations that do issue public shares, known as reporting issuers, will still be required to comply with the securities laws in the Yukon, in other jurisdictions where securities are issued to the public, and with each stock exchange’s rules, for corporations, which are listed on a stock exchange. Shareholders remedies, or options to disagree with a corporation’s actions, are clarified by the amendments to the *Business Corporations Act*, and shareholders of both reporting and non-reporting corporations will continue to receive protection. Shareholders, directors and company managers will continue to seek legal advice to explore the options available to them and their corporations under the amended act.

Combined with amendments to the other acts that are part of the business legislation reform project, the amendments that form the *Act to Amend the Business Corporations Act* will improve the existing regulatory framework through modernization. This will contribute to making Yukon a more attractive jurisdiction in which to register and operate business entities. Once implemented, the provisions of the *Act to Amend the
Mr. Cathers: In rising to speak to second reading on this legislation, I want to first of all thank the minister for tabling this legislation and thank the officials for the briefing this morning. I certainly recognize where the business reform pro-
ject began. I was involved in discussions at the start of that exercise and recognized a need to update our legislation.

In reviewing the legislation and discussing it with officials, it does appear to be good legislation. I also have not yet heard from constituents any concerns related to this piece of legislation. Without having had the opportunity to engage in a very lengthy review or the detailed line-by-line review of policy and wording at the Legislative Overview Committee and Cabinet Committee on Legislation stages, I am, to some degree, relying on information from the minister and officials in addition to my own perusal of the legislation.

I would note, though, that the Deputy Minister of Community Services — when I was Minister of Energy, Mines and Resources — did an excellent job of leading another major legislative project — the Forest Resources Act — and I certainly have confidence in his work and abilities in getting the details right.

I would appreciate hearing, at the Committee of the Whole stage, further details about this legislation and would appreciate it if the minister would provide information including the list of the 122 issues I understand were identified during consultation. I did ask for that information, but I asked for the information only late this morning, so I understand that the minister will be providing that, but he undoubtedly has not had time to do so yet.

I again look forward to discussion in Committee of the Whole. No concerns are coming to light at this point in time, but I recognize the importance of both this legislation and the entire package of legislation, which is part of the business reform project. I want to do my due diligence as a member of this House in reviewing it and identifying any concerns that come to light.

I look forward to further discussion and to more information at the Committee of the Whole stage in this Assembly.

Hon. Ms. Horne: My comments today will focus on the following areas: the context of bills; why we need business legislation; responsibility to facilitate capital investment through regulatory regime; and responsibility to protect investors.

I want to begin by putting this bill within the larger context of how this government is delivering on our platform commitments. One of the things I’ve noticed is that sometimes the members opposite lose sight of how these areas interconnect. The Yukon government has several tools at its disposal to implement public policy, including legislation, programs, projects and services. Governments have a crucial role to play in establishing regulatory regimes that enable people to undertake activities, to pursue dreams, to generate wealth, to build communities while, at the same time, protecting our citizens and the environment. We committed to help Yukoners achieve a better quality of life, to protect our environment, to promote a diversified economy, and to practice good government. In each of these areas, we have delivered.

I have spoken previously about things that we need to build a better economy. We need a transportation network to move people, supplies and products. We need a communications network to share information. We need access to energy at affordable rates. We need a pool of skilled and available workers. We need access to investment capital and we need a balanced, consistent, modern regulatory regime.

These changes fit with our platform commitments; they also address some very important needs, like the need to improve access to investment capital markets and the need for a balanced, consistent, modern regulatory regime.

I want to summarize the progress we have made to date. I just noted that a strong economy requires a transportation network to move people, supplies and products. We are constantly improving our transportation network. This year we are investing some $15 million in the Robert Campbell Highway. With respect to communications network to share information, we partnered with Northwestel and installed a cellphone service across Yukon.

I stated that we need access to energy at affordable rates. We have the Mayo B project underway. I would also note we are nearing the completion of the power line that connects Carmacks to Stewart Crossing and the Dawson-Mayo grid. Part of building a successful economy is connecting employers with a pool of skilled and available workers. My colleague, the Minister of Education, has been very diligent on this file. I’ll just note that we in the government have made substantial investments in this area, including a substantial commitment to the previously, often ignored, trades and technology sector of the economy.

As an aside, people who have viable, healthy employment options are less likely to stay in unhealthy or unrewarding situations. I believe that a job is the best solution to unemployment. Today, we have a job market that is accessible to people of all skill levels. Today, we have jobs looking for people. Contrast that with the Liberals: under the Liberals, we had people looking for jobs and we had people looking for U-Hauls.

These changes fit with our platform commitment; they also address some very important needs, like the need to improve access to investment capital markets and the need for a balanced, consistent, modern regulatory regime. I think about the different sectors of the economy that are going to need investment capital — like mining, for example. In 2003-04, the Fraser Institute ranked Yukon 33rd out of 53 jurisdictions. That same organization recently ranked Yukon fourth of all jurisdictions surveyed.

Mining companies are able to do business here with legislative and regulatory certainty. The top 10 scorers in a 2010 update are: Alberta first, Finland second, Quebec third and Yukon fourth, with Saskatchewan, Chile, Newfoundland, Botswana, Alaska and Nevada rounding out the top 10.

Part of our agenda is to institute a regulatory regime that enables investment while protecting investors. Ten years ago under the Liberals’ watch, people were willing to invest in Alaska, in B.C. and in the Northwest Territories and Nunavut, but they weren’t willing to invest in Yukon.

A review of the literature indicates that the Liberals’ regulatory nightmare was a key factor in driving investors away from Yukon. If the Liberals were in power, no matter how high the world ore prices, Yukon still wouldn’t have benefited be-
cause investors didn’t have confidence. What changed was the Yukon Party coming to power and putting in place a reasonable, responsible regulatory regime. We did this in the area of environmental responsibilities with great success. The badly flawed protected areas strategy was shelved in favour of following the land claims treaties that we negotiated.

The Liberals looked at the process negotiated and agreed to in the land claims treaties — looked at it and said, “no thanks”. The Liberal idea of good governance is to create duelling rival regulatory regimes that are hopelessly confusing, convoluted and expensive. The Liberals set up that duelling land regulatory process. Investors got caught in the crossfire and fled and, consequently, so did Yukon jobs and the Yukoners who filled them.

We heard earlier today that the Liberals wanted a chance to have the keys again to drive the bus — I think not.

I’ve spoken in the past about what an economy needs to be successful and one of the things I noted was the ability for individuals and businesses to access capital. Capital is the life-blood of any business, but especially small businesses. Without adequate financing through microloans, commercial lending or investment capital, most entrepreneurs cannot start a new business or grow their existing companies.

Obtaining capital can be especially difficult for start-ups and small firms that often lack the years in business or established credit history financial institutions may require prior to lending. We have moved to address some of the challenges facing Yukoners when it comes to accessing capital.

Part of the strategy has been to leave more money in Yukoners’ pockets. Yukon offers a very competitive tax regime, with no territorial sales tax and numerous tax incentives for small- and medium-sized business. Yukon was built on and still remains predominantly serviced by small- and medium-sized enterprises.

Today’s business people recognize the available labour pool in Yukon communities, the infrastructure in place to service development, and a favourable tax regime as successful components in building a healthy return on investment.

The remaining pieces are being addressed in this suite of bills. The Business Corporations Act is the legislation under which companies are incorporated in the Yukon. For approximately 25 years, the Yukon Business Corporations Act has contained unique — compared to other Canadian jurisdictions — provisions that resulted in Yukon being a particularly attractive locale in which to incorporate. In recent years, many of the other jurisdictions have updated their legislation and Yukon’s historical advantages have disappeared.

Additionally, there are many parts of Yukon’s Business Corporations Act that are out of date, simply from the passage of time and the updating or introduction of related legislation, such as the Securities Act, and the proposed Securities Transfer Act.

Yukon lawyers who practise in the area of business law have identified a number of potential changes to the Business Corporations Act, which would modernize the act and make Yukon a more attractive jurisdiction in which to incorporate. Yukon’s Business Corporations Act enables the creation of local Yukon corporations, as well as the registration of corporations created in other jurisdictions that carry on business in the Yukon.

As I stated earlier, the government’s job is to ensure that our legislation is balanced — that it both enables activity and offers protection to Yukoners. The companion legislation to the Business Corporations Act includes the Securities Act. The Yukon’s Securities Act provides the framework for the regulation of sales and trades and all types of securities to the public, enabling businesses, including corporations, to raise capital. Businesses that issue securities, including corporations registered under the Business Corporations Act, are divided into two broad categories: reporting and non-reporting issuers.

In plain language, reporting issuers sell securities to the general public, while non-reporting issuers are private or closely held businesses.

The Securities Act sets out disclosure requirements for reporting issuers. Business Corporations Act legislation in most Canadian jurisdictions has historically followed the federal Canada Business Corporations Act model. The Canada Business Corporations Act was significantly amended approximately nine years ago, and many other Canadian jurisdictions have also updated and modernized their respective Business Corporations Acts.

There has been little change to Yukon’s Business Corporations Act since the early 1980s. It should be updated and modernized so that it is current with incorporation practices in other Canadian jurisdictions and so that it works properly with changes to other Yukon legislation, particularly the Securities Act, which was modernized in 2007, and the proposed Securities Transfer Act. Most of the proposed changes are technical in nature and will be of interest primarily to lawyers, accountants and corporate directors.

One of my concerns was ensuring that, in the course of making these changes, we maintain protection for our investors. The general public will still have access to corporate records that show who the directors of a corporation are for both reporting issuers and non-reporting issuers. The general public will still be able to find out who the shareholders of a reporting issuer are; however, for non-reporting issuers, access to shareholder information will be limited to other shareholders, directors and creditors of the corporation and any other group identified in the regulations, in order to safeguard legitimate privacy concerns of individuals.

Shareholder remedies, meaning those options available to shareholders who disagree with actions contemplated or taken by the corporation, contained in the Business Corporations Act are clarified and will continue to provide protection to shareholders of both reporting and non-reporting issuers. Shareholders, directors and company managers will continue to seek legal advice in order to properly canvass all the options available to them and their corporations under the amended Business Corporations Act.

The proposed Securities Transfer Act recognizes there is, in addition to the traditional hard-copy securities, the modern electronic methods of holding and transferring securities, and its uniform legislation mirrors rules applicable in almost all
other provinces and territories. It is part of a national initiative to harmonize securities legislation across Canada, in which Yukon is a full participant. The Securities Transfer Act will codify many practices that are currently occurring in the modern securities marketplace.

I know these changes do fit with our platform commitments. They also address some very important needs, like the need to improve access to investment capital markets and the need for a balanced, consistent, modern regulatory regime.

I urge all members of this Assembly to support this bill.

**Mr. Cardiff:** I’ll try to be brief. First of all, I’d like to thank the officials and the staff in the Department of Community Services for providing the briefing this morning. I’d also like to thank all the people — this is a very complex and technical document and I’m sure that much work and thought went into it. It’s a lot to digest in a short period of time. I think I understand the intent of the business legislation reform project and the bill to modernize our legislation and to harmonize it so that it works not just here in the Yukon but that it links up with other jurisdictions’ legislation as well. And we’ve seen examples of that in the past.

I think that it’s good that we’re working with other jurisdictions to make our legislation throughout Canada consistent, as long as it’s in the best interest of Yukoners, who are the people that we are serving.

I understand there are some modernization pieces to the act, as well as taking the security transfers piece of the legislation out of it and creating a second piece of legislation, Bill No. 87 — which we’ll probably be speaking to later this afternoon, as long as we don’t get too many more infomercials from the government — and some housekeeping amendments.

While I’m not going to be long in debate here, I suspect there will be some questions we would like to ask of a general nature when we get into Committee of the Whole, to ensure this legislation is in the best interest of all Yukoners and that it serves us well into the future.

**Hon. Ms. Taylor:** I am also very pleased to add my voice to Bill No. 86, *Act to Amend the Business Corporations Act*.

I’d like to thank the Minister of Community Services and his officials for bringing forward this statute for consideration of the Legislature. As has already been pointed out, it is a very substantive bill, to the tune of 298 sections, comprising about 100 pages of proposed changes for consideration. It is a somewhat complex bill, it is a long bill, but again it is a part of this government’s mandate to provide good governance.

In general terms, it is updating our business legislation pertaining to the territory; we know that it has not been touched for some 20 years, so it is in need of modernization, with all that has transpired across this country over the last number of years. We have heard of some of the benefits accrued from some of these changes coming forward: more businesses incorporating in the territory, the tax revenue that comes along with those businesses coming to Yukon, as well as additional individuals being employed as a result, pertaining to the legal profession.

The changes we’re speaking to have been in the making for some time. There have been ongoing discussions for a long time. I know we’ve had some discussions over the years with the business community on the need to look at modernizing and harmonizing our legislation to make it a competitive destination of choice, to bring us not only up to par with other jurisdictions, but also to give us a competitive advantage with some of the proposed changes.

I also want to thank the Department of Justice for working collaboratively with the Department of Community Services on this project. As you can appreciate, there’s a substantive amount of technical information and attention to detail in putting forth a statute such as this for consideration, and it takes a lot of thought, research, and dialogue with the community and all our stakeholders.

I would also like to thank all of the public who provided their input during public consultation, especially the business law subsection of the Canadian Bar Association. I also want to acknowledge the Yukon, all of the participants and their feedback over the years in this regard. I know that I have been approached by many individuals from the legal profession over the years, so I’m very pleased to see that this bill and the associated statutes that come with it are being put forward at this time.

As we have already heard, these proposed changes also prompt other changes — complementary consequential amendments — to other Yukon statutes, including the creation of another new act — no simple gesture indeed.

As I mentioned earlier, this will have some significant benefits to what we have in place, but what we have already talked to — and the Minister of Justice just pointed out — it does build upon our mandate, our commitment to Yukoners, to provide a climate that is conducive to the growth of the private sector and other governing bodies in the territory. We have been able to do just that. This is part and parcel of adding to the long list of initiatives this government has brought forward over the last number of years — eight years, to be exact — in terms of providing tax relief.

There has been a bit of debate in terms of what taxes are being proposed; again, I’ll just speak to the contrary, that it’s this government that has actually gone to work to reduce taxes by lowering, for example, the small business corporate tax rate. It’s one of the first things this government did upon being elected. We are also looking at another piece of legislation that is elected before the Legislature, which further raises the small business deduction limit.

When one puts it all together, as I’ve mentioned before, it totals about a 150-percent increase just over the last eight years, so this bill and the associated consequential amendments that are being brought forward as a result of this statute only serves to complement what we have brought forward and what we continue to bring forward as part of our good governance in the territory. It also builds upon some of the very significant and strategic investments that this government has made over the last number of years, which are conducive to the growth of
industries in the territory. From the tourism perspective, I have made reference many times to significant infrastructure, when it comes to providing the infrastructure that is conducive to the growth of air access — the expansion of the international airport in Whitehorse being one of them; making improvements to our other airports — Dawson City, Old Crow.

When it comes to expanding our network of highways throughout the territory, again, significant dollars are being invested, in collaboration with other governments and this too promotes the Yukon as a very attractive destination to do business in and to live in — to raise our families.

We have been able to significantly invest in a number of other pieces of infrastructure over the years, in terms of providing attractions and assisting with the heritage community — our museums, First Nation heritage cultural centres, community interpretive centres. We have also been very pleased about our investments to expand our broadband access, in collaboration with the private sector.

As well, we have been pleased to invest in other programs through the Department of Economic Development, Tourism and Culture, Department of Finance, and there are many others that have also helped support many strategic opportunities in the territory pertaining to the tourism sector, as well as the mining sector, film industry, sound recording, arts and culture, when it comes to the IT, and more recently, working to expand the knowledge sector with the investments going on at Yukon College, and working to enhance our cluster of innovation that is going on throughout the circumpolar north and being able to capitalize on those investment initiatives, such as what is going on at Yukon College, in collaboration with a multitude of different partners — governments, agencies, organizations, individuals at large.

When we look at our own Department of Tourism and Culture — we spoke recently about tourism marketing, product development, research, and providing opportunities through our tourism cooperative marketing fund, for example. All of these lend to the growth of the tourism sector and these have all been identified as priority initiatives for moving forward in assisting and meeting those strategic opportunities associated with the tourism sector.

Likewise through the Department of Economic Development, we’ve been able to invest in new programs — the strategic industries development fund, which provides the opportunity to generate significant revenues through the development of new initiatives. The regional economic development fund facilitates that coordinated, collaborative approach to community planning throughout the territory.

The enterprise trade fund has proven to stimulate and support the growth of our business activity through business development, building export capacity, and revenues.

Even when we look to the community development fund — we’ve been very pleased to reinstate that program, as it was dismantled by the previous government. This is a fund that continues to support Yukon communities from every corner of the territory, giving them the capacity to undertake projects that enhance our community infrastructure programs and, at the same time, creating meaningful employment opportunities.

Mr. Speaker, there is significant investment by our government over the years, and this bill speaks to one more piece to complement that which has been already invested.

I am just looking through some of the specifics of the bill before us. We talked about benefits accruing from enhanced tax revenues, which will help supplement government programs that we already deliver, as well as new programs. It will generate job creation in the legal profession, as well as enhance interest in investing in the territory and all that brings with it.

The bill itself goes through a number of different parts. I don’t want to repeat what has already been stated on the floor by the Minister of Justice and the Minister of Community Services, but it helps to clarify and consistently avoid confusion. It reduces barriers to more effectively managing corporations and it fully enables comprehensive acts being amended during this sitting, which are also on the docket here this afternoon.

The proposed amendments will also enhance the effectiveness of audit requirements, while balancing our privacy concerns with access to public information — again, raising the bar in terms of providing a transparency and openness in conducting business in the Yukon climate.

Collectively, when all is said and done, the amendments do propose more effective management of the corporations doing business in the territory. We know that, pursuant to consultations and the briefings that have been made to the members opposite, it will provide not only greater transparency but greater flexibility for individuals to customize their corporations, their internal structure, to better reflect their own mandate and intentions, while having public access to corporate records, as it has already been pointed out, that show, for example, who the directors of a corporation are.

In terms of the directors of the corporations, they will find that these amendments help clarify, add flexibility, simplify day-to-day responsibilities, and in terms of even being able to conduct business electronically — something new within this bill — that again reflects the ever-evolving trend of technologies as we see it today. For example, they will be able to conduct virtual meetings and conduct electronic voting using technologies of the day. These are all things that make sense, but again weren’t necessarily around some 20 years ago. As has already been pointed out by the Minister of Community Services, directors will be able to be elected for terms of up to three years versus the current one-year maximum. At the end of the day, the fundamental responsibility of directors is to manage business and the affairs of the corporation, and that remains unchanged.

I believe the tenets of the bill do strike a balance. It has taken significant time — over two years — to come up with this suite of legislation before us, but it clearly sets out the relationships of our corporations to each other and the entities to which this particular bill applies.

It not only pertains to the interpretation, it also brings clarity to the application of the definitions and the relationships. It also speaks to incorporation, capacity and powers and registering an office. It speaks to corporate finance — issuing shares and numerous share-related matters. It speaks to various matters as they pertain to share certificates, including the issuance,
registration, delivery, transfer of warranties and corporate borrowing. It sets out some of the parameters for borrowing by corporations.

It pertains to receivers, receiver/managers, where a corporation, for example, is in receivership; the functions and the duties — spelling it out very clearly — of the receivers and receiver/managers. The bill also, as I mentioned, makes reference to directors, including election and meetings pertaining to matters of importance, appointment of officers and making bylaws.

I see that my time is waning. It is unfortunate, because there is a multitude of different areas that I could speak to at greater length. Again, I would commend this bill before us to members of the Legislature. I thank the minister and his department officials for bringing this forward. Thank you.

Hon. Mr. Kenyon: We have to look at this act in terms of the economic impact, and specifically the Act to Amend the Business Corporations Act — really, the whole gamut of what we’re talking about here. The purpose of the Act to Amend the Business Corporations Act is really to enable and regulate the creation of local Yukon business corporations and the registration of corporations created in other jurisdictions that operate in the Yukon.

The Department of Economic Development continually strives to assist in promoting Yukon to other jurisdictions close to home and around the world as a great place to do business, and we’re very pleased to get back into this business after the department was so creatively disbanded under the previous Liberal government.

The number one reason, really, involved in this is, of course, our location. Our geography, our political borders and proximity to major economic centres and amenities make us ideally situated for new business. Yukon is a land branch between Alaska and southern Canada and ultimately to the rest of North America. As such, it’s becoming a key transportation corridor that has potential to include road; rail, some of which is in place and more could potentially be; pipeline, which is an ongoing project; and fibre optic networks, particularly when someone with a backhoe isn’t getting creative with the fibre optic lines.

Yukon also offers strategic access to international markets. As the world’s economic access shifts to Asia, our proximity to the nearby ice-free ports of Haines, Alaska and Skagway, Alaska provides easy access for the export of commodities and products.

It’s this proximity to Alaska that provides other significant benefits to the Yukon economy. Approximately 400,000 people cross into Alaska on our highways each year, and many of Alaska’s 880,000 cruise ship passengers also visit Yukon destinations. In addition, Alaska — with a population of roughly 650,000 — provides a sizable potential market for Yukon’s growing export industries.

It’s always a challenge when we go with PNWER — Pacific NorthWest Economic Region — to meetings, both in Canada and the United States, to remind both nations that, from the United States’ perspective, there is a southern border, a northern border and then a more-northern border. Sometimes that is completely missed, particularly with the U.S. Department of State, which seems to forget it’s there.

The second point is unprecedented access and infrastructure — we’ve built amenities that are ideally suited to the way we work and live, and they include, for instance, the Erik Nielsen Whitehorse International Airport, plus 10 community airports, over 40,700 kilometres of all-weather roads and a year-round highway system that can accommodate loads up to 77,000 kilograms, a modern telecommunications network with Internet access in most communities, and I point out, specifically, the broadband Internet. Yukon leads North America, with 99 percent plus of Yukon households and businesses having the ability, should they choose, to tie into broadband Internet. Compare that to some southern jurisdictions. One person from Edmonton was quite surprised because he lives in downtown Edmonton and can’t get high-speed Internet. It’s also interesting — talking in a meeting in Ontario, I compared our 99 percent plus to Ontario’s 61 percent, and was immediately corrected that they’re working diligently and are now up to 64 percent. We’re over 99. So we have a modern telecommunications network that is as good as anything in the world.

We have clean, stable energy, and recently expanded electrical grids, soon to tie the north grid and the south grid together. It will increase our capacity; it will increase our flexibility; it will increase our stability, and we are all looking forward to that. Hydro produces over 80 percent of capacity, supplemented by diesel plants and renewable energy, though there remains a large potential for hydro and wind. I do have to make a comment on wind there, Mr. Speaker. Wind remains an excellent way; it has so much potential. Unfortunately, not in the Yukon, and that’s not just saying something; that’s the result of engineering studies that have been done by the Yukon Energy Corporation, which only show a couple of very distinct areas that would be suitable. One is well off the grid and would be horrendously expensive to tie into, and the other one is in the middle of a wildlife sanctuary, so I don’t think that any member of this House wants to go there. Wind is really not that good; we need altitude. We don’t need the power in the summer as much as we need it in the winter and in the winter we have rime icing — much like aircraft — which requires a fair amount of the energy produced to keep the ice off the blades rather than producing power for the grids, so it has very limited capabilities here.

We have year-round road access to the ice-free ports as I mentioned, to Skagway and Haines, Alaska. An example of the benefits of this is the Red Dog Mine up by Nome, Alaska. That lead-zinc deposit only has the capability of shipping four, maybe five, months of the year out of their ports because they are iced in the rest of the year. Similar deposits and deposits of other minerals in the Yukon have access to those ice-free ports year-round.

We have world-class health services and recreational opportunity. Whitehorse has a new hospital facility with updated equipment and very highly trained staff. I had the misfortune of experiencing that first-hand last year and I would, especially after working in human hospitals for more than 20 years in
Toronto, put Whitehorse General Hospital against any hospital in Canada. It is exceptional. There are health centres and nursing stations that provide 24-hour care in many of the rural communities. I know the Liberal philosophy is that they should be driving to Whitehorse, and Whitehorse residents should be flying to Vancouver. We don’t believe that. We believe that good health care in the communities is necessary. All Yukoners deserve that ability. I know the Leader of the Liberal Party said that when he was in Atlin he just got used to driving to Whitehorse. I’d like to have facilities in smaller communities and for that reason we’re building hospitals in Dawson City and Mayo. Of course the Liberal Party continually misses the fact that hospitals have been there for a long time. We’re not building them, we’re rebuilding them.

Whitehorse has a number of fitness and recreational facilities, and many communities have ice rinks, baseball diamonds and swimming pools. The recreational capabilities in the Yukon are exceptional and I have to point out that the real reason for that is the support of governments at all levels. At one point, when we actually added up the numbers, we had 10 times the national average per capita dedicated in the Yukon to recreation, sport and cultural activities. I don’t know if that’s a current figure, but it’s probably not far off. So again, the quality of life here is exceptional.

Yukon College in Whitehorse offers a large selection of courses for working professionals looking to upgrade their skills and full-time students wanting to establish a career. The college also features smaller campuses located in communities across the territory.

Now the opposition has been saying that they wanted us to establish a university. I will leave some of those comments to our Minister of Education, but I do want to point out that I believe the opposition actually voted for the bill a year or two ago that now modifies the act that allows Yukon College to grant degrees. In other words, as they develop, they have that capability already.

If we take the pan-northern approach, depending on where that goes, by the time you fly from Whitehorse to Vancouver, to Edmonton, to Yellowknife, or up to Iqaluit, how many universities and colleges do you pass over, or go by at the airports to get to that university of the Arctic? There are limitations, but I have to point out that Yukon College already has that capability as it develops, and we’re very pleased to have put that on the table. I’m very pleased that the Opposition voted for it, although I think they seem to have forgotten that small point.

There are 28 public schools that offer award-winning programming for K to 12; Catholic and French immersion streams are also available. Look at the Yukon lifestyle and what we have to offer here that would attract business under this new suite of acts and amendments. Yukoners are a modern people, and I mean that for those who have been here to two years, or 2,000 years. We’re a modern people who choose to live in a place that affords us an extraordinary quality of life.

Our communities are radiant and thriving. We are well known for our traffic minute, as opposed to a traffic hour or rush hour. When I was in Toronto, I had five people working for me who commuted over an hour and a half each way to get to work. It takes me about four minutes actually, and some of our staff walks across the street. The traffic jams are really not there.

Urban sprawl and long commutes are non-existent. Instead, Yukon offers easy access to favourite recreational pastimes, as I mentioned — be it on the ski hills, which is a vibrant activity up here, both downhill and cross-country, and many areas for cross-country are illuminated. We have golf courses and cross-country trails. We choose Yukon because of the land, the people and a lifestyle that nourishes the individual, our families and our communities.

We offer exciting and varied year-round recreational possibilities, whether you take advantage of our many recreational facilities or choose to make your own fun, the options are limitless. Yukon is really made for adventure. It has been interesting over the years to work with some of the students who had very little to say about the Yukon and Whitehorse in particular. There’s nothing to do and, “Boy, I’ve got to get out of here.” Most of those people have returned.

They have realized that the opportunities here are far ahead of what is available down south — just simply nature is going to draw people in under an enhanced business regime. What if North America’s last unspoiled wilderness awaits you? With so much to do in Yukon’s truly great outdoors, your only challenge is finding time to do it all. There’s a challenge in how to use that land. We are well aware of that, and we are very much engaged in consultations under chapter 11. We invite the Official Opposition — the Liberal Party and the Third Party, the NDP — to join us in recognizing chapter 11 obligations. They seem to have forgotten it.

So with the lower tax rates — and all the members opposite have claimed that we’re looking at raising rates. We are certainly not, and in fact legislation which is through second reading in this session, which they voted for, actually lowers tax rates. They didn’t notice that. That kind of missed their attention there.

So with our wide, open spaces and the sense of excitement — it’s incredible — and its very friendly and supportive communities, the quality of life is better here, and we think a better business regime will accomplish that.

Yukon has no government debt. The Member for Kluane referred to our savings account as being almost empty. I guess $30 million is “almost empty” to him. I certainly look forward to his continued comments and enlightenment on how $30 million doesn’t exist.

We have no territorial sales tax, and we have very highly competitive taxation. It’s one of the things that drew me up here initially — before I saw it — was the fact that the highest taxation regime in Canada, at that point, was in Ontario, which is where I was doing time. I did manage to escape from Toronto during the Ray regime, 20-some years ago. At that time, Yukon had the lowest tax rate, and it was worth some $1,500 to come up and take a look — I did, and I fell in love.

We’re open for business. Yukon has, as I say, no government debt; we have the lowest personal income tax rates in Canada; very competitive corporate income tax rates; and despite the low taxes — and there’s an issue — we have a bill
that the Liberal Party actually voted for, and then promptly forgot about. Even in that case, our government spends a higher percentage of its annual budget on capital projects than any other capital jurisdiction — anywhere in Canada.

The advantages of doing business in the Yukon don’t end there. Our incentives include the Yukon mining incentive program, research and development tax credit, manufacturing and processing tax credit, and the small business investment tax credit — just to name a few.

Progressive legislation, like the Yukon Oil and Gas Act, jointly developed by Yukon and the First Nation governments, ensures that our permitting processes serve industry and all our citizens. Yukon has abundant and diverse energy resources due to the presence of fossil fuel reserves; numerous lakes and rivers which we can utilize for hydroelectric — good clean energy; we have a very windy and mountainous terrain, which unfortunately does not serve us well for wind power, but it certainly has other advantages; and we have a broad forest cover and very sunny conditions, although some days we find that hard to believe. Most of the electricity used in the Yukon — well over 80 percent — is generated from hydro facilities operated by the Crown-owned Yukon Energy Corporation.

Any business will soon discover that our most valuable resource, really, is our people. Yukon is young — the average age in the Yukon is 35.2 years old — with 62 percent of the working population under the age of 45, and one of the highest rates of labour-force participation in all of Canada.

Yukon has one of the highest ratios of university degree-holders in Canada, as well as a high rate of school competition and completion and trades certification.

From forestry to mining, for more than 100 years, people have worked to develop expertise for working in remote, cold climate conditions. Innovation is in our nature, finding unique solutions to northern challenges, and we are dynamic self-starters with an entrepreneurial spirit and a willingness to learn.

With those comments, I will let others speak to Bill No. 86, an Act to Amend the Business Corporations Act and the whole gamut of Bill No. 87, the Securities Transfer Act; Bill No. 88, the Act to Amend the Partnership and Business Names Act; Bill No. 89, the Act to Amend the Societies Act; and Bill No. 90, the Act to Amend the Cooperative Association Act.

This is a suite of acts, which together, we refer to as the business legislation reform project. It has been two years in the making. We introduced the Yukon’s new Securities Act two years ago and at that time we recognized that our business legislation was outdated and we needed to make changes to ensure that we had not fallen behind the rest of Canada. We want to stay in the lead. We’re in the lead in all of the other areas that I’ve mentioned. We’d like to stay that way in all of these as well. With that, I will let others speak to the motion.

Hon. Mr. Rouble: Mr. Speaker, I must say I do appreciate you recognizing both titles because certainly both titles are appropriate for the debate that we’re entering into today.

Mr. Speaker, it has been said that part of the role of the Department of Education is to prepare Yukoners for Yukon opportunities. It can also be said that the Department of Energy, Mines and Resources has a responsibility to prepare opportunities for Yukoners. We can have an educated workforce and we can have assets on the ground, but if we don’t have a strong regulatory regime and a strong business climate in the territory, sometimes those opportunities will go for naught.

We’ve been accused in the past of being legislative-light. Members in opposition have criticized us before. Really, I think the proof is in the pudding — we are focusing on legislation-right. When you look at the changes that we’ve added in our legislation to ensure the safety and the security of Yukoners, to help promote taking advantage of opportunities, we have really hit it right more often than not. Where we have missed the mark, we’ve certainly learned and made changes and we continue to go from there. I recognize that some might hear the title of the Business Corporations Act and their eyes might soon glaze over; however, we do have to recognize the importance of this suite of legislation.

It provides for our corporate entities to conduct business in order to employ Yukoners, and providing the services that we need here in the territory is important. It’s important to our economy, and it’s also important to our quality of life. In recent years, we’ve made some changes to legislation. A couple of those that I’d like to touch on are the Quartz Mining Act, and the Miners Lien Act. Again, these were also complicated pieces of legislation, but after they were tweaked, and tweaked right, in a responsible manner, we can see the impact that that has had on the territory, on the resource industry and our economy.

With the help of changing some pieces of legislation and making other regulatory changes, such as working with the Yukon placer authorization, we’ve seen a tremendous boom in the mining economy here in the territory. For the first time in a generation, Yukon will have three operating hard-rock mines. These mines are expected to generate close to $600 million in metal value. When you combine this with an exploration sector of about $150 million, you have, clearly, a very healthy mining sector — one that is clearly having significant socio-economic benefits to Yukon.

The placer mining industry is also strong; I mentioned working with our federal colleagues, conservation people, Yukon First Nations and others on issues such as the Yukon placer authorization. Now we’re seeing about 500 people directly working in the placer industry. Last year the placer industry produced $38 million in gold in the territory.

We’re seeing strong benefits in the mining industry. It is employing people. It’s paying royalties — royalties that are not only coming to the territorial government, but also to Yukon First Nations. We are also seeing people employed in the territory, and along with that comes the taxes they pay. It is clear that making responsible amendments to our legislation, which makes Yukon a more attractive place to do business, have positive results for our territory. We see that here with the business legislation reform project and the amendments before the Business Corporations Act. It is important to note that we need to establish a climate that is conducive to doing business, one that welcomes people to our territory, and one also that respects and recognizes the responsibilities of those employers. We also
have to address the safety and security of Yukoners with our legislation.

The amendments to the Business Corporations Act before us are done for a number of reasons. One is to keep it current with the rest of Canada and to ensure that Yukon is an attractive place to register and operate a business and also a non-profit entity. That’s an issue that I’m sure the Minister of Community Services will provide more detail on. It provides the ability for non-profit organizations that are registered in other jurisdictions to also operate here in Yukon. This will be a benefit to national organizations — members I’m sure are aware of them — whether they be a medical organization, or a sport organization, but non-profit organizations will also see some benefits from changes to this legislation.

This fulfills an intergovernmental agreement regarding national securities harmonization, and it also addresses many of the concerns that the Yukon business law section of the Canadian Bar Association has been lobbying the government for a number of years now.

The business legislation will benefit the Yukon in bringing new businesses to the territory; seeing increased regulatory revenues, mostly from Outside companies; offering increased tax revenues from corporations registered here; provide job creation through law firms and new businesses, plus additional spin-offs; and see an increase in business because of more people coming here for meetings — annual general meetings and board meetings — and that type of thing.

It will also clear up some of the issues with the previous legislation, including the confusion due to inconsistent use of terminology, the lack of recognition of uncertified shares, the inability to fully use technology, and reduce the increased business costs due to lack of clarity existing with the current piece of legislation. It will also significantly reduce some of the burdensome administration costs.

This is a large piece of legislation and it also affects a significant number of other pieces of legislation. The Business Corporations Act is really the foundation and it has strong ties to the new Securities Transfer Act. This is also intertwined with the Securities Act. Through this legislation, we’ll also see consequential amendments and changes to other legislation, such as the Personal Property Security Act, the Exemptions Act, the Cooperative Associations Act, the Societies Act and the Partnership and Business Names Act.

This legislation before us amends the legislation that was established in the early 1980s. The purpose of the original legislation was to enable and regulate the creation or incorporation of local Yukon business corporations and the registration of corporations created in other jurisdictions that operate in Yukon. The current legislation sets out the process for creating a corporation management, dissolution, revival, amalgamation, continuance into other jurisdictions and fundamental changes to a corporation’s constitution.

The users of this act obviously include corporate lawyers, accountants, directors, shareholders, creditors, the general public and other parties dealing with corporations.

We’re seeing a number of changes that the Minister of Community Services is putting forward in this legislation and they fall into three themes — that being changes to corporate governance, securities transfer law and housekeeping amendments. In regard to corporate governance, these changes are aimed at modernizing the act and include measures to facilitate communications, enhance the effectiveness of audit requirements, establish financial structures and transactions, improve record-keeping, clarify decision-making, responsibilities and liabilities of management — I’ll come back to that one in a moment — and also to balance privacy concerns with public access to information. That’s an important one to note.

It will also regulate foreign entities carrying on business in Yukon, clearly address shareholder remedies and address corporate reorganizations. One of the issues that this act addresses is around the area of clarifying how directors can make use of information that they gain from being in their position of a director of a company and how they can go about utilizing some of that information, if the corporation they are involved with directly decides not to pursue that opportunity.

As you can imagine, this is a situation that affects many in the corporate world and it’s important to bring some clarity to this issue to ensure that people can act appropriately, that the corporation and the shareholders are protected from people misusing the information and to also ensure that people are working in the interest not only of the company but the environment that they are in, the people in the corporation and society as a whole.

Mr. Speaker, the act also balances privacy concerns with public access to information and, as we’re all aware in this age of access to information and greater levels of scrutiny, this will be an important component. I should note that, as we’ve done in other pieces of legislation, this is enabling Yukoners to benefit from additional opportunities while, at the same time, minimizing risk to Yukoners.

The second theme of the securities law transfer deals with securities certificates, registers, and transfers to the extent those topics are now covered by the Securities Transfer Act, and now we’re making related changes to other sections. Again, there are many pieces of legislation within this suite of acts, and it’s important to ensure that there is consistency and that the appropriate component is addressed to the appropriate part. Also, this legislation before us addresses some housekeeping amendments that correct errors and omissions, updates terminology, and allows for naming requirements to be specified in regulations rather than fixed in the act.

Members will recall the issues that were created when a previous government, for some reason, decided to prohibit words like “Yukon”, “Klondike”, or “Gold” for the names of Yukon businesses or companies, and the impact that that had on Yukon businesses, and how it reduced their competitive advantage in today’s marketplace.

This legislation also removed provisions to duplicate, and sometimes conflict, with the new Securities Act.

It allows fines and terms of imprisonment to be set up by regulation, rather than fixed in the act, and it clarifies various administrative procedures, procedures for correcting errors or dating of documents. There has been a tremendous amount of work done by the Department of Community Services, and I
would like to thank them for their extensive work in this area. They have also worked very closely with Yukon’s legal and business community. There has been a lot of work back and forth, between the government and representatives in our community. The feedback that has been received from this consultation has been positive. I think we always make the best changes that we can; there will always be some that wish we had gone further and others where we haven’t gone far enough. We’ve stricken a balance with this, and it’s important to recognize the compromises that need to be made within legislation so that we can balance and address the interests of all Yukoners and not just a specific portion of the community.

I understand that the Whitehorse Chamber of Commerce has publicly indicated its support and has also provided comments to this working group and that the Institute of Chartered Accountants of the Yukon welcomes the proposals that are coming forward. I also understand that there has been no opposition to modernizing the business legislation. We’ve seen in the past that by putting forward legislation right, whether it has been amendments to the Quartz Mining Act, or the Miners Lien Act, it has had impacts throughout the territory. We’ve seen positive economic growth and we have not seen the Yukon put at risk. Those are important points to note. I commend this piece of legislation to the Assembly. I would encourage all members to support it. It will be an important tool for assisting Yukon’s corporations to do their business here in the territory, and to provide economic, social and service needs to Yukoners. And it does so in an environment that offers protection to Yukon’s citizens and shareholders.

We’ve seen how this Yukon Party government has taken a balanced approach with legislation, amending different pieces of acts, and we’ve seen the positive impacts they’ve had here in the territory. This is another example of that and I would hope all members of the Assembly support the legislation.

Mr. Nordick: It gives me great pleasure today to rise and speak to Bill No. 86, Act to Amend the Business Corporations Act. I would like to start by saying that when I was elected in 2006 I committed to creating a better quality of life for Yukoners; I committed to protecting the environment; I committed to improving the economy; and I committed to practising good governance. This is an example of all four of those commitments.

What I do find interesting, before I get on to the bill, is the Liberal opposition’s input, beliefs and theory of legislation. I find it interesting because last week, during a debate on distracted drivers, there were complaints levied with regard to briefings — we need briefings before we can speak to the legislation, yet they spoke to the legislation with regard to distracted drivers. Today, we’re discussing and debating the policy behind a major piece of business corporation legislation. There was a briefing offered to the opposition members, today actually, so it should be very fresh in their memories.

Are they speaking to this major piece? No. We heard from one member from the Liberal opposition. Where’s the Member for Porter Creek South? Where is the Member for Mayo-Tatchun? Where is the Member for Kluane? Where is the Member for Vuntut Gwitchin? What are their beliefs? what are their philosophies? I know that they want to not put stuff on the record, so they can change their minds later, so it’s easier to flip-flop, depending which way the wind is blowing, but where are their beliefs? Where are their visions? I don’t think they have any.

Some Hon. Member: (Inaudible)

Mr. Nordick: The Member for Mayo-Tatchun wants to know who wrote that speech. Well, history wrote that speech because, remember in 2002, what happened to the Liberal government in this territory? History wrote the speech. They had no vision then and they have no vision now.

What do initiatives like this — the commitments I made, the four commitments — cause to happen in the Yukon?

They create jobs, create economy, create a better quality of life and they protect the environment. When I say they create jobs, I did a quick search today on one job board, one job posting, on YukonWorks. I’ll just list a couple that are there. It took me a 20-second search to see how many jobs are available on one Internet site in the Yukon. They range from greeters at Walmart — I’ll not say the stores or the locations; I’ll just state the job titles: cashiers; sales managers; school-age supervisors; janitors; community care workers; general labourers; sample preparation technicians; aquaculture technician processing; esthetician; carpenters; taxi drivers — those are just the jobs that were posted October 3: one day on one site, not including what was in the newspapers. That is what our vision — our election platform commitments — has done for this territory.

The Liberals’ platform commitments, the Liberals’ track record, was to drive those jobs away. When the Liberals were in power, there weren’t any jobs on these sites. There were advertisements for U-Hauls to go south.

October 4: sandwich makers; prep cooks; accounts payable clerk; line cooks; circulation assistants; office managers; full-time cashiers; full-time stylists; truck drivers; traditional knowledge assistants; instructional designers; coordinator, leadership courses; mobile technicians; carpenter maintenance service person; mechanical parts person; accounts payable clerk — two accounts payable clerks — language revitalization technician; entry-level carpenters; kitchen prep cooks; fishing guides — the list goes on and on. Why does the list go on? It is because we’ve introduced legislation that has a balanced approach to create an economy in the Yukon.

The Liberals’ approach to creating an economy was — I can’t even say it because they didn’t even have an approach; they just drove people out. Unemployment insurance, that’s the Liberals’ approach to economy.

In our election platform, we committed to creating a better quality of life — we’ve done that. By doing that, we’ve created an economy. How do you create economies? With legislation like this; with building schools, we’ve built schools; with building health care facilities, we’ve built health care facilities, and we’re improving on health care facilities in this territory. We’re building hospitals in Watson Lake and Dawson City.

How do you get businesses to move to the Yukon? Like I said, education facilities, recreation facilities, health facilities. This is our track record. The track record of the Liberals: don’t
even get up and speak about legislation; don’t get up and put your opinions, your beliefs, your philosophy on record; that way, you can change your mind.

I am pleased to rise today to speak to Bill No. 86, *Act to Amend the Business Corporations Act*. This initiative began approximately two years ago when we introduced the Yukon’s new *Securities Act*. At that time, we recognized that our business legislation was outdated and that we needed to make changes to ensure that we had not fallen behind the rest of Canada. The goals were to modernize Yukon’s business-related legislation, recognizing modern business practices, and simplify procedures to reduce the administration burden for existing and new corporations, while maintaining protections for shareholders and consumers.

Amendments to the *Business Corporations Act* put the Yukon in a leading position when it came to attracting new businesses to the Yukon. Full public consultation as well as close collaboration with the local law association took place.

The Yukon is open for business. I know it’s hard for opposition members to understand that, but we are open for business. That is why we have mines opening up, that is why we have businesses opening up, that is why we have jobs listed, which is foreign to the members opposite. Other Canadian jurisdictions have updated their business-related legislation, whereas ours has remained relatively unchanged. These legislative reforms are necessary.

Now, specifically to this bill, the *Act to Amend the Business Corporations Act*, its purpose was to enable and regulate the creation of local Yukon business corporations and the registration of corporations created in other jurisdictions that operate in the Yukon. It also sets out the processes for creating a corporation, management, dissolution and revival, amalgamation, continuance in other jurisdictions and fundamental changes to a corporation’s constitution. This bill is the largest, most comprehensive and most complex of the five acts included in the business reform project. Its changes can be summarized in three main themes: corporate governance, securities transfer law and some housekeeping amendments. I don’t have to explain to members of this Assembly what housekeeping amendments mean, but I will because I know the Liberal opposition is listening intently.

They’re just corrections of errors, omissions and updates of terminology. The securities transfer law section deletes most of part 6 — security certificates, registers and transfers, to the extent those topics are now covered by the *Securities Transfer Act* — and making related changes to the other sections.

Under corporate governance these changes are aimed at modernizing the act and include measures to facilitate communications and to enhance the effectiveness of audit requirements to financial structures and transactions. It improves record-keeping and clarifies decision-making and responsibilities.

Some *Business Corporations Act* provisions have their equivalence in other business legislation. Accordingly, changes to the *Partnership and Business Names Act*, the *Societies Act* and the *Cooperative Associations Act* are necessary to maintain and improve consistency, and many of these acts will also ensure that the extra-territorial organizations are registered under the appropriate act. This means they would be subject to the same regulatory process as local organizations.

To summarize, the theme of the amendments update the sections dealing with corporate governance. These amendments include measures designed to facilitate communications, to enhance the effectiveness of the audit requirements, and balance privacy concerns with public access to information.

The second theme of amendments deals with securities transfer law, which involves security certificates, registration and transfer of securities. Updating these topics in the proposed new *Securities Transfer Act* means deleting much of part 6 of the existing *Business Corporations Act* and making related changes in other sections of the act.

The third theme of amendments corrects errors and omissions. As a result of these proposed changes, Yukon will be better able to compete with other jurisdictions for corporate registration on a modern, level playing field.

This is another example of how this Yukon Party government is making it more viable and more economical for Yukoners and citizens of this territory to make a living, to raise their families, to educate their families, and to live with a better quality of life in Yukon.

We have not only changed legislation in this territory in a balanced approach, we have lowered taxes in this territory. As I said at the beginning, we care about Yukoners, and we back up our thoughts, ideals, and beliefs with action. This is another example of one of those actions.

Mr. Speaker, I commend this legislation to the Assembly, and I encourage the Liberal opposition to stand up and give us their philosophy on business corporation legislation, because they were briefed today. They can’t stand behind, “We weren’t getting briefed.” So, please stand up and put your comments on the record.

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

Hon. Mr. Lang: I’d like to thank the House for the conversation we’ve had this afternoon on Bill No. 86, *Act to Amend the Business Corporations Act*. There has been interest this afternoon in the *Business Corporations Act*, as other members have gone through it very thoroughly, and the size of the act itself. So I would encourage all members to vote, so we can move this forward into Committee of the Whole and do the good work that we’re assigned to do. Thank you, Mr. Speaker, and thank you to the House.

Speaker: Are you prepared for the question?
Some Hon. Members: (Inaudible)

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.
Hon. Mr. Fentie: Agree.
Hon. Ms. Taylor: Agree.
Hon. Mr. Kenyon: Agree.
Hon. Mr. Rouble: Agree.
Hon. Mr. Lang: Agree.
Mr. Nordick: Agree.
Mr. Mitchell: Agree.
Mr. McRobb: Agree.
Mr. Fairclough: Agree.
Mr. Inverarity: Agree.
Mr. Cardiff: Agree.
Mr. Cathers: Agree.
Some Hon. Member: (Inaudible)

Point of order
Speaker: On a point of order, Member for Klondike.
Mr. Nordick: On a point of order, on previous counts, when the bells were ringing, we did count numbers as they were close to their desk. I see we missed Mr. Edzerza.

Speaker’s ruling
Speaker: From the Chair’s perspective, if a member isn’t here when his or her name is called, that vote won’t be recorded. In past circumstances, those members, although they have been late, were here when their names were called. In this instance, the honourable member wasn’t, so from the Chair’s perspective, his name won’t be recorded in this vote. Mr. Clerk.
Clerk: The results are 13 yea, nil nay.
Speaker: The yeas have it. I declare the motion carried.

Motion for second reading of Bill No. 86 agreed to

Bill No. 87: Securities Transfer Act — Second Reading
Clerk: Second reading, Bill No. 87, standing in the name of the Hon. Mr. Lang.
Hon. Mr. Lang: I move that Bill No. 87, entitled Securities Transfer Act, be now read a second time.
Speaker: It has been moved by the Minister of Community Services that Bill No. 87, entitled Securities Transfer Act, be now read a second time.

Hon. Mr. Lang: Mr. Speaker, I am pleased to introduce Bill No. 87, the Securities Transfer Act.
This act is almost identical to recent legislation in other Canadian jurisdictions and is part of a national securities harmonization project. Yukon’s first step in this project was introducing a new Securities Act in the spring of 2008.
I want to be clear, Mr. Speaker, about the difference between the Securities Act and the proposed Securities Transfer Act. The Yukon’s Securities Act regulates the sale and trade of securities with the focus on investor protection, while the new Securities Transfer Act regulates the transfer of securities from one person to another.
The Securities Transfer Act defines the parties’ rights and responsibilities when ownership in securities is transferred or used as collateral for lending. It governs the transfer of property rights in all types of investment securities, whether issued by a corporation or any other form or entity.
Yukon and Prince Edward Island are the only Canadian jurisdictions that have not yet passed a Securities Transfer Act. This legislation will bring Yukon up to date with current business realities, including giving the same kind of legal certainty to electronic transfer of securities that applies to transfer of paper securities certificates. It contains a set of technical rules that reflect current national and international commercial practices, and is intended to produce the same outcomes as current law, but with more clarity and certainty, especially in multi-jurisdictional and electronic transactions.
The act does the following: defines and classifies different types of interests in securities; provides rules governing how these interests may be acquired and transferred; clarifies how different parties may obtain control and priority over these interests; sets out obligations, warranties and restrictions that apply to the various parties involved in the holding and transfer of securities; and provides rules governing conflicts of laws, seizure of securities, enforceability of contracts and evidence in legal proceedings.
The new harmonized Securities Transfer Act also includes consequential amendments to: the Personal Property Security Act, which allows lenders and sellers to secure payment of a debt and establish priority over other creditors in the debtor’s personal property, negotiable securities, stocks and bonds; the Executions Act, which coordinates how sheriffs seize securities for judgement; and the Choses in Actions Act, where we clarify that property rights in securities are not subject to that act. Mr. Speaker, this new Securities Transfer Act is expected by the industry.
The stakeholders who will be directly affected have provided significant input into the national process over the last few years. These stakeholders and users include: issuers of securities; transfer agents; holders of securities; lenders; clearing agents; members of the general public buying securities; brokers and dealers; and investors that have accounts with clearing agencies.
As this is harmonized legislation, all Canadian jurisdictions will have similar acts. The differences between the legislation are limited to technical adjustments to align with other Yukon legislation. The basic provisions and rules must mirror those of other jurisdictions across Canada.
Professionals who will be working with the legislation have had time and opportunity to become familiar with the specific language and requirements of the act and to initiate plans for compliance. When implemented, the new act will improve protection for lenders who use securities as collateral. In addition to clarifying roles and supporting processes, it will put into place a modern system for tracking and registering interests regarding securities transactions. Combined with amendments to the other four acts, this act is a part of the business legislation reform project. The reform project’s goals are to update business-related legislation, recognize modern business practices, and simplify procedures to reduce administrative burden. The securities transfer rules will be removed from the Business Corporations Act, and replaced with modern day
practices in a Securities Transfer Act. This new act will ensure that Yukon continues to be a commerce and business-friendly jurisdiction. Thank you, Mr. Speaker.

Mr. Mitchell: I’ll thank the minister for that overview at second reading of Bill No. 87, the Securities Transfer Act. The officials did brief us with an overview of this act this morning. We didn’t get into this one in detail, but as the minister has stated, it is part of the national securities harmonization agreement. As a result of this, there will be almost identical legislation eventually in all jurisdictions. We were one of the two remaining jurisdictions — along with Prince Edward Island — that didn’t have this legislation brought up to date.

The minister has already indicated that this will impact issues of securities, transfers agents, holders of securities, brokers, lenders and other interested parties. It is part of the process, and probably the largest aspect of this is that it is a separate, stand-alone act now. It has been removed from the act that we discussed earlier — the Business Corporations Act, where it used to reside — and we look forward to debate in Committee where we can get into the details of what these changes represent. Thank you, Mr. Speaker.

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

Hon. Mr. Lang: Mr. Speaker, again, I would like to thank the House. I certainly look forward to moving this into Committee of the Whole as we move forward in the sitting. I recommend that Bill No. 87 be moved forward today, and I look forward to the vote.

Speaker: Are you prepared for the question?

Some Hon. Members: (Inaudible)

Motion for second reading of Bill No. 87 agreed to

Bill No. 88: Act to Amend the Partnership and Business Names Act — Second Reading

Clerk: Second reading, Bill No. 88, standing in the name of the Hon. Mr. Lang.

Hon. Mr. Lang: I move that Bill No. 88, entitled Act to Amend the Partnership and Business Names Act, be now read a second time.

Speaker: It has been moved by the Minister of Community Services that Bill No. 88, entitled Act to Amend the Partnership and Business Names Act, be now read a second time.

Hon. Mr. Lang: Mr. Speaker, I am pleased to rise and speak to Bill 88, Act to Amend the Partnership and Business Names Act. This act contains the rules for partnership registration, regulation and renewal, and naming of partnerships and sole proprietorships.

The Act to Amend the Partnership and Business Names Act contributes to the goals of the business legislation reform project, which are to modernize Yukon’s business-related legislation, recognize modern business practices and simplify procedures to reduce the administrative burden for Yukon’s existing and new corporations.

Under the business legislation reform project, this act seeks to use terminology clearly and consistently, remove administrative barriers, recognize the use of technology to accommodate current practices, and streamline procedures to reduce administrative burden and cost. As is the case with the other legislation under the reform project, some of the amendments to the Partnership and Business Names Act are driven by the amendments to the Business Corporations Act. These changes involve streamlining definitions and terms and improving the clarity and flexibility of the naming process.

When introducing the amendments to the Business Corporations Act, I mentioned the contribution that the Yukon business law section of the Canadian Bar Association has made to the entire business legislation reform project. As a government, we were able to accommodate many of the ideas that this group proposed for improving the legislation.

We seek to deliver specific amendments that will create a more inviting economic climate for both existing and new entities to register and operate. The changes are in keeping with other Canadian jurisdictions and show our commitment to ensuring Yukon is a competitive place for new corporate registrations and incorporations. We anticipate that these changes will lead to: new businesses; higher revenues from registration and regulation; more Outside corporations registering in Yukon; higher tax revenues for government programs; direct job creation in law firms and other providers of services to businesses; and making the Yukon an attractive place for businesses to hold meetings, conferences, and other business-related tourism.

While introducing the Act to Amend the Business Corporations Act, I noted that Yukon’s business legislation used to have unique provisions not found in other Canadian jurisdictions. Since then, however, many of the other jurisdictions have updated their legislation, and Yukon’s historical advantages
have disappeared. We have attempted to regain that historical advantage by adding new provisions attractive to business. For example, proposed amendments to the Partnership and Business Names Act allow the option for certain persons and organizations to operate as limited liability partnerships. This business structure is new to Yukon, but is common in other Canadian jurisdictions.

Unlike other businesses, most professions, such as accountants, lawyers and medical professionals, take the form of partnerships, rather than corporations. This means that each partner’s personal assets are at risk to satisfy the obligations of the partnership. Should one of the partners be sued for professional malpractice, the other partners are personally liable. Under the proposed legislation, this is no longer the case. The proposed option to operate as a limited liability partnership will provide these professions with an additional business structure under which to operate.

Our proposed amendments provide greater flexibility to those professions that wish to operate as a limited liability partnership, while still protecting the interests of the general public. Limited liability partnerships are the most substantial amendment we are proposing in this bill. They offer distinct advantages to professionals who prefer the tax laws of partnerships and the limited liability provisions of corporations.

Limited liability partnerships are common in many other jurisdictions but there are some variations in what kinds of partnerships can register. Most jurisdictions limit these to professions, which is also our approach. To be eligible for registration as a limited liability partnership, the partners must be of a profession governed by a Yukon law. That law must expressly permit the practice as a limited liability partnership, and each partner must maintain a certain amount of professional indemnity insurance. Again, we feel these proposed conditions will support the desire to establish this in the Yukon and ensure the public’s interests are protected.

Amendments to the Partnership and Business Names Act, including the proposed limited liability partnership, formed part of a consultation this summer with the amendments to the Societies Act and the Cooperative Associations Act. Members of regulated professions support the flexibility offered by the limited liability partnership option and welcome the more modern act.

Combined with amendments to the other acts that are part of the business legislation reform project, the amendments that form the Act to Amend the Partnership and Business Names Act will improve Yukon’s existing regulatory framework, ensuring Yukon remains an attractive jurisdiction in which to register and operate businesses.

Mr. Mitchell: I thank the minister for his opening remarks. As the minister related and as was explained this morning during the briefing, this is part of this suite of changes that begins with the Business Corporations Act amendments. The minister has cited the fact that this will allow for the registration and regulation of sole proprietorships and partnerships, and many Yukon businesses operate as a sole proprietorship or partnership, as opposed to using the structure of incorporation.

The largest change, as has been noted by the minister, is the creation of a regulation for limited liability partnerships, which is common in other jurisdictions and generally preferred by professionals such as doctors, lawyers, accountants and engineers. The minister has pointed out that this would be limited in Yukon to those professions that are already governed by Yukon law and are regulated within Yukon.

There are tax advantages for those professionals to operate in a partnership; however, the current situation does expose any and all partners to being subject to liability that has really been caused by another partner, unlike a corporate structure, and this will remedy that. This is a modernization and it brings us more in line with other jurisdictions and helps to restore competitive advantage and, for those purposes, we certainly will support this legislation.

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

Hon. Mr. Lang: Again, I appreciate the dialogue this afternoon in the House, and I do look forward to moving Bill No. 88 forward into Committee, and discussing it further. Thank you very much, Mr. Speaker.

Speaker: Are you prepared for the question?

Some Hon. Members: (Inaudible)

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.
Hon. Mr. Fentie: Agree.
Hon. Ms. Taylor: Agree.
Hon. Mr. Hart: Agree.
Hon. Mr. Kenyon: Agree.
Hon. Mr. Rouble: Agree.
Hon. Mr. Lang: Agree.
Hon. Mr. Edzerza: Agree.
Mr. Nordick: Agree.
Mr. Mitchell: Agree.
Mr. McRobb: Agree.
Mr. Fairclough: Agree.
Mr. Inverarity: Agree.
Mr. Cardiff: Agree.
Mr. Cathers: Agree.
Clerk: Mr. Speaker, the results are 15 yea, nil nay.
Speaker: The yeas have it. I declare the motion carried.

Motion for second reading of Bill No. 88 agreed to

Bill No. 89: Act to Amend the Societies Act — Second Reading

Clerk: Second reading, Bill No. 89, standing in the name of the Hon. Mr. Lang.
Hon. Mr. Lang: I move that Bill No. 89, entitled Act to Amend the Societies Act, be now read a second time.

Speaker: It has been moved by the Minister of Community Services that Bill No. 89, entitled Act to Amend the Societies Act, be now read a second time.

Hon. Mr. Lang: Mr. Speaker, I am pleased to speak today about Bill 89, Act to Amend the Societies Act.

Amendments proposed to the Societies Act are part of the business legislation reform project.

The project includes: amendments to the Business Corporations Act, which is the primary piece of legislation in the project; the new Securities Transfer Act, which is harmonized legislation with other Canadian jurisdictions and bridges both the business legislation reform initiative and the securities passport harmonization project; the Act to Amend the Partnership and Business Names Act, which provides certain professions the opportunity to register as a limited liability partnership; amendments to the Cooperative Associations Act and the act before us, Act to Amend the Societies Act.

Like the legislation already introduced and debated, the Act to Amend the Societies Act furthers the goals of the business legislation reform project in that the amendments seek to: use terminology clearly and consistently; remove impediments due to outdated technology; recognize the use of technology to accommodate current practices; and clarify and streamline procedures to reduce compliance costs and administrative burdens.

The amendments before us arise from the changes to the Business Corporations Act. These changes include clarifying definitions and terms and the operation of societies, clarifying the rules around dissolving societies, and the options for reviving them after they have been dissolved.

Naming requirements that have been clarified and made more flexible in the Business Corporations Act are also extended to societies by the amendments before us today.

Amendments proposed to the Societies Act will allow for the registration of societies formed outside of Yukon under the Societies Act. Currently, these entities are registered under the Business Corporations Act.

As a result, Outside societies will be subject to the same regulatory processes as local societies and will be able to offer the same services in Yukon as in their home jurisdiction without the need to change their nature and structure.

Combined with amendments to the other acts that are part of the business legislation reform project, the proposed changes that form the Act to Amend the Societies Act will modernize the existing regulatory framework.

This will contribute to making Yukon a more attractive jurisdiction in which to register and operate societies.

Once fully implemented, the revised legislation will better serve societies and those who administer them. Thank you, Mr. Speaker.

Mr. Mitchell: I thank the minister for his remarks. As the minister explained, this is a part 4 and a part 5 series coming to a Legislative Assembly near you shortly. This act, as was explained to us in the briefing, will allow for the creation and regulation of not-for-profit entities. It makes changes that are complementary in order to maintain or improve consistency with the Business Corporations Act, which we are also changing by amendment, by clarifying definitions and terms, provisions for naming and dissolution and revival. Also, meaningfully, the proposed changes include provision for the registration of Outside societies under the Societies Act as opposed to under the Business Corporations Act, which is currently the case. There are non-profit societies, and the example that was given during the briefing was the St. John Ambulance society that wishes to operate within the Yukon. This will allow for them to do so by being registered under the Societies Act. These changes all operate together under the umbrella of the Business Corporations Act, and we will be supporting those amendments.

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

Hon. Mr. Lang: I would like to thank the Leader of the Official Opposition and the other members of the House, and I look forward to moving this forward this afternoon into Committee so that we can discuss it further. Thank you, Mr. Speaker.

Speaker: Are you prepared for the question?

Some Hon. Members: (Inaudible)

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.

Hon. Mr. Fentie: Agree.

Hon. Ms. Taylor: Agree.

Hon. Mr. Hart: Agree.

Hon. Mr. Kenyon: Agree.

Hon. Mr. Rouble: Agree.

Hon. Mr. Lang: Agree.

Hon. Ms. Horne: Agree

Hon Mr. Edzerza: Agree.

Mr. Nordick: Agree.

Mr. Mitchell: Agree.

Mr. McRobb: Agree.

Mr. Fairclough: Agree.

Mr. Iverarity: Agree.

Mr. Cardiff: Agree.

Mr. Cathers: Agree.

Clerk: Mr. Speaker, the results are 15 yea, nil nay.

Speaker: The yeas have it. I declare the motion carried. Motion for second reading of Bill No. 89 agreed to

Bill No. 90: Act to Amend the Cooperative Associations Act — Second Reading

Clerk: Second reading, Bill No. 90, standing in the name of the Hon. Mr. Lang.
Hon. Mr. Lang: I move that Bill No. 90, entitled Act to Amend the Cooperative Associations Act, be now read a second time.

Speaker: It has been moved by the Minister of Community Services that Bill No. 90, entitled Act to Amend the Cooperative Associations Act, be now read a second time.

Hon. Mr. Lang: Mr. Speaker, I am pleased to speak today about Bill No. 90, Act to Amend the Cooperative Associations Act.

Amendments proposed to the Cooperative Associations Act are part of a larger initiative by this government, the business legislation reform project.

The reform project’s goals are to update business-related legislation, recognize modern business practices, and simplify procedures to reduce administrative burden.

Amendments proposed to the Cooperative Associations Act clarify, ensure consistency, remove administrative obstacles, recognize the use of technology in current practices, and reduce compliance costs to societies.

We have before us today amendments to the Cooperative Associations Act that result from changes proposed to the Business Corporations Act. The rules around liquidation, dissolution and revival of cooperatives are the main focus.

Yukon has 4,460 corporations registered, plus 684 partnerships and 535 societies. On the other hand, at present, we have only eight registered cooperatives, five for food, and one each for housing, car sharing, and arts.

The purpose of a cooperative association is to provide services to members rather than to generate corporate profits. The purpose of the Cooperative Associations Act is to allow for the creation and registration of local Yukon cooperatives, and with the proposed amendments, enable cooperatives created in other jurisdictions to register to do business in the Yukon.

Amendments will move registration of Outside cooperatives from the Business Corporations Act to the Cooperative Associations Act.

The amendments will allow them to operate without changing the nature or structure of their organization. Amendments will ensure that cooperatives from outside Yukon are subject to the same regulatory processes as local cooperatives.

The principle behind this proposed amendment is to promote the freedom of movement for businesses and organizations among Canadian jurisdictions provided for in the Agreement on Internal Trade.

Amendments to the Cooperative Associations Act form part of a public consultation this past summer, along with the Societies Act and the Partnership and Business Names Act.

The users and stakeholders of this legislation include lawyers, accountants, directors of cooperatives, creditors and the general public. No concerns were raised in the consultation.

The Act to Amend the Cooperative Associations Act will improve Yukon’s existing regulatory framework through modernization.

It will contribute to making Yukon a more attractive jurisdiction in which to register and operate business entities. Once implemented, it will better serve the organizations governed by business-related legislation and those who deal with these organizations. Thank you, Mr. Speaker.

Mr. Mitchell: Again, we thank the minister and we thank the officials for the briefing today. This act basically does for cooperative associations what the Act to Amend the Societies Act does for societies — it sort of mirrors it and does flow from the Business Corporations Act changes — the final part in the five-part series brought to us by the minister today.

It allows for the creation of local Yukon cooperatives and the registration of cooperatives created in other jurisdictions that carry on business in Yukon. The purpose of the cooperative association is to provide services to members, rather than generating corporate profits, unlike a corporation. The minister mentioned food cooperatives. There is one housing cooperative, the Whitehorse Housing Cooperative, which is actually in my riding, with some housing in Granger. It’s gone through some difficult times in recent years, but I think it has back on track now. Most of these changes are complementary in order to be consistent with the changes in the Business Corporations Act. It will also allow, as the Societies Act changes do, for clarifying the registration process for Outside cooperatives under the CAA. So we will be supporting this legislation as well.

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

Hon. Mr. Lang: I’d like to take a moment with the five bills that we’ve put on the floor this afternoon. I’d like to thank the staff and the extensive work that was done by the individuals who have worked on these bills. I certainly look forward to moving Bill No. 90 into Committee of the Whole, so that we can have more discussions.

Speaker: Are you prepared for the question?


Hon. Mr. Lang: Agree.

Hon. Mr. Rand: Agree.

Hon. Mr. Kenyon: Agree.

Hon. Mr. Roule: Agree.

Hon. Mr. Lang: Agree.


Hon. Mr. Edzerza: Agree.

Mr. Nordick: Agree.

Mr. Mitchell: Agree.

Mr. McRobb: Agree.

Mr. Fairclough: Agree.

Mr. Inverarity: Agree.

Mr. Cardiff: Agree.

Mr. Cathers: Agree.
Mr. Speaker, the results are 15 yea, nil nay.

The yeas have it. I declare the motion carried.

Motion for second reading of Bill No. 90 agreed to

Bill No. 93: Miscellaneous Statute Law Amendment Act — Second Reading

Mr. Speaker, I move that Bill No. 93, entitled Miscellaneous Statute Law Amendment Act, 2010, be now read a second time.

Mr. Speaker, I am here today to present the second reading of the Miscellaneous Statute Law Amendment Act, 2010. This set of amendments does not make substantive changes to the statutes. This legislation makes technical corrections to seven Yukon acts.

Section 1 corrects a cross-reference to the Assessment and Taxation Act. Section 2 corrects a reference to the minister — from the Minister of Justice to the Minister of Community Services — in the Engineering Profession Act. Section 3 corrects a cross-reference in the Environment Act. Section 4 renumbers a section. Section 5 corrects a typographical error in the Interpretation Act. Section 6 corrects a typographical error of the Occupational Health and Safety Act. Section 7 corrects various errors in the Workers’ Compensation Act, starting with a correction under subsection 2, to a cross-reference.

Under section 7, subsection 3, there is an editorial correction replacing “and” with an “or”. Subsection 4 corrects an editorial error, adding the word “past” that should have been in the original draft. Subsection 5 corrects terminology. Subsection 6 adds the words “established under part 10” for clarity. Subsection 7 makes corrections to the provision that currently refers to an appeal panel decision, which is incorrect. Subsection 8 is a correction for clarity. Subsection 9 is amended by amending paragraph (b) to refer to “worker organizations”, rather than organized labour, and amending paragraph (c) to refer to “employer and worker organizations” — rather than employers and workers — to be consistent with other provisions in the act. Subsection 10 removes outdated references. Subsection 11 provides clarifications to be consistent with other sections of the act. Subsection 12, again, provides clarification to be consistent with other sections of the act. Subsection 13 corrects a cross-reference. And finally, subsection 14 removes outdated provisions under subsections 127(2) and (3) that deal with reviews and appeals begun before April 1, 2000. All such reviews and appeals have been concluded.

Mr. Speaker, these are housekeeping amendments. These errors are very minor, but the public expects that the government will keep the statutes in good order. This act will do that. The correction of errors in legislation enables greater clarity in Yukon laws. The last Miscellaneous Statute Law Amendment Act was passed in fall 2009.

Thank you, Mr. Speaker.

Mr. Fairclough: I’ll be brief in my comments to Bill No. 93. I understand there are a number of amendments taking place here today. What we would like to have, and ask the minister if she can provide this for us, is a briefing on the Miscellaneous Statute Law Amendment Act, 2010. We have some questions and issues about it.

I know the minister said that this was housekeeping, but there are several places in this act that we would like to have clarified, so we’re asking that a briefing does take place before we discuss it in more detail in general debate and Committee of the Whole. Some of the sections that we have issues with are sections 6 and 7. We would like to ask questions in general debate, but it would make things a lot quicker if we have a briefing on this to clarify these issues before we even get into general debate, so I would ask that of the minister.

Mr. Cardiff: I’m pleased to be here today to talk about and make comments about Bill No. 93, the Miscellaneous Statute Law Amendment Act. Indeed, I would concur with the Member for Mayo-Tatchun that it would be helpful to have a technical briefing about some of the changes that are in this act.

We too would like some clarification, specifically around sections 6 and 7. If indeed the explanatory notes are correct — that they are minor changes to ensure that the acts operate as they were intended to — I don’t think we’ll have any problem with this, but if there are changes to the way that these acts were intended to operate, we would like to know about them in advance of entering into debate in Committee of the Whole.

If that briefing could be provided — and I believe it is on the schedule for Wednesday at 11:00 am — I look forward to that; it’s just a matter of ensuring that this bill does not get called prior to that.

With that, I have no further comments. I look forward to the briefing and to discussing it here in the Legislature with the minister.

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

Hon. Ms. Horne: I thank the members opposite for their comments and I believe the briefing has been set, and I look forward to moving Bill No. 93 into Committee.

Speaker: Are you prepared for the question?

Some Hon. Members: (Inaudible)

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.

Hon. Mr. Fentie: Agree.

Hon. Ms. Taylor: Agree.

Hon. Mr. Hart: Agree.

Hon. Mr. Kenyon: Agree.

Hon. Mr. Roule: Agree.

Hon. Mr. Lang: Agree.
The matter before the Committee is Bill No. 22, Second Appropriation Act, 2010-11. We will now continue with general debate. Do members wish a brief recess?

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. 22 — Second Appropriation Act, 2010-11 — continued

Chair: The matter before the Committee is Bill No. 22, Second Appropriation Act, 2010-11. We will now continue with general debate.

Hon. Mr. Fentie: Mr. Chair, we left off yesterday in general debate on the Supplementary Estimates No. 1 for fiscal year 2010-11, Bill No. 22. As I was saying, there is a significant investment in the supplementary. The additional $65.3 million brings our budget for the fiscal year, 2010-11 to $1,141,000,000.

To put that in perspective, these are investments providing programs and service — and indeed infrastructure — to some 34,000 Yukoners.

The other really significant part of the investment is the fact that once again we have significantly high capital investment in the budget and, with the investments of the supplementary, it will take our capital investment to a total of $297 million. So, one can quickly see that it is an extensive increase in terms of meeting our requirements in the public interest, in terms of making our investments strategically to ensure that infrastructure needs are being met, and also to ensure that program and service delivery for Yukoners is being met in the manner that Yukoners deserve.

I think that I have about covered all the elements of the supplementary Bill No. 22 in general discussion, and will now turn it over to the opposition.

Mr. Mitchell: I hope that the Premier has taken the opportunity since he last was speaking to continue to be briefed by officials. We certainly appreciated our briefing by officials and we know that what we’re looking at is a current year deficit of $2.4 million. It’s not really surprising to us because we thought that would probably be where we would get to at some point when the Premier tabled his $2.9-million surplus budget in the spring in the main estimates. We have had an additional $65.4 million in spending that will be covered in this budget and I think that the government has brought in some additional $24 million in revenue since April 1. Since not all the money that is spent is automatically expensed, the net result — although the government is continuing to spend quite a bit more that it’s continuing to take in — is that we move the line from a $2.9-million surplus to a $2.4-million deficit for the current year, which I’m sure the Premier will agree to when he stands up now that he has had a chance to be better briefed.

We do know that some $9.9 million of the new expenditures to be approved in this budget have to do with the collective agreements that have been signed; $39.5 million are revotes; $8.5 million is THSS spending, which is the successor to the THAF program; $2.7 million to the Watson Lake hospital O&M; $1.9 million to the Thomson Centre equipment O&M; $1.5 million has to do with MRIF expenditures; and $1.5 million is for the interim electrical rebate.

Again, if you look at the $35.7 million that was showing up from last year’s adjustments, we have $29.7 million, I believe, in truly new spending. Another $4.9 million has been drawn down against the net financial resources, which now leaves us with a projected net financial resources for the end of the year — if nothing changes — of $33.6 million.

I think we can agree to much of that because the facts are, as the Premier likes to say, what the facts are.

When the Premier was last on his feet he talked about how we have spent the last two years in Canada, as a nation, each province and territory, in concert with the federal government, stimulating the Canadian economy and trying to manage our way through the global economic downturn and recession. I do find that interesting because, a couple of years ago, we actually were asking, in December 2008, whether the Premier was going to look at some stimulus through spending. At the time, in response to our discussions of the downturn that was occurring in the United States and elsewhere in the world, the Premier had this to say, “In the first instance, the member should not be comparing the Yukon to the United States and to what’s happening in the United States. There is no correlation whatsoever with what the Yukon is experiencing in the situation the United States finds itself in.”
It’s kind of interesting that the Premier didn’t see it coming even when others tried to wake him up and apprise him of the situation around the world, and he thought we lived on an island — the island of Yukon — and in fact we don’t. The overall trend is that, if we look at the budget together with the main estimates from the spring — as the Premier likes to remind us we should do — this is the Finance minister’s fourth consecutive budget that anticipates spending more money than we will take in as revenue. That includes all transfers from Canada and other parties, as well as own-source revenue.

I guess that we would ask the Premier when he thinks that he is going to have to ream that in, or is he going to wait until that $33-million line in net financial resources goes down to zero or appears in brackets. That’s one question that the Premier can answer when he’s next on his feet, because he has clearly released his inner big-spender. That resulted in the reality of a $25-million deficit for the 2009-10 fiscal year, a number we expect will be confirmed within the coming few weeks by the Auditor General of Canada, when she does her good work.

We don’t know why the Premier still can’t recognize a current year deficit when he tables one, but apparently he can’t do that. We did say, in the past, that we expected that health expenditures would go up. We didn’t think we could hold the line where the amounts were when the main estimates were tabled in the spring and, in fact, the largest change in this budget before us is, once again, an additional $15.16 million for the Department of Health and Social Services.

We’re not challenging whether the expenditures are necessary; we’re only suggesting that the Premier and his Health and Social Services minister should be more realistic with what’s likely to happen in the spring of each year, when they table the main estimates, because we didn’t think that tabling a budget in the spring, indicating that health care expenses would be flat or down from the year before was — we thought that was overly optimistic and, in fact, it has proven to be so.

So the net result is that here we are, into a second year in a row where we’re showing a deficit for the year. The first year it’s too hard to change because that year is complete, and we’ll have the final accounting in the public accounts for the Auditor General in just three weeks’ time, when she will no doubt confirm that the 2009-2010 ended in a $25-million deficit. I can see that there is a very concerned look on the face of my colleague, the Member for Mayo-Tatchun, because he too saw this coming in the spring and now we see that the chickens have come home to roost. I know that he too is concerned about this inner big-spender that the Premier has finally released. The Premier told us told us he was a conservative — he is a Yukon Party member, but he spends like an NDPer. Apparently, that inner NDPer has been released, and the Premier is now trying to spend his way to some kind of glorious legacy, so that he can go out on the campaign trail and tell one and all, “Look at all the projects we’ve begun.”

We have a lot of questions as to how these projects will be completed. The Education minister, who has spent some money in the budgets this past year on planning for a new high school to replace the aging facility at F.H. Collins, indicates that’s the next school we’ll be building. We look forward to hearing how we’re going to pay to build the school. We agree the school needs to be built, but —

Some Hon. Member: (Inaudible)

Mr. Mitchell: The Premier finds it amusing that we would have any such concerns, but we’ve seen two hospital facilities that are going to be built with borrowed money, and we’ve heard from the Health and Social Services minister that the required expansion of the emergency room area and the intensive care unit — that the chair of the board and the CEO of Whitehorse General Hospital have been telling the Health and Social Services minister and the public that this is necessary and required, and the Premier and the Health and Social Services minister tell us they haven’t figured out yet where that money is going to come from.

That’s yet to be decided, although the Health minister did say that there would be no money in this coming spring’s main estimates, should they be tabling a budget this spring. Should they still be in office, there will be no money for those necessary improvements at Whitehorse General Hospital. The Health minister made that clear yesterday or the day before in the Health debate. I guess it was the day before, on Tuesday. So we know that they haven’t figured out where that money is coming from yet, and it will be interesting to see where the money comes from to pay for the new high school at F.H. Collins and other capital projects on a go-forward basis.

We also know that we haven’t been able to get very complete answers from the Minister of Finance, the Health minister or the CEO of the hospital regarding the future O&M for the new health care facilities that the Premier has undertaken in Watson Lake and Dawson City. We know the Premier, when he’s next on his feet, will give us the same tired old rhetoric about how the Liberals don’t want any health care facilities in other communities, and that’s just not correct.

That’s not so and we’ve said it many times. We agree that aging facilities need to be replaced. We would have thought the government would have undertaken a review and consultation to determine what level of health care facilities they would require to replace the Watson Lake Cottage Hospital and the nursing station in Dawson City prior to announcing the facilities, but they didn’t do that.

In fact, they started some five or six years ago — five years ago, at least — by announcing two multi-level health care facilities and then, over time, they morphed those into hospitals. I do recall the day when we asked this Premier how much the hospitals would take — how much they would cost in Watson Lake and Dawson, particularly in Watson Lake where we were getting to the $5-million mark and nothing had been opened that was treating any Watson Lakers. At the time, the Premier stood proudly in this House and said, “I don’t know; whatever it takes.”

That was the planning that went into that announcement — an announcement by the Premier that whatever it takes and whatever it costs, he would build it. If he builds it they will come, was the approach. It was a Field of Dreams approach. That’s what we were looking at.
We know that there are a lot of questions that we have and we know we won’t get answers to them. What we’ll get is the Premier’s view of opposition members, of the Liberal Party, and we won’t get answers to the questions, but we will put some of them out there anyway. We’re curious. The Premier talks about how much debt existed, net debt, under the Liberal Party when they were last in office. The public accounts show a different tale from what the Premier says, but we do know that the Penikett government was $64 million in debt at one point. We know that we have investments in notes — MAV1 and MAV2. I think they’re called. They are restructured investments from the Premier’s ill-fated excursion into the world of asset-backed commercial paper. So we would wonder what the current value is on the books of those notes. We think it’s somewhere in the vicinity of $25 million. The Premier said just the other day that we haven’t lost any money on those notes; we’ve made $1.9 million. Well, I don’t know to which time period the Premier is referring when he said that we made $1.9 million, but since the Premier says we haven’t lost any principal, that it’s just an interest rate write-down or adjustment, I believe he said, then if the adjustment has been from $35 million to $25 million, it seems that there has been an interest adjustment of somewhere in the vicinity of $10 million or maybe even $11 million. Even if there was $1.9 million to the positive somewhere in that cycle, it looks like we’re well in the red at this point in time.

We are curious just how the bonds that have been issued by the Development Corporation and the borrowing that has been done by the hospital will reflect back. I guess it would be in the public accounts, in the consolidated public accounts — and we will ask the Premier to give us a definitive number in terms of the borrowing limit that has been raised to $300 million and just how far to that limit the government is with the borrowings that are going on.

Perhaps the Premier can give us a more definitive answer, since he quarterbacks the team, than the wide receiver of the Health minister, who ranged pretty wide just a few days back into new tax excursions for recreational and tourism users in the Peel region when the Health minister suggested that they would have to tax those users. Perhaps the Minister of Finance can tell us when they are going to make a planning decision about the $50 million that is going to be required for the expansion of the Hospital Corporation, whether that will be borrowed, whether the Premier sees doing that over a period of time out of government’s own revenues in terms of capital expansion there, or replacement.

I see that I only have a couple of minutes left, Mr. Chair, and it’s amazing how fast the time has flown — just beginning to touch the surface of the issues in front of us.

Again, we are wondering, since as the Premier has said this is a period 5 variance, whether the Premier has even further updates for us about the deficit position of the government since then.

We do have other questions that we would ask this Premier in terms of how spending is carrying forward on the Whitehorse Correctional Centre, whether that is still on track and on budget — if he can give us an update on that, that will certainly be appreciated.

The Premier had a lot to say when he was last on his feet. He said we were maintaining that they’re increasing taxes for such areas as tourism, and that’s not the case, that we should be factual. Our concerns, and the concerns we were hearing from many Yukoners, were the concerns about the statements that had been made by the Member for Riverdale South, that if you’re going to protect an area within the Peel watershed planning region, you’re going to have to charge taxes to finance it. He said that; he had to stand up today and answer for that in the Assembly. Last week he said new taxes; this week he said, “I didn’t mean that”. We’ll have to let Yukoners decide whether that’s in the plans or not.

These are just some of the questions that we’ll have to look for answers to. The Premier said when he was on his feet that the supplementary estimates speak for themselves and the deficit certainly does.

Hon. Mr. Fentie: Well, I am to assume that that was all a constructive, productive input into the fiscal position of the Yukon. Let me begin by first pointing out, and putting some shape around the issue of indebtedness. The Yukon Party government of today, and the government that has been in office for eight years, heading into our ninth year, has never had to get into an overdraft position to pay for employees’ wages and programs and services. Let’s reflect now on the past Liberal so-called fiscal management, in the two short, turbulent, disastrous years of the former Liberal government in the Yukon.

At the year-end of 2002, they were in an overdraft position at banks in the Yukon of over $4 million. In 2003, the former short-lived, turbulent, total disaster of a government — the former Liberal government — at that year-end they were $2.5 million in an overdrawn position at the bank.

Now, the Leader of the Liberal Party is suggesting that the Yukon Party is on a wild spending spree, yet we have somewhere between $100 million and $200 million cash in the bank. We are not in an overdraft position. I think that really demonstrates who had the wild spending spree. The Liberals had to be in an overdraft position to meet the program and service requirements of the Yukon, including our employees’ wages.

The member suggested that I needed more briefings — well, I endeavour to do that. Of course, the briefings show clearly that at year-end the net financial resource position of the Yukon is in excess of $30 million.

Of course, we are making investments across the territory in programs, services and infrastructure, and we still have a savings account, and we are meeting our liabilities, and we continue to demonstrate — the member asked about money for F.H. Collins Secondary School. It is already booked in the budget. It is booked in out-years. It shows a constant, consistent net financial resource to the good. But these are areas of information the Liberal leader just does not like looking at because it does not fit with his position.

Now, let’s look at some of the measures the Liberals have undertaken — and these are Liberal measures — and how they dealt with fiscal problems. Instead of creating a savings account, and instead of having the options available to them to
meet the needs of Yukoners by investing the money necessary, here’s how they handled those challenges in the Yukon Territory: funding cuts to trade and investment and the tourism marketing fund and the community development fund. That’s how they handled fiscal management, and they were still in an overdraft position.

By the way, the Yukon Party, with their so-called wild spending spree, has reinstated all those funds because they are all part of building a quality life for Yukoners. Funding cuts to childcare services is how they were trying to meet that fiscal challenge and they were still in an overdraft position. And the Leader of the Liberal Party talked about stimulus.

Well, the Liberal stimulus was a Yukon unemployment situation at its worst since 1982. My goodness, what fiscal management that was. There’s another little wrinkle here about openness and accountability. The Liberals attempt to control the Legislature. My goodness, control the Legislature. Oh, the Liberals gave up our share of the Beaufort Sea. To whom did they give that? The Russians, possibly. The Liberals — and this is a beauty — the Liberals don’t know if FAS/FAE is a problem. My goodness, Mr. Chair.

This is about stimulus and addressing the financial situation of the Yukon and our economy: Yukon mining exploration at a 30-year low. This is very relevant to the recent discussion we’ve been having: Liberal patronage and possible conflict of interest for the boards of the Yukon Development Corporation and the Yukon Energy Corporation. Let me repeat that: Liberal patronage and possible conflict of interest for the boards of the Yukon Development Corporation and the Yukon Energy Corporation. This is all under that short-lived government. That is quite an effort.

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: Committee of the Whole has considered Bill No. 22, Second Appropriation Act, 2010-11, and has directed me to report progress on it.

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

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

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

The House adjourned at 5:30 p.m.