

**Yukon Legislative Assembly**  
**Whitehorse, Yukon**  
**Tuesday, October 12, 2010 – 1:00 p.m.**

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

*Prayers*

**Withdrawal of motions**

**Speaker:** The Chair wishes to inform the House that Motion No. 1188, notice of which was given last Thursday by the Leader of the Third Party, was not placed on today's Notice Paper as the question raised in the motion has already been decided in this session.

**DAILY ROUTINE**

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

Tributes.

**TRIBUTES**

**In recognition of Poverty and Homelessness Action Week**

**Hon. Mr. Hart:** Mr. Speaker, I rise in the House today in honour of Poverty and Homelessness Action Week, which takes place every October. This year, it is set for October 10 to 16. The purpose behind this week is to raise awareness and encourage action designed to end poverty here at home.

M. le Président, je prends la parole aujourd'hui afin de souligner la Semaine de lutte contre la pauvreté et l'itinérance qui a lieu chaque année en octobre. Le but de cette semaine, qui se tiendra du 10 au 16 octobre, est de sensibiliser les gens à la pauvreté et de les encourager à trouver des moyens pour la diminuer, ici même au Yukon.

I would like to take this opportunity to acknowledge the amazing work of the Yukon Anti-Poverty Coalition and its partners in their efforts to eradicate poverty in Yukon. Under the leadership of the Anti-Poverty Coalition, many organizations and individuals have rallied to sponsor a series of events. These include the From the Home Street photo project, to a Finding Shelter Challenge, and culminate with Whitehorse Connects on Thursday and free access to the Canada Games Centre all day on Saturday.

My government is deeply involved in trying to eradicate poverty. From increasing welfare payments to providing emergency shelter for homeless youth, we are striving for a balance between responsible fiscal management and sound social management. This is why we have undertaken one of the most important social projects of our mandate, the *Yukon Social Inclusion and Poverty Reduction Strategy*.

While we have endured a great deal of criticism about our approach to creating this strategy, Mr. Speaker, we hold firm in our belief that a careful analysis now will help us set a solid foundation for a more socially inclusive society. We are speaking with service providers and service recipients. We have explored the work of other governments. We are working to co-

ordinate and streamline our own government departments' work to make it more efficient and useful.

We all know that poverty can't be fixed with just money. It's a complicated issue with social issues that must be addressed at the same time. We don't pretend to have all the answers. That's why we are grateful to all our partners who have chosen to roll up their sleeves and assist us with this undertaking.

Thank you, Mr. Speaker. Merci, M. le Président.

**Mr. Mitchell:** I rise today on behalf of the Official Opposition to pay tribute to Poverty and Homelessness Action Week.

This week helps to provide a greater understanding of the issues of poverty and homelessness. It is designed to raise awareness and promote action to end poverty and homelessness in the Yukon. This year's theme is "affordable and accessible housing."

Cette semaine aide à fournir un plus grand arrangement des questions de la pauvreté et du phénomène des sans-abri. Elle est conçue pour soulever la conscience et pour favoriser l'action à la pauvreté de fin et le phénomène des sans-abri dans le Yukon. Le thème de cette année est logement accessible.

Yukon is lacking in affordable housing for seniors, families, single families and youth. There is a total of 837 rental apartments in Whitehorse. The median rent is \$775 per month with a 0.08 percent vacancy rate as of September. Most families or single families have trouble coming up with \$1,550 for the first and last month's rent, if there were an apartment available.

Finding shelter is a challenge. Our seniors who are on wait lists for senior housing are struggling to make ends meet. Our youth are having trouble finding housing and are couch surfing. There are the homeless who find a temporary night here and there, but end up couch surfing or sleeping on the streets.

As a society we must do better. As Yukoners we must do better. We must support the work of community organizations striving to improve conditions of poverty and homelessness in our community. There are many events taking place this week, as has been noted, organized by the Yukon Anti-Poverty Coalition and its partners to raise the awareness of the poverty and homelessness in our own backyard. Get involved, participate, try to understand the daily struggle that people living below the poverty line and those who are homeless have to deal with.

This Saturday, October 16, is World Food Day. We encourage you to make a donation to the local food bank, which in Whitehorse is the Whitehorse Food Bank at 306 Alexander Street.

Mr. Speaker, an important word in today's tribute is "action". Those who are struggling with poverty and homelessness or affordable housing are tired of being studied. They are looking for the action — action by each of us as individuals and action by government.

M. le Président, un mot important dans l'hommage d'aujourd'hui est « action. » Ceux qui luttent avec la pauvreté et le phénomène des sans-abri ou le logement accessible sont fati-

gués de l'étude. Ils recherchent l'action - action par chacun de nous comme individus et action par les gouvernements.

A heartfelt “thank you” goes out to the many volunteers, supporters and non-profit organizations who give of themselves to help those in need. Your hard work and dedication is appreciated. Together, let's strive to eliminate poverty and homelessness in Yukon.

Thank you, Mr. Speaker. Merci, M. le Président.

**Mr. Cardiff:** Mr. Speaker, it is Poverty and Homelessness Action Week. It's a time to reflect and to commit words and thoughts to deeds.

In the NDP caucus office, hardly a week goes by that we don't receive calls or welcome visitors who are struggling with poverty or homelessness issues, so on this day I would like to tell a story of a fictional Yukoner. This Yukoner is a composite sketch of stories we've heard from real Yukoners over the years.

First, this Yukoner is a woman, who would be, statistically, more likely to be living under the poverty line. She has two children who are under school age. She just recently separated from her common-law partner and father of her children, who is working in a camp in B.C. and has not been paying child support. She has been earning just over the minimum wage of \$8.93 an hour and receives no benefits. Her take-home pay is about \$360 a week, and so she earns about \$1,500 a month. The monthly child benefit tax credit gives her an additional \$100 a month per child, so she has about \$1,700 a month to live on. That's not much money to live on in a boom economy like the Yukon and Whitehorse are experiencing these days.

The ends were meeting before the children's father took off. She went to the maintenance enforcement program, but he's in B.C. working in a camp and hasn't been very cooperative, and it'll likely take months before child support payments kick in, if they ever do.

The three-bedroom apartment for her and her children is just a little too pricey now. The rents will be going up next month, as the landlord seeks to take advantage of a hot housing market. She looks in the classified ads. There are about 10 places for rent; half of them are rooms in homes and half are over \$1,000 for a one- or two-bedroom apartment.

She gets a two-bedroom apartment for about \$1,000 a month, and that means the kids are going to need to share a room. The kids are learning to cope with less and with the new experience. With the remaining \$700 in her monthly budget, she has to pay for food, heat, daycare, car repairs, gas, clothing, toys and monthly credit cards, which are probably maxed out. There's no saving for a rainy day or for a college fund and any vacation plans are out the window. The monthly entertainment budget is the occasional trip to the pool, or maybe a cheap movie on Tuesday night. Dental work goes on hold. Fixing the car and getting new winter tires is out. Her meagre savings account is gone. The car gets sold just to keep afloat and some personal items are pawned, but these are extremely temporary solutions. She needs more money, particularly to pay for daycare, which, despite being subsidized, just costs too much.

She's faced with a choice — find a better paying job or leave the job market altogether, go on social assistance and care for her children at home. Her literacy skills are low. She has been taking a computer course at night downtown, but because she has no car and the buses aren't running late, she has had to take a pass on the literacy courses.

She feels that her hopes of finding better paying work are slim. This depresses her greatly, and the children are feeling her anxiety. She thinks about social assistance, but if she goes to social assistance, the \$200 she receives from the child tax benefit will be clawed back. She goes to the social assistance office to talk to someone to help her decide what to do. She waits and waits and waits. There are so many people, and so few staff, so she leaves — confused, and very stressed out.

What I've read today is a fictional story, but it's very similar to the day-to-day struggles that are a fact of life for so many Canadians, and for so many Yukoners. Studies show that most Canadians are about a paycheque away from poverty. While the numbers of the poor grow, so does the number of millionaires in this country, and there is something wrong with that picture. So on Poverty and Homelessness Action Week, let's reflect on this deplorable situation — the social landscape of some “haves”, but a whole lot of “have-nots”, and let our deeds be the measure of our compassion. Thank you.

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

Are there any reports of committees?

Are there any petitions?

Are there bills to be introduced?

Are there any notices of motion?

## NOTICES OF MOTION

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

THAT this House urges the Yukon government to work with Northwestel to improve the reliability of internet and cell-phone services in Whitehorse and especially in rural Yukon communities.

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

THAT this House urges the Government of Yukon to put “Action” back into the “Poverty and Homelessness Action Week” and act on recommendations brought forward from past studies instead of continuing to undertake more studies.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to stop following their federal Conservative colleagues' “how to” guide on delivering deficit budgets in light of today's announcement of a record \$55.6-billion federal deficit.

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

THAT this House recognize that the chapter 11 of the *Umbrella Final Agreement* does not preclude government departments from expressing their views on land use plans; and

THAT this House urges the Government of Yukon to allow the Minister of Tourism and the Minister of Environment to express their departments' views on the *Recommended Peel Watershed Regional Land Use Plan*.

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

THAT this House urges the Minister of Health and Social Services to immediately respond to the current crisis in First Nations' child welfare by working cooperatively in a government-to-government relationship with the First Nations involved in order to:

- (1) come to an agreed-upon, workable plan to solve the problems on both sides;
- (2) express the intent of the *Child and Family Services Act*;
- (3) proceed with respect for the First Nations' self-government agreements;
- (4) establish with all First Nations a future cooperative working relationship; and
- (5) support and protect all children in the Yukon.

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

THAT this House urges the Yukon government to publicly release the Land Planning branch's report on public consultation regarding the application by Takhini Hot Springs Limited to change the zoning for their property, including the branch's minutes from the two public consultation meetings held in 2008.

**Speaker:** Are there any further notices of motion?  
Statements by ministers.

This then brings us to Question Period.

## QUESTION PERIOD

### Question re: Energy drinks

**Mr. Elias:** I have a question for the Minister of Education. Not enough is known about the potential health risks of the popular energy drinks. Many of these drinks are loaded with caffeine and up to 14 other ingredients, and I don't believe they are safe for children and teenagers to consume. Most energy drinks contain 70 to 300 milligrams of caffeine, compared to 34 milligrams in a can of Coca-Cola. Health Canada recommends a maximum daily caffeine intake of no more than 45 milligrams for children aged four to six, 62.5 milligrams for children aged seven to nine, and 85 milligrams for children aged 10 to 12.

Will the Minister of Education immediately prohibit the consumption, distribution and possession of energy drinks in all Yukon schools?

**Hon. Mr. Rouble:** This government certainly takes very seriously the issues of health and healthy schools. We've been very involved with the Drop the Pop campaign throughout all Yukon schools, and I'm pleased to report that no Yukon schools sell pop in the vending machines there. There are juice products — that type of thing — sold there, and many of our schools have already adopted policies and practices about some of the other drinks that the member opposite is talking about.

We're certainly working with our schools, of course with our parents, with sports teams and with others about this. The member opposite is right: education is key to some of these things. Some of these drinks are much more than they appear to be on the label, but you really do have to dig into the ingredients to find out the quantities of caffeine or guarana or some of the other additives in these drinks. From a government perspective, we're looking to Health Canada to address this issue on a national basis.

**Mr. Elias:** I have for filing a letter to the minister. The minister mentioned the Drop the Pop campaign. I have another idea for a campaign, and that's kick the caffeine right out of all our Yukon schools.

I'm going to quote from a parent in Ontario who lost his 15-year-old son to an unexplained arrhythmia, or a disturbance in the rate or rhythm of the heartbeat: "Given the intake of an energy drink the day he died, I suspect that energy drinks were at least a contributing factor to his death, if not the whole cause."

Almost all the cans of these energy drinks say on them "for adults only". The questionable nature of these drinks and their health implications to the youth who consume them should be enough for the Education minister to act. Will the minister take action?

**Hon. Mr. Hart:** I stated earlier, we in the Health and Social Services department are working with the Department of Education on this issue. I will also state that we are working with other jurisdictions regarding not only this drink, but other aspects related to sporting events that generate high caffeine or high levels of sodium. Again, this is a federal issue, but we are working closely with our other jurisdictions on this to alleviate the problem and to also provide further education for our students to ensure that their safety is being looked at.

**Mr. Elias:** I'm glad the Minister of Health and Social Services stood up because I also have for filing a letter for him as well. There are unknown health effects of the ingredients in energy drinks to young children. An increased level of caffeine in the body can lead to stomach problems, panic attacks, anxiety, dehydration and cardiac arrhythmias. Caffeine is also known to mask the symptoms of fatigue. When symptoms of fatigue are not apparent, the body is already overworked while the person is continuing to do activity, which puts further strain on the heart.

Yukon youth under the age of 18 are consuming these energy drinks, and there are no scientific facts that say they are safe for children to consume. Will the Minister of Health and Social Services begin the development of territorial legislation to ensure that energy drinks can only be purchased by adults in this territory?

**Hon. Mr. Hart:** As I stated earlier, we are working with other jurisdictions, we are working with other provinces, we are working with the scientists involved in assessing these drinks. There is a wide variety of these items that have to be looked at. There is, as the member opposite indicated, a substantial amount of science that has to be involved. But, as I stated, we are working with the other jurisdictions. Issues are being addressed across Canada with regard to dealing not only

with the caffeine involved in these drinks, but also the sodium level.

**Question re: Peel watershed land use plan**

**Mr. Fairclough:** The public wants to hear more from the Minister of Health and Social Services about his new tax in the Peel. The minister may think he cleared things up last Thursday in Question Period, but I think he's just muddied the Peel's waters even more. The minister did not retract or apologize for statements he made about a new tax on tourists. He simply stated, and I quote: "I apologize to the House for my comments being taken out of context." This statement came over a week after the minister first misspoke on the question to the Minister of Tourism. Will the minister stand up and explain how his comments were taken out of context?

**Hon. Ms. Taylor:** I think the member opposite may be confused in listening to the response brought forward by the Minister of Health and Social Services last week. In fact, his statement was very clear. He retracted the statement. He apologized for his comments. We are very pleased to be able to support the tourism industry — the tourism sector — and as I articulated on the floor of the Legislature — time and time again — describing many examples of how this government has continued to work with the tourism sector in support of infrastructure, programs and policies and so forth, in support of the tourism sector.

So, again, let me be very clear in terms of our support for growing the tourism sector further, as we continue to move into the next year with the sector in terms of implementing our tourism plans, our product development plans, and moving forward.

**Mr. Fairclough:** The public has a right to know. Why was the Minister of Health and Social Services waiting in silence for more than a week to state that his comments were taken out of context? Why wait to be asked about this apparent misspeak of letting the cat out of the bag on how the government intends to deal with outfitters and wilderness operators in the Peel? The minister didn't even come forward of his own accord to try to correct the record. The minister should have stepped up and explained himself; instead, he waited for prompting from us and questions regarding his statements on the Peel. The public wants leadership here.

Why did the minister wait for more than a week to state a flip-flop?

**Hon. Ms. Taylor:** I will reiterate all that this government has done in support of the tourism sector. This government is not implementing any new taxes. In fact, this Government of Yukon has been working to reduce the corporate business tax rate. We have been working to reduce that over the last eight years and our record is very clear in that particular sense.

This government has also been very clear in terms of our support for the tourism sector, working in partnership with the tourism industry on all levels in terms of providing infrastructure, such as the expansion of the Whitehorse International Airport, something we know this member and that member's party take issue with.

We have been working to broaden the network of highways, broaden our facilities and attractions, in terms of work-

ing with Yukon First Nations and the development of First Nation cultural heritage centres and working on marketing programs. In fact, we have enhanced our marketing programs by millions of dollars in increased funds, whether it's on the domestic or overseas front. This government will continue to work in support of the tourism sector, and we're very pleased to be able to collaborate with them.

**Mr. Fairclough:** The Minister of Health and Social Services let the cat out of the bag, Mr. Speaker. There's no other explanation for his comments on the Peel. He said, "Well, 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... In other words, the wilderness tourism operators and the outfitters are all going to have to take the same kind of responsibility in using that pristine environment."

It's a simple statement. The Yukon Party wants to tax tourists. We simply used the minister's own words and they were clear, Mr. Speaker. Will the Health minister clarify the statements he made and explain how his comments were taken out of context?

**Hon. Mr. Fentie:** I think, first, we have to reflect on the fact that I am the Minister of Finance and there are — let me emphasize — no new taxes for tourism. In fact, small business operators in the Yukon have just received another reduction vis-à-vis the bill before this House.

Secondly, the Minister of Health and Social Services stood on this floor and admitted openly misspeaking on the matter. That's a lot more than we get out of the Liberals in this House, who have a long litany of examples of misspeaking in this Legislature and have yet on one occasion to stand up and openly reflect on that fact.

Thirdly, the Member for Mayo-Tatchun has said that the waters have been muddied when it comes to the Peel. Yes, they have, because the Liberals have accepted a draft plan that hasn't even concluded. The Liberals have ignored the obligations of governments under chapter 11 to continue to do the consulting that we're doing, and so have the Third Party in this House. That's what muddies the waters. The Yukon Party government will follow chapter 11 and our obligations therein. That's what due process is all about — certainly not something that the Minister of Health and Social Services, who openly admitted misspeaking — has any relevance to this issue.

**Question re: First Nation child welfare**

**Mr. Cardiff:** Mr. Speaker, we were shocked to hear that the Kwanlin Dun First Nation has barred social workers from its territory. Now the Carcross-Tagish First Nation has announced it will implement its own child welfare legislation even without government funding. Unfortunately, we're not surprised by these actions. This minister has not shown he respects and includes First Nations' views on child welfare. The new *Child and Family Services Act* was pushed through ignoring First Nation requests to discuss proposed amendments in this House. That is just one incident in a long list of First Nation complaints over years and years.

In the interest of cooperation, we hope the minister has been meeting with First Nations and has some news for us about how he's resolving the issues.

What can the minister tell us about the action he and his department have taken to alleviate the problems that have occurred in the past few days?

**Hon. Mr. Hart:** There was a substantial consultation period with regard to the *Child and Family Services Act*. I'll remind the member opposite it entailed more than five years of work, including all the stakeholders involved in dealing with children in the Yukon. That information was compiled and brought to this Legislative Assembly. It was processed through the Legislative Assembly here and the new act was proclaimed.

The new *Child and Family Services Act* provides great increase in services for all individuals in relation to child security. With that in mind, I will just add a bit of history of the *Child and Family Services Act* for the member opposite.

As I said, we've received a letter from the Chief of Kwanlin Dun First Nation with his comments and we are actively trying to set up a meeting with the First Nation to review his concerns.

**Mr. Cardiff:** It may have been five years of consultation, but I don't think the minister remembers 18 months ago when there were all kinds of people sitting in the gallery. Under the legislation, social workers and family support workers now find themselves in a dangerous situation, working at the Kwanlin Dun First Nation. If they followed a law, they could be faced with physical restraints, and possible abuse. If they stay away, they are breaking the law. This stalemate needs to be resolved very soon. We want to know that the minister has made agreements with the Carcross-Tagish First Nation for providing services to children there, when their act is implemented. We are concerned, not only about the health and safety of the department's employees who are barred from their jobs, but for the children involved in this crisis, who may need protection. What direction has the minister given to his department, in order for them to carry out their duties to ensure the protection of children in these two First Nations?

**Hon. Mr. Hart:** The Yukon government supports the efforts of the Carcross-Tagish First Nation to develop its family act. In fact, we have assisted that First Nation in the development of that act. We have participated in the consultation with them, as well as taking a very active role in the assumption of responsibilities with CTFN and the Government of Canada.

Now, the self-government agreement is very clear about the funding. Assumption of the responsibility always has to be respected and the process of these agreements followed. Every First Nation has the right to draw down this process and they have the ability to do so. Under a self-governing agreement, they can do so. We have been advised many times over the years of First Nations intending to do so. However, the Carcross-Tagish First Nation has indicated recently that they are about to proceed, with or without the funding from the federal government. But, as I stated previously, we have assisted this First Nation with regard to their agreement, and we look forward to working with the Carcross-Tagish First Nation as they roll out their new program.

**Mr. Cardiff:** Well, the minister didn't answer the question. He didn't say whether or not they have an agreement to help them implement it and roll it out, including funding.

Now, in its guiding principles, the new *Child and Family Services Act* states that First Nations should be involved as early as practicable in decision-making processes regarding a child who is a member of the First Nation.

Further, the act's service delivery principles underline that collaboration builds on the collective strengths and expertise of children, families, First Nations and communities. From the information at hand, it appears the minister and his department have engaged neither Kwanlin Dun First Nation nor Carcross-Tagish First Nation on their work with children. The intent of the new act is not to be oppositional; it is to be inclusive.

How is the minister being inclusive in responding to the very serious problems First Nations are exposing and that he has to face today and into the future?

**Hon. Mr. Hart:** I appreciate that the member opposite is reading from the act. He has also answered his own question. Under the *Child and Family Services Act*, we are required by law to inform the First Nation of our involvement with their citizens, and most certainly if we are taking their children into care. This is something that we like to avoid at all great cost. It is one of the main reasons why we would be collaborating with the First Nation in question with regard to the child at whom we're looking, because the main thing we're looking at is the child and the safety of that child. That is what we're here for — to look after the child.

It matters not which government will look after the process, whether it's the First Nation or ourselves. It's up to one of the governments, whichever has the authority to do so, to look after the safety of the child.

Currently the Government of Yukon is the legal aspect in looking after the child with regard to dealing with this First Nation. However, as I stated, we have correspondence with the chief. We are looking at trying to set up a meeting so we can discuss the situation and review the concerns of the First Nation.

#### **Question re: First Nation child welfare**

**Mr. Cathers:** When government intervenes to ensure child safety, it's almost always a difficult and emotionally charged situation. Of course, it can also become politically charged.

Health and Social Services staff spent five years working with First Nations, social workers, advocates, specialists in child protection and many others to develop the new *Child and Family Services Act*. The act is a significant step forward and is intended to make Yukon a national leader in the area of child welfare. It recognizes the importance of culture and community, commits to informing First Nations and involving them in extended family and cooperative planning at the earliest opportunity. The act was passed when I was minister and implemented under the current minister, as well as the regulations being developed.

My question for the minister: has there been any change in approach, or are he and department staff still continuing to work hard to ensure government fulfills its obligations over the new *Child and Family Services Act*?

**Hon. Mr. Hart:** My officials, with regard to dealing with the *Child and Family Services Act*, are working extremely

hard to fulfill the actions of the act, the intentions of the act, to ensure that we're dealing with the safety of the child. That is the intent of the act. That was the intent of the act, and it's still the major focus of the act.

I might add, Mr. Speaker, it's also the intent of the new child advocate's office to look after the safety of the child right throughout the Yukon. We are working hard to implement this process. We are working hard to ensure that our First Nations partners in this thing are up to date, and we're assisting where required to help them in the implementation of the new *Child and Family Services Act*.

**Mr. Cathers:** Of course I know that child welfare situations are never easy for anyone involved. I believe that the minister takes his obligation seriously, and I believe the department staff take their obligations very seriously and do their best to act in the best interests of children and fulfill their obligations of the new *Child and Family Services Act*.

If a First Nation feels the need to become directly responsible for managing child welfare services, they have two options open to them. First, the new legislation allows them to negotiate establishment of the First Nation service authority. The second option is to draw down legal responsibility for child welfare through their self-government agreement by negotiating a PSTA — programs and services transfer agreement — with Yukon and federal governments. My question for the minister is whether the Kwanlin Dun First Nation has made a formal request to either negotiate establishment of a First Nation service authority, under the new *Child and Family Services Act*, or to negotiate a PSTA and draw down responsibility for child welfare.

**Hon. Mr. Hart:** We have been advised by the Kwanlin Dun First Nation that they intend to draw down this particular service, but as I stated previously, we have received similar types of letters with regard to this for many years in the past, but as I stated, currently the Carcross-Tagish First Nation is the only First Nation that is moving forward in this process.

**Mr. Cathers:** As the minister has already indicated, and I'm sure that efforts are being made right now to resolve any issues with the Kwanlin Dun First Nation government. My question in the meantime: has the Department of Health and Social Services had to take any additional steps to ensure front-line staff are able to carry out their duties, including taking action to keep children safe, if necessary to do so, while ensuring those employees are kept safe also, and if not, will the minister assure me that senior officials are monitoring the situation closely and will ensure that additional steps are taken, if they become necessary?

**Hon. Mr. Hart:** Obviously, we'll take all precautions to not only ensure the safety of the child but also the safety of our staff and those involved in working with the First Nation to assist the child in question. We will look at each situation on a case-by-case basis, and we will endeavour to be in full cooperation with the First Nation on any issue regarding children on their land.

### Question re: Yukon Housing Corporation mortgage portfolio

**Mr. McRobb:** Once again it's necessary to return to a line of questioning because we're not getting answers from this so-called open, accountable and fiscally responsible government. On Thursday the minister responsible for the Yukon Housing Corporation denied this government had been working on any secret plan to privatize Yukoners' mortgages. He adamantly denied it when first asked in the past spring sitting too. So we filed an access to information request and, lo and behold, the material received proved the minister was wrong. Moreover, a critical section was blanked out because of Cabinet confidentiality.

Why did the minister agree to have this section blocked out?

**Hon. Mr. Kenyon:** For the member opposite, the minister has nothing to do with ATIPP requests. I do recognize that he would not have this knowledge having never actually found a party that would put him into government. Unfortunately, a section of that was —

### Speaker's statement

**Speaker:** Order please. I ask honourable members to not personalize debate on a continuous basis. From the Chair's perspective, honourable minister, that was personalizing debate. Don't do that, please.

**Hon. Mr. Kenyon:** Section 15(1) of the *Access to Information and Protection of Privacy Act* says a public body must — and I repeat “must” — refuse to disclose information to an applicant that would reveal the substance of deliberations by the Executive Council — or any of its committees. The Yukon Housing Corporation employee — whom we have great faith in, obviously the member opposite does not — is required to block that area out. I state for him again: there are no plans and never have been any plans to privatize the Yukon Housing Corporation.

**Mr. McRobb:** We're drawing lots of blanks around here, and this minister knows Executive Council means Cabinet.

Well, the minister must have had some reason for blanking out the document under Section 15(1), which pertains to Cabinet confidentiality. The public has a right to know. An open, accountable and fiscally responsible government would be open and honest with Yukoners, and the public deserves no less from its elected officials. People with mortgages deserve to know what this government was doing behind the scenes without their knowledge. Why did the minister not want us to see what the document said?

**Hon. Mr. Kenyon:** Mr. Speaker, I invite the member opposite to re-consult the tarot cards and read *Hansard*. The minister has nothing to do with this. But, for the member opposite, the section removed, I would be happy to read in this House right now: “Therefore resolve the Yukon Housing Corporation Board of Directors approved a one-time offer on the removal of a pre-payment penalty for Yukon Housing mortgage clients and encourage those clients to transfer their mortgages to a bank.” This is what I said in the House last week, if

he had been listening. We offered people to transfer their mortgages to a bank. "Be it resolved that the board directs Yukon Housing Corporation staff to seek concurrence from the Government of Yukon" — because it wasn't the Government of Yukon doing this of course; it was the board of directors — "on the recommended approach prior to proceeding with the initiatives." The board of directors has the right to do that on their own, but they wanted to seek approval.

Mr. Speaker, the holders of these mortgages are the people of the Yukon. It is the responsibility of the government to ensure that that money is being well managed, and that's what the Yukon Housing Corporation Board of Directors was doing. It had nothing to do with government. In fact, that motion has never been presented to Management Board.

So what can I say? There was no plan, never has been and never will be, to privatize the mortgage portfolio.

### **Question re: Yukon Housing Corporation mortgage portfolio**

**Mr. McRobb:** There's one other possibility that needs to be explored and it deals with the Premier's involvement in this matter. Yukoners know about the Premier's frequent end-runs around his ministers. This is when he gives confidential orders to officials or internal government committees or boards to pursue matters without the knowledge of his ministers, who are responsible for the very departments or corporations involved.

For example, we saw it when he tried to sell off Yukoners' energy future to a private company from Alberta, and when he directly interfered in the Peel planning process by making an irate phone call to environmental officials.

So will the Premier now disclose whether it was he who was behind this order?

**Hon. Mr. Kenyon:** Continuing to read for the member opposite the part that he so dearly loves: "Be it further resolved that the board directs Yukon Housing Corporation staff to discuss the initiative with the local banks in hope that they will offer an incentive to potential clients and eliminate the need for Yukon Housing Corporation to consider initiatives; and be it further resolved that the board directs Yukon Housing Corporation staff to offer up to \$500 in incentives to help defray legal costs to clients who wish to transfer their mortgage to a bank, if the banks do not offer any incentives on their own."

These again are public funds. But the member opposite seems to have missed that in the budget is a \$7.19-million increase to the mortgage portfolio. The level of debate would be much higher if the member opposite would actually read what we send over to him.

**Mr. McRobb:** The Management Board Secretariat falls under the purview of the Minister of Finance, a post held by this Premier. It would be inconceivable for a board under the Premier's purview to pursue privatization of Yukoners' assets without first receiving the old thumbs-up from this Premier at the very least, especially with last year's public uproar after it was disclosed he secretly tried to sell off Yukoners' energy future. That's known as a showstopper. It would be far more realistic to believe that Management Board Secretariat received orders from the Premier to investigate the sell-off of

Yukoners' mortgages and to prepare a Cabinet submission. So did the Premier or didn't he order officials on this board to prepare such a submission without informing the Housing minister?

**Hon. Mr. Kenyon:** Again, I have to point out that the member opposite has never been involved in government, so I don't blame him for not being familiar with this, but the Management Board application, which he referred to at another point, reads, and again I quote: "Yukon Housing Corporation is seeking approval to remove any pre-payment penalties on the Yukon Housing Corporation home owned mortgage loans, and so encourages this group of clients to transfer their loans to banks and pay out their debt." The banks allow a system of lines of credit. In other words, you can use the equity in your house to take out a mortgage, and use the equity balance for other things like buying a car, a cabin, whatever — a college education. The Yukon Housing Corporation doesn't have that capability. Given the loan structure, and the mortgage structure, many people would want to, or have taken advantage of this line of credit. It would make sense, except it costs them penalties, which we are looking at waiving. It also could potentially cost them legal fees, which we're investigating covering, except the banks have made it clear that they probably wouldn't charge any of those fees.

So again, we're managing the public money very well. I would suggest the Member for Kluane stop sweeping Antarctica and join us in actually looking at this situation to help Yukoners.

**Mr. McRobb:** An open, accountable and fiscally responsible government would be forthright and honest with Yukoners, and the public deserves nothing less. The documentation produced from the access to information application is blanked out due to Cabinet confidentiality. The Housing minister has denied any involvement or knowledge of the matter. The Premier has refused to stand up and explain his involvement in the matter, but he probably will now, Mr. Speaker, now that we won't have an opportunity to respond.

There are simply more questions than answers. What about the blanked-out section? What did it say? What doesn't this government want Yukoners to know about its confidential undertakings to privatize Yukon assets? Who ordered it? Who knew about it? Let's be specific: did the Premier order this section to be blocked out — yes or no?

**Hon. Mr. Kenyon:** The simple answer, of course, is no, but, for the member opposite, somehow he thinks my reading that section in this House is being secretive.

I refer back to a long-time-ago statesman and patriot for — I would argue all of North America — Samuel Adams, who stated, and I quote: "It does not require a majority to prevail, but rather an irate, tireless minority keen to set brush fires in people's minds."

I invite the Member for Kluane to stop acting in such a silly manner, to stay within the terms of this —

### **Speaker's statement**

**Speaker:** I am going to have to interject again. The characterization of one member's actions in this House as "silly" is not in order. We respect all members as honourable.

Their intentions are honourable. Questions must be asked and answered on that basis. The minister responsible for the Yukon Housing Corporation still has the floor.

**Hon. Mr. Kenyon:** Again, for the member opposite to say that we're not releasing the information and to say that immediately after I read it in this House makes — I would like to say — so very little sense, but unfortunately it makes a lot of sense.

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

#### Notice of government private members' business

**Hon. Ms. Taylor:** Pursuant to Standing Order 14.2(7), I would like to identify the items standing in the name of the government private member to be called on Wednesday, October 13, 2010. They are Motion No. 1173, standing in the name of the Member for Klondike, and Motion No. 1137, standing in the name of the Member for Klondike.

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

#### ORDERS OF THE DAY

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

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

*Motion agreed to*

#### COMMITTEE OF THE WHOLE

**Chair (Mr. Nordick):** Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 22, *Second Appropriation Act, 2010-11*. We'll now continue with general debate. Do members wish a brief recess?

**All Hon. Members:** Agreed.

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

*Recess*

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

#### Bill No. 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. Mr. Fentie has about 14 minutes left.

**Hon. Mr. Fentie:** Mr. Chair, when we adjourned last week we were beginning general debate on the first supplementary estimate for 2010-11. I had spent a little time referencing some past history of the former Liberal government and what had transpired there and drew the contrast between the fiscal management of the Yukon Party government as it compared to

the fiscal management of the former Liberal government. We know that the very last time there was a final balance deficit was under the last Liberal government's watch. We also know that under the Liberal government's watch our bank indebtednesses — overdraft charges for the budgets that they had brought forward, totalled some \$6.5 million. This is not investment in infrastructure and hospitals or in hydro-infrastructure in providing a greener, more reliable and consistent source of energy for Yukoners, it was overdraft charges to pay for employee wages and programs and services to Yukoners. So there is a very distinct contrast in fiscal management.

Now, a bit of the history here — it did take some time to be able to build up the fiscal capacity of the Yukon. It all relates back to the issue of fiscal imbalance. Because of the federal Liberal government's so-called addressing of the national deficit, there evolved a serious problem in this country. The federal Liberal government at the time did no such thing when it came to addressing the deficit. They merely off-loaded it on to the provinces and territories. The provinces and territories did not, in any significant fashion, reduce programs or services to their citizens, especially in the area of health care, for example. What transpired over time is a fiscal imbalance in the country. In other words, the federal government was taking in a significant portion of the nation's revenues and was remitting back to the provinces and territories a lesser percentage than they normally would have.

As things evolved, Mr. Chair, governments like the Yukon government, in a pan-northern process, were able to make the case before the national government that there was indeed an adequacy gap in the fiscal relationship between Canada and the territories. Of course, provinces did similar things in a bilateral manner, but we did it in a pan-northern manner. I think we have to reflect on that, because that is what began the ever-increasing fiscal capacity of the territories. For here in Yukon, that was considerable; we've approximately doubled the fiscal capacity of the Yukon and, in many cases, that increase is due to our making the case of the fiscal imbalance in the nation.

Second to that, we went to work on developing an economy here in the Yukon, which means our own-source revenues are a contributing factor of which we return 70 cents on every dollar to Canada. That's an important factor because — in the past — the perversity factor was a dollar plus. Thanks to our making the case and the good work of our Finance officials, we were able to negotiate a fiscal relationship with Canada that allows us to retain 30 cents of every dollar of our own-source revenues. Our own-source revenues, if you measure it by taxation, are far outstripping even the consumer price index. That's a bit of a measurement, because it shows, if you compare us on a national basis, that we're doing quite well.

We have a growth in tax revenues since we took office of some 65 percent, while CPI itself has only increased 11.6 percent. That is a significant spread and contributes a great deal to the fiscal position we're in. When you consider the fact that we also have substantial cash and investments on hand, much has changed since the last watch of a Liberal government, where we were actually borrowing money to pay for programs and services in this territory.



Further to that, we embarked on tax reduction for Yukoners. Our tax reduction for Yukoners is based on realistic approaches that put money back into the pockets of Yukoners, whether they be income tax payers or small business.

In total — and that includes such things as dividend tax credit and the single parent child benefit, I believe it is — we've done things to ensure that money stays in Yukoners' pockets and in doing so, Yukoners are reinvesting back in their territory creating a stimulus and cash flow situation that is very positive. All in all, with the increase in fiscal capacity and prudent fiscal management, we were able to put back — annually and continue to do so — some \$5.9 million into the pockets of Yukoners.

The list goes on. At the same time we were doing all this and maintaining a savings account, we were heavily stimulating the Yukon economy. When you couple that with the private sector investment, the Yukon has fared extremely well at a time when a global economic recession has affected the world at large. The Yukon was one of the bright spots in North America with real economic growth, while other jurisdictions actually experienced shrinkage of their economy. We also have very low fuel taxes — I think one of the lowest in the country in terms of what Yukoners pay for the use of their fossil fuels, be it gasoline and/or diesel.

We have done a great deal. Much of it is premised on sound fiscal management. We have increased the fiscal capacity of the Yukon; we have created a savings account; and we have done many things in the reduction of taxes and investing in the territory that have brought us to this supplementary budget.

This supplementary request will add another \$65.3 million to our mains for 2010-11, which brings our total budget for this fiscal year to \$1.141 billion. Without fiscal capacity and a savings account, these things aren't possible, and we're very pleased we have the good fortune and the ability to bring forward such a sizable supplementary increase. Of that total \$1.141 billion, \$297 million is directed toward capital investment, further stimulating the Yukon economy.

There are operation and maintenance requirements in this regard, but we have to always meet those emerging issues and, with a savings and the prudent fiscal management that we have brought to bear, we are able to address those emerging issues in a reasonable manner that ensures that we can continue to improve and increase the quality of life for Yukoners.

We also have to ensure that we meet our obligations to employees. That's part of our responsibility, and under collective bargaining agreements we've certainly been able to do that. All these emerging issues do include health care challenges, and those are significant challenges for any jurisdiction. But with the savings account and the fiscal management that we have in place, we are also able to deal with those in a manner that reflects of our responsibility to the public interest.

So I'll wrap up by making the point once again that, in this whole country, there are only two jurisdictions that have a net financial resource position versus net debt, and they are the Yukon and Alberta. That's significant because it is contributing

to our ability to do the many things we do, have done, and will continue to do in investing back into Yukon and its people.

It's all about investing today to build Yukon's future, and that is going to be our continued commitment to the Yukon public: building that future, and that future represents a great deal of prosperity, a great deal of potential, and an ever-improving quality of life.

**Mr. Mitchell:** The Premier, on Thursday last and perhaps in his remarks that we just heard, has continued to confuse cash-flow accounting with accrual accounting, which is a bit of a concern to hear from the Minister of Finance. Last Thursday the Finance minister stated, and I quote: "... we have somewhere between \$100 million and \$200 million cash in the bank." That was in response to being asked about the net financial resources and about the deficit situation in the current budget year. Now, if the Finance minister will consult with the good officials who are hard at work on behalf of Yukoners, I am sure that they will explain to the Finance minister that the bulk of that money is offset by liabilities.

They've certainly explained it to us, so surely the Finance minister can also grasp that. If you don't grasp the difference between cash-flow accounting and accrual accounting, if you're in the private sector you would go bankrupt, thinking: "I have all this money," if you don't recognize that you also have liabilities.

That is why at year-end the budget is forecasting it will only have some \$33.6 million in net financial resources. That's if we don't continue to have supplementary budgets that continue to include more spending than revenue. Otherwise that will go down even further.

One question I would ask the Finance minister regards this budget being based, as he has stated, on a period 5 variance. We know the Finance minister gets weekly updates — it has been a few weeks since this budget was put together and it has certainly been more than a month since it was put together — so we would ask for an update on where the numbers are as per the latest update that has been provided to the Finance minister. That current-year deficit, which is in this budget as — I think it was \$2.9 million. Has that number increased or decreased? Where is it now? Excuse me, \$2.4 million is the revised vote.

\$2.4 million is the revised vote of deficit. I was remembering fondly the surplus that was previously \$2.9 million.

As for increasing Yukon's fiscal capacity and stimulating the economy, surely the Finance minister will acknowledge that the bulk of this results from the continued increase in transfer payments to Yukon. In fact, our own-source revenue, as of this budget, counts for just 10 percent of the total expenditures that we're undertaking. I believe that is the lowest number we've seen in many years.

I would ask if the Premier can give us an update on the current position of this year's deficit, as of the latest information that the Premier has.

While I'm on my feet, and in the interest of time, I'll ask a couple of other questions for the Premier and he can take notes, but I'm going to be careful how I ask this question so I hope the Premier, who is in a very jovial mood today I can see, will be careful in his answer.

Since this is general debate, I have a question regarding the current status of programs and services transfer agreements — PSTA negotiations — with First Nations in Canada, as far as the Premier is privy to, regarding child welfare and social programs.

How is that going and what other PSTA negotiations are currently ongoing, considering all the news we've been hearing of late regarding First Nations that are interested in drawing-down these responsibilities? With that I'll sit down so the Premier doesn't have to take too many notes and he can answer the specific questions I've asked.

**Hon. Mr. Fentie:** Frankly, we haven't even passed the supplementary budget, so really nothing has changed other than the Yukon's economy continues to be busy and busier.

Also, the supplementary shows that we will have a net financial resource position of over \$30 million and that's the important point — yes, it is all about full accrual accounting. That's why we had to amend the *Taxpayer Protection Act* — to implement full accrual accounting, so we weren't trying to deal with the finances of the Yukon by pulling them out from under a mattress and counting the money once a year. We actually have an accounting system now that even the Auditor General had been encouraging all jurisdictions to implement for quite some time and the Yukon's very pleased that we've done that.

Let's do the comparison again. Today we have cash in bank at the bank of record — which has the contract — of \$230 million approximately, unlike the former Liberal government, which was actually paying overdraft charges, probably at the same bank. I can't remember if that was the same bank that had the contract but, if it was, there wasn't \$230 million in the bank; there was zero in the bank, and we were paying overdraft charges to draw money out of the bank to pay for wages, programs and services.

As far as the reflection on own-source revenue compared to the transfer, under the last Liberal government the actual percentage of our overall revenue — that reflected on what we got for grant versus own-source revenues — was 69 percent. Since we've taken office, we've reduced that by eight percentage points already because we've built an economy and our percentage of grant versus total revenues is now down to 61 percent, and we want to keep working on that trend continuing.

On the PSTA front, we don't call them PSTAs anymore. They are called "assumption of responsibilities". Each year, First Nation governments will notify both Canada and the Yukon government on a list of assumption of responsibilities they intend to proceed with in that given calendar year.

In many cases, there's not a lot of progress being made; we've made progress on administration of justice with the Teslin Tlingit Council; and we await the federal government's conclusion on that process. As far as family and children's services, we have a new *Child and Family Services Act*. It's a very modern act. It is the result of five years of work in partnership with First Nations, whereby even First Nations informed the drafting of the act. The substantive issue that emerged from that whole process was the need for a child advocate, and we certainly have implemented that.

Of course, First Nations have the right under the self-government agreements to occupy this responsibility, and we would work very closely with any First Nation that has decided to proceed. The process is clearly defined. It would be that, should any First Nation government choose to occupy the authority of child welfare, the net savings to Yukon would be transferred back to Canada; Canada and said First Nation would then conclude the agreement on assumption of responsibilities. I must, however, qualify always the matter of assumption of responsibilities by emphasizing that even under the treaties and the self-government agreements, Yukon still has the responsibility to maintain and deliver a public system, because not all First Nations, for example, may choose to occupy a certain authority. That would mean public government still must maintain the public system.

That is the spirit and the intent of the treaties, and that's the course of action that we follow.

**Mr. Mitchell:** The Premier says nothing has changed and this is the budget in front of us. He has given us an updated figure of the cash on hand, so to speak, in the bank of record and, if he has that updated figure, surely he has the updated figures for where we are in terms of the current-year deficit or surplus position, if it has changed, and also where we would be at year-end of net financial resources.

If he has one number, he has them all. He probably gets this update weekly — and the official is with him — so he can perhaps provide us with those numbers when he's next on his feet.

I thank the minister for his response to the question that was posed regarding PSTAs and for the new nomenclature of "assumption of responsibilities", although the First Nations continue to sometimes talk about PSTAs as well. It's unfortunate he says there has not been a lot of progress, except with the TTC.

I would ask him further for an update of the status of the current situation with KDFN. Now, we know that they have the right to assume the responsibilities, but should they choose to proceed with this, is there a legal requirement for a First Nation to first actually pass legislation in this field, and have that legislation exist in order to complete the assumption, or can they simply indicate by letter to the government that they are proceeding, and is that sufficient? I'm just looking for clarification of the process from the Premier as to what would happen.

Finally, I would ask a follow-up question. The Premier very clearly delineated that the savings would return to Ottawa, and then that money could be provided to the First Nation. Has that been agreed to by all parties — that is, does Ottawa agree, and the Yukon agree on that, and have the First Nations agreed to that as well? From some of the public debate on this, it sounds like there isn't full agreement on exactly what this means.

**Hon. Mr. Fentie:** First off, it takes Management Board decisions to change budgets and that's what period 5 variance is all about. That's all decisions up to and including that very point in a fiscal year. Therefore, the document before us reflects all those Management Board decisions and any other

adjustments, such as the effect of changes to tangible capital assets and so on.

The issue of an act — I won't go as far as to put on record that they must have an act or a piece of legislation, because I guess one could logically consider the fact that a First Nation could adopt a piece of public government legislation and apply that on behalf of their own citizens, though I really couldn't give in great detail how that might work. But, in most cases, I think First Nation governments realize that they need a legislative structure to be able to enact laws and apply those laws on their lands to their citizens.

In all likelihood, it would be the case that First Nation governments would develop their own legislation and from there enact it — similar to what Carcross-Tagish First Nation has done with child welfare. But again, I stress and emphasize the point that public government must still maintain a public system, therefore we must have laws and we must implement said laws and enact them on behalf of the broader citizenry of the Yukon.

The process, as defined in the treaties — first and foremost the public government of Yukon must maintain a public system of justice, education, child welfare and all other matters. There are other instruments included here, which are processes like YESAA, successor legislation that we are going to have to develop at some point, other assessments and regulatory processes, land use planning and the list goes on. But the simple explanation is this: because we maintain a public system, should the First Nations who represent a portion of the Yukon citizenry — not all of it, not a majority of it, but a single First Nation government who represents a number of citizens who are their defined beneficiaries — if they wish to exercise or occupy an authority on behalf of those citizens, the calculation would be done in the manner that the conclusion would be net savings to public government. That would be transferred back to Ottawa.

It is the fiduciary responsibility of the Government of Canada then to honour their portion of the treaties that they have entered into, and that would be to finalize the issue of assumption of any particular responsibility. I think there are examples where there are differing opinions about that, but the Yukon government is not going to change on the fly what has been negotiated. If Canada, as one party — one signatory — to these treaties, wishes to make changes, they should endeavour to inform the other parties. At this point in time, I know of no such desire by the Government of Canada. I think that the Government of Canada is reflecting on this matter, and recently there has been a lot of work done on the self-government side in terms of negotiating and developing a new financial transfer agreement.

The Yukon government has spent a considerable amount of time in being a constructive participant in that process, and I think we're very close to a conclusion in regard to the new FTA, which is a requirement, by the way, under the treaties.

The FTA renewal would include the following First Nations: the Champagne and Aishihik First Nations; the Teslin Tlingit Council; Na Cho Nyäk Dun First Nation; the Tr'ondëk Hwëch'in First Nation; Selkirk First Nation, the Vuntut

Gwitchin First Nation and the Little Salmon-Carmacks First Nation. What we do know is that there is federal policy being applied to this process, but the federal government has put \$10 million more on the table annually than these aforementioned self-governing First Nations receive today and other policy matters of which we will probably continue to work on because they set a 15-year timeline. I think the immediate issue right now that is being reflected on is the fact that \$10 million more a year for the seven First Nations has been offered by Canada to top up the FTA on self-government.

**Mr. Mitchell:** I do thank the minister for that clarification. If I understand him correctly, and I think it was pretty clear, the net savings would be returned to Canada, and then it's Canada's responsibility — which they already hold — to properly fund the services to First Nations, and that's for First Nations in Canada, to work out between them by negotiations. It at least clarifies the Yukon's position, and that's good.

The Premier actually anticipated one of my next questions. I was going to ask about the nine-year review with the FTAs. He has indicated we have seven First Nations where we're close to finalizing an FTA agreement — or I should say Canada is close to finalizing it with these seven First Nations, with Yukon's assistance. I would ask: what is the situation with the remaining self-governing First Nations? Where are they at?

I'll roll into it — so we can be efficient on time — is there any progress to report with the three First Nations that don't have land claims and final agreements — settlement agreements — either on moving forward with that process or how the FTA relates to those First Nations too?

**Hon. Mr. Fentie:** I think the best way to put it is, as this was a single federal mandate, it is linked to the seven First Nations that I listed, and that is the first seven that signed off on their final agreements and self-government agreements. So this should have no effect on the remaining First Nations. That means there are four more that have agreed, that will in all likelihood be entering a process with the federal government, because there has to be a mandate developed by the federal government for that particular issue for those four First Nations. On the unsettled First Nations — White River, Ross River Dene and Liard First Nation — as there is no federal mandate to even conclude final agreements and self-government agreements, one could only be speculating on what might happen, should that occur because, at this stage under the existing laws of Canada, those three First Nations remain *Indian Act* bands and all matters are subject to the *Indian Act*.

**Mr. Mitchell:** We've recently asked about funding for land-based treatment programs, which is up in the air insofar as it has been funded for this trial year from the northern strategy funding. Can the Premier provide us with any assurances that this long-requested program will be ongoing? Are there any particular plans on how it's going to be financed, or is it just a commitment to carry forward and there will be the determination later of where the funding will come from?

**Hon. Mr. Fentie:** As agreed to with the Kwanlin Dun First Nation, this was a pilot project. I'll leave further details of that when other ministers, such as the Minister of Justice and

the Minister of Health and Social Services, are up for debate. They can put more detail around that.

Secondly, I can tell the member that the Yukon Party government's commitment to proceed with land-based treatment programming hasn't changed and this is one step in a direction that we intend to follow, but we'll have to now continue to work on other elements of that direction, because the commitment is very solid and, as all Yukoners have come to expect when making a commitment verbally, the Yukon Party government backs up that commitment through action.

**Mr. Mitchell:** I asked this question I believe last week; we've done general debate in little installments so I don't recall getting an answer. I'll ask it again. The Finance minister last year raised our borrowing limits for the Yukon government as a whole, including all Crown corporations, to \$300 million. Where are we at currently in terms of that total borrowing authority — that is, how far into that limit are we?

**Hon. Mr. Fentie:** First off, I think we have to understand that it wasn't just the Yukon whose borrowing limit was raised. Our sister territory, N.W.T. — and I don't think Nunavut did because that's a different set of circumstances. I would stand corrected if they did but I believe they did not get an increase. There are other fiscal issues with Nunavut that the federal government continues to work on. Out of the \$300 million limit that we have now, we still have a capacity of \$146 million plus.

**Mr. Mitchell:** We have \$146 million there, then we've used \$154 million — factored into that amount that we have currently borrowed, is there the full \$100 million, because that bond has been issued on the Yukon Energy Corporation? What amount of the borrowings that have been undertaken — or are planned by the Yukon Hospital Corporation — are included to date in that amount?

**Hon. Mr. Fentie:** On the first point, yes, it does include the bond issuance — which, by the way, was a very successful sale — and the total amount for the Hospital Corporation as of August 31, 2010 is \$7.6 million out of that total.

**Mr. Mitchell:** So, then, we would anticipate that there would be another \$60 million or so, once the two hospital projects are fully committed and the funds have been expended, as well as the completion of the nurses and specialists residence. I just ask: is that a correct assumption?

**Hon. Mr. Fentie:** In the context of anticipating things, yes, but as the government side keeps pointing out, one must always reflect on final balance issues, because we always will do that. But yes, one could anticipate that we could reach that level.

**Mr. Mitchell:** I don't have many more questions for the minister. I know there are others who may want to get into the debate. Do we have any updates beyond what we've seen in the past regarding the replacement notes on the asset-backed commercial paper that have been converted into notes that had an eight- or nine-year maturity, as to what value they are currently being reflected at on Yukon's books?

I was a little surprised — I won't say confused — by the Premier's statement last week because, in the past, he has said

that there's no writedown of the investment; it's simply an interest adjustment.

Then last week, he was talking about the positive interest that has been generated by that investment, I'm not sure what period of time that was meant to reflect, versus the offsets of interest rate adjustments that have been taken. So where does that sit right now, and when is the next payment due to Yukon of any interest on the new notes?

**Hon. Mr. Fentie:** First off, the value of the investment, principal-wise, is exactly that, but the interest adjustment is based on the fact that we've gone from a short-term note to a long-term note. Therefore, the anticipated earnings in a short-term note, by way of interest, are obviously changed when you exchange a short-term note for a long-term note. So that would mean that unless, for some unforeseen circumstance, the Yukon were to sell off this particular investment, and there's no reason to, until it reaches maturity, unless someone comes along and offers us a return to the public that makes sense. Therefore, if we go until maturity, all these adjustments will be reversed, of course, because we have picked up the required interest earnings at the time of maturity.

So where we're at today is that we are doing the necessary accounting for interest adjustments but, at the same time, the notes will be longer term notes and are earning an interest return, because that's part of the agreement that dozens and dozens of jurisdictions and corporations and other entities entered into in the restructuring of this particular commercial paper.

We're at \$1.8 million-plus of interest earned to date. There are interest adjustments involved. At maturity, all matters are reconciled, principal plus interest.

**Mr. Mitchell:** I'm not really asking the Premier what he believes the notes' value will reflect at maturity. I'm asking, with the interest rate adjustments that have been taken to date, what do the notes reflect sum total of investment less interest rate adjustments plus interest earned? Can the Premier come up with that net figure for us today? What are they worth on the books today?

**Hon. Mr. Fentie:** Well, face value on the books is \$36.307 million. Interest adjustments are required, therefore creating a carrying value, which would be \$36.3 million, less whatever the interest adjustments are, which will be reconciled and recouped at maturity. That's the point. It is an investment, it is an asset — it shows on our books that it is — and it is earning the Yukon money — \$1.8 million to date.

**Mr. Mitchell:** I'm pretty easygoing, but I'm not that easygoing. The Premier has given us the value on the books to three decimal places — in the millions, mind you — so \$36.307 million. He has got that number down to three decimal places, he has given us the interest earned as \$1.8 million, and then he refers to the interest rate adjustment, which we know is a negative figure, as being whatever those adjustments are, and then he has gone back to telling us what it will all be worth in another eight years if everything gets to that point. Surely if the Premier has the \$36.307-million figure, and if he has the \$1.8-million figure, he has the other figure as well. Could the Premier please put that figure into the record?

**Hon. Mr. Fentie:** I'm trying very hard to put on record exactly what's already a matter of public knowledge. It's in the public accounts. An interest adjustment is exactly that. The reason the interest adjustment is there is because originally the short-term notes were booked as a principal plus interest value. The fact that we've exchanged them for long-term notes changes that. The face value of the investment at this point, fiscal year 2010 — is \$36 million plus. That's what it is.

**Mr. Mitchell:** Nice try, Mr. Premier. You repeated the face value again, but I think you no doubt, by mistake, forgot the question about the total of the interest rate adjustments. Has it been some \$11 million? The interest rate adjustment has been — if that's an incorrect figure — perhaps the Premier would give us the correct figure.

**Hon. Mr. Fentie:** Mr. Chair, the member is trying to again imply that there has been a writedown on the value of the asset. No, there has been an interest adjustment. It's a matter of public knowledge. It's in the public accounts; therefore I will only repeat what the member already knows: the face value of the investment is \$36 million plus. There has been an interest adjustment, which is recoverable at time of maturity and, to date we have a return of \$1.8 million on the investment.

**Mr. Mitchell:** Let's try it one more time. The minister said it's a matter of public record and it's in the public accounts. As the Minister of Finance he no doubts knows the number, so to clarify the public record let's put it all together in one little paragraph. What is the interest rate adjustment of this \$36.307-million investment?

**Hon. Mr. Fentie:** Mr. Chair, the interest adjustment is booked. This is needless discussion. There's a standing order in that regard. It is there before all to see and, by the way, soon to be thoroughly reviewed and scrutinized by the Auditor General.

The member has long since implied — and contended — that we have lost \$36 million. This is what the member puts on record, "The Yukon has lost \$36 million due to this investment." That's not the case, and that's why, in all appropriate documentation of what has happened, given the change of a short-term investment to long-term investment duly accounted for, I think under the circumstances, a job well done by all involved, the investment is earning us money, and at maturity it will be returning principal plus interest to Yukoners.

**Mr. Mitchell:** In another three weeks, we will have another set of public accounts, and there will be a number there for all to see. To clarify the record, because the Premier does seem to get confused on this issue, what we've said was a very bad investment was made. We've said it was contrary to the Yukon *Financial Administration Act*, which we know because the Auditor General said so in her rather scathing report, and we know that if these notes were to be sold on the market today, they would be at a loss of anywhere from a third to a half of their value based on what has happened to other investors.

It would have been worthwhile for the Premier to clarify the record. When the Premier says that it's lost or that we've said it's lost, we've said, certainly, that it was a bad investment and that it's lost to the use of Yukoners for many years to come because, if we were to sell them now, we would take a real

haircut on those. The Premier doesn't want to do that and I don't blame him. It's unfortunate that we are borrowing so much money for the Crown corporations while this \$36 million is tied up and not benefiting us. The record will show that the Premier is not unable, but apparently unwilling to put the number into the record here as to what that amount is, but if this sitting goes its full duration, we'll have that number and we'll put it in the record for the benefit of Yukoners. Thank you.

**Hon. Mr. Fentie:** I guess the first point is, the Yukon Party government is not paying overdraft charges to pay employees' wages. I think that's significant. Secondly, the member has now used the word "if" — "if" we were to do this, "if" we were to do that. If the member's aunt had a part of the male anatomy, she'd be the member's uncle. "IF" is not part of an investment, Mr. Chair.

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

#### Point of order

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

**Mr. Mitchell:** That's probably out of order from Standing Order 19(a) through (j), so I'll just let the Chair rule on that.

#### Chair's ruling

**Chair:** On the point of order: yes, there is certain language that is not permitted in this Assembly, and I would encourage the members not to use that.

**Hon. Mr. Fentie:** "If" is a small word, but it has pretty broad and far-reaching implication. So, I think that what is being demonstrated here is how the Yukon Party government will work with all people, all officials in matters that involve the public, as we did in this case. We work diligently with the Department of Finance and others across this country to address what became a significant global issue. I think we fared quite well under the circumstances. The investment is intact, albeit longer term notes versus short-term notes, and it is earning a return. By way of comparison, when was the last time the Liberals in this House brought \$1.8 million plus to the Yukon for that matter — if they had invested money on behalf of the Yukon public — but obviously they haven't.

In this case, the investments in total have brought the Yukon some \$18 million to \$20 million of earnings. When was the last time the Liberals in this House brought that kind of return to the Yukon public? The last time they were in a position to do so, they were actually forcing the Yukon public to pay overdraft charges — overdraft charges on debt that was being incurred because they couldn't afford to pay the employees' wages. That's not the case in today's Yukon.

All-inclusive, we have doubled the financial capacity of the Yukon. We have a savings account; we have double the investment in the Yukon from \$500 million annually to a billion dollars plus. We are one of only two jurisdictions in the country that have a net financial resource position versus net debt. We are building hospitals, we are building hydro infrastructure, we are reconstructing highways, we are reconstructing bridges, we are building public facilities, we are increasing our health care investments, we are strengthening the social

safety net of the Yukon, we are creating jobs for Yukoners, and we are training and educating Yukoners today for the opportunities that we are providing tomorrow.

Mr. Chair, we are building a future. We have an increasing population, unlike the past Liberal government's watch, when there was an exodus of our public. Our children are coming home, obtaining gainful employment here in Yukon. Great things are happening in today's Yukon. The country knows it; the world knows it; the Liberals don't.

**Mr. Mitchell:** That was a very nice election speech. I will point out that the Premier keeps referencing previous governments, in which none of us served, as opposed to defending the actions of the government that he leads. However, he has all these figures at his fingertips and he can't come up with the one figure for what that giant interest rate adjustment was.

I will point out for the Premier that, while he criticizes past governments and the officials who supported them, he again mixes up his figures because he refers to borrowings as if there were no finances that existed at all when, in fact, my understanding is that money was borrowed short term rather than to prematurely sell longer term investments, which did exist.

If the Premier is suggesting there was no money and no funds invested at that time, then he should make that assertion. Otherwise, the Premier is the expert on investments that one can't liquidate. I'd also point out that he's the only Finance minister to get his very own, specially produced, custom made report from the Auditor General of Canada that said he didn't follow the *Financial Administration Act* and, rather than being concerned about the past, I'll make a pledge to the future: if there is a Liberal government elected in Yukon, we will follow the *Financial Administration Act*.

**Hon. Mr. Kenyon:** I do have to jump in here, because I find myself interestingly in agreement with the Liberal leader, with the Leader of the Official Opposition. He points out, as his colleague said several times, that they weren't present for that government — and he wasn't. I'm sure getting involved in politics — as do most people who go into this crazy deal — they research, they look, they check, they do careful research to see where they want to position themselves.

So I would conclude that the member opposite carefully researched the fact that a \$17-million transmission line from Mayo to Dawson came in at \$42 million, with another \$3 million to get out of lawsuits. I would be suspicious that the member opposite carefully researched the fact that the short-lived Liberal government — the shortest lived majority government in the history of the Commonwealth of Nations; that's worldwide, and you have to be trying to do that — that he realized that they were floating a line of credit in order to simply pay their employees.

In 22 months, I'm sure the members opposite very carefully researched all of these various things — the privatization discussions involving a CT scanner; the loss of three members in one afternoon —

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

#### Point of order

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

**Mr. Inverarity:** I believe that under Standing Order 19(b), this isn't really related to the budget supplementary that we are talking about today.

**Chair:** Mr. Kenyon, on the point of order.

**Hon. Mr. Kenyon:** On a point of order, the Chair has already ruled regarding general debate on these items and the reciting of facts is not out of order in this House.

#### Chair's ruling

**Chair:** On the point of order, since the Chair has been observing the debate throughout the afternoon, both sides have strayed in a significant manner with regard to debating this Bill No. 22. It is general debate. I would encourage both sides to focus on the debate, but it's not really up to the Chair to determine what is relevant in one or the other's comments, because I know that when members are speaking, they are speaking about what they believe to be relevant to the bill.

**Hon. Mr. Kenyon:** To continue, then, and certainly what I think is very relevant to what the member opposite — the leader of the Liberal opposition — has been saying, in that all of the members opposite, who weren't part of that previous government, carefully researched all these facts and figures. They looked — and they look now — at how they might do it themselves, if they were in government.

In the short 22 months that the Liberal government was in power, they fired 11 deputy ministers — 11 deputy ministers. The *Whitehorse Star* estimated that as being over a \$1.5-million loss. Is that something they might look at? The members opposite, who use the excuse that they weren't part of a government, is really a moot point and is not at all relevant to this discussion.

**Mr. Mitchell:** Sure, Mr. Chair, why not? Since we're having a wide-ranging discussion, I appreciate the Economic Development minister's assumption that we did our research before deciding what party to run for. We did, and there were many issues. Certainly, the issue of the two-percent cutbacks, basically legislating the changes to what was a collective agreement, was a concern; bad-faith negotiations with a self-governing First Nation that led to a case going all the way to the Supreme Court of Canada, after which the government had to pay millions of dollars to settle the situation; promises that the way to solve the issues of FASD and FASE was an approach to imprison expectant mothers, who might be suspected of possibly consuming alcohol — that a good approach might be to imprison them for their own benefit; and the indication that one way to deal with budgetary issues for the women's transition society operating Kaushee's would be to privatize it and put it into a group home in Riverdale, as floated publicly by a former Health minister.

These were just some of the issues that led to the decision, but the bulk of them was a belief in the policies of the Yukon Liberal Party and a belief in looking after Yukoners and in solving issues, in consulting and getting along with Yukon First Nations, rather than going to court. These were all part of the decision, so the Economic Development minister was right: one looks at what one's belief system is. I was proud to run as a Liberal, and I'm proud to lead the Yukon Liberal Party.

If that is something that is of concern to the Minister of Economic Development, we'll work that out during the next election.

**Hon. Mr. Kenyon:** Some of those things I do have to respond to. Of course, he leaves out the privatization of a CAT scan unit at the hospital and how that changed.

At the time no money could be found, but amazingly when the Liberal Health minister changed, \$150,000 appeared out of nowhere. Now, it didn't appear out of nowhere, I agree. It was reprofiled within there, but when we mention reprofiling a budget within a department, we're immediately accused of all sorts of crazy things, and that's not quite what happens. A 30-percent increase in available social housing units has been built by this government; built by a Liberal government — zero. Mind you, they weren't there long enough to actually do anything. The member opposite — to use his own words from seconds ago — said that I had made an assumption that they had done their research, and his answer was, "We did." We're very glad he did. He's one of our biggest assets.

**Mr. Mitchell:** I would just say that when it comes to privatization, the Premier says it's clear. He's right, it is clear. No one has ever gone down the path of privatization quite as far, quite as secretively, or quite as earnestly as the Minister of Finance did without, apparently, the knowledge of the minister at the time who was then responsible for the Yukon Development Corporation, as did this Yukon Party government when it came to looking at privatizing and selling the assets of the Yukon Energy Corporation.

So I will take my hat off to the Minister of Economic Development and the Premier; they are the privatization experts. The Liberals could never hope to pursue privatization with the fervour and the energy — to be "punny" — that this government did.

**Hon. Mr. Kenyon:** Again, I agree with the member opposite, but I have to add to that that we both appear to be the best in privatization. Yukon Energy was never privatized; the CAT scan unit that the Liberal government tried to privatize never occurred; and this afternoon in Question Period, the House Leader for the Liberal Party — after I read a blacked-out section that he complained about — got up in this House and claimed that I was hiding this. That brings some serious questions into other allegations made in this House — very serious questions as to exactly what the intentions of the Liberal Party are. Ours are to support the Yukon and the Yukon people. We invite the members opposite to join us.

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

Seeing none, Committee of the Whole will now proceed with general debate in the Department of Economic Development.

Do members wish to take a brief recess?

**All Hon. Members:** Agreed.

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

*Recess*

**Chair:** Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 22, *Second Appropriation Act, 2010-11*. We will now proceed with Vote 7, Department of Economic Development.

#### Department of Economic Development

**Hon. Mr. Kenyon:** I'm pleased and honoured to be here today as I rise, so to speak, to introduce the 2010-11 budget for the Department of Economic Development. This financial document will further our approach to economic development and is directly linked to our vision of building a sustainable and diversified economy focused on prosperity for all Yukoners. The work of the department continues to support all sectors of the Yukon economy, and I'll touch on a few items.

For example, the Yukon is rapidly becoming an ideal filming location, and the Film and Sound Commission is fielding several inquiries on a daily basis. A feature length film with major motion picture stars, called *The Big Year*, just completed filming on the Dempster Highway this fall and we look forward to the film's release.

Our mining sector is thriving and the spinoff benefits for our private sector continue to expand as mining projects advance through the various stages of exploration, development and production.

The department supports a variety of small- and medium-sized businesses through its funding programs and provides opportunities for business development and market expansion. These are only a few examples of progress we are realizing as we pursue our mission to assist our partners in building a prosperous Yukon economy by creating and fostering development opportunities. To continue our progress toward our goals, this budget seeks approval for an overall increase in departmental operation and maintenance expenditures in the amount of \$2.475 million and in operation and maintenance total recoverables in the amount of \$70,000.

Most of this increase represents revote dollars totalling \$2.265 million that support projects with time frames that carry over from the last fiscal year into this fiscal year. To give some examples of that, the department's community development fund, enterprise trade fund, regional economic development fund, strategic industries fund, and some projects funded through the film and sound incentives program, have contribution agreements that were approved in the 2009-10 budget year, but were unable to be completed by year-end. Two northern strategy projects also represent revote dollars. These include an e-commerce project for the Council of Yukon First Nations and research work of the Yukon Cold Climate Innovation Centre. Revote dollars also include carry-over projects under the technology innovation program and the community assistance program — or CAP — which is 100 percent recoverable from the Government of Canada.

Further to the signing of the new collective agreement, \$140,000 is reflected in this supplementary budget for our departmental salary increases. The capital side of the budget

shows total expenditure increases of \$934,000 and also primarily incorporates revote dollars, and these include the cost to complete a department fund management system, initiatives under the Yukon entrepreneur support program that will be carried over from the last fiscal year, and a northern strategy project with Selkirk First Nation helping to move them forward toward self-sufficiency will also be carried over from the last fiscal year.

An exciting project supported by the Film and Sound Commission and CanNor's community adjustment fund is also a revote on the capital side of the budget. The project is the production of 13 webisodes that will advertise Yukon as a premier filming location and provide training for local film crews. We have had incredible success in having filmmakers come to the Yukon and realize the depth of talent and equipment we have on-site. So this is a very important project to continue to develop — the film and sound industry. The webisodes will be showcased via the Internet and at film trade events in Canada and internationally.

Filming took place this summer in the areas of Carcross and Whitehorse, and more filming will occur later in the year, highlighting Haines Junction, Dawson City and Watson Lake. This initiative is a great learning opportunity for our local film crews to expand their careers and portfolios in this industry. It's always quite amazing when I wander around Porter Creek North to find the number of people in Porter Creek North who are involved in the film and sound industry. So this is very near and dear to my heart. Six Yukoners were hired to direct the episodes, gaining valuable experience filming in this unique format, and prior to the start of production, these individuals were given guidance from veteran Canadian television director David Winning, who is known for his work on the television series *Stargate Atlantis* and *Blood Ties*.

A major part of the Film and Sound Commission's mandate is to help build the skills and careers of Yukoners with an interest in this industry. The webisode project is one of the many unique learning opportunities that support the film industry here in the Yukon, preparing Yukoners for Yukon opportunities.

The feature-length film that I mentioned earlier, entitled *The Big Year*, stars Steve Martin, Jack Black, and Owen Wilson, and follows three men who try to outdo each other in a bird-watching competition to spot the rarest birds in North America.

We know that many Yukoners were able to get small parts in the film and that Dawson City was an excellent host to some of Hollywood's top stars. Approximately two months were spent on the Dempster Highway in the set-up, filming and take-down of this film and, again, Yukoners were part of the crew, adding to their experience and portfolios.

The objectives of the Department of Economic Development include the continued development of a sustainable and competitive economy that will enrich the quality of life for all Yukoners, as I mentioned. We continue to pursue economic initiatives with a shared vision of prosperity, partnerships and innovation. The department is also committed to forging partnerships with First Nations in the economic development of the

territory, and the Yukon government continues to strive for a prosperous Yukon that includes the capture of external investments, capitalizing on our geographic location to the Asian markets.

The department's continued focus on relationship-building to attract investment to Yukon's mining industry has resulted in a new joint venture. Selwyn Resources Ltd. and Yunnan Chihong Zinc & Germanium Co. Ltd. recently completed a \$100 million joint venture transaction to advance Yukon Selwyn project to bankable feasibility and, if warranted, to production, with Yunnan and Selwyn each holding 50 percent of the new company. The Selwyn project in eastern Yukon is one of the largest undeveloped zinc and lead deposits in the world. This is a further illustration of Yukon's positive business environment, and it is just one example of the many significant investments by Asian companies in Yukon-based mining activities and projects.

I would like to summarize some of the other significant economic indicators that also indicate and illustrate Yukon's positive business environment and economic growth. Last year, Yukon led the country with a real GDP growth of 1.4 percent, fuelled in part by robust investment in our mining sector. Now, I have to point out — in case anyone missed that — we led the country; we were by far the best. The current growth forecast in 2010 is for real GDP to increase in the three- to four-percent range. Further to this, the Conference Board of Canada's latest growth forecast released in July shows Yukon's growth a little higher, at 4.9 percent for 2010. So, growth in 2010 is related primarily to spending on mine development, mineral exploration, increased mineral production and construction projects. But I do have to point out that all of this involves expediting, groceries, restaurants, supplies — everything is spun off into the general Yukon economy.

Mineral development expenditures are expected to be in the \$150-million range in 2010, driven by work associated with bringing the Wolverine and Bellekeno mines into production. Production of both these projects is expected to begin this fall. I think Wolverine has actually already started shipping ore.

Mineral exploration expenditures for 2010 are expected to approach the 2007 record of \$140 million. All the numbers aren't in yet, so I suppose there's always a possibility of exceeding it this year.

This continued investment in exploration activities in Yukon has resulted in the re-establishment of sample preparation labs in Yukon, unlike the ones that left a decade ago. We've gone from having no preparation labs last year to having four preparation labs located in Whitehorse in 2010. My understanding is that these prep labs have a significant number of employees and have been extremely busy throughout the year so far. This is a prime example of the economic spinoffs the mineral industry is generating in the Yukon.

The value of mineral production is expected to total — and that's production and exploration — approximately \$280 million with Minto mine production, supplemented by first production from the Wolverine and Bellekeno projects that I mentioned.



We should take a moment to recognize that it's a very noteworthy year for the Yukon, with two new mines going into production. The employment and local economic spinoffs from the operations are extremely important to the Yukon — more so to those communities located near to the mine, where alternate economic activity is, is a little bit more difficult to generate, as we all know.

With respect to the tourism industry, data representing the first seven months of 2010 shows total visitation for 2010 is expected to exceed 280,000 visitors. Border-crossing data for the same time period is also strong, showing an 11-percent increase, compared to this period in 2009. I believe it was in the spring setting that the Official Opposition expressed their great concern that this would be a horrible tourism year for the Yukon. They didn't do too well with that criticism, fortunately.

For construction, the total value of new building permits issued is expected to decline from \$158 million last year to \$130 million in 2010, but overall, construction spending is forecast to remain strong, based on carryover projects from 2009, and from new utility projects.

Retail sales totalled \$259.5 million in the first six months of 2010. That's up 8.2 percent from the same period in 2009. So given these economic forecasts, Yukon's prospects are very positive with many mineral-related activities expected to be the primary driver of the economy.

Mr. Chair, the continued good work of the Department of Economic Development and this government to support Yukon's mining industry has also been verified in a recent publication. The Fraser Institute's 2010 mid-year update of the survey of mining companies listed Yukon as the fourth best jurisdiction for competitive mining exploration and development along with having favorable policies for the industry. So, as some of you may not know, this mining survey was conducted across 51 jurisdictions worldwide and represents feedback received directly from the mining industry. Fourth in the world, Mr. Chairman. We are very proud to have this high standing in this industry. We're furthering the mandate and objectives of the Department of Economic Development through our request for a 2010-11 supplementary budget. The department's strategic plan is focused on enabling strategic and responsible economic projects, increasing the benefits that Yukoners, businesses, First Nations and communities received from economic projects and activities.

Enhancing the competitiveness of the Yukon business environment and ensuring that the Department of Economic Development is valued, trusted and respected. The Department of Economic Development looks forward to contributing its part, working with many partners as we collectively move forward toward an even more prosperous Yukon.

**Mr. McRobb:** I have a few questions, beginning with Internet security and service enhancement. Can the minister update us on what is currently being done?

**Hon. Mr. Kenyon:** While the Department of Economic Development has had some interest and involvement in developing the lines and this sort of thing, the actual thing of Internet security is within the Department of Community Ser-

vices. So I invite the member opposite to have that discussion with the appropriate minister.

**Mr. McRobb:** Obviously the minister doesn't see the Internet as part of Yukon's future economy development — very interesting. On other occasions in this House, he had lots to say. But this afternoon he's asked a direct question about what his department is doing and there's no answer.

For your information, Mr. Chair, I did have a discussion with departmental officials with the Department of Economic Development during the briefing, and they had lots to say. So, once again, this minister seems to be a bit out of touch with what his departments and corporations are doing.

Let's move now to the whole idea of a utility corridor serving the north. This matter has been discussed for years. There are several types of services that have been mentioned as part of a utility corridor, such as perhaps a big Internet pipe, a power line, even a rail line, and possibly even a waterline and gas pipeline. There are quite a few possibilities that have been discussed as being part of this larger utility corridor. Maybe there are some others I failed to mention.

I know the Department of Economic Development has been looking at this large initiative, so I'd like to give the minister an opportunity to explain to us what the latest is: What's been happening? What are the prospects? How realistic is this? Whereabouts on the radar screen is it? What might we expect in the short term?

**Hon. Mr. Kenyon:** We certainly do consider the Internet as a big part of this. The security end of it falls under Community Services. It obviously has a great deal to do with the economic development of the Yukon. I know that the Liberal concept of using the Internet to develop the economy of the Yukon has thus far been limited to suggesting that we fund a study to help people sell on eBay. Now, eBay is certainly an economic driver, I think, with some individuals, but it's not what we consider a major part of it, so I'd leave that with the Member for Porter Creek South.

Yukon is certainly recognized as one of the most connected regions in Canada, with 98 to 99 percent of the Yukon homes and businesses having access to affordable, high-speed Internet, and over 80 percent of Yukon homes and businesses use this affordable, high-speed Internet. Now, I think you only have to look at a map to realize that we do have challenges with that, but we certainly continue to focus on ways of dealing with those challenges.

The government recognizes that damages to fibre optic cable on the Whitehorse-to-Edmonton high capacity telecommunications link is disruptive and particularly to business processes and commercial transactions. It may interrupt the members' Googling efforts, but it certainly is much more of an economic driver when it comes to businesses that rely on the Internet, instead of four-foot-thick parts catalogues that used to be sitting on the shelves of some of the businesses. It's disruptive and it is disruptive at the very best of times, but particularly so during the height of the tourist season, as Yukoners endured in August and September, and we're aware of that.

We continue to work with the industry to identify ways to improve the continuity of service, to look at various ways of

creating redundancies so that the next time somebody digs into a fibre optic cable another one would immediately take over and not show the huge degradation of speed that it does now. We do continue to work on that.

As the member opposite knows, the rail study is complete and done. It has been presented to the public, it's on the website. I encourage the member in his copious free time to read that and to look it through. The member opposite mentions waterline. Perhaps he knows more than we do, because as far as I know there's no development whatsoever or consideration of development of waterlines. I draw the member's attention to the bulk water act, which would make that illegal.

**Mr. McRobb:** That's it? That's it for an answer? I'll give the minister another opportunity. In concrete terms, what has his department done with respect to the future possibility of this utility corridor and, in particular, has any analysis on such a corridor been done?

**Hon. Mr. Kenyon:** If the member opposite takes the time to read the rail study, it talks about corridors and the potential for corridors to run the rail and gas line together. My understanding is there are legalities and safety issues with that, and that wouldn't be the way you wanted to go. While gas may go up and down mountains, trains have a bit of difficulty with that in the real world. We have to look at the variations on that.

There is a new president of the White Pass & Yukon Route, and he has indicated he's prepared to establish rail service to Whitehorse and has been interested in discussing extending rail service to north of Whitehorse for ore shipments from existing and potential new mines that are operating in central Yukon.

The White Pass & Yukon Route estimates the capital cost of rail expansion at roughly \$400 million U.S. and proposed that the money be provided by the Yukon government and other partners in the form of a forgivable loan. While that might be of interest to the Member for Kluane, it does have some definite problems. At this point, we have not seen a proper business plan to do this. We do have a seat on the Skagway Port Commission as a non-voting liaison member, and we attended the Skagway Port Commission meetings back in June and since that have included representatives from the White Pass & Yukon Route, Alaska Industry Development and Export Authority — AIDEA — and the City of Skagway. The meeting's purpose was to discuss the role of rail development and accommodating the transportation of ore concentrate and other commodities in and out of the Yukon. AIDEA owns and oversees the operation of the ore loading dock and infrastructure in the port of Skagway. And the City of Skagway is developing an application for U.S. stimulus money, the so-called "TIGER grant" and TIGER stands for "transportation investment generating economic recovery". TIGER is actually an acronym. And that is an upgrade of the ore handling facility and dock in Skagway.

The application will likely be in the U.S. \$23 million to \$25 million range, which is a part of a larger port development project, estimated to cost \$43 million to \$45 million. The Port Commission and the White Pass & Yukon Route have expressed interest in meeting with Yukon-based metal mining

companies this fall to discuss transportation options and priorities. If you look at some of the financial implications here, the Department of Economic Development is working with the Yukon Chamber of Mines to develop a transportation session during the Geoscience Forum, which has an anticipated budget of about \$10,000. I certainly invite anyone who has an interest in that to come to the Geoscience Forum and get in on those discussions.

The Department of Economic Development maintains a regular communication with the departments of Energy, Mines, and Resources, Highways and Public Works, and Tourism and Culture with respect to these processes and projects. Now, it's important to the Yukon government to continue to work with stakeholders to advance key infrastructure projects. Infrastructure, we feel, is a big part of economic recovery; it's a big part of economic development, and I would suggest that it is certainly proven to be the way to go when, as I mentioned in my opening remarks that the GDP, the economic production of the Yukon was first in Canada, second to none. This, in an environment where we have no debt. Only two jurisdictions in Canada have no debt, Yukon and Alberta, and on a per capita basis, I think we're doing much better than Alberta. We also, in general, have money in the bank; we have flexibility in that. So we've got a lot of flexibility to work within this, and this includes facilitating and participating in future discussions with respect to port and rail development. White Pass & Yukon Route has publicly announced their interest in re-establishing that rail link to Whitehorse from Carcross and the potential to extend rail service beyond.

If a viable development approach is determined, and that requires us to examine that business case, it is expected that the primary source of investment would come from the private sector and the federal government. So the Member for Kluane doesn't have to start jumping up and down that this will have an impact on Yukon's budget. I repeat that — it's expected that the primary source of investment will come from the private sector and the federal government — and it could be either federal government. There are two. The Department of Economic Development will continue working with White Pass & Yukon Route to review the opportunities for rail expansion. So that gives you a bit of a better overview of some of the corridors we are looking at.

**Mr. McRobb:** Well, that is a better overview, but we still don't know what is in that jelly doughnut, do we?

The minister is not speaking to the vision as is publicly accepted in terms of the definition. Utility corridor extends from southern Canada — probably the southern 48 — right through the Yukon Territory to Alaska. It's not primarily Skagway to Whitehorse, which we heard the minister speak a lot about with respect to the rail study. It's not exclusive to the port study, which he also spent a lot of time talking about. He questioned this waterline, saying that he knows nothing about it. But a waterline has been floated as part of the whole concept of a utility corridor. If the minister is not aware of it, fine.

I mentioned a power line. The minister didn't mention anything about a power line. So, once again, I would like to try to steer him back to the original question about this utility cor-

ridor and ask him: what is currently being done by his department to further this whole concept and specifically, is there anyone in his department who has done an analysis on this?

**Hon. Mr. Kenyon:** I can appreciate his interest in jelly doughnuts but, unfortunately, on this side we have to look at reality. That was the one thing that certainly was very clear when we came into government — we have to lay the information out and be responsible for what we say. Being in opposition is great; you can say anything you want.

When he refers to a waterline, the reality is that a sketch was done years ago by someone totally not in government, which showed possible things that you could put in the utility corridor and a waterline wasn't one of them — ignoring the fact that it's illegal in Canada. It's illegal in the Yukon, unless you build a waterline that transports less than 40 litres a day — I think is the maximum. It simply makes no sense — sort of like someone sitting there and sketching out a spaceship, and then the member opposite getting up and saying this was a government plan. Unfortunately, it isn't — there is no plan for a waterline. Certainly, in our government there never will be. Perhaps he's making a Liberal announcement — I can't judge that.

In terms of longer range things, something you can put in such a corridor, were one to exist totally, and perhaps the rail study — again, I hope the member, in his copious free time, takes a look at that study and reads it. The printout is only about three and a half feet high. It should take him a little bit of time. But what the heck, there's nothing else to do.

It gives you an opportunity to look at the possibility that could be turned into a corridor — could be. The original speculation was that it potentially involved a rail line that could assist in building the pipeline — a nice theory, except federal safety regulations would preclude, in the width of that right-of-way, that a railway and pipeline are on the same thing. So that's not going to happen. It's completely illegal; it's not safe; it won't happen at all.

The waterline was an addition that somebody put in, but telecommunications is a good possibility. The Member for Kluane asks if we have somebody in the department working on that, and I'm proud to say that all 42 people in the department are working on that in one form or another, because we're responsible for the longer term and strategic issues of telecommunications policy and how telecommunications might serve Yukoners well in the future. The security of those lines is Community Services, but for the development of overall policy and how that Internet or telecommunications serves Yukoners is within our department.

We are examining options to improve the redundancy of bandwidth in the Yukon and reduce the cost of bandwidth to Yukon communities. There are a variety of possibilities: taking it over the north highway, bringing it up through Beaver Creek and down through Tok into Delta Junction, potentially — then down into Anchorage to tie into the undersea cables, which would be incredibly expensive. We could bring it across the White Pass. Best estimates right now are about \$23 million. What was wasted on the Mayo-Dawson transmission line by the Liberal government would have covered most of that. It is

an expensive option. It might be an option. It remains as an option, is something to look at and, again, doing the business case.

The Government of Yukon supports long-term economic growth by ensuring that the cost of Internet service is comparable to that in the south. I think we're certainly in the right range. We are far north and we do have some challenges because of that. The capacity of the link to the south doesn't really limit our use and there is competition and innovation in the market for value-added services. You can't look at phone service without talking to a lot of people about Skype and MSN Messenger and everything else. So competition changes — it is changing. By the time we look at one potential option or one potential problem, chances are pretty good that technology has changed it. So we will work within the regulatory system to push for more investment in more competitive choices and we will work with Northwestel and others to develop solutions to infrastructure challenges such as that lack of redundancy.

It is interesting that, in talking to a group of federal/provincial/territorial ministers for innovation in technology, I made the comment that, in Yukon, as I said in my opening remarks, 98 percent of Yukoners have access should they choose high-speed Internet. Compare that to Ontario, which has 61 percent. The Ontario minister cut me off rather quickly and said that they have been working very hard on that number and that they are up to 64 percent. Yukon is 98 to 99 percent. I think we've done fairly well in that respect.

We certainly work with other governments and third parties to enable investments and choice. That is ongoing with the members of the Department of Economic Development. I know that the Member for Kluane and his Liberal friends consider that the best way to develop the economy is to completely disband the Department of Economic Development, as they did.

We don't agree; we think that the Department of Economic Development is essential. Disbanding it is certainly not an option. Now, Highways and Public Works is responsible for dealing with Northwestel on the mobile radio system and community cellular service such as Latitude Wireless, as well as any specific service issues — it's another player in this whole thing. Yukon government participates in a pan-northern telecommunications policy working group exploring areas of common interest with the N.W.T. and Nunavut, and that does come down a little bit into northern Alberta, northern Saskatchewan and northern Manitoba. Yukon government continues to work with Northwestel on a cooperative basis to determine where there might be opportunities for joint action.

An example of this is the Old Crow Internet where Yukon government, in conjunction with Northwestel as well as with Vuntut Development Corporation and CanNor, is exploring ways to upgrade the community's satellite Internet connection to reduce congestion and sometimes sub-par user experience. You only have to look at a map to realize what the challenge is there, so we're certainly actively working on that. Northwestel announced a \$7-million fibre link from Hay River to Fort Nelson to provide redundancy from Fort Nelson to Edmonton. The reason for that is if you look at the place where the contractors seem to love to dig into our fibre optic line, this would provide

redundancy as being sort of before that. You can never tell, because they simply might start digging in other areas, so we lose, but that's the game plan right now.

So Yukon is certainly recognized as one of the most connected regions in Canada — 80 percent of Yukon homes and businesses use affordable high-speed Internet to one degree or another. We recognize, as I mentioned, that the damage to fibre optic cable in that Whitehorse-to-Edmonton high-capacity link is disruptive, particularly to business processes and commercial transactions. Damage to the cable is disruptive at the best of times, but particularly so during the high of the tourist season as I mentioned.

I can remember when I came to the Yukon that the information highway was basically a goat path. I retained my account at the University of Toronto in order to get into what was called Usenet. Now of course you don't need that; anybody can get into it. The world has changed very significantly since I first arrived in the north.

We have to look at another option, or at another aspect of the whole thing. Pacific NorthWest Economic Region or PNWER — we have representatives from Alaska, the Northwest Territories and Yukon and we met during the annual forum, as the PNWER Arctic caucus, to identify issues that are important to PNWER's northern jurisdictions. For those who aren't familiar with PNWER, it consists of five Canadian and five U.S. jurisdictions, the Pacific northwest region. It's a sub-national group that looks at regional issues, rather than national issues.

It's always quite interesting to find that something we think is a unique problem in Yukon is actually a major problem in Idaho, and we can use the information on how we deal with that.

We now have an Arctic caucus within PNWER. The first meeting was in November 2009, as an informal group of legislators, government officials, business and non-profit leaders committed to the responsible development of North America's Arctic. Early in 2011, PNWER officials and elected representatives will likely begin their annual round of capital visits to meet with government officials in both Washington and Ottawa, as well as all the state and provincial and territorial capitals, particularly when the legislatures are sitting. This is an annual event, very productive in the past, and it gives us a chance to look at innovation, labour shortage, workforce mobility, transportation infrastructure and energy, and all of the various issues of importance to PNWER and to Yukon, and to Yukon having a strong seat at the PNWER table. As past president of that organization and the only Yukoner to hold that position, we managed to really keep Yukon's issues right up to the moment on that. In addition to President Mel Knight, who is a minister in Alberta, PNWER's current executive is the vice-president, Representative Mike Schaufler of Oregon; another vice-president is Michael Chisholm, who's an MLA in Saskatchewan; Senator Phil Rockefeller, of the State of Washington; and the immediate past president is Senator Lesil McGuire of the State of Alaska.

So PNWER's organization and executive is supported by seven full-time staff members, including an executive director

and an assistant director, located in offices in Seattle. The main thing that PNWER does is looking at everything from transmission corridors; we look at increased economic well-being in the northwest region in a broad sense; we facilitate policy coordination and cooperation in the region; we promote public private sector communication, and leverage regional influence in Ottawa and Washington — and that's a really good thing.

The PNWER experience has been good. I think we've just gone through our 20<sup>th</sup> anniversary from a very small to a group now that, in Washington, is considered "that Canadian group" and, in Canada, it is considered "that American group". The reality is we are neither. It's always nice to be able to go and say we have this problem and, when you're talking to someone on the U.S. side, to have several U.S. senators stand up and say, "We agree, they're right."

One of the studies that we did — to give the member opposite more information on the exactness of his question — is there was a beautiful study that was done called, *The Cost of Not Building Transmission*. In other words, if we don't build that corridor, what is it going to cost in the long run — if we don't build it, if we don't provide those services. This is why it's more essential to link the Internet. It will be essential, I think, in the long run to link the rail; obviously roads have been linked.

The department coordinates with the Executive Council Office; we work with the Department of Environment, with Tourism and Culture, obviously, Community Services and any other department that is appropriate regarding PNWER issues. There is a whole section within PNWER that refers to disaster resilience and we have involved several studies, called the *Blue Cascades*, which look at potential disasters in the Pacific northwest and how the various jurisdictions would respond to them. In other words, if you cut one of those essential corridors, what does happen in the long run and how are you going to deal with it? So disaster resilience and pandemic development and pandemic resilience is a big part of that.

We held our summit in 2010 in Calgary, Alberta, July 16 to 18. The Hon. Mel Knight, Alberta's Minister of Sustainable Resource Development, was elected the new president for 2011. The summit explored key issues of the Pacific northwest region, such as energy, environment, climate change, agriculture, trade and, again, these various corridors. The next PNWER meeting will be the 2010 economic leadership forum on November 17 through 20 in Stevenson, Washington, which will focus on innovation in economic development, energy and transportation border issues.

Yukon's involvement provides us with the opportunity to have a leadership role in cross-border dialogue. Again, if you want to talk corridors, simply the corridor at the border crossings is just huge, so we have to have a leadership role in those dialogues with business leaders and legislators regarding issues relevant to this region. People forget that, while the United States consider a northern border and a southern border, they also have a northern-northern border, and Canada is looking mostly at the border with the United States, but they forget that Alaska is up there, and that has to be a big part of it.

We benefit from participation in PNWER by raising our profile on both national and international issues affecting the territory. I hope that this gives a better overview of some of the things. When the member opposite refers to corridor, we have our challenges, but we are actively working on developing such corridors — the ones that I have mentioned — and I'm sure that there will be many more in the future.

**Mr. McRobb:** The term “cheap shots” has been ruled unparliamentary, I believe, so I'm going to use an acceptable term: “political comments”, as long as everyone recognizes that it has been politically cleansed. I counted no fewer than 10 of these instances during the minister's response to my questions so far in less than half an hour in this Legislature. I would call upon him to raise the bar and try to be more professional in this Assembly. These comments add nothing of substance to the record. They are of no benefit to Yukoners.

I believe I saw an article in Friday's newspaper. One would have thought that this minister in particular would be more sensitive about wasting the time of the Assembly and increasing *Hansard* costs. Let's just leave it at that.

#### Chair's statement

**Chair:** Order please. On the debate that we are presently experiencing, having a member categorize another member's comments as being a waste of time is not in order. All members' comments are valid in this Assembly, and I would just like members to keep that in mind.

**Mr. McRobb:** Thank you for that clarification. Now, in terms of matters of substance, I did not hear the minister indicate whether any analysis on this utility corridor was done by his departmental staff. Another term for it would be “in-house” analysis. The minister only mentioned there was a study done and he did not attribute that study to any particular group or person, so it's unknown who even produced that study; it could have been Alaska, or somebody from the United States who sits on PNWER, for all we know.

I'm asking and I'm most interested in any analysis done by his departmental staff with respect to this utility corridor. I would hope the minister is able to answer that specific question.

**Hon. Mr. Kenyon:** I do thank you for your previous comments, Mr. Chair. It's always frustrating when the matter under debate is something to chastise the government for doing nothing, and then be criticized for spending three hours explaining in great detail, I might add, some of the very few things we've actually done. I do hope that motion comes back up again, because I'm just getting into those topics.

This government has created a great deal of progress on just so many different issues. The interesting comment right after that, of course, was the member opposite who claimed in the House that I was being muzzled by the Premier. I guess he doesn't do a very good job of that when it's three hours later, explaining what we've done. He didn't do well on that one at all.

The Department of Economic Development was reformed after it was disbanded under the previous Liberal government, which felt that was the way to go, that that was the way to

promote economic development. I believe we have 42 in the department, or somewhere in that range — economists and policy analysts, very talented people — who do this, so when the member opposite says that no studies have been done, what does he think these people do? If I were someone working in that department, I think I'd be a little bit insulted at the implication that they don't do this sort of analysis on a daily basis. What does he think they do? It's strange.

Again, I've outlined the rail study as being probably the most detailed corridor and I think that's what he's referring to — the White Pass Route and the so-called short track solution, which is also on the website. I certainly would hope that the member opposite would take the time to read it. It looks at some of the areas of tying the Skagway — the White Pass Route — into that rail corridor. It also looks at, as things develop, is it necessary to develop the entire railway at a very significant expense, or is it reasonable to take small parts of that rail, and how do you develop it, because we already have the overall routing in that corridor? We can then look at how we would tie individual mines in or individual resources; it could be individual tourist attractions. We have to see the business case.

I know that the member opposite — I know his leader of the Liberal opposition — like to say that they would just simply do something. Well, I kind of like to deal with data. I'd like to know what that business case is, how it's going to pan out and how it's going to work. Is it a reasonable choice to make? And that's what the department does on a daily basis.

**Mr. McRobb:** Mr. Chair, one more time, I'll ask the minister to try to be more professional in here.

Now, I asked if there has been any in-house analysis and his answer was generic. He said: “All 42 employees are doing this”. Well, that's not really an answer. While all 42 hard-working employees might at one time or another have some level of involvement into this particular matter, it doesn't answer the question about who has done the analysis and what documents are being prepared. So I'd like to ask him that now.

**Hon. Mr. Kenyon:** I have to stand by it. I suppose you could argue that the person who looks after our computer system isn't totally front-line, but I would suggest that he is. He's in one of the best businesses and keeps us running and is a huge contributor, as are all the employees in that department.

Now, it may not stand up to the standards of the member opposite, who once spent quite a bit of time in this House talking about going for a walk with a spruce grouse through the forests of Haines Junction. I spend my time explaining what this government has done in the past and will do in the future, how we develop according to the mandate and how our employees work the way they are and are supposed to. I didn't bring up the fact at any point in time as did the member opposite, who claimed that employment ads were being put up in a sex shop in Whitehorse.

I agree with him: let's bring the debate back to the thing. What in the world does he think the Department of Economic Development does? As a Liberal, maybe he doesn't know, because they killed it.

**Mr. McRobb:** Having a reasonable and professional debate with this minister is impossible. Good-bye.

**Hon. Mr. Kenyon:** All I can say also is good-bye.

**Mr. Cardiff:** I'd like to follow up a little bit on the line of questioning the Member for Kluane was going down, but I'd like to get the status report on some information.

During the briefing, the department promised to send updates and some breakdowns on the regional economic development plans, and a copy of the foreign direct investment strategy. I'm just wondering how long we might expect to wait for those.

**Hon. Mr. Kenyon:** The member opposite has a point. The department's just finalizing those things. It should be fairly quickly. I've seen some of the documents and I think they're just being fine-tuned. I'll make an effort to get those to you in the next couple of days.

**Mr. Cardiff:** I thank the minister for that. It would have been handy to have had it before we entered into this debate, but we can communicate by letter if we have other questions.

During the briefing it was mentioned that there was an internal audit of the community development fund a few years ago. I'm just wondering — and the officials reported that the department was in good shape in terms of implementing the recommendations from that. I'm just wondering if we could get a copy of the internal audit, the recommendations and the progress that has been made.

**Hon. Mr. Kenyon:** We would be happy to provide that. We came through the audit, as far as I know, in very good shape. It has been interesting with some of the challenges with the community development fund and, again, recreating that one after having it so badly cut back. One for the challenges, and I can mention it before the member opposite gets to it because I'm sure it comes up every year about some of the revotes. The reality is there are three tiers to the community development fund: tier 1 is up to 20; tier 2 is 20, 000 to 70, 000; and tier 3 is 70, 000 and up. Tier 3 actually occurs in January, I believe, so that the largest projects aren't done — or it isn't spent. Yes, intake is in January. So, for instance, the 2010-11 budget for the community development fund program is \$4,105,000. That includes \$2,950,000 for the 2010-11 projects, and that includes \$805,000 in projects revoted for the fiscal year 2009-10, which is \$312,000, and that includes a variety of other things. What happens, of course, is that the money isn't spent in the fiscal year, so every single year there is a revote on that. We came through the audit; there's no problem with that; we're very pleased with that.

Some of the other challenges that have been kind of fun — it was very noticeable during the Canada Winter Games that the number of requests went down. So we were actually suggesting to a variety of groups that they might look at taking advantage of this. Well, but many of them did after the Canada Winter Games, and everything came back up again. I think people were looking at other things and other projects.

We're back in a position now of occasionally having to turn down some very good projects or, more often than not, delaying them or inviting them to apply later. We have a good

staff. If anyone is listening, or the member knows of anyone listening, they'll work with people to develop it. It's not just a question of turning in an application and hopefully it passes; it's a question of going over and having a talk with the incredibly good people over there. They'll help you fine-tune that to make sure that it gets through — if not immediately, then in the future — if it has merit.

So we're very pleased, and I would be happy to send a copy of that over.

**Mr. Cardiff:** I look forward to receiving that information as well. The Member for Kluane asked some questions about connectivity and Internet security, and the minister put a few things on record. One of the things he talked about was various options for redundancy — what you could call it, I guess. But part of it is about ensuring that Yukoners — specifically small businesses and large businesses as well that rely a lot on connectivity — have reliable and affordable access to those services. The minister mentioned the new line Northwestel is building between Fort Nelson and Hay River, which is a great expense, and it does solve the problem once you get south of Fort Nelson. But if something occurs between here and Fort Nelson with the fibre optic line, it's not going to work.

I know that Northwestel has a plan in place to divert a lot of the traffic, on a priority basis, to the microwave towers and to expedite, on a priority basis, all the calls that they can through the microwave. I'm glad that they've looked at it. I guess more and more of what we're seeing is a reliance by business and private individuals on connectivity — on Internet services. It doesn't matter whether it's using debit cards or credit cards through the machines, or whether it's placing orders, or doing research for projects, there's an increasing reliance on this technology. If we're going to pursue this type of economic activity here in the Yukon, I don't think it matters whether you're the small business person on Main Street or in Dawson City or Haines Junction or whether you're a mining company. It's about affordable, reliable service.

Now, the minister talked about possibly running a new line that would be redundant — it would be a way to go around the problem if there was a cut between Whitehorse and Fort Nelson to tidewater and Skagway, or you mentioned another one going up the Alaska Highway through Beaver Creek and Anchorage and that it would be really expensive — \$23 million for one, I believe, and \$30 million for the other, I think, are the figures that were floated.

I'm just wondering if there may be any solutions other than another line, either land based or sea based? So are they doing any studies or internal work? He said he figured all employees in the department were probably working on it in some way, but are there any specific studies? Are they looking at any external sources of funding? When he was talking about the rail line, he talked about the federal government and the private sector. I know Yukoners, through public government, have made investments in connectivity before; I'm wondering if this government is looking at any investments in this area, whether or not they're working with the federal government? It's my understanding the federal government, over a number of years, has poured millions and millions of dollars into this type of

operation in other areas of the country and in the north. Are they looking at federal sources of funding to improve the services and continue to make them affordable for Yukoners?

**Hon. Mr. Kenyon:** I'll try to hit some of the points there, and if I miss any I'm sure that the Member for Mount Lorne will throw the questions back up and forgive me. We certainly are looking constantly at this sort of thing with infrastructure planning, not just alone, but of course Highways and Public Works, Community Services, Energy, Mines and Resources, even Environment, Finance, and of course Economic Development all have to look at this. One of the problems is that we don't have, in some cases, the expertise to really get into that, so we're certainly willing to look, and listen to any of the experts. We have been very fortunate; I should point out that the comment about Northwestel and the \$7-million fibre optic link from Hay River to Fort Nelson to provide the redundancy — there are two things I need to stress. First of all, that's Northwestel's investment, not the Yukon government's, and second of all, it addresses a redundancy from the point where most of the lateral cuts occur. And so that's nice, except the possible problem is that some idiot will dig into the line in the other direction, and will we have accomplished that much, we don't know, but at least given the stats that we have and the data we have at this point in time, I think Northwestel has made a pretty reasonable choice.

We have looked at other potential things in there. We thought that going up through Beaver Creek and tying into the Alaska system might have some attraction to the American government because Alaska certainly is a bit isolated from the rest of the country. Seismic activity — you only have to go back whatever number of years ago it was when the big seismic earthquake in Anchorage took out Fourth Street and a variety of other things. It wouldn't be difficult to imagine that something would happen and would cut those lines. Unfortunately, the American government and the Alaska government weren't too much in agreement on that so that hasn't gone too far.

Cutting into the undersea cables — my understanding is that there are four undersea cables, and to go up and over the White Pass and down into Skagway and tie into theirs, our estimates right now are about a \$22-million investment, and potentially more when it gets there. Again, it gives some degree of redundancy. The Alaskan redundancy seems to be those four undersea cables, but I would submit, and I don't have to back this up, but I'm curious that if there were a seismic event that wiped out one cable, chances are pretty good it would wipe out all four.

But, again, that's their decision to make and it was something that we had to look at. We certainly continue to look at all of the expertise in here, and work within the regulatory bodies and such. I should point out and very publicly thank Northwestel in one regard on this: PNWER, the Pacific North West Economic Region, is a public-private partnership and, while the officers are elected officials, we do have a private sector council — people who can get involved and look at the problems with a different set of eyes and a different perspective. I am very pleased that Northwestel has come to the table and is helping to support PNWER and giving us the use of their vice-

president of technology, to become the PNWER private-sector chair here. So we have that individual at the table when these discussions go on. He's our go-to guy, in terms of the expertise and everything else, and he has been very much involved in that. Because of that connection, we've dragged him into these sorts of things as well.

The cable disruptions are irritating, to put it mildly, and the member opposite is being polite there. I think you only have to look at the one obvious side of that — when you used to walk into a garage and there would be four feet of parts manuals and parts lists, and now you walk in and there's a terminal, and if that Internet is down, you can't get an O-ring.

So that's sort of the one extreme. But from that, for anything — transmitting X-rays, CAT scans and on and on and on — because all of that goes via the Internet. The redundancy, or having some way to ensure that that is a more reliable thing, is a very high priority and we're going to have to continue to look at that.

The one concern that I have and I think most people in the department have, though, is technology change. It changes so rapidly. There was a store in Toronto called "Saved By Technology", and I have to admit that we really were. As technology changes so quickly, just when you create what seems to be a good solution, technology changes and you find that the solution is sort of like stringing phone lines some incredible distance to later find out that voice-over Internet protocol is going to make the telephone use in that area somewhat redundant.

We continue to look at that, and we continue to work with Northwestel and their technical expertise, and through PNWER we actually have a working group now in telecommunications that looks at it on a more regular basis. They have conference calls and this sort of thing, and they do their presentations at each seminar — spring, summer and probably the fall as well, in terms of presenting the telecommunications — what they've done, what they're working on — and it gives people in the audience a chance to come back and say, "These are our issues. This is what we want you to look at." So it's not just a think-tank; it's a very interactive think-tank. It has been good for us because it widens our capability so much beyond our tiny jurisdiction.

**Mr. Cardiff:** I understand that the government isn't investing in the Fort Nelson to Hay River line — that Northwestel is bearing that cost on their own in order to improve the service here in the north, and I think that's a good thing. What I asked the minister, as well, was: is this government working with any other agency or business and the federal government? Are they looking to the federal government to provide money to improve the service? It's my understanding that the federal government invested quite heavily in other areas of the country and in the north in this area. This is with regard to connectivity and provision of telephone and Internet service, so that was one question that the minister did skip over.

I would also like to know from the minister — we're looking at — at this point, it's kind of broad. In my mind, it is an economic development issue, but the minister brought a whole bunch of other departments into the equation. I'm just wondering whether or not the minister can tell us which department is

the lead on this issue. Which government department is taking the lead on advancing the interests of Yukoners and their desire for increased connectivity, improvements in the service level, and the continued affordability?

**Hon. Mr. Kenyon:** For the member opposite, I did miss that, and my apologies. We certainly continue to look at the technically best alternatives to the business plan and that's the one thing that drives some people crazy, but I tend to think that it's probably the best way to approach this — to look at a proper business plan. It's these business plans that we have to develop in conjunction with potential federal funding partners.

We'll certainly look at all tools available to address that redundancy. Looking at funding sources from the federal government and all of the potential partners, including the federal government, has got to be a big part of that. The lead probably is our department. We are the department that handles inquiries from CRTC, for instance, in terms of regulation. There are a number, and sometimes we can find the strangest funding, for instance, with the rail. There are U.S. federal programs for the development of rail. Is the development of a rail connection to Skagway that could link into the upper part of Alaska part of something that would benefit the United States, even though the rail is in Canada? So that's another thing that we're looking at and negotiating — not so much negotiating, but dealing with the U.S. federal government on that. We're basically trying to hit every fence we can, and hoping that one of them falls down and the money will flow out of that source.

**Mr. Cardiff:** I thank the minister for that answer that cleared up a number of issues.

I would like to know whether or not the department is doing any studies with regard to the potential, I guess. I know the Member for Kluane was talking about corridors and pipelines and that may end up being a route that we end up going down. But I don't know that we in this Legislative Assembly are going to have a lot of influence as to whether or not we get a gas pipeline or not. I'm just wondering whether or not the minister's department is doing any studies around oil or gas production, I guess, in northern Yukon. What potentially is going to be needed to try and put some of that into production should there be an opportunity to get it to market — the Alaska Highway gas pipeline.

**Hon. Mr. Kenyon:** Certainly on the oil and gas portfolio and that whole project, Energy, Mines and Resources is the lead and we work with them. But one of the problems in this for the member opposite's information, of course, is you only have to look at a map and see where the oil and gas is on either side of us. It's pretty obvious that the likelihood — though we don't know — is that we have lots of both. The problem is that it's stranded. We have no way of getting it out; we have no way of getting it to market.

The ability to put in a pipeline, be it from the North Slope of N.W.T. down into the Edmonton market, or from the slopes of Alaska down through a new Alaska Highway gas pipeline — there are a number of different ways of looking at that. To my knowledge, there has been no really formal in-depth study that I can say, "here you go", but some of the things that we've noticed, and have been brought to my attention by the various

economists, are that we always felt that the Mackenzie Valley pipeline would probably go first. Both are needed. Both are extracting gas from totally different areas, and probably the Mackenzie Valley pipeline would go first. Now, in the last year or so that, I think, has changed.

Again, there is no timetable and nobody really knows for sure, but I tend to think that there has been enough instability on the Mackenzie Valley pipeline project that we're beginning to think that maybe the Alaska pipeline will go first and maybe it will go sooner. Again, both will go, it's a matter of time. While there will be a boom certainly in terms of building the pipeline, once the pipeline is in, I've seen numbers as low as 39 potential jobs, which would be pressure stations along the way. We're not talking in the long run about jobs as being — other than construction — the biggest part of the economic end of it. What it is, is the fact that we are negotiating, will be negotiating, and it has been very clear that we do not expect, nor would we — I don't want to use tolerate, but we certainly wouldn't support — a pipeline that is a bullet pipeline. In other words, that comes in at one side and goes out the other and simply goes right straight through. We need the ability to do two things, so we need the ability to extract our own gas. And we're talking gas; we're not really talking oil at this point — to extract our own gas and look at an industry there, but we're also looking at the probability of then being able to utilize it — to pull that gas out. It's the cheaper source of fuel, it's a cleaner source of fuel, it would reduce home heating costs, and it would reduce the use of diesel in power generation, for instance.

Is it cleaner? Is it the best? No, but it's a pretty good start. So we're looking at all these various things to look at what would happen, should — I think more likely when — that pipeline is constructed. The so-called open season, I believe, is now over. The companies are looking at who's going to buy the gas that's coming out of it, who's going to get the guarantees, who's going to run it, and that's all an Alaskan decision — quite right, it has nothing to do with us. I think as you see this develop, you will see more and more, in my humble opinion, that the Alaska pipeline will likely go sooner.

Some of the collateral things on the so-called Dempster collateral would allow extraction to go up the Dempster Highway and tie into the Mackenzie line. That is something that people have looked at. I understand, before I get off on a side-track, that the so-called open season is over for TransCanada Pipeline. It is still open, we think, for the Denali group. So there are two different groups that are working at that, and no decisions, I think, have really been made.

Anyway, the Dempster lateral could go up and tie our gas, it would allow extraction of gas, but of course it wouldn't necessarily bring gas down to where we need it, in Whitehorse and other communities.

The other possibility is to utilize a line in that area to tie into mining operations, which would give them cheaper power and not force them to go to diesel, because it would be so far off the grid. That's something that we're looking at. We always have to look at all of the options and that's always the thing you have to do, such as what is the business case? What is go-



ing to happen under every potential given scenario? It's sort of the old George Carlin, "And if we cross the international date-line". Well, there are all sorts of possibilities, but when you start looking at this and coming up with the scenarios, good and bad, it makes decisions, maybe not easier, but with data and hard fact.

**Mr. Cardiff:** The minister said a whole bunch about a lot of things there. It looks like they're looking into it, but there is no paperwork on it. By the sounds of it, there are no studies, but it's something that gets discussed on a regular basis. It would be interesting, I think, in the interest of Yukoners and industry to know what work is being done and to have some sort of report for the Legislative Assembly and Yukoners to just see what the department is working on in that area, so that we can ask questions about it.

I would like to ask one more question of the minister, this one about — the Minister of Economic Development has come under some criticism for this: for making a number of trips to China and attracting Chinese capital to the territory for investment in mining companies, and there have been a number of successes in that area. What I'd like to know — we asked for this in the briefing, as well — is a breakdown of the monies that are spent trying to attract that Chinese capital here to the Yukon. I don't know whether that's part of the foreign direct investment strategy, but it would be — what we would like to see is a breakdown of those monies. We'd also like to know what efforts are being made by the minister and the Department of Economic Development to encourage and attract investment capital from jurisdictions other than China.

**Hon. Mr. Kenyon:** I'll try to sneak up on the member's questions before I get lost.

When the member opposite asks about paperwork for studies and this sort of thing involving the pipeline, virtually all of it at this point has been within the United States and Alaska. We are letting them know where we stand on this but, until we see what their proposals are, what their business case is, it's difficult to do an adequate study or put pen to paper with all of that.

To give the member opposite a bit more direct information, Northern Cross Yukon Ltd. has submitted the Eagle Plains hydrocarbon fuel feasibility study to the department. I do have to point out that's Northern Cross' study, not ours, so it's not mine to release. I'll put that up front.

The report was prepared by SNC-Lavalin and, although further work is required, based on the assumption stated in the report, Eagle Plains natural gas may be an option to meet anticipated increases in residential, commercial and industrial energy supply requirements. This is what I was talking about a moment ago.

Northern Cross was incorporated in the Yukon in 1994 and their mission is to explore, develop, and market hydrocarbons predominantly from the Eagle Plain Basin in the Yukon. We're working in partnership with the Vuntut Development Corporation on the project and obviously what they're talking about is mostly and predominantly in the Vuntut Gwitchin traditional territory.

The two — Northern Cross and Vuntut Development Corporation — are interested in projects that involve infrastructure for energy and mineral development and in finding cost-effective methods of providing energy to remote communities that reduce greenhouse gases. The proposed project is consistent with the goals of the 2009 energy strategy for the Yukon, which I think the member opposite has; if he doesn't, I can certainly provide that as well.

The department has approved funding of the \$151,250 through the strategic industries development fund to assist with that project. Reporting has been provided to the department and I believe the final payment has already been made. We were working closely with Energy, Mines and Resources at that time as well.

The study assesses the capital and transportation costs of delivering the hydrocarbon fuels to Yukon communities and potentially to large mines, as they get closer to production and a development production decision. It would certainly facilitate investment for that area and there's support, obviously, from small communities around it, and it will give us a cleaner and more cost-effective energy in many of the communities for all the various things I've mentioned. It will obviously create new jobs, increase royalty revenues for Yukon, et cetera, et cetera.

So that certainly is something that's going.

The member opposite asked about China. China has had a great deal of involvement here, and we're very pleased with the amount of work we've done with them and the great friends we've made over there. I think while we have a product that's of use to China, China has an ability to develop some of our things at the same time. As I stated before in the House, I think China definitely needs a little bit more Canada in it and we've been very pleased to produce that.

We're trying to promote private sector growth, and one priority is the development of wealth-generating activities in the natural resource sector. Early on in the reformation of economic development, we produced a document called *Pathways to Prosperity*. I think that's still on-line; if it isn't, I'd be happy to provide a copy. It looks at transportation corridors; it looks at everything. If we've got a product to sell, where do we sell it? Again, it was a good business case that was put together.

We're five sailing days closer to the Orient; we've proven that with Faro, in terms of getting product there in a timely way. We have access to an ice-free port system that is close. We certainly continue that relationship. To just jump in the middle of this, yes, we are looking at other jurisdictions. There are groups going into Europe and the east coast of both Canada and the United States — I'll get to that if I have time.

We have a number of significant business deals that have come together. This goes from hosting inbound investors to the Yukon to attending trade shows. When you simply look at the dollar investment in purchasing, there's a couple hundred million dollars; if you look at after-purchase and what those companies have injected into the Yukon economy, I would argue that we're closer to the billion-dollar range. The Wolverine project, for example, was at least \$13 million in terms of due diligence before they bought it for \$87 million; they'll have put

another \$300 million in before they start shipping and all of that is being spent within the Yukon.

Some of the significant deals that have been struck since October 2007 — it took awhile to get this up. You have to understand that in the Chinese culture you could give them the best business plan possible, but until they get to know you, nothing is going to happen. I went over with the U.S. Energy Council; we had some very high-level meetings in some very impressive places. When I talked to the Energy Council the next year, they said: “You know, it was a bit of a waste of time; we went over there, we did all of this, we met all these people and we didn’t get any deals out of this.” You don’t go over and have one or two meetings; you work over a number of years to establish those relationships.

That’s where we are now and that’s why this is starting to develop on a much quicker basis.

The Yukon-Nevada Gold Corporation and the China-based Northwest Non-Ferrous International Co. Ltd. — that must look good on a letterhead — have completed a \$3 million agreement to form Yukon-Shaanxi — that’s with two a’s for *Hansard* information. The Shaanxi Mining Company Inc. — or the Yukon-Shaanxi — is a new Canadian company that will explore foreign development and also resources in the Yukon. They are close to several deals. They recently purchased the interest-bearing \$1.5-million secured debt of Tagish Lake Gold Corporation from the Macquarie Bank. Tagish Lake Gold Corporation announced the reconstituted board of directors. Among the newly appointed directors are representatives of the Yukon-Shaanxi Mining Company. Korea Zinc, through its wholly owned subsidiary of Pan Pacific Metal Mining Corporation, recently purchased shares and warrants from Selwyn Resources valued at approximately \$5 million.

China Mining Resources Group Ltd. has purchased approximately 14.6 percent of the shares of Selwyn Resources. That was an investment of over \$6 million in the company, and Selwyn Resources and Yunnan Chihong Zinc & Germanium Co. Ltd. recently completed a \$100-million joint venture transaction to advance Yukon’s Selwyn project to bankable feasibility and, if warranted — because we always have to look at that business case — to production with Yunnan and Selwyn, each holding 50 percent of the new company. The details of this transaction were previously announced on December 14 and on March 2, 2010. The Selwyn project in eastern Yukon is one of the largest undeveloped lead and zinc deposits in the world. I should point out that at this time it looks like it is relatively pyrite-free — in other words, not acid-rock generating — and everything that is coming together there is looking pretty good.

Yukon Zinc’s Wolverine project was purchased by Jinduicheng Molybdenum Group Co. Ltd. and Northwest Non-Ferrous International Investment Co. Ltd. for appropriately \$101 million. Yukon Zinc has committed approximately another \$55,000 toward the construction for 2009, and I believe they’re well over \$100 million for 2010.

The construction of that mine employed an estimated 320 employees and is expected to employ another 200, once in operation. The mine is anticipated to be in operation in the very near future.

The department invests annually in attracting Asian investors to Yukon. This investment has assisted in facilitating, as I say, some fairly massive involvement. Through the Yukon Gold Mining Alliance, we are looking into Paris, Zurich — a number of different stops — London, through Europe and the United Kingdom — part of the problem with that, of course, is that it’s more on an investment discussion, because it becomes very difficult to send quantities of ore across North America or do whatever. But, of course, as we develop one idea, something else changes. There is active discussion and active plans right now to enlarge the Panama Canal, which would allow larger ore ships to go through the Panama Canal, and suddenly transportation over to Europe might be much more feasible than we think it is now. So these are the sorts of things that we’re constantly looking at. If I’ve missed anything, I’m sure the member opposite will ask it again.

**Chair:** Any further general debate?

Hearing none, we will proceed line by line.

***On Operation and Maintenance Expenditures***

*On Corporate Services*

*Corporate Services in the amount of \$29,000 agreed to*

*On Corporate Planning and Economic Policy*

*Corporate Planning and Economic Policy in the amount of \$36,000 agreed to*

*On Business and Industry Development*

*Business and Industry Development in the amount of \$1,503,000 agreed to*

*On Regional Economic Development*

*Regional and Economic Development in the amount of \$907,000 agreed to*

***Total Operation and Maintenance Expenditures in the amount of \$2,475,000 agreed to***

***On Capital Expenditures***

*On Corporate Services*

*On Office Furniture, Equipment, Systems and Space*

*Office Furniture, Equipment, Systems and Space in the amount of \$5,000 agreed to*

*On Business and Industry Development*

*On Dana Naye Ventures Business Development Program*

*Dana Naye Ventures Business Development Program in the amount of \$25,000 agreed to*

*On Venture Loan Guarantee Program*

*Venture Loan Guarantee Program in the amount of \$58,000 agreed to*

*On Community Development Trust — Yukon Entrepreneurial Support Program*

*Community Development Trust — Yukon Entrepreneurial Support Program in the amount of \$80,000 agreed to*

*On Community Adjustment Fund — Yukon Film Industry Commercial Development Project*

*Community Adjustment Fund — Yukon Film Industry Commercial Development Project in the amount of \$150,000 agreed to*

*On Regional Economic Development*

*On Northern Strategy — Selkirk First Nation — Towards Sufficiency*

*Northern Strategy — Selkirk First Nation — Towards Sufficiency in the amount of \$616,000 agreed to*

*On Total of Other Capital Expenditures*

*Total of Other Capital Expenditures in the amount of nil cleared*

**Total Capital Expenditures in the amount of \$934,000 agreed to**

*On Revenues*

*Revenues cleared*

**Department of Economic Development agreed to**

**Chair:** Committee of the Whole will now proceed to the Department of Justice. Do members wish a very brief recess?

**All Hon. Members:** Agreed.

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

*Recess*

**Chair:** Committee of the Whole will now come to order. The matter before the Committee is Bill No. 22, *Second Appropriation Act, 2010-11*. We will now proceed with Vote 8, Department of Justice.

#### **Department of Justice**

**Hon. Ms. Horne:** I welcome this opportunity to present the first supplementary budget for the Department of Justice for the 2010-11 fiscal year.

Let me first thank all those who worked so hard in the justice system to ensure that Yukoners live in a peaceful community.

Mr. Chair, the Yukon Department of Justice operates to: enhance public confidence in and respect for the law and society; promote an open and accessible system of justice that provides fair and equal services to all Yukon citizens; ensure that the administration of justice operates for the benefit of all persons in the Yukon; work toward an effective and responsive correctional system to manage offenders in ways that promote rehabilitation and ensure public safety; ensure that the Government of Yukon receives high quality and cost-effective legal services; promote effective policing, crime prevention and community justice initiatives in our communities, and; encourage respect for individual, collective and human rights. This supplementary budget and indeed all the budgets that are tabled in this House help further the goals of the Department of Justice. The fall supplementary budget this year, while not overly large compared to the main budget for the department, allows us in this House to discuss the good work that the department is undertaking on behalf of Yukoners.

I would now like to highlight some of the department's \$1,419,000 supplementary operation and maintenance budget expenditures, and \$131,000 supplementary capital expenditures, which are offset by an additional \$200,000 in recoveries. This government recognizes the immense cost to the justice system that has been necessary to appropriately manage offenders that suffer from fetal alcohol spectrum disorders. Yukon is a leader in this field, and we will continue the initia-

tives that started in 2008, with our major conference that brought governments and service providers from across Canada together to begin focusing on this critical issue. We continue to move forward on this project and, to this end, the Department of Justice has entered into a project funding agreement with Justice Canada for \$60,000 to fund the incidence of fetal alcohol spectrum disorder project. The purpose of this project is to identify the partners and to work on the methodology and projected plan to carry out research. This cost is 100-percent recoverable from Justice Canada.

The government is also committed to modernizing the Yukon's human rights framework in order to bring its processes and legislation up to national standards. The government is asking for \$66,000 for the *Human Rights Act* modernization project to continue the research component, analysis and consultation leading to revision of the *Human Rights Act*.

I would also like to address some of the important work we are doing in correctional services. We are all aware that this government has moved forward in replacing the Whitehorse Correctional Centre. The new correctional centre is on budget and on schedule to be occupied in late 2011. As part of our correctional redevelopment strategic plan, released in 2007, we are also working diligently on implementing the *Corrections Act, 2009*, which was passed by this government in May of last year.

Many items in this supplementary budget will speak to the work the Department of Justice is doing to prepare its staff for the historic move to this building next year and in training staff to implement the *Corrections Act, 2009* to its fullest potential.

I understand our correctional officers are now being trained to perform a critical role in direct offender supervision so that they are prepared to work effectively with all offenders when the new centre opens next year. We are therefore committing \$134,000 to complete direct supervision training. Direct supervision allows for active interaction by staff with inmates so that they can receive programming and support for their rehabilitation. It is a model that is being used in most new facilities in Canada and will be part of the current correctional centre and the new one when completed.

As I mentioned, implementation of the *Corrections Act, 2009* is ongoing as we continue to create a correctional system that will meet the needs of its clients. This includes creating and developing an independent adjudication system for internal offences at the Whitehorse Correctional Centre. Independent adjudication of discipline matters was one of the cornerstones of the *Corrections Act, 2009* and is fundamental to the notion of natural justice.

To continue our support, we are asking for a revote of \$27,000 to continue to support our independent adjudicators. This government has also approved \$89,000 to complete production of the materials necessary to implement the *Corrections Act, 2009*. These include "Principles of the *Corrections Act*" posters, national parole pamphlets, a staff handbook and an inmate handbook.

Last year this government took a major step forward in providing Yukoners with an effective choice for future training. The Northern Institute of Social Justice was opened in Yukon

College in December. Approximately 1,390 jobs, close to eight percent of Yukon's workforce, have a social justice-related component. The people in these occupations and professions are employed in Yukon's public service, First Nation governments, non-governmental organizations and businesses. They work in such areas as corrections, counselling, community justice, enforcement, emergency services, education, health, inspections, law, policy development, protective services, social services, and safety and security. They include administrative staff, front-line service providers, program officers, supervisors and senior decision-makers. In short, Justice workers weave the fabric of our society.

The Northern Institute of Social Justice was created to address two broad challenges: the recruitment, development and retention of a qualified workforce to deliver programs and services with a social justice-related component, from entry-level to senior levels; and to develop relevant and accessible training to enter the workforce or further develop careers.

To further fund the needs of the institute, we are asking for a revote of \$208,000 for program implementation, training costs and office operations for the Northern Institute of Social Justice. This project is funded from the northern strategy trust.

We are aware that the different departments within this government have common clients. We are working to find ways to work better and to work closer for the benefit of our common clients.

Mr. Chair, seeing the time, I move you report progress.

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

*Motion agreed to*

**Hon. Ms. Taylor:** I move that the Speaker do now resume the Chair.

**Chair:** It has been moved by Ms. Taylor that the Speaker do now resume the Chair.

*Motion agreed to*

*Speaker resumes the Chair*

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

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

#### **Chair's report**

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

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

**Some Hon. Members:** Agreed.

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

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

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

#### **The following documents were filed October 12, 2010:**

10-1-159

Energy drinks, regulation of: letter (dated October 12, 2010) from Darius Elias, MLA for Vuntut Gwitchin, to the Hon. Patrick Rouble, Minister of Education (Elias)

10-1-160

Energy drinks, regulation of: letter (dated October 12, 2010) from Darius Elias, MLA for Vuntut Gwitchin, to the Hon. Glenn Hart, Minister of Health and Social Services (Elias)