

Yukon Legislative Assembly
Whitehorse, Yukon
Monday, February 28, 2011 — 1:00 p.m.

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

Prayers

INTRODUCTION OF ACTING TABLE OFFICER

Speaker: Members, I am pleased to welcome to our Assembly Mr. Douglas Arnott, who has served at the Legislative Assembly of Ontario as the Deputy Clerk of Committees. Mr. Arnott will be providing assistance at our Table. He has previous experience in the Yukon Legislative Assembly, having served as Acting Deputy Clerk for the 2000 fall sitting, the 2001 spring sitting and the 2007 spring sitting.

Members, please join me in welcoming Mr. Arnott to the House.

Applause

DAILY ROUTINE

Speaker: We will now proceed with the Order Paper. Tributes.

Introduction of visitors.

Returns or documents for tabling.

Are there any reports of committees?

Any petitions?

Any bills to be introduced?

Any notices of motion?

NOTICES OF MOTION

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

THAT this House urges the Yukon government to be adequately prepared to meet the challenges associated with the anticipated boom in the territory's mining sector which will require significant expenditures for new infrastructure in the key areas of transportation, energy, housing, education and health care, without compromising existing public services or imposing unacceptable risks to electrical ratepayers.

Ms. Hanson: I give notice of the following motion:

THAT this House urges the Yukon government to assist the Klondike Development Organization, a strategic alliance of the Municipality of Dawson City, the Dawson City Chamber of Commerce, the Klondike Institute of Art and Culture and the Klondike Visitors Association, to identify and address the following needs of the community of Dawson City:

- (1) the shortage of affordable housing;
- (2) the shortage of investment capital for small businesses;
- (3) the lack of opportunities for business succession;
- (4) the strategic gaps in services;
- (5) the shortage of a skilled labour force; and
- (6) the failure of various levels of government to communicate and cooperate with partners outside of Whitehorse.

I give notice of the following motion:

THAT it is the opinion of this House that the democratic deficit is growing in the Yukon as demonstrated by the failure of the Yukon government to:

- (1) appoint a member of the government caucus to the Select Committee on Bill No. 108, *Legislative Renewal Act*, adopted by the Yukon Legislative Assembly on November 4, 2009;
- (2) address the public's growing desire for electoral reform;
- (3) act on the clearly demonstrated and long-overdue need for whistle-blower protection legislation;
- (4) consider the views and opinions of Yukoners after initiating highly publicized public consultation processes;
- (5) enact effective lobbying rules and a code of conduct for lobbyists;
- (6) change the process for making appointments to major boards and committees to increase openness and fairness;
- (7) employ other, less costly and adversarial means to resolve disputes, other than the courts;
- (8) defend the referenda provisions in the *Municipal Act*;
- (9) make appointments to the Yukon Council on the Economy and the Environment; and
- (10) use the Yukon Forum to deal respectfully and collaboratively with Yukon First Nation governments on a broad spectrum of political, social and economic issues, as originally envisioned.

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

THAT this House do issue an order for the return of the recently signed *Temporary Foreign Worker Annex* to the *Agreement for Canada-Yukon Cooperation on Immigration*.

Speaker: Is there a statement by a minister?
 This then brings us to Question Period.

QUESTION PERIOD

Question re: Whitehorse Correctional Centre, use for old facility

Mr. Inverarity: Close to a million dollars was budgeted for tearing down the old jail and building a new jail. However, instead the government let a tender last week to look at the new purpose for the old jail facility. The tender mentions potential uses, such as equipment, such as storage, records management, a distribution centre and even office space. The government was planning to tear down the old jail, but suddenly decided they didn't want to do that any more. If the government is not spending a million dollars to tear down the old facility, then what is that money going to be used for now?

Hon. Mr. Lang: We certainly are looking for another use for the existing building, but that hasn't been decided yet, Mr. Speaker. So there is a million dollars to tear it down but if, in fact, there is more life in the building, we would move forward with that.

Mr. Inverarity: The government has turned a \$30 million jailhouse into a \$70-million jailhouse over the term of its

mandate. The new jail is being built because the old jail wasn't adequate for the offenders it housed. The plan called for the old facility to be torn down at the cost of \$1 million. The government changed its mind and the new plan is to keep the building in operation. The new plan has costs: the old jail building will need renovations and there are going to be ongoing expenses for the operation of this facility.

Can the minister tell Yukoners what the cost is going to be to change these plans?

Hon. Mr. Lang: Certainly that's what this RFP will answer — the question the member just asked. The cost of changing the profile of a building is never cheap. Certainly, if there is more life in that building, it would be folly to tear it down. So there are options. We have the option of tearing it down if, in fact, we find through this process we're going through now that it's not salvageable; but at this point we're asking exactly the same questions the member opposite is asking.

Mr. Inverarity: It would be nice to hear from the Minister of Justice as it is her facility. If the old jail is going to be refurbished and used for a different purpose, the government must have given some thought to what the decision was going to cost. The government has at least given some thought to what the old jail could be used for. The tender last week identified equipment storage and perhaps office space potential. Was an analysis done to determine the approximate cost of keeping the old jailhouse alive, or was this another government decision that Yukoners will have to pay for, for the next generation?

Hon. Mr. Lang: Those are the exact same questions — that's why this RFP was put out there, to answer those questions.

We're only going through the process. We do have \$1 million to tear down the old building. But if there is more life in that building, it would be folly to tear it down.

Question re: Government litigation

Mr. Inverarity: I have a follow-up question for the Justice minister. I asked the minister last week if she could tell us about the court costs and legal fees this government has incurred since taking office. We're still waiting for the answer. This government has been involved in a number of court battles during its mandate — so many court battles, in fact, that we are left with the impression that this government would rather litigate than negotiate. The minister has had several days to get this information. Will the minister tell Yukoners how much was spent on court costs and legal fees in 2010?

Hon. Ms. Horne: As I said last week, the department supplies legal advice to the different departments of our government as clients. They are given the best advice so they can make appropriate decisions. I believe that if the member opposite would ask this question during Committee of the Whole, we may have those figures at that time.

Mr. Inverarity: I did ask the question during Committee of the Whole, and I brought it forward today because we weren't getting an answer last week.

If she really wants to avoid court battles with her fellow Yukoners, she would resolve disputes at the negotiating table and not in a courtroom. Yukoners are suing the government

because they don't like what the government is doing. While this may be the government's preferred approach to settling disputes, there are other ways to reach an agreement. Why is going to court the preferred method or option that this government has in settling disputes?

Hon. Ms. Horne: Well, here we go again. As I said, we do not always initiate all the court costs. Every Yukoner has the right to take an issue to court if they don't like the negotiations that are being done or the decisions that have been made. The government does not initiate all court cases.

Mr. Inverarity: Well, here we go again. The motto of this government is sue first. Well, Yukoners are suing the government. The expense of litigation should be enough to avoid the court costs whenever possible in settling a dispute. But this government seems to want a long, drawn-out and expensive legal battle. In its dispute with the francophone community, the government lawyers accused the presiding judge of personal bias. The Justice minister obviously believes that this strategy may help the government's case. Did the Justice minister know that this accusation was part of her department's legal strategy?

Hon. Mr. Rouble: I'd just like to put forward some additional information that the member opposite obviously is not privy to. He seems to be making a case that this is approved for adoption; that's certainly not accurate. In particular, with the case he is referencing, the Government of Yukon worked very closely with Commission scolaire francophone du Yukon. We worked with the school board and the federal government on an issue such as l'Académie Parhélie. We invited the Commission scolaire francophone du Yukon to participate in the secondary school programming review to ensure that we were meeting the secondary school needs of Yukon students across the territory. We invited the Commission scolaire francophone du Yukon to participate in the F.H. Collins project, and we also invited the Commission scolaire francophone du Yukon to participate in the staffing advisory group that was formed.

This government works very hard to include all of our stakeholders and our partners in the processes to hear differing perspectives, differing points of view. We only have to look at some of the recent changes that we've seen where the legislation, the regulation and the process of government has been strengthened by hearing different perspectives and incorporating those views into the decisions of government. We'll continue to do that, Mr. Speaker, now and into the future.

Question re: Foreign worker program

Ms. Hanson: The Yukon New Democratic Party is in full support of immigration. Canada and the Yukon need new citizens. However, we are acutely aware that there are unemployed Canadians who need jobs too. Under the Yukon nominee program, before employers could bring in temporary foreign workers they had to demonstrate that they had looked locally. Now under the new agreement with Canada, the Yukon will be able to fast-track temporary foreign workers and some industries will be exempted from having to look locally. The minister has already indicated he has some ideas about this. He says he expects the hospitality industry, along with the mining industry, to be some of the first industries coming and working with the Department of Education.

So can the minister outline the criteria for determining the temporary foreign worker exemptions?

Hon. Mr. Rouble: The Yukon government is certainly responding to the growing economy that's out there, and I want to be very clear on this. Our first priority is to prepare Yukoners for Yukon opportunities. We see that with the investments we're making in post-secondary education, investments in Yukon College, and investments in the student grant. Then we'll work with other groups that aren't represented, as they fully should be, in our community in employment situations. We only have to look at the programs we have in that area, such as the older worker initiative, programs for women in non-traditional trades, and programs to encourage youth into the workforce.

Where we can't find Yukoners or other Canadians to fill the voids, the demonstrated needs here in the territory, then we will of course look outside our borders. We have seen a maturing of the relationship that the Government of Yukon has with the Government of Canada. That is why there are changes to the federal temporary foreign worker program. I am glad to provide members opposite with more information.

Ms. Hanson: Indeed, in his news release last week, the minister said that their first priority is to work with under-represented groups in the Yukon. He also said that temporary foreign workers would be turned to when need arises, but it is not clear how that need is identified or defined. In census statistics, the Yukon's aboriginal population's unemployment rate is more than double that of the overall Yukon population. I suspect that is a good definition of being under-represented in the labour force.

Does the minister agree that First Nations are under-represented in the labour force in the Yukon? What plans does he have to reconcile that with the expected increase in mining activity?

Hon. Mr. Rouble: That is a good question. What can we do as a territory in order to best prepare ourselves for the opportunities that are on our horizon? Well, we can do things like expanding our educational system, which is underway. We can look at things like expanding housing at Yukon College, which we have done.

We can look at building new Yukon College campuses throughout the territory, whether it's Dawson or Pelly Crossing. Those facilities are under construction right now. Also, we can work with industry and work with First Nation organizations. A great model there is seeing industry and First Nations coming together with the Yukon Mine Training Association. That's an excellent example: the group has lobbied the federal government, received federal funding and put in place good programs to train people for the opportunities that are happening in their own area. We'll continue to provide resources to help educate Yukoners, to help prepare people. We're not going to force them to move from one area of the community to the other. What we have to do is continue to diversify the economy, diversify the employment opportunities that are out there and, indeed, provide training for people when they want it, when they need to and when they can access it right there in their community.

Ms. Hanson: I'll give the minister an opportunity to speak specifically to his own portfolio. Apart from Old Crow, the communities with the highest percentage of total population reporting an aboriginal identity are Carmacks, Pelly Crossing and Ross River. These are communities that are in closer proximity than any other communities in the Yukon to the future mining activity. We have heard from them that they expect to be hired by those mines. The minister has accepted the fact that First Nation students are graduating from high school at about half the rate of the general population.

Skills training that would be needed to work in the mining area generally requires a level of education that many First Nation individuals have not achieved.

How will the Minister of Education balance the needs and expectations of First Nation Yukoners with the need for labour in the expected economic upswing?

Hon. Mr. Rouble: Mr. Speaker, the Yukon Party was elected with a plan and a vision. We certainly implemented that. We recognize that we need to prepare Yukoners for Yukon opportunities. Indeed, that starts with all levels of our society. When we take a look at our education system, we recognize that there were challenges with the elementary school system. We went to work with our partners in education on education reform, and we can look at the changes and the impact that's having in our school system now.

We then looked at the secondary school system. We recognized that we needed to expand experiential and vocational training programs. We provided a response to that.

We also looked to the future and asked, "What kind of a facility do we need to help to prepare Yukon students for these types of opportunities?" That has led us to F.H. Collins. Now when we look at post-secondary education opportunities, we see an expansion of programs at Yukon College. This government has provided the jurisdiction and authority to Yukon College to become a degree-granting institution, and now Yukon College is offering several degree programs in partnership with other institutions.

As well, we're constructing Yukon College campuses in the communities the member opposite was identifying. Then we're working with others on initiatives like the Yukon mine training — I'm sorry, Mr. Speaker, there's a lot to put on the record on this one and a minute and a half really doesn't do justice to the topic.

Question re: Foreign worker program

Ms. Hanson: The Yukon nominee program is considered to be one of the fairest and best foreign worker programs in the country. The success of the program is in part because it was designed locally and new workers could become part of the community and become citizens.

Last week, the federal and territorial government announced changes that will pave the way for more temporary foreign workers to come to the Yukon. It's radically different from the Yukon nominee program. According to the Yukon Senator, the intent of this program is temporary — for these people to come here, to work here, and in most cases to go back where they came from.

Will workers who come to Yukon under the new program be able to apply for landed immigrant status and have a chance to become Canadian citizens?

Hon. Mr. Rouble: Just as we have a variety of tools in our education system to respond to the unique needs of our citizens, of our students and of our community, so too do we have a variety of programs in immigration. On one hand we have, as the member opposite has identified, a very fair and balanced program, and I appreciate the compliments and the accolades on that program from the member opposite. That's for the Yukon nominee program.

A different program, one that is administered by the federal government, is the temporary foreign worker program. It is another option that people from countries other than Canada can use if they want to seek employment here in Canada. Also, it is another option that Yukon employers, who have a demonstrated need and have demonstrated that they have severe challenges in finding Canadians to fill the employment situation that they have to offer — it is another tool that they can use in order to find workers to fill the need that they have in their establishment.

There are a variety of different mechanisms that people other than Canadians — that foreigners can use if they want to seek permanent status as Canadian citizens here in Canada.

Ms. Hanson: You know the Canadian Labour Congress has raised concerns about the temporary foreign workers program, as has the Auditor General. Constituents are telling me that they don't want to see a huge, disposable workforce in the Yukon where workers are open to abuse. The minister said last week that the laws of the Yukon apply to these temporary foreign workers, but how do we ensure compliance? Having the rights and having the means to enforce them are different matters, and there is ample evidence from other jurisdictions of the mistreatment of these workers. To ensure that we don't go down this path, the Yukon will need to increase its oversight. This means more public servants going into the workplace to ensure compliance — occupational health and safety inspectors, employment standards personnel, translators.

Can the minister outline the plan to equip the Yukon public service with the resources to ensure compliance with our laws?

Hon. Mr. Rouble: With the Yukon nominee program, we've seen an expansion of people in the Department of Education who have the responsibility to work with foreigners and employers on that program and to help meet the needs of both of those constituency groups.

We have a lot of faith in employers in this territory — faith that they will follow the law, faith that they will employ people properly. We also believe that providing information is important to all.

It was raised awhile ago about providing information about labour standards to students. The Government of Yukon, Community Services and Education went to work and provided an information pamphlet, *You Need More Than a Job to Start Work*, which details employee rights and responsibilities in the workforce. The Department of Education is continuing to work — using this as a stepping stone — to provide additional in-

formation to people coming in either on the Yukon nominee program or on the temporary foreign worker program to advise them of their rights and responsibilities as an employee.

Ms. Hanson: You know the NDP has raised concerns for the safety and protection of these workers. After all, there is ample evidence of problems in other jurisdictions with permitting large numbers of short-term foreign workers without adequate protection of their rights.

Sadly, the minister tends to deflect the question and go around it. We're not the only ones with concerns. Labour has concerns. Immigrant groups have concerns. First Nations have concerns that their people will get passed over for jobs.

In terms of building these programs, the minister has talked in the past in terms of building these programs about listening to stakeholders, but he seems not to listen to the stakeholders. So what I'd like to know is: what stakeholders have the Yukon government's ear on this file? Is it the federal Conservatives or the transnational mining companies? Who directs the consultation on this issue?

Hon. Mr. Rouble: When the Government of Yukon recognized there was an advancing economy, we went to work. We went to work and established that we needed to put forward a long-term labour market framework and that we needed a guiding document that would provide information to all of us — to all Yukoners — about the directions and needs going on in our community. We went to work with stakeholders — with First Nations, with employers, with labour groups, with immigrant groups — and we put together a series of strategies. Those were tabled here in the Legislative Assembly not too long ago. They include our long-term vision on education and training, recruitment and retention, immigration and labour market data collection.

The Government of Yukon has worked very closely with Yukoners on this. They have included immigration groups — with service providers, with employers.

We need to ensure we have a variety of tools at our disposal that Yukon can use to make sure we are meeting our economic potential and that we continue down the pathway to prosperity.

Question re: Mayo flooding

Mr. Fairclough: Mr. Speaker, this past December, Mayo was hit by flooding that caused damage and impacted the community. Mayo has experienced flooding in the past, but many have said that this is the worst the town has seen since the spring melt of 1992. The residents of Mayo are concerned about this issue, Mr. Speaker. They're concerned about their safety and the well-being of their property. They want to know if this could have been prevented, and they want reassurance that the government is looking out for them.

Has the government investigated the cause of the flooding?

Hon. Mr. Lang: Mr. Speaker, certainly it was a situation that Mayo found itself in, and of course there was some question about the dike that goes around the community. In the spring we are going to assess the dike and do whatever it takes to make sure the dike meets the needs of the community.

Mr. Fairclough: Mr. Speaker, many of my constituents brought this issue to my attention during the recent trip I

made there. They were concerned that this government isn't taking this issue seriously.

Yukon Energy is responsible for the level of water near the town, but once the flood took place the issue was transferred to the Emergency Measures Organization. As I understand it, EMO is currently responsible for handling this issue, but preventing a disaster is a much different situation than minimizing the damage or cleanup after a disaster. I need to make sure that whichever minister is handling this issue is taking precautions to actually prevent a flood from happening. I need to make sure that the government is providing adequate direction on this issue so that it doesn't fall through the cracks. What steps are being taken by the minister responsible to prepare for or prevent the likelihood of a spring flood in Mayo?

Hon. Mr. Lang: I would like to thank all the individuals that worked on the flood in Mayo. Of course, it was a combination of Highways and Public Works, EMS, EMO — everybody who was involved. I'd like to thank Yukon Energy for what they did. Certainly, it was a combination of many people and many departments that actually went to work. I spent two days there myself. It was a monstrous task that we found ourselves in in Mayo. We are assessing the dike at the moment this spring and we're going to bring the dike up to a standard that will prevent this from happening in the future.

The dike was built many, many years ago. I think in the middle 1950s that dike was put in, so it has to be looked at, assessed, and we have to make sure that this kind of dilemma doesn't happen again.

Mr. Fairclough: I think it is more than just the dike that people are talking about in Mayo. We have already had a month of record snowfall in the Yukon this winter. This year's spring melt could cause even worse flooding than the spring melt of 1992. So far, we have seen at least one case where a family's well has been declared unsafe by Environmental Health, and their septic system will most likely need to be replaced as a result of the flood. Estimates show that this could cost anywhere between \$50,000 and \$100,000. If flooding were to occur here in Whitehorse, the government would be scrambling to fix the issue. When flooding occurred in Marsh Lake, compensation was provided to those affected.

Will the government provide similar compensation to residents of Mayo affected by the flooding?

Hon. Mr. Lang: We are certainly working with Mayo on every level of this flooding situation that they found themselves in. The dike was put in there in the 1950s for just this reason — because of the flooding situation of the Mayo River.

There was some work done this winter. When I was there, they were working on the Mayo River to free up the flow of the water. We will be looking at many aspects of the flood and the cause of the flood. But what I've been told is, the dike reached a saturation point and that was the cause of the flood at that point. We'll be looking at many things. We have people on the ground. We have the Yukon Housing Corporation. We have other agencies that will deal with individuals on their situation.

Question re: Climate change

Mr. Elias: Mr. Speaker, this Yukon Party government did not voice its displeasure over our Senator voting down a climate change accountability bill in the Senate last fall. The Yukon Party silence demonstrates it had no problem with the Senator's vote. After being the last jurisdiction in Canada to develop a climate change action plan, this government hasn't bothered to implement most of the items in the plan.

Here's an example: the action plan called on the Yukon government to cap its greenhouse gas emissions in 2010 on its own operations. Did the government in fact cap emissions within its internal operations in 2010, and what is that number?

Hon. Mr. Edzerza: The Climate Change Secretariat and Yukon government departments are actively addressing climate change priorities for the territory as identified in the *Climate Change Action Plan*. The Yukon government is committed to working with all partners to effectively respond to a changing climate by developing and implementing immediate and long-term solutions.

Mr. Elias: I guess providing one carbon-clean answer is a little bit too much to ask. Other items in the climate change plan included the completion of a Yukon infrastructure risk and vulnerability assessment and the determination of adaptation strategies in response, and developing an inventory of permafrost information for use in decision-making, and completing a Yukon water resources risk and vulnerability assessment and creating a tool to facilitate the collection and distribution of water quality/quantity data, and conducting a Yukon forest health risk assessment.

Let's move on to another major commitment made in the February 2009 action plan on page 29: set a Yukon-wide emissions target within two years. Two years have come and gone. Will these commitments be honoured, or will the minister miss this deadline as well?

Hon. Mr. Edzerza: Everything the member opposite had talked about is being honoured and actively worked on within Environment. End of story.

Mr. Elias: If the implementation of the Yukon's *Climate Change Action Plan* was actually a priority, they would have been reporting on these successful targets and reaching those targets. But they haven't done it because — exactly, they haven't done it. The minister had lots of time to travel to Cancun last December, but little time to meet the actual commitments in his own *Climate Change Action Plan*. The minister also committed to developing incentives for fuel-efficient transportation, reporting on Yukon government operations through the climate registry, developing a carbon-offset policy for internal operations, establishing green action committees in all departments, and the list goes on and on. Why has the Minister of Environment not lived up to his commitments on real climate change action in our territory?

Hon. Mr. Edzerza: I sort of recall somewhere in my memory that the member opposite also travelled to distant places on behalf of the environment, and I won't go any further on that topic. The Yukon government *Climate Change Action Plan*, which was released in February of 2009, outlines the

action that government will undertake to address climate change. Climate change is global. It's not just in the Yukon.

The action plans include 33 actions that support four goals: (1) enhance our knowledge and understanding of climate change; (2) adapt to climate change; (3) reduce our greenhouse gas emissions, and (4) lead Yukon action in response to climate change.

I did go to the COP meetings in Cancun, and I was very proud of the progress that the Yukon has made. In fact, I think we're somewhat leaders of all jurisdictions.

Speaker: The time for Question Period has now elapsed. We will 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

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair (Mr. Nordick): Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 23, *Third Appropriation Act, 2010-11*.

We will resume general debate in Department of Justice. 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. 23: *Third Appropriation Act, 2010-11* — continued

Chair: The matter before the Committee is Bill No. 23, *Third Appropriation Act, 2010-11*. We will now continue with Vote 8, Department of Justice. Mr. Inverarity, you have the floor. You have 15 minutes left.

Department of Justice — continued

Mr. Inverarity: I'll be brief in my comments here this afternoon. I have just a few more questions I'd like to try and get through this afternoon and then we can move on. Again, I thank the officials for being here this afternoon. It's always a pleasure to have you here.

Just to recap where we left off last week, there are some costs associated with all of the court battles that this government has been involved in. It goes along with this sort of sue-me attitude that the government has in its approach to negotiating with other governments and other individuals who are look-

ing for some clarity. It's reasonable to expect that the Justice minister would know what these costs are, but yet she continues to claim that she doesn't know what they are. I would hope that the department has those numbers this afternoon with them and perhaps they can give them to the minister so she can give them after I'm finished talking here.

The three or four questions I should just outline because I want to get through them all and then we can move on from there. As mentioned last week, and this is where I really left off, the whistle-blower protection legislation was tabled here within this Legislative Assembly this spring.

Bill No. 112, *Disclosure Protection Act*, proposes to empower conscientious Yukoners with the ability to speak out against wrongdoing, if they wish, and yet still be protected against reprisals, if any were to come. The bill is actually modelled after legislation in force in Manitoba. I had a chance to speak with some parliamentarians last week regarding this issue. The whistle-blower regime they have implemented seems to work well. They did have an issue early on with some frivolous claims that were put forward, but once those were worked through and once the employees understood that: 1) they were protected; and 2) they had to be legitimate claims, it seemed that the whistle-blower protection has started to work well for them.

I asked the minister responsible for the Public Service Commission about her thoughts on whistle-blower protection, but really all I've received in response from her are comments about the Select Committee on Whistle-blower Protection. The issue really is deeper and bigger than that. Certainly, the committee has only met a few times in the past, I think, four or four and a half years. Clearly, the committee needs to finish the job that they have. It's unfortunate that that probably won't happen before the next mandate is drawn up. As we all know, if an election is called at any point, all of these committees are pretty much dropped and either have to be reconstituted or redone. Unfortunately, there is no guarantee that those who are on the committee now will continue to be on the committee after the next election. So I think it's even more imperative that the Select Committee on Whistle-blower Protection get their proverbial act together to finish up and deliver a report.

I'd just like to digress a bit on this particular point, if I may. All of the other select committees we've had in the past have all had specific time frames in which their mandate had to be met, except for this particular committee. There may have been one other one — I can't remember offhand. But certainly all the ones I've been involved in — even as a back-up member on a committee — have all had specific mandates.

I know the Select Committee on the Safe Operation and Use of Off-road Vehicles — not only were we supposed to meet within, quite frankly, a very short time frame, but because of the early sitting last fall we were unable to meet that deadline and we had to apply for an extension to that deadline to the spring sitting.

My question: would the minister discuss this with her colleagues, particularly the chair of this committee, and ensure that if they are not receptive to my particular bill that they actually get this committee working and completed before the end

of this session so that this committee's work — four years of meetings — will not be in vain? I think everybody is looking forward to some closure to this — a forthcoming report, which is really all they were mandated to do.

A second point I would like to make is about the public consultation on implementing whistle-blower protection in the Yukon. It will not happen without the support of Yukoners. I think the minister should look at the bill that I have tabled and commit to bringing it forward with her department officials so that they can look at it and see if it is actually worth doing something with. I would solicit her kind support in that regard. I've always expected that the public consultation with regard to my bill would be required as part of the implementation of whistle-blower protection legislation.

What we have learned is that it's not enough to simply ask Yukoners if they want whistle-blower protection; Yukoners want to see what is in the legislation before they actually accept it. I think that's important to note. Again, I ask the minister if she would be receptive to having her department take out my legislation — if not now, after the sitting, between now and when the next mandate is called.

The feedback so far suggests that Yukoners generally favour the idea of whistle-blower protection, although public comments made to the select committee clearly indicated that Yukoners wanted to see proposed legislation before committing to it.

Whether the Select Committee on Whistle-blower Protection finishes its work or not, it no longer matters. We have already gone beyond the committee's mandate, in terms of what I proposed in Bill No. 112. The *Disclosure Protection Act* is a starting point for answering the big question Yukoners have about whistle-blower protection: how will it work in the Yukon? There are a number of other questions that need to be answered as well, and a lot of work still needs to be done before any form of whistle-blower protection can be implemented in the Yukon, and I would like to perhaps engage the minister in further debate on this as we get into the rest of the new budget when we're done this one.

Bill No. 112 is just a starting point for the next stage of development of whistle-blower protection. It would be helpful to get the minister's view on the whistle-blower protection regime that we have proposed in this particular act.

I would like to address at this point at least one other question and it's regarding the correction facility. I had asked the minister earlier about the older facility which was to be scrapped; however, my concern is really the new one as we're going forward. I'm interested in the minister tabling some information about what the projected O&M costs will be for the new facility. I assume that these have been done prior to the facility being actually put forward for construction. I think it's important that we understand what the long-term ongoing costs for the correctional facility would be.

The second question that I have with regard to the facility that I'd like to see an answer to at this point is — as I mentioned last week, the minister continues to tell us that the facility is on time and on budget; however, we know from the Minister of Highways and Public Works, that there may be some

ongoing negotiations to cover cost overruns, other costs that are being incurred that are not being considered prior to the end of the facility being purchased.

There seems to be this vague area where “on time and on budget” means today, but there was \$67 million, so the important question to ask the minister is this: when is the \$67 million going to run out? Will it be at the end of this fiscal year? Will it be in May or June or July? What time frame can we expect that the current “on time and on budget” will no longer be valid and there will be no money left over to actually pay for these other costs that have been incurred, like the ones that my colleague from the Third Party has been referring to in the past? I think it is important that we get a clear, definitive answer. When the minister says “on time and on budget,” does the minister mean that this will be on time and on budget at the completion of this facility or are we going to run out of money between now and when the facility is going to be done, and what is that time frame?

If I could get answers to those questions — assuming that they're valid answers — I think my work is done here this afternoon.

Hon. Ms. Horne: As to the long, long question on the whistle-blower legislation, the select committee was mandated by this House to develop the whistle-blower protection. The job of the whistle-blower select committee is to provide recommendations to this House, and we are waiting. I would suggest the member opposite direct his questions to the Select Committee on Whistle-blower Protection.

The member, again, was asking about the cost of litigation. As I said many times, the Department of Justice Legal Services branch manages the legal risks of the client, provides advice and will act in defending the government's interests in all legal matters. As minister responsible for the Department of Justice, it is my responsibility as Attorney General to ensure that advice is available to our clients, and outside counsel is part of the mix of that availability of advice.

We are always interested in settlements, but each case, as I said, depends on the facts of that specific case. The Legal Services branch provides the best possible advice to its clients when it comes to legal matters. Outside counsel is retained for a variety of reasons, including such things as specialized practices and in-house capacity at the time of retention. As I said last week, the cost for litigation is in the budget.

For the year 2009-10, it was \$5,054,000; in 2010-11 it was \$5,287,000; in 2011-12, the estimate is \$5,460,000. The cost for Outside legal counsel for 2009-10 was \$1,851,000; in 2010-11, we don't have that forecast as yet — we still have things before the courts; in 2011-12, the estimate is \$5,460,000.

As the minister said earlier during Question Period, Highways and Public Works will be carrying out a feasibility study for repurposing of the existing Whitehorse Correctional Centre facility. This building has not been condemned, per se. It was condemned to be used as a correctional centre. Based on the information provided to me by officials in Highways and Public Works, the new Whitehorse Correctional Centre is on time and it is on budget. Property Management is managing this project very well and they are providing us with regular up-

dates on its progress and its cost. I would remind the member opposite that we are in the business of justice, not the buildings. We get that information from Highways and Public Works.

With respect to the O&M costs for the new facility, officials in the Department of Justice are now in the process of finalizing a transition plan for moving into the new facility. This plan includes the development of O&M costing for the new facility as well as the staffing model that will be required to operate the new facility.

We have had many changes in our Justice department, and I can give highlights of the new Correctional Centre. \$28.8 million is budgeted for the 2010-11 fiscal year. Another \$3 million, as I said earlier, was allotted to the 2010-11 fiscal year because the construction is ahead of schedule, and more funds were required to continue construction and avoid any delay.

\$66.2 million has been budgeted for the project. The project is on budget and on schedule for substantial completion in late 2011. In 2011-12, we are currently nearing the end of the final design with construction document preparation work and issuance of sequential subtrade tenders. The addition of the new secure assessment facility requires adjustment to the project, adding \$500,000 in 2010-11, and an estimated \$3,580,000 in 2011-12.

Design of the secure assessment centre is underway, with construction to begin this spring for completion in early 2012. The construction of a new correctional centre on the current Whitehorse Correctional Centre site is supported by the 15-month, territory-wide public consultation on corrections and by program development work since the start of planning for a new facility. With respect to job creation, it is estimated that the construction budget is providing approximately 300 full-time jobs or person years over the course of the project.

Let me provide you with a description of where construction is as of January. The exterior — the vapour barrier and z-girt framing is complete on all exterior areas. The exterior spray-foam insulation is nearing completion. The remaining areas to be insulated are sections of the healing room mechanical penthouse areas of the SLU and small sections left for mechanical and electrical rough-in. Pre-finished metal cladding has been installed on several sections of the SLU, WLU and administrative wing. Exterior metal doors have been installed.

Exterior glazing is nearing completion; remaining areas unfinished include some cell windows in the SLU and the healing room. Exterior mesh and screens are installed in fresh air yards. Pellet silo and generator fuel tank are in place. Roofing is complete on the administration wing except for parapet flashing. The base layer is complete on the secure living unit with cap sheet approximately 50-percent complete. All exterior perimeter insulation and frost protection is installed.

In the women's living unit, the metal door frames, secure metal frames, stairwells and handrails have been painted with finish coat, all cell floors in the women's living unit have epoxy coating applied, the cell walls and ceilings are finish painted, the aluminum curtain walls and glazing are installed between indoor and outdoor yards and lounge area.

Cell B104 has been fitted out with bunk, desk and fixtures for mock-up review; exposed ceiling has received finished coat of paint.

The third floor segregation unit is framed and roughed in for a secure ceiling. In the administration wing, the radiant panels are installed in the lobby ceiling. This should allow drywall sealing to be finished and scaffolding to be removed. This will allow other finishes to move forward.

The kitchen is nearing completion with ceilings, walls and vinyl flooring complete. Stainless steel equipment and accessories are installed. The finished vinyl flooring, wall and ceiling finishes are complete in the laundry area. The washer and dryer units have been installed and are currently being connected.

Millwork and finishes are continuing in the admissions and discharge area. Mechanical and electrical rough-in continue in the dental suite area. The gathering room, classroom and workshop area east of corridor A-106 are in various stages of finishing with millwork, drop ceilings and painting ongoing. Pipe insulating, labelling and final rough-in continues in the mechanical, electrical generator and south end rooms. Finishing continues on the second floor administration wing. Carpet tile and rubber tile flooring are being installed in most of the office and staff areas. Finish ceiling and baseboards; cover plate and finish grills are installed.

The male and female locker rooms have epoxy flooring, lockers, tile, toilet and shower partitions installed. The majority of the millwork and specialty items are installed, including blinds, closet shelving, fixtures and cabinets, as well as mobile shelving.

The healing room has vapour barrier and framing is complete on exterior with partial spray foam completed. The parapets and roofing are in progress. The interior framing and rough-in have started. The secure living unit for men, the mechanical/electrical, BSCS rough-in continues throughout the unit. Block work is complete in H unit; small infill areas are remaining. Secondary control area is framed with block and secure metal framing. The secure metal window framing for viewing area is complete in third floor H unit. The pod control window installation is in progress. All metal stairs, handrails and landings are complete in all units and stairwells of the SLU. The aluminum curtain walls, exterior framing and insulation continue in all exercise and fresh air yards.

Work is progressing on the pod control site lines change order. Block work has been removed in preparation for additional windows.

The secure fencing contract has been awarded, with installation to start in the summer of 2011. The pellet boiler is scheduled for test operation any time now. The propane boilers have been providing temporary heat in the administration wing since September 2010. Northwestel is installing communication services for the project.

Construction of the new Correctional Centre began in the spring of 2009 and has progressed continuously since then. As I have said many times, it's on time and on budget. The design of the building is at the 100 percent construction drawing stage, which is almost complete, and we continue to tender and award contracts as the design advances. This new Correctional Centre

has responded to Yukoners' request to build and create a better treatment facility. This was heard very very clearly throughout the consultation process.

The new correctional centre will provide space for treatment programs and services for both Justice clients and community members. The specific programming options will be announced later. The architects began work on the facility program based on the work of the building advisory committee and work previously done in 2001-02. The vision sessions and focus group meetings were held in 2007 to gather input from various groups on how this new facility could operate, and they sought direction on the type of physical environment that would be necessary. One of the meetings was an important session with elders. Elders were involved in the previous planning session, along with elders who are currently part of the Whitehorse Correctional Centre elders advisory group. The facility program describes the clients' requirements for a new correctional centre. It is a road map for a design based on functional spaces and relationships. The program introduced enhanced direct supervision — a style of supervision that promotes communication between staff and inmates while creating a safe, secure and efficient facility.

Enhanced direct supervision is aided by a generation 3 design style. Generation 3 design is a compact design built around an elevated central control room that maintains high levels of supervision while freeing staff to provide high-quality correctional services beyond simple supervision. The schematic design phase is complete. The work in this phase includes site and facility program analysis, exploring different building design strategies, creating sketch plans, providing written descriptions of expected construction and building system components, determination of the building structure and preliminary information regarding materials and products to be incorporated into the design and developing detailed room requirements. Project schedule and cost information is updated based on the schematic design information.

I think that answers all the questions that the member opposite asked. If it doesn't he can ask again, but I do believe it does answer them.

Ms. Hanson: Mr. Chair, just as a general comment: I had mentioned before in previous budget areas that I think we would serve our bosses collectively — the citizens of Yukon — better if we were to focus on the supplementary budget items during this aspect of the debate. To that end, I have just one question and one request for the member opposite.

On Thursday, the minister indicated that there is \$500,000 in the supplementary budget for planning and preliminary work on the secure assessment centre — \$250,000 of which was to be fully recoverable from Canada. I would seek the clarification from the minister. During the briefing we were told that the secure assessment centre was for those people who are being held by the RCMP under the *Liquor Act*; i.e. only those people who are arrested.

The minister broadened it to include youth as well, so my question is, how can youth be included in an adult institution? If the minister could answer that question — she has given us a very detailed listing of all the accoutrement and wonders of the

new Whitehorse correctional institution so it whets my appetite. I would certainly be very pleased to have an invitation for a tour of that. I would ask that she includes the Liberal Justice critic in that invitation, and secondly, I would ask that she give us several days' notice given the fact that we all have a busy schedule.

Hon. Ms. Horne: You know, when I speak of the new Whitehorse Correctional Centre, I don't like to give just piecemeal descriptions of the building. I like to give a thorough understanding of it because it is an updated, modern version. It's not a warehouse; it is a true correctional centre in the true sense of the word. As to the secure assessment centre, the final report of the review of the Yukon's police force issued the following recommendation: "That the Department of Justice construct a secure assessment centre with appropriate 24-hour medical support in Whitehorse to accommodate individuals who are detained or arrested by the RCMP and require secure custody, including acutely intoxicated persons."

I would like to take a few minutes to talk about the secure assessment centre at this time and what that will mean to Yukoners. The secure assessment centre is a joint initiative between the Department of Justice and the RCMP. It responds to the recommendations from the review of Yukon's police force. The secure assessment centre will innovate the way Yukon manages persons detained by the RCMP. This is something that the public has been asking for and we are doing just what they asked. The secure assessment centre will ensure the highest standard of care and protection for persons taken into custody by the RCMP, including the acutely intoxicated. Persons detained by the RCMP can experience medical complications that require medical assessment and supervision to ensure safe care and control while in custody. The secure assessment centre will provide on-site medical assessment and care for RCMP prisoners through 24-hour nursing care and supervision by corrections officers with specialized training.

The RCMP has collaborated on the development of the secure assessment centre concept and has confirmed agreement in principle for cost sharing the construction at 50 percent and to pay proportionate costs for the ongoing O&M of the centre. The secure assessment centre will take advantage of the intended multi-use nature of the new Yukon correctional infrastructure project, such as the admissions and discharge area, medical rooms and office space. By including the secure assessment centre within the envelope of the new Correctional Centre, efficiencies will be realized in the operation of the secure assessment centre, which will reduce costs over the long term.

The secure assessment centre will include a cell-block facility within the secure envelope of the new correctional facility. The design of the secure assessment centre will include designated male and female groups in individual cells, separate youth cells, a medical interview room, police interview room and a harm-reduction cell.

All persons detained in RCMP custody will be kept separate and apart from other prisoners within the new correctional facility. The RCMP had planned an upgrade to their existing cells in the Whitehorse detachment. With the announcement of

a secure assessment centre, this upgrade at the RCMP cells will no longer be necessary. The Whitehorse detachment's cell area will be used for other purposes, including short-term, temporary holding of persons as part of serious or sensitive criminal investigations.

The secure assessment centre will be staffed by Yukon corrections officers and registered nurses to provide a 24-hours-a-day, 365-days-a-year operation.

The report from the Task Force on Acutely Intoxicated Persons at Risk recommended — among other things — that a new sobering centre be created in downtown Whitehorse. The secure assessment centre is not this facility. The secure assessment centre is a new and more humane replacement of city cells for the Whitehorse detachment of the RCMP.

A sobering centre, as described, would deal with those individuals who could be safely treated and housed in a facility with the expert staff to deal with medical detoxification and drug and alcohol counselling.

In the 2010-11 fiscal year, the Government of Yukon has committed \$500,000 in funding for capital expenditures on the secure assessment centre. As I said a bit earlier, through a cost-sharing agreement with the RCMP, \$250,000 of this will be recovered.

In 2011-12, the Yukon government plans to spend an estimated \$3,580,000 on the capital construction of the secure assessment centre; 50 percent of this amount, or \$1,785,000, will be recovered from the RCMP. The RCMP will also cost-share the operation and maintenance budget of the secure assessment centre.

Ms. Hanson: Well, to avoid further reading into the record of briefing notes and to further expedite the actual moving through of the supplementary budget, I would request the unanimous consent of Committee of the Whole to deem all lines of Vote 8 cleared or carried, as required.

Chair: Before we proceed to that, is there any further general debate?

Seeing none, we will now proceed with line-by-line debate in Vote 8, Department of Justice, under operation and maintenance expenditures.

Ms. Hanson: I would request the unanimous consent of Committee of the Whole to deem all lines in Vote 8, Department of Justice, cleared or carried, as required.

Unanimous consent re deeming all lines in Vote 8, Department of Justice, cleared or carried

Chair: Ms. Hanson has requested the unanimous consent of Committee of the Whole to deem all lines in Vote 8, Department of Justice, cleared or carried, as required. Is there unanimous consent?

All Hon. Members: Agreed.

Chair: Unanimous consent has been granted.

On Operation and Maintenance Expenditures

Total Operation and Maintenance Expenditures in the amount of \$109,000 agreed to

On Capital Expenditures

Total Capital Expenditures in the amount of \$3,431,000 agreed to

Department of Justice agreed to

Chair: Do members wish a brief recess?

All Hon. Members: Agreed.

Chair: Committee of the Whole will recess for 10 minutes.

Recess

Chair: Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 23, *Third Appropriation Act, 2010-11*. We will now proceed with general debate in Vote 18, Yukon Housing Corporation.

Yukon Housing Corporation

Hon. Mr. Kenyon: Mr. Chair, before we get into line-by-line on the budget, I'd like to give an overview of the supplementary budget and hopefully answer some of the questions before we get to line-by-line so we can move along a little bit more quickly here.

Much of what is in the supplemental budget for Yukon Housing Corporation revolves around the various projects that the corporation has been involved in. To go through some of those: the joint ventures programs under affordable housing — the corporation called for submissions regarding capital funding for the construction of new affordable rental accommodations. Funding was not required in the current fiscal year and that was decommitted. \$750,000 is now included in the 2011-12 main estimates.

The Habitat for Humanity project — I was fortunate to be able to attend the opening of the latest project. Phoenix Rising, of Habitat for Humanity, has been really quite a good partnership with Habitat for Humanity, Yukon Housing Corporation, Yukon College, Whitehorse Correctional Centre — which I think a lot of people aren't aware of — and that includes the construction of three new affordable home-ownership units in downtown Whitehorse, replacing what was previously at 810 Wheeler Street. That was a pretty incredible project to put together.

The Yukon government previously provided approximately \$170,000 for the purchase of land as well as funding to offset the construction to SuperGreen standards. It was anticipated that the units would be ready for occupancy by the end of March 2011. In fact, people were starting to move in while we were there yesterday. We're very, very pleased with that project.

It should also be noted that Yukon Housing Corporation is picking up the mortgages on those properties, which will allow the Habitat for Humanity group to continue into their next project.

The Yukon Housing Corporation also purchased a lot in the Ingram subdivision for the Yukon government's contribution to Habitat for Humanity's newest triplex project. That project is expected to begin during the 2011 construction season. I was told yesterday that the planning committee is meeting and is coming up with the initial design. The supplementary budget includes \$52,000 for land purchase.

The Salvation Army feasibility study funding is required to determine the opportunities and feasibility of improving the overall delivery of services and supports by the Government of Yukon in partnership with the Salvation Army to our common clients. The government has a great deal of respect for the efforts of the Salvation Army and their expertise, and we look forward to continuing to work with that great group.

Under affordable housing — the social housing and rehabilitation program — the amount of \$650,000 has been reduced from this line item and allocated to specific projects for the Gateway Housing Society and Kaushee's Place. I'll mention those in a couple of minutes when I get to those projects.

In Watson Lake the 12-unit Watson Lake seniors building is complete and ready for occupancy. The building promotes independent living and the opportunity for seniors to reside in a barrier-free environment, thus enabling seniors to remain in their community. It was built by a local Watson Lake contractor to very good standards and very good quality. The construction costs were a bit higher than estimated, and therefore the budget has been increased by \$406,000. The value of the landscaping, which is \$100,000, has been decommitted and is in the 2011-12 main estimates.

The affordable family-focused housing — it has been called quite a number of different names in its history — was in partnership with the Women's Directorate. The Yukon Housing Corporation then built 32 units in a family-focused social housing complex in Whitehorse, intended for single-parent families. While we know the majority here will be single mothers, the recent study that was done on housing in Whitehorse showed that actually 25 percent are single fathers. Certainly, that is a very noticeable group in my riding of Porter Creek North. This client group generally represents a large percentage of eligible applicants for social housing in Whitehorse. It should be noted that, even though we have built this facility for this client group and they are now living there, this group of single-parent families still remains one of the largest challenges and one of the largest needs groups.

The project consists of four separate buildings, each containing eight units. The project was officially opened in the fall of 2010. We showed the federal Minister of Health through that building about two weeks ago and, in fact, the last unit was being occupied the next morning. So I can report that those are now completely occupied.

Construction costs of \$716,000 were allocated to the 2009-10 fiscal year, and the line item was reduced by a further \$476,000 because costs turned out lower than estimated. The total reduction overall is \$1.183 million. All in all, that is a very good success story.

The affordable housing project called the Abbeyfield project — Abbeyfield is an international movement that has something like 11,000 units, I think, worldwide and has been very, very successful. It gives support in single units, with private baths, et cetera, but a common living room and common kitchen, and two meals a day provided, et cetera. The main group here, obviously, is people living in a bit of isolation and to get them back into the social fabric of the community.

A needs analysis is currently underway to help ascertain the actual volume of potential clients and how it will impact on the overall design of the building and setting up an Abbeyfield Society. The Abbeyfield Society will be set up as an independent group. They are seeking volunteers now. I encourage anyone with an interest to contact us. The funds originally contained in the 2010-11 budget of \$2.57 million have been decommitted and are now included in the 2011-12 mains, so that'll be a major difference that members opposite can see.

In Faro, the affordable housing unit there, the seniors unit or seniors building, promotes independent living and the opportunity for seniors to reside in a barrier-free environment, thus enabling seniors to remain in their community. Yukon Housing Corporation received occupancy approval for the buildings and staff is now accepting applications. The budget contains a reduction of \$50,000 because construction costs were lower than anticipated and also by \$50,000 for landscaping. However, the \$50,000 landscaping fund is contained in the 2011-12 main estimates.

Moving to Teslin, the eight-unit Teslin seniors building promotes independent living and the opportunity for seniors to reside in a barrier-free environment, thus enabling seniors to remain in their community. Construction is underway by a contractor from Teslin, and it should open very shortly. We are now taking applications, I believe, for residents. This line item actually has been reduced by \$137,000 due lower-than-anticipated construction costs. Again, there is \$50,000 for landscaping, but those landscaping funds are contained in the 2011-12 main estimates. It is a little difficult to do with all that white stuff right there.

The 207 Alexander Street replacement: this is a 30-unit seniors building in Whitehorse. The contractor has made substantial progress, and the project is scheduled to be completed by the end of March, followed by occupancy. The budget contains a reduction of \$100,000 for landscaping, and these funds are now contained in the 2011-12 main estimates.

Continuing in that sort of vein, the Yukon Housing Corporation entered into a Yukon asset construction agreement with Kwanlin Dun in recognition of the Whitehorse waterfront seniors housing project that is being constructed in the Kwanlin Dun First Nation traditional territory. Construction is planned for three duplex housing units in the Takhini North subdivision of Whitehorse. \$2.2 million has been decommitted, and these funds are now contained in the 2011-12 main estimates.

Moving up to the Dawson Korbo Apartment replacement: this is a 19-unit seniors building in Dawson City. The contractor has made substantial progress and the project is scheduled to be completed by March 31, and, of course, followed by occupancy. The budget for the project has been reduced by \$1.5 million due to lower construction costs than estimated. The budget also contains reduction of \$50,000 for landscaping, and these funds are now contained in the 2011-12 main estimates.

In Ingram, the Yukon government entered into a Yukon asset construction agreement with Kwanlin Dun to construct a six-unit family townhouse building in the Ingram subdivision. This building, or series of buildings, opened in fall 2010 and it is now occupied. This building contains an additional \$199,000

for the increase in cost of land, design and technical adjustments and additional work such as drainage systems. It is also, of course, to SuperGreen standards, and I believe was the first use of quad-pane or four-pane windows in the Yukon. I found yesterday that these have also been integrated in the Habitat for Humanity home on Wheeler Street, so a good move forward in technology. The landscaping budget: \$100,000 has been de-committed from this budget and appears in the 2011-12 main estimates.

When we continue to look at some of the other projects, site selection and planning work is underway with tenders and building construction to commence in spring 2011. The budget was increased by \$19,000. It should be noted that the 2011-12 main estimates contain \$2.227 million for double-wide replacements. These will go into several communities, including the Village of Carmacks, which has been of concern to the Member for Mayo-Tatchun.

Affordable Housing Gateway Society renovations: a separate elevator for each building is being constructed to increase the accessibility of the upper-floor apartments for seniors. This budget contains \$400,000 for this expenditure. Kaushee's Place housing society renovations: the elevator in this facility requires significant upgrading and the budget contains \$250,000 for this expenditure.

With those preliminary comments, with luck that will answer a lot of the potential questions and help expedite things. I entertain questions from across the floor.

Mr. McRobb: I thank the minister for that opening introduction. I do have a few comments, keeping in mind this is the supplementary for the current year, and we do want to make progress to get to the mains budget for the next year, so I will keep it short.

I would like to thank the officials, both present today and present during the briefing on February 16, and others in the corporation for the fine job they are doing. During that briefing, the officials indicated there was \$8 million of economic stimulus funding that was deferred.

Can the minister elaborate on that and give an explanation why that was?

Hon. Mr. Kenyon: For the member opposite, if he goes back and reads the Blues tonight, he will notice a lot of what I have been just talking about have been funds that have been put over; for instance, the Watson Lake seniors complex; the Abbeyfield, \$2.57 million; the Alexander Street duplexes — well, we call it the Alexander Street duplexes, but they are actually up in Takhini; Korbo replacement, et cetera. The total capital expenditures in there would total \$8.089 million and that will appear in the mains for the next year.

Mr. McRobb: Yes, but can the minister tell us why that was deferred?

Hon. Mr. Kenyon: It's deferred because of construction schedules, and it's also deferred because there's a lot of white stuff on the ground that makes some of the work, including the landscaping, pretty difficult. If the member wishes, I can go back through the individual projects and what is deferred in each project.

Mr. McRobb: Well, that does raise more questions but, as stated, we do feel pressure to move on.

On the Alexander Street Residence, apparently an evaluation was done. It indicated the building was obsolete, and there are no proposals for future use. Can the minister explain to us what the latest status of that building is and whether there are any plans at this point?

Hon. Mr. Kenyon: Yes, there will be an engineering assessment. A lot of the individual work on that, of course, is being put off until the current residents are moved out, as I've said many times here.

We would prefer to make decisions based on fact, but we are trying to be as least disruptive as possible to the tenants who are in there.

The building, on the outside, may look good, but as we have found in other buildings, it may look good on the outside, but it sure doesn't when you start looking at the guts of building. So that work has started in a very peripheral way, but the real guts of it won't occur until the tenants are out.

Mr. McRobb: I gather that there are no plans at this point until the assessment is completed after residents have been moved out.

The minister indicated several housing and multi-housing projects in the communities. That all sounds fine, but the communities I am most familiar with, of course, are in my riding. I am reminded of a shortage of housing, particularly for government employees, every time I visit Beaver Creek, Destruction Bay and Haines Junction. What's the corporation doing to increase its stock in those communities in particular?

Hon. Mr. Kenyon: We do continue to work with the individual departments. Some communities have been problematic with very limited ability to get land to do much of anything. Also, we did make use of several of the units with the seniors facility in Haines Junction for staff housing for a short period of time. I think we met that need quite nicely, but we are working with all the departments, and all of them have different interests. It becomes difficult, for instance, to attract someone to a community without having someplace to live. In the longer term, as people get into the community and hopefully like it, there has to be a second stage, so to speak, for people to go and invest in the community. We realize the effect on local real estate rates and everything else. For the member opposite, of course, Pelly Crossing is one that is in there. The main budgets, when we get there, will note \$700,000 for a duplex. Pelly Crossing was actually determined to be probably the community of greatest need.

Mr. McRobb: The minister indicated a land shortage was one of the prohibiting factors; however, in the community of Beaver Creek, a dire need does exist. In fact, the shortage of available housing has prevented people from moving to the community to fill government jobs that are still open. In that community a subdivision was built, I believe it was in 1996, by the original Yukon Party government. The number taxes my memory, but I believe there were about 12 lots in that subdivision, and I also believe they are all still vacant. Even though the lights come on, nobody's home. So, obviously there's no short-

age of land in that community. Is it a shortage of will on somebody's part to fill this need in Beaver Creek?

Hon. Mr. Kenyon: If the member is referring to the \$700,000 that's available for Pelly Crossing, we were proceeding on that. Regarding Beaver Creek and other communities, we are continuing to look at and assess. I certainly know about that subdivision, I'm not sure there are lights in the subdivision, but the member across the floor is obviously right — that they're not on, whether they are there or not. There is another \$300,000, I believe, for renovations and repair. One of the priorities, I think, of the Housing Corporation now is to move ahead and look at this. We have had an incredible effort on behalf of the corporation into building another 101 units or something like that — a 40-percent increase. That has taken up an enormous amount of time. We now move into some of the other studies and some of the other areas. Beaver Creek is certainly on the radar.

Ms. Hanson: I commend the minister for his brevity of remarks at the outset here. I hope I can match him as well.

Yesterday I, too, was at the opening of the Phoenix Rising at 810 Wheeler, and I pointed out this afternoon that we have in our office a piece of the original siding from 810 Wheeler, which is fairly significant for my predecessor, Todd Hardy, as the MLA for this riding. We sort of keep it in a prominent place in our boardroom there.

But I was reminded, as I looked at the three families, who were so excited about being able to move into this beautiful home in downtown Whitehorse, that there are other residents of downtown Whitehorse — in my riding of Whitehorse Centre — and I've raised this issue before.

There are a number of millions — \$8 million in lapsed funding — and vacant units on Jeckell, Taylor and Drury. Now, since last May and June, I've walked around this neighbourhood and I've seen work being done. My question for the minister is: what's a reasonable time frame to complete the renovations on the remaining eight or so — as I understand it from the briefing — units that have been in fact vacant for months on end? These are potentially very valuable units for families of all mixes to be able to live in. They have good proximity to schools and to work. Many of the families that would want to be able to move into those homes are families that can't afford to drive long distances to work. So I would appreciate very much getting an update on when in fact those will be completed and when people will be able to move into Whitehorse Centre — to that end of town.

Hon. Mr. Kenyon: I suppose the short answer is March 1, which is tomorrow — or within a couple of days. There are 19 units in general, with 11 more. The breakdown on that is that eight are now ready and in the process of being allocated and 11 will come available within the next few days. So that is 19 additional units. There will be another one on April 1, another six on May 1 and three on June 1. It depends on the level of repairs and renovations, and with the turnover, especially the turnover going into other facilities, such as the single-parent family units and such, it has vacated a lot of these suddenly. It gives us an opportunity to chip on that waiting list, and primarily it gives us the chance to renovate them without

people living there, so we're taking advantage of that. But the short of it is 19 units, literally in the next few days, and another 10 or 11 right behind it.

Ms. Hanson: So just to confirm — there are 19 units sort of spread throughout the system. The ones I'm most particularly concerned about are those in Whitehorse Centre on Jeckell, Taylor, Drury — the sort of triangle there. As I counted the last time I wandered through there, there were about eight.

I do agree with the minister — the families I talked to with the opportunity to move to the new units in Riverdale were thrilled about that, but there were units that were vacant in May and June that were still vacant in February. So I am hopeful that those are being done and I'll leave that to when he responds to my next question.

The minister referred to the reduction in expenditure for the affordable family-focused housing in Riverdale. I would like to have a clarification, if I may. My understanding is that there is a \$1.183-million reduction, and what I am seeking is clarification on if that is due to changes in programming or construction costs. There had been considerable discussion last winter when this was first announced that this affordable family-focused housing was going to have comprehensive programming to address the multiple needs and opportunities of working with families. As the minister said, some of the families moving into these units may be coming with different kinds of needs. I am seeking clarification as to whether it is a change in programming or construction costs.

Hon. Mr. Kenyon: The short answer on that: construction costs. While Yukon Housing tries to design in the best possible way to work with programming, it is not within the mandate of the Yukon Housing Corporation to do programming. If it were the will of the Legislature, we would be happy to do it, but the will of the Legislature has been to produce housing, and that's our priority.

Ms. Hanson: Mr. Chair, thanks for that response. It helps to clarify the intent. I'd just like to go back to the issue of the reductions in expenditures proposed for this fiscal year and ask whether or not consideration was given, given the opportunities that may have presented themselves to the Housing Corporation due to this reduction, for example, in construction costs, to begin to address the needs of the Kaushee's Place second-stage housing, which has had a proposal in the works for many years for 10 units of an apartment building, as I understand, adjacent to Kaushee's Place. A second part of that would be under the joint ventures for affordable housing consideration — it's not required this fiscal year, but would not the Northern City Supportive Housing Coalition fit into those criteria? Or is it anticipated it will?

Hon. Mr. Kenyon: I'm told that the money that basically appears in the supplementary is to finish off the plans and the projects that we have. In terms of second-stage housing, our government basically gives this a very high priority.

It's my understanding that the Management Board Secretariat — for the benefit of the Member for Kluane — is preparing some documents that will come to Management Board, a very different group at a later date. It is a work in progress; we are working on it and we are trying to identify the place for it.

Ms. Hanson: Just to confirm then: can we anticipate in the mains further discussion on the issue of second stage housing?

Hon. Mr. Kenyon: Probably we can anticipate discussion of it. If it is simply going to Management Board in the coming month or so, it's not likely that that would appear there, but it would certainly appear in a supplementary.

Chair: Any further general debate?

Seeing none, we'll proceed line by line in Vote 18, Yukon Housing Corporation.

On Capital Expenditures

On Industry and Community Partnering

Ms. Hanson: I would request the unanimous consent of Committee of the Whole to deem to all lines of Vote 18, Yukon Housing Corporation, cleared or carried, as required.

Unanimous consent re deeming all lines in Vote 18, Yukon Housing Corporation, cleared or carried

Chair: Ms. Hanson has requested the unanimous consent of Committee of the Whole to deem all lines cleared or carried, as required, in Vote 18, Yukon Housing Corporation. Is there unanimous consent?

All Hon. Members: Agreed.

Chair: Unanimous consent has been granted.

On Operation and Maintenance Expenditures

Total Operation and Maintenance Expenditures in the amount of nil cleared

Total Capital Expenditures underexpenditure in the amount of \$8,089,000 cleared

Yukon Housing Corporation agreed to

Chair: Committee of the Whole will now proceed to Vote 2, Executive Council Office.

Executive Council Office

Hon. Mr. Fentie: I am very pleased to provide an overview of this supplementary. This is a request for the Executive Council Office. The supplementary budget reflects a total decrease of \$878,000 in operation and maintenance, and a decrease of \$26,000 in capital. The majority of the decrease, which is \$516,000, relates to reduced cash-flow requirements for northern strategy projects managed directly by the Governance Liaison/Capacity Development branch within the Executive Council Office. The branch continues to work very closely with the First Nations on both the land and resource management development capacity project and the executive development program. These are both important projects for building capacity, and we are pleased with the progress they are making.

Also in this supplementary estimate is a decrease of \$273,000 for land claims implementation to reflect reduced requirements in funding for departments that have implementation projects underway.

A \$139,000 decrease for the *Yukon Environmental and Socio-economic Assessment Act* has been re-profiled to the 2011-12 budget for unexpended federal funds used to support the Yukon government's continued implementation of responsibilities under said act, YESAA. The increase in recoveries

results from CanNor support for two projects for the Bureau of Statistics.

With these brief comments, I would be very happy to proceed to line-by-line debate and answer any questions the members opposite may have on the supplementary requests for the Executive Council Office. Thank you.

Mr. Mitchell: I thank the Premier for his opening remarks. I just want to start, of course, by thanking the officials — both the deputy minister and her officials for the very good briefing and overview that they did provide to us earlier during this sitting. It's much appreciated, and we generally get a very precise overview and a very precise answer to our questions when we're in those briefings. As a result, we won't have a lot of questions today.

We have a few questions regarding the capacity development projects that are funded through the northern strategy. In particular, I want to look at the executive development, so to speak. Can the minister inform us to what percentage or numbers we have of First Nation-background persons — particularly Yukon First Nation — in higher level type jobs across government, say, director or ADM, DM — director on up. Do we have any numbers for that?

Hon. Mr. Fentie: Well, first, with a representative public service, we do have percentage threshold. That is a requirement under the land claims. I don't think we're at that threshold yet. In fact, we are probably somewhere between 11 to 13 percent of hire. How that breaks down statistically, however, I can't provide that information. It would vary in many cases, depending on what department the hires are being made in, so on and so forth. I know there is constant effort in the representative public service process, including our investment in public service, to always try to find ways to advance the capacity of our overall workforce within the corporate structure of government.

Mr. Mitchell: Mr. Chair, I thank the minister for the response. The reason I asked the question is that whenever we are in conversation with First Nation people, either formally or even informally, this is always raised as we want to see more of our people gaining the opportunities that present themselves from working for the government. We hear that particularly in small communities. I'm not going to grill the minister on this other than to say that we encourage the government to continue to make those best efforts going forward, because it is important. One or two jobs within a First Nation can make a big difference. The generation of success feeds the concept of success, and it just tends to be something that's a positive for all concerned.

In terms of the funding for all these programs — and we do have the list of the funding that's going on through the northern strategy program and into the 2011-12 mains among our briefing notes — I have a question for the minister. Going forward, what kind of discussions have been held with Canada in terms of any future funding, either through the northern strategy, or if that name is not going to be used again, will it be through CanNor? What sort of areas will be funded through the kind of funding that came through the northern strategy in the

past? Where will they come from in the future? If the minister could let us know any updates on that, it would be appreciated.

Hon. Mr. Fentie: The northern strategy trust fund was established between the territories and the federal government of the day back when there was really no principled financial arrangement with the federal government. In fact, there was a definite move to create one budget envelope for the three territories to be divided up — in accordance with whatever formula, we weren't sure. The northern strategy trust fund itself was a part of that fiscal arrangement. Is there any discussion around continuing on with the northern strategy trust fund as established those years ago? No, nothing of any consequence.

I think, though, that what we are going to find with the federal government's priorities and vision overall for the north is that the CanNor agency is building into many of these areas that the northern strategy trust was intended to focus on. That is something that is within the mandate of CanNor itself, but I can say with the greatest confidence that the federal government of the day certainly envisions CanNor as the appropriate agency to be addressing many of these areas as we go forward.

Is that to say that we won't press our federal government when required and if it makes best sense and is in the best interest of the Yukon public, to develop mechanisms fiscally or otherwise that are strategic to the north? Of course, we will always do that. So it may not be in the form of the northern strategy trust, but it certainly could come in other forms. One of the examples of that is the green energy infrastructure fund — time limited also, as this particular trust was. It certainly was another mechanism there that resulted in direct strategic investment coming to the Yukon from the federal government.

Mr. Mitchell: For example, just to dig down a little further, the Yukon College First Nation governance programming, which has currently been funded through the northern strategy — and I believe what we learned in the briefing is that those programs are in year four of a five- to six-year period. Is this the kind of funding that the Premier would envision going forward via CanNor? Has the Premier had discussions with First Nations as to whether this is something that First Nations want to see continued beyond this five or six years, and is CanNor the route that the Premier would envision this happening through?

Hon. Mr. Fentie: Actually, this particular investment by the northern strategy is a partnership between one First Nation, and that is the Champagne and Aishihik First Nations — we logically, during the northern strategy process of allocating funds — doing it in partnership with the First Nations.

Of course, this project would have been approved not only by the overall review process, but also by the Yukon Forum. Now, what goes on beyond the time-limited investment at Yukon College is, in this case, dependent upon Champagne and Aishihik First Nations, for one. That discussion with the Yukon government has not yet taken place in earnest, as the focus has been — not only by the First Nation and the government, but by the college — in establishing this particular program. Of course, I think the intent of it all was to train, educate, and provide skills to First Nation individuals, who can then transfer

those skills into the overall governance operations of their particular First Nation.

I must say, at this stage, I think we're very comfortable with the program. But certainly, much more detail can be gleaned from this with the Department of Education and the minister in charge of the Department of Education. I'm sure our minister for the department, probably in the mains debate — if the members want to bring it up further for more detail about what has transpired among Advanced Education, the department and the college and the First Nation up to this point — could relay that information to the members opposite.

Mr. Mitchell: Perhaps we'll pursue it then. There was an amount that appeared in the supplementary budget under the Department of Health and Social Services — I believe \$100,000 — and that was identified in the briefing. I don't have those briefing materials in front of me, but it was identified in the briefing and then later in a question that I asked in Committee of the Whole of the Health minister, for the development of a Riverdale youth centre. The Health minister explained that that money was actually going to be flowed through Executive Council Office, so I'll ask the Premier. I thought it was going to be flowed through ECO in terms of the Youth Directorate, so I'm wondering if the Premier can inform us — because it's still talking about a youth centre in Riverdale that we have seen no announcement of.

Hon. Mr. Fentie: I'm going to have to reach deep into the recesses of my memory, but I'm pretty sure Management Board had provided the direction that this particular allocation of funds was to flow directly through the Department of Health and Social Services. We can certainly revisit that question and make that determination, but I believe it was booked in the supplemental budget for the fiscal year 2010-11.

Again, it is by memory and I don't have any Management Board minute in front of me, but I'm pretty sure that is what the direction was.

Mr. Mitchell: Just to follow up, Mr. Chair, I believe the Health minister suggested that this was a relationship with Executive Council Office for this facility and there is no such facility to date. That is why I was asking about it here. Perhaps we can dig it up again on another date, although if it is in the supplementary budget, it would seem appropriate that we should hear it from some department within the supplementary budget, not the main estimates.

Hon. Mr. Fentie: Well, I think one of the telling details would be in the supplementary budget itself. This particular allocation is not in the Executive Council Office. However, it is in the supplementary budget in the Department of Health and Social Services. No, there is not a centre, but there is a process. This commitment of \$100,000 is dedicated to that process, and it is to be used to work with those involved in addressing this particular issue in the Riverdale area.

Mr. Mitchell: I'll just ask, hopefully, one final question on this then. As the minister responsible for the Youth Directorate, can the Premier enlighten us in any way? Is there now a commitment of this government to establish a youth centre in Riverdale, or is this simply \$100,000 to explore the feasibility of doing such?

Hon. Mr. Fentie: This is an allocation toward a process that has been worked on for some time now, but the Youth Directorate itself is very involved in investing in areas related to our youth in the Yukon. We are very pleased that the significant increase we provided youth groups in this territory — that is a huge step from where we have come over the last number of years since the Yukon Party government took office. We have been, I think, on two occasions now, strategically focused on certain youth groups and have provided them with an increase in investment to meet their demonstrated needs. This is, of course, as a result of a lot of work with the youth groups themselves.

Using that as an example, the work we're doing in the Riverdale situation is similar to that — working with groups or individuals who are dedicated to and place a priority on dealing with issues that are predominantly youth-driven and some of the challenges that they may face. So this would be no different. The \$100,000 is an amount that is being made available to continue to do work.

Mr. Mitchell: Perhaps one final question. The Premier said working with organizations. Can the Premier identify which organizations the government is working with in terms of a Riverdale youth centre?

Hon. Mr. Fentie: I don't have a name for the organization. I believe, there is, in the process, requests and discussions have gone on with an established entity in Riverdale. Beyond that, I can't give the member much more detail to that. But of course, anything we do in determining expenditure will be based on all the required regulatory policy and legal processes that we must follow and adhere to.

Mr. Mitchell: That is the last question on the topic.

Regarding First Nation settlements, we all recognize that there are three First Nations that don't yet have settled land claims and self-governing agreements. We understand that at least, from what we've heard, those three First Nations are not interested in actively pursuing that at this point, so obviously those First Nations would have to have an interest in settling land claims for the Yukon government to be involved in any such pursuits along with Canada. However, we also asked some questions regarding what's known at the Fitch report. We understand that the governments — I presume it's both Canada and Yukon — at least Canada — is currently following up on Fitch report recommendations. We wonder if the Premier can enlighten us on what some of those might be. Also, the briefing informed us that governments have offered a discussion on "enhanced self-government to the First Nations" but no update as of yet. Could the Premier inform us what Yukon means — if it's Yukon — or to the best of his knowledge, what Canada means in discussing enhanced self-government to those First Nations?

Hon. Mr. Fentie: In the context of the Fitch report and all that is transpiring today considering there is no federal mandate to continue to negotiate with the three remaining First Nations, notwithstanding the fact that the First Nations may or may not at any given time be interested in a land claim, I think the focus here is on enhancing the responsibility being taken on by the First Nations on land set aside. That said, I just want to

make it clear that governments, both federal and Yukon, have obligations here with First Nations that still remain under the *Indian Act*, that being White River First Nation, Ross River Dena Council, and the Liard First Nation, so we have the obligations as set out by the courts, and through other mechanisms that require consultation and accommodation and so on.

So, with that said, I think the process that we are involved in today with those First Nations includes the fact that there may be room to enhance or increase the amount of responsibility which could be defined as government or self-government on land set aside while governments, both federal and territorial, continue to make sure they meet their obligations on all other lands with respect to the fact that these are still *Indian Act* bands and there are still requirements that are probably somewhat different from what we have achieved with self-governing First Nations.

Mr. Mitchell: I thank the minister for that information.

We also learned that the Teslin Tlingit Council is interested in an intergovernmental relations accord, and that Yukon was currently waiting on TTC readiness for further meetings. First of all, we all congratulate the Teslin Tlingit Council for their recent achievement in drawing down responsibilities for justice, which certainly was a record-setting precedent across Canada. I am wondering whether the Premier can inform us, from Yukon's perspective, what sort of areas is Yukon interested in including in an intergovernmental relations accord with TTC or, for that matter, with other First Nations?

Hon. Mr. Fentie: The intergovernmental accord is an instrument that helps both First Nation government — and, depending on how the accord is structured, it could have provisions in it that also require a revisit of the accord during certain intervals or periods. So, in many cases, those priorities are the result of a process between the two governments as we structure an intergovernmental accord. We have some examples out there of intergovernmental accords that exist today that list a number of priorities. They are with NND, with Champagne and Aishihik First Nations, and with the Vuntut Gwitchin First Nation. But these priorities can change from time to time and/or there are new ones added. There are also those that are complete, depending on what the accord is requiring that we do. So it is an instrument to better help focus, clarify and provide strategic direction for governments in pursuing certain areas during the course of any given year or timeline that exists in the accord itself.

Mr. Mitchell: Well, certainly, we are supportive of the idea of anything that will help to facilitate better relations between Yukon and self-governing First Nations, so I hope the Premier perseveres.

Moving to another area, the state of the YESAA five-year review — we understand from the briefing that the process is in the third stage — the review stage, I believe — to consider and respond to consultant's recommendations, but also that some recommendations for the designated offices are currently being used. Can the Premier elaborate on this at all, as to what sort of recommendations or changes have been made that are being

used and what the timeline is for this third stage to consider and respond to the consultant's recommendations?

Hon. Mr. Fentie: This, of course, is a requirement under the *Yukon Environmental and Socio-economic Assessment Act*. It is, by the way, a very extensive, detailed piece of legislation, which is federal. But more than that, the regulatory package that goes with this particular act is really detailed in nature, so it's taking time to go through this.

I can say that we don't have set timelines for the final phase, but we have an expectation here of sometime in 2011 to be advancing in this process and that would be to work on preparing a final report.

Mr. Mitchell: Speaking of timelines, I'll try and finish up with just one or two more questions so that the Member for Whitehorse Centre can also ask her questions.

In terms of the internal audits, we know that the contribution audit follow-up is complete and on-line. We understand that lotteries and pharmacare follow-up audits are underway, a contracting follow-up audit is to begin in March and that an EMS performance is underway. For the three audits that were identified as underway, can we get a progress report as to when the government expects those audits to be completed and when they would be at the stage where the government has had an opportunity to review them, comment on them and then put them on-line?

Hon. Mr. Fentie: The audits that are ongoing right now on EMS and follow-up audits on pharmacare and Lotteries Yukon — we would hope to have completed sometime in 2011. In the near term, there is also a follow-up audit of the contract audit and developing an audit plan for 2011-12. This is all part of an ongoing process and it is very important that the work on developing these plans is done and completed, because it will target, then, what's to follow up for audits to be done by the internal audit branch during the course of any calendar year.

Mr. Mitchell: The minister indicates that among the things being done is development of an audit plan for 2011-12. Can the minister let us know: has anything already been decided on what that audit would include?

Hon. Mr. Fentie: Until the audit plan is done and complete, there would be no decision on any matter to be audited in the fiscal year 2011-12.

Ms. Hanson: Well, I think that the combined efforts of the officials who did a very thorough briefing and both the brevity and clarity of the minister's statements and the preceding members — I am quite happy to just say, "Clear."

Chair: Is there any further general debate? Seeing none, we will proceed to line by line in Vote 2, Executive Council Office.

***On Operation and Maintenance Expenditures
On Corporate Services***

Mr. Mitchell: Pursuant to Standing Order 14.3, I request the unanimous consent of Committee of the Whole to deem all lines in Vote 2, Executive Council Office, cleared or carried, as required.

Unanimous consent re deeming all lines in Vote 2, Executive Council Office, cleared or carried

Chair: Mr. Mitchell has requested the unanimous consent of Committee of the Whole to deem all lines in Vote 2, Executive Council Office, cleared or carried, as required. Is there unanimous consent?

All Hon. Members: Agreed.

Chair: Unanimous consent has been granted.

Total Operation and Maintenance Expenditures under expenditure in the amount of \$878,000 cleared

On Capital Expenditures

Total Capital Expenditures under expenditure in the amount of \$26,000 cleared

Executive Council Office agreed to

Chair: Committee of the Whole will now proceed with Department of Finance. 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. The matter before the Committee is Bill No. 23, *Third Appropriation Act, 2010-11*. We will now proceed with Vote 12, Department of Finance.

Department of Finance

Hon. Mr. Fentie: I am certainly pleased to take this opportunity to provide the Committee with a few introductory remarks on the Department of Finance supplementary budget, Vote 12. First, I want to make the point that the department is not seeking any increase in its appropriation for operation and maintenance or capital.

In fact, the \$7.4 million for O&M and the \$24,000 for capital already appropriated are sufficient for the department's needs. There are a few revenue items under the Department of Finance that are changing in this *Supplementary Estimate No. 2, 2010-11*. First, the Canada health transfer, which is known as "CHT," and the Canada social transfer, known as "CST", are both changing as a result of the federal government updating data used in calculating these amounts. The CST is based on a straight per capita formula. As our population increases, this transfer will increase accordingly. As we all know, our population is increasing. The CHT has two components: a per capita component and a fiscal capacity component. With the growing economy and the resulting increase in economic well-being of Yukoners, the cash transfer has been decreased because of our increased tax base, which is standard for our fiscal arrangement with the federal government.

I'm also very pleased to note that corporate tax revenue is being reduced by \$2.17 million. Despite this reduction, the revised vote of \$9.589 million is still approximately 73 percent higher than the previous year.

In other words, own-source revenues by way of corporate tax is growing, trending quite nicely. Personal income tax

revenue is being reduced by \$752,000, which is a one-percent reduction in the estimate for this category.

As you can see, Mr. Chair, by creating a savings account some years ago, not only are we able to meet the needs of the department's request during the supplementary budget, we are also reducing taxes to Yukoners, putting money back into Yukoners' pockets.

Mr. Mitchell: I want to thank the officials for the briefing they gave us — both the Department of Finance briefing as well as the overall budget briefing that we had on Thursday, February 3, when this sitting commenced. I'll certainly reserve the bulk of my questions for the main estimates, which we will be getting into very shortly, perhaps tomorrow. There are some things that the Premier didn't say in his opening remarks, so I'll say them, just in the interest of being open and accountable to the public.

Most importantly, this supplementary budget confirms another deficit year under the Yukon Party. There was a deficit for 2009-10 confirmed in the public accounts — on page 64, I think — \$25.675 million for the year. Now we see that the budget has moved to approximately a \$20-million deficit for the year that is ending in another 31 days.

In both years, the Premier promised to control spending and to deliver a surplus. But in both years, Yukoners found that they got a deficit — at least, in the first of those years that is confirmed by the Auditor General of Canada, which the Premier has told us. I think he said that the facts on the page speak for themselves.

In 2009-10 the Premier promised a \$19.4-million surplus, and then overspent by \$45 million and delivered a \$25.7-million deficit. The 2010-11 budget promised a \$2.9-million surplus, and I know in looking back at the debate last spring, the Premier said on April 26 in this House, "The actual position of the government, if you calculate and take all factors, shows — and this is one component of what you must calculate — shows at year-end, noted by, in brackets, "a", \$2,907,000 surplus. Then you also notice that, going forward, as you continue on with the budget — and this is to ensure that we're inclusive on all matters that must be accounted for, we show a net financial resource position at end of year of over \$40 million."

The budget in front of us indicates that that \$2.9-million surplus that the Premier was talking about last April 26 has now moved to be a \$20-million deficit and that we have \$18.1 million projected to remain at year-end, March 31, 2011 — \$18.1 million in net financial resources, not \$40 million as the Premier said last spring. So there is a concern.

I guess my question for the Premier would be: can he confirm what the supplementary budget says — that he has again failed to control spending and delivered the second deficit budget in a row? Because the figures that were available to Finance officials when they prepared this supplementary budget were approximately three-quarters of a year — it was back in December — is the Premier still projecting that at the end of next month it will be a \$20.1-million deficit for the current fiscal year?

Hon. Mr. Fentie: Well, I guess the only way to approach this is to try to ferret out from the Liberal leader why

the Liberal leader has such a problem. During the course of a fiscal year, the government as an employer had collective bargaining agreement obligations that transpired subsequent to the completion of a collective bargaining process. In other words, paying our employees wages as required under said agreement.

Why does the Liberal leader have such a problem with — during the course of a fiscal year, outside and over above the estimates — which budgets are; they are estimates — why does the Liberal leader have such problems with Yukoners accessing physicians? Furthermore, on that same vein, why does the Liberal leader take such exception to Yukoners accessing their hospitals? And why does the Liberal leader take exception to ensuring solvency is being met for pension funds like the Hospital Corporation and Yukon College?

Obviously, the Liberal leader does not agree with reducing taxes to Yukoners. These are all matters that are in the supplementary budget. Yes, the estimates are as the Liberal leader has articulated, but during the course of any fiscal year, things like collective bargaining, health care needs of Yukoners and solvency issues for pension funds. By the way, on the pension fund matter, we are not going to guess at those. We will wait until the actuarial work is done. These things will happen during the course of any fiscal year, creating variances which could change the estimates. Here is the important fact: having created the savings account through Yukon Party government fiscal management, we were able to meet these needs. We were able to meet these needs in a way that did not jeopardize the fiscal future of the Yukon. As we go forward, you and all Yukoners can clearly see that, in managing our finances, all inclusive, the Yukon government has still maintained a savings account. In fact, it has even increased its savings account from the estimates of 2010-11 and has taken the territory back to a balanced position with its budget, including a surplus position.

I think, all in all, it's pretty clear that the Yukon Party government has managed the finances of the Yukon quite well, and the projections by way of estimates all the way out to 2015, show that that very positive fiscal trend continues.

Mr. Mitchell: Well, of course, what the Premier has just done is he has answered a straightforward question — a question about his confidence level in whether these numbers would be pretty close to the final numbers at year-end, since they were based on a nine-month period when they were estimated — with a somewhat meaningless rhetorical question. The Premier asks whether the Liberal Party and the Official Opposition — would we support paying for Yukoners' health care costs. I'd remind the Premier that if he goes back to budget debate last spring, one of the flaws that we pointed out with the Premier's estimates, when he was estimating this \$2.9-million surplus for year-end, is that the estimates for the Department of Health and Social Services did not appear to be robust enough.

We said that they were not likely to be sufficient and we were anticipating that those numbers would go up significantly during the year and that the Premier should have looked at those estimates, as Minister of Finance, together with his colleague, the Minister of Health and Social Services, and perhaps he should have calculated them a little differently. The Premier

said we were wrong, but in fact, the health care costs went up during the year, as we predicted. The Premier asks: do we not want to pay the negotiated wage settlements for the Yukon government's employees? Of course we do, and of course we would. However, we also said last spring during budget debate that there was a contractual settlement that needed to be completed — it was being negotiated — and we didn't believe that the \$2.9-million projected surplus would be sufficient to cover those costs. In fact, it wasn't. Now the Premier says, well, we couldn't put those in there, because then we'd be playing poker with all the cards face up. But we're just pointing out what we said last year versus what the Premier said, and what has ensued. We said to the Premier last year: have you anticipated the pension costs sufficiently — because there was already talk that those numbers would have to be increased — and the Premier said it's a \$2.9-million surplus. We said, yes, you can spend down the savings, but don't spend them down too rapidly or too far. The Premier said we will have \$40 million left in the savings account at the end of the year, and now he says we'll have \$18.1 million left in the savings account at the end of the year.

We are asking: will we have \$18.1 million left in net financial resources, or have factors occurred in January and February and the latter half of December that the Premier may be aware of, because he gets reports on a regular basis that we don't see, that indicate that these will not be the figures?

Finally, for the Premier, when he concludes his statement by saying we are forecasting surpluses out to 2014 or 2015, since he was forecasting a surplus for 2009-10 and delivered a deficit, and he was estimating a surplus in 2010-11 and he is delivering another deficit, although we are still not certain of how large it will be, why should Yukoners be confident in his projections going forward when he has missed over the last two years? He can answer each one of the individual reasons — that the negotiated settlement with the employees was an unknown factor to the amount — but it wasn't likely that they were going to take a pay cut. He can say, "We didn't know how many people would travel outside Yukon for medical care", but there were figures in the main estimates to account for that because we knew at the beginning of the year there would be a certain amount of that travel. We didn't know how much it would be, but the Premier, as Minister of Finance, did actually approve estimates that included a contingency for medical travel Outside and physician billing from Outside, or the deficit would be even bigger if he hadn't put any money in there.

He didn't put that proverbial \$1 placeholder in there that he has used for other purposes, so we're simply saying the Premier was wrong in 2009-10, he was wrong in 2010-11, which makes it difficult for us to have confidence in his estimates that he just referred to for 2011-12 or 2012-13 and so far going forward.

Again, for the Premier, to remind him of the original question that he didn't answer last time he was on his feet: have there been any significant changes that he can inform this House of between the time when this supplementary budget was printed — which was tabled February 3 — and now that

indicate that the year-end numbers will be significantly different from what's presented in front of us now?

Hon. Mr. Fentie: Well, the Liberals don't have confidence in the financial position of the Yukon; that's fine. What the Liberals haven't told Yukoners, however — given that lack of confidence — is what they believe the financial position of the Yukon to be. You know, out there somewhere, Mr. Chair, is a filing cabinet labelled "useless information", and frankly, I don't think the Liberal leader understands budgeting at all — not at all.

Now, I did start some days ago with the Liberal leader and the members opposite in articulating budgeting by the very beginning, and it started with the glossary. Need I go back to that? On what elements of budget documents — what makes up the estimates?

Now, as I heard the Liberal leader, moments ago, the Liberal leader would put in a budget document the outcome of a collective bargaining agreement. That's essentially what the Liberal leader just said. What purpose is collective bargaining, then, if the employer is already tabling exactly what they intend to pay their employees? The Yukon Party government has a different view. We will allow the collective bargaining process to determine that.

The Liberal leader says that the Liberals knew that there would be this increased amount of physician claims and hospital claims, but didn't know how much. Are the Liberals telling me and Yukoners that they would budget by this means — not knowing how much? What kind of budgeting is that?

Furthermore, I didn't hear the Liberal leader expand on the Liberal view of what actuarial reports are all about and what they mean. That relates to pension funds.

We are also very confident in presenting the books of this territory to the Auditor General, as we have now for eight years. In each case, the public accounts, after the year-end is done, finalize any particular year-end and put into the accounts of Yukon, not estimates, but actuals. So if the member wanted to refer to any budget document, there would be the estimate — increased/decreased — and then a previous year/prior year actual. The Auditor General is involved in this — or at least the Auditor General's office is involved in this — in producing our public accounts and our year-ends, just like any other operation when it comes to the fiscal realities of any given fiscal year.

Mr. Chair, I really don't think Yukoners are listening any longer to the Liberals who keep saying they have no confidence in the fiscal position of the Yukon, because the Liberals have not told Yukoners what they think that fiscal position is.

So let me go over this for the member opposite. We are estimating for 2010-11 total revenues of \$802.916 million, as the budget document shows. In 2011-12, we estimate that the total revenues will be \$868.990 million. In 2013-14, the estimates show that revenue will grow to \$920.143 million, and by the year 2014-15, total revenues show a growth to \$947.472 million. Now, those are estimates. Those are estimates based on all available data today — all information and all mechanisms used to calculate and construct budget estimates.

Now, during the course of any fiscal year there are going to be expenditures. Total net expenditures — that includes net

capital and net operation and maintenance. I use the term “net” because there are portions of the budget, the fiscal position of Yukon, that include recoveries, for example, which would then calculate into gross amounts. But the budget document before us in terms of the long-range projections are based on net amounts.

It shows a net operation and maintenance expenditure for 2010-11 of \$755.806 million. It shows a net capital expenditure for said fiscal year 2010-11 of \$129.173 million. It shows for that year that the government has spent down its savings account considerably in meeting the needs as just relayed over and over and over again to the Liberal leader. Moving forward into the fiscal year that we are about to debate, a budget that the Liberals have already voted against, we show a total revenue of \$868.335 million. The net operation and maintenance expenditures are estimated to be \$757.947 million; the net capital expenditure is \$94.697 million, for a total of \$852.644 million. This fiscal year as estimated, 2011-12, we will be spending less than we take in or receive in revenues.

However, that is an estimate. Between April 1, 2011 and March 31, 2012, there could indeed be variances, but that is the whole point of creating a savings account. The other purpose of the estimates and the budgeting exercise we went through includes a built-in escalator. Now, I know the member, the Liberal leader and the Liberals portray themselves as all-seeing, but the Yukon Party government has used all the available information once again, all the mechanisms starting right back with that glossary and all the other available data that we could use to calculate the fiscal position of government, and we have built-in escalators. So not only do we estimate what we think the growth of revenues will be as projected in the budget document, we also, staying within that range of revenue growth, estimate an increase in operation and maintenance expenditure, which is program and service delivery to Yukoners.

Mr. Chair, this is how we budget. I’m not sure how the Liberals would budget; frankly, I haven’t got a clue how they budget and I don’t think Yukoners do either.

But at the end of the day, I think what we have to reflect on is where the Yukon is today fiscally and where it was before the Yukon Party government took office. In simple terms, the fiscal position of Yukon has doubled. We’ve had the highest strategic investment through capital expenditure in infrastructure. We have had a significant increase in program and service delivery for Yukoners. That includes health care, education and other areas of program delivery important to Yukon and its public. Through it all, we have also created — even though we have had these record levels of investment in infrastructure and in other capital projects and in program and service delivery, we’ve also managed to create a savings account. That’s how far we’ve come. At the same time, in all these significant increased investments in Yukon and the development of a savings account in the manner that we have, we’ve reduced taxes to Yukoners. In other words, we’ve even put more money back in Yukoners’ pockets.

Once again I say, I’m not sure how Liberals intend to budget or manage the finances of the territory, should that chance ever occur — which is getting highly unlikely, consid-

ering we’re all waiting for the plan. I’ll remind members that it is the Liberal leader and, indeed, the Leader of the Third Party who said they’d use this sitting to present to Yukoners their plan for Yukon and its future. We’ve heard nothing, not one single solitary item that would represent in any way a plan — save and except encumbering the taxpaying public to build a home for everybody, accepting a partly concluded draft plan for the Peel land use planning — accepting it. There is nothing of substance here. The members opposite don’t believe in the budget. Well, so what? Explain to Yukoners what they think the fiscal position of the Yukon Territory is then. Explain to Yukoners, if they don’t believe in the fiscal position the Yukon is in today and where it has come from — because that shouldn’t be too hard to explain: the fact that we’ve gone from approximately \$500 million a year of fiscal capacity to over a billion — explain to Yukoners what it would be and how they’d improve the situation, how they would handle the finances of the Yukon, where they would invest, how they would deal with collective bargaining processes during the course of any fiscal year, how they would deal with actuarial reports resulting in solvency issues and pension funds, how they would deal with other factors that transpire during the course of any fiscal year, how they would deal with such things as addressing the financial assets and non-financial assets of government, and the list goes on and on and on. As I said, it begins with the glossary, starting with accumulated amortization.

Mr. Chair, the Yukon Party government and Yukoners don’t believe for a minute that the Liberals have a fiscal vision or plan for the territory, nor do we believe that the Liberals have any concept whatsoever of how to budget for this territory and build its future. They are fixated on reconstructing the past, a past that is already done. We’ve already moved this territory far beyond where it was at. Ask any Yukoner today: are we better off today than we were back in those dark days of 2002? There’s only one answer: yes, we are.

Mr. Mitchell: Much of what the Premier just stood on his feet and put into the record, in particular in describing the members on this side of the House and what we have said, is factually inaccurate, so it makes it difficult to debate it. It is the Premier who has said we are going to present some kind of published plan. What we said is we were going to lay out some of our plans for the future during this sitting. That is what we said. We didn’t say we were going to table our platform. We have been doing that. We tried to bring forward legislation that would protect Yukoners from this government’s interest in selling out their mortgage portfolio in the Yukon Housing Corporation. We have tabled whistle-blower legislation, and we have indicated that, although we recognize we won’t be able to pass it during this sitting over the objections and stalling tactics and ultimately the votes of the governing party, that is something we would bring forward to protect Yukoners who work within government in the future.

We have also said that we wouldn’t continue to borrow money to the point where we increase the debt again and again and again through Crown corporations and then, on top of that, spend down the savings account. The Premier talks about building up the savings account. Well, he has been doing a very

good job these last few years of spending it down, until it's down to \$18.1 million. Obviously, our concern is that it could go down even further than that.

Now, when the Premier talks about collective bargaining — when I was last on my feet, I acknowledged the Premier's point that you don't want a collective bargain having already identified what the amount is. All I said was that we had pointed out in the spring that inevitably that amount would exist. So when the Premier says we would state what the amount is in advance, that is factually incorrect because we said that we would not.

We said quite the opposite on a number of the things just presented. When it comes to health care costs and the Premier stands on his feet and says how ridiculous, how absurd to try and — as he puts it — guesstimate these costs. He also says that the Auditor General accepts all the statements at the end of the year in the public accounts. What he's forgetting is this is the Auditor General who simply, several weeks ago, published a report on the Yukon Department of Health and Social Services, where she cited the government for that very fact — for not sufficiently estimating the out-of-territory travel health costs and out-of-territory physician claims and she said the government should do a better job of estimating that, and she said they could do a better job of estimating that, based on the information they have access to.

So if the Premier wants to wrap himself in the flag of the Auditor General, he should remember those particular comments from the Auditor General as well. She said exactly what we were saying — that the government needs to do a better job of estimating those. She didn't say "guesstimating" — a cute little term the Premier likes to use. She said, "Do a better job of estimating them."

I'm not going to carry on with a debate on the deficits versus surplus with the Premier because, God knows, nobody wants to sit here and listen to him read from the glossary or the telephone book or the newspaper or Wikipedia or anything else that he might read from. That won't serve us any good.

I will ask a couple more questions, however. In terms of the asset-backed paper that was restructured into the master asset vehicle 2 notes — and there are several different categories of those. I know the Premier is familiar with this. But, just for the record, in the last public accounts, it was indicated that the carrying value at year-end of 2010 was \$25.592 million, and that consisted of these restructured notes of \$12.18 million in class A1 notes, \$12.054 million in class A2 notes, \$1.248 million in class B notes, a million dollars in class B notes, and \$110,000 in class C notes.

I know there is an amount of money that the government has indicated they expect to be repaid for on January 22, 2017, except for some of the class A1 notes that should start repaying their principal sooner than that. So they've taken the approach of recording against the interest rate adjustment that was taken initially, when the notes were restructured, of regaining an amount each year. I know therefore that it will be on the books this year as \$26-something million, I presume — something increased — perhaps \$27 million. There is still no guarantee, of course, even taking this approach, that these notes, when they

come due — that the borrowers will in fact be able to pay them back, because they weren't able to do so last time.

Those class A2 notes, I believe, according to the public accounts, are still rated as they had gone in the previous year — August 2009 — DBRS had downgraded the rating of the A2s from A to triple-B low, which is not a very comforting rating. I point out to the Premier that triple-B is a rating that was held by many mortgage-backed securities that turned out to be not worth the paper they were written on as well.

Can the Premier tell us, what is the sum total, starting with the initial face value of \$36.3 million that was originally invested on July 30, July 31, and August 1, 2007, in the original Opus and Symphony trust funds? Since those have been restructured into the master asset vehicle, MAV2, the Premier has stood in this House and indicated that we have earned millions of dollars on these investments.

Can the Premier give us the sum total of the interest rate adjustments down? We recognize that it is not writing down the face value of the bond, but the negative interest rate adjustments along with the positive interest rate adjustments, where is that total number at now?

Hon. Mr. Fentie: You know what's very interesting here is, after all this time has transpired, the Liberal leader is still trying to present this in a manner that does not reflect exactly what has transpired, so let me go over this again. The short-term notes have been exchanged for long-term notes. In the course of that, there will be interest adjustments. The earnings, or the worth, of the notes at maturity are exactly what we've got invested. Furthermore, in total, the government's investments are earning millions of dollars, and the member would know that the public accounts will show what interest adjustments are booked based on the final audit of our year-end, and that's what we will allow to happen.

Now, the total value of earnings right now for the asset-backed paper is, to date, I think about \$1.9 million. Now, I want to just go back a bit here — though I'm loathe to go backwards. We as a government like to go forward. This member said the money was lost. The Liberal leader said, "This money is gone — lost, evaporated, finished. Yukoners have been stung." Then how does the member explain that not only do we still have the original investment, which will be worth what it is at maturity, it has already earned us \$1.9 million? What kind of financial management is this — explaining or telling Yukoners that the money is lost? That it's worthless, it's gone? This is bordering on the absurd. I know the member has a fixation for this, but time has long passed him by — including the investments of the government, which have really passed the Liberal leader by. The Liberals and their leader have no concept of what the government's investments are — even though they're in the public accounts — nor what they have earned for Yukoners.

Let me just help him out. After all accounting and adjustments have been made, since 2002-03 to 2009-10, all totalled, the Yukon Party government's investments have earned a little over \$19 million for Yukoners. Those are the earnings that are put back into our fiscal framework, so I'd say that our investments have done very well. The member might not agree with

that, but that's the Liberal leader's business and he can explain why the Liberals think \$19-million dollars' worth of revenue from investments is not what it is. This is all in the public accounts, Mr. Chair.

Mr. Mitchell: Well, it's a very simple explanation, Mr. Chair, that the Premier is seeking, so I'll give it to him. It's because we ask one question and he answers a completely different question, which is what this Premier does most of the time when he finds the question asked to be unpleasant. The fact of the matter is, we didn't ask the Premier what was the total amount earned of all investments by the government since 2002. We asked the Premier, instead of simply telling us that there'd been an earned amount of \$1.9 million on the asset-backed paper replacement notes, to tell us what the sum total was, the net total, including what he has described in the public accounts in the past as an interest rate adjustment to the negative side.

If you started with \$36.3 million, which was the initial face value — and the Premier is optimistic that one day it will be again — and they are on the books now for some \$26 million, then despite this \$1.9 million, there has been a \$10-million adjustment to the negative side. If that is an interest rate adjustment, that is relevant. Telling a Yukoner, "Here, give me \$100 and I'll pay you five percent on the \$100. I'll give you \$5." Now, after I have done that, don't pay attention to the fact that I have also made an adjustment, so the \$100 I owe you is only \$80. That has to be computed into the figures. You can't simply say, "Here's your interest," and ignore the fact that I have made this other adjustment — and it's not to the principal; it's just a negative interest rate adjustment — that means that I am currently carrying that IOU as being \$80, but trust me, in seven more years it will be back to \$100. That is not very comforting.

I don't think we're going to get any answers out of this Premier on this. He has never answered it to Yukoners; he's certainly not going to answer it in this House today. When the Premier says, "What kind of financial management is it for us to talk about what has been lost when there has been \$1.9 million made?" I say to him: what kind of financial management is it to simply talk about an earning of interest when there has also been a very large negative adjustment of interest that appears elsewhere? It's trying to separate things out and it lands up not presenting the accurate picture to Yukoners.

When the Premier talks about how much money he has made in these investments, one would have to ask — these investments include, as the Auditor General said, the asset-backed commercial paper in which the government invested was not one of the three types of investments permitted by Yukon's *Financial Administration Act*. They weren't permitted. The Premier is busy telling Yukoners how well he's doing investing Yukoners' money in ways which are not permitted by the *Financial Administration Act*. I don't think Yukoners are interested in learning how much money the Premier makes with investments when they contravene the law of the *Financial Administration Act*.

I'm not going to ask the Premier about it any longer today, because he's not going to answer.

Hon. Mr. Fentie: The Liberal leader just put on record that the presentation of the budget and the discussion to date this afternoon is not presenting a clear picture to Yukoners. Well, here's a cheat sheet for the Liberal leader. Actually, all the numbers as presented, especially on this matter, are right from the public accounts. So what the Liberals are saying is our public accounts, duly presented, audited and finalized each and every year-end, is not presenting a clear picture to Yukoners. What a farce. How can the Liberal leader actually stand on his feet and say such a thing?

Now, let's look at the implications. First, the Liberal leader has now stated that all Finance officials across government with the oversight of the Department of Finance have not put correct numbers down in the books. Then, the Liberal leader is now saying, once those incorrect numbers have been put on paper and presented to the Auditor General, the Auditor General is ignoring the fact that those are incorrect numbers, does our year-end, completes our public accounts and we present those to Yukoners and they are, in fact, incorrect, and knowingly, the Auditor General's office allowed us to present public accounts that were incorrect.

Is this some sort of a joke? The Liberal leader has lost his way. You know, I think that there has been a complete disconnect with reality and the desire that comes with this overwhelmingly intense feeling for office. I think the Liberals have been blinded by the lust for power.

Some Hon. Member: (Inaudible)

Point of order

Chair: Just so the member realizes, he only has to say point of order once. Once the member —

Some Hon. Member: (Inaudible)

Chair: Are you going to listen to what the Chair has to say?

Mr. Mitchell: Yes, Mr. Chair, always.

Chair: The Chair heard the first point of order and was going to say, "Mr. Mitchell, on a point of order."

Mr. Mitchell: Thank you, Mr. Chair. The Premier, in suggesting that a member on this side has lost all touch with reality out of a desire for office, imputes a false motive to another member. I would ask that you rule him out of order according to 19(g). I'll cite it to be specific, in case the Chair didn't hear it.

Hon. Mr. Kenyon: On the point of order, considering everything that the Liberal leader —

Chair's ruling

Chair: I was here during the debate, and on both sides prior to the point of order there were personal comments levied on both sides of the Assembly — from the government side and from the Official Opposition. This is just a dispute between members, and I would encourage both sides to reflect on the debate and proceed with a non-personal debate of Vote 12, Department of Finance.

Hon. Mr. Fentie: Mr. Chair, it is very important that the public record shows exactly what has just transpired here. The government side has been accused of not being account-

able to the public with its finances, yet the information, as presented, is right out of our public accounts. The government has been accused of not presenting a clear picture, yet the information, as presented, is right from public accounts. By the way, these accounts have been audited after all due process has concluded. What other conclusion can we draw? Obviously there is a disconnect with the Liberals and the finances of the territory and what they believe the finances to be.

Let's maybe talk about something much more positive, and that is what has transpired in the Yukon. With the healthy fiscal position we have, the Yukon is definitely a jurisdiction being looked at across this nation in how we are managing the finances of the territory.

Secondly, strategic investments and tax reduction and putting money back in Yukoners' pockets have helped contribute to an ever-growing economy. The stability that we bring with financial management and our policies and our plan and vision for the Yukon has created something of great importance. It has created an investment climate that is attracting literally hundreds of millions of dollars of investment into this territory from the private sector.

Let's look at some of the results of all of this — there is much more, but there is a growing population. That is a definite sign. We have the lowest unemployment rate in the country. That is a definite sign. Recently, the growth of retail sales — and this is a good measurement of cash flow and expenditures by Yukoners — year after year from December 2009 to December 2010 was 12 percent.

That is virtually double any other jurisdiction's growth in the country when it comes to retail sales. Another example — being placed fourth in the world out of 51 jurisdictions as an attractive place for investment in exploration development and production — that's an outcome that is, in large part, the result of all that has happened by way of good government. Now, I know the Liberals don't believe that, because they don't want to believe it, because it interferes with this desire — if I may be so bold, this lust for power in office — that is running for the leadership of this territory, in fact, running for the leadership of anything. That is for the wrong reasons. What is the Liberal plan, by the way? We just heard the Liberal leader try to justify the fact that they publicly said they'd be using this sitting to present to Yukoners what their plan is — hopefully, that meant for the future. All we've really heard about is a Liberal view and opinion of the past. This is a disservice to the Yukon public.

The Yukon Party government has a plan; it has a fiscal plan as presented. It has a plan for the economy; it has a plan for the environment; it has a plan for health care; it has a plan for education; it has a plan for strengthening the social safety net of this territory; it has a plan for building infrastructure. In fact, it has a multi-year capital plan built into the budget. It has a plan for energy; it has a plan for meeting further health care needs. We are presenting a plan to the Yukon public and, in most cases, it's written in documents presented to the public. Therefore, one can only conclude that the Yukon Party government is open and accountable because it has no hesitation in explaining to Yukoners what it is it would do as a government.

That is not what can be said for the Liberals. They haven't explained in one simple term what it is they do for the Yukon public, other than to suggest that the public accounts duly audited by the Auditor General's office are not presenting a clear picture. What a joke.

Mr. Mitchell: Well, Mr. Chair, the joke is not the public accounts, which we do not contest, but the Premier's presentation in this House of what they mean. The Premier has again misstated the position of the Official Opposition, so we will once again try to correct the record for the public, in case any of them are still listening to what he is rattling on with. We of course accept the audited public accounts. They clearly indicate that the government ran a deficit of \$25.675 million on the year ending March 31, 2010. They do so on page 64 of the *Public Accounts*. They ran a deficit. They promised a surplus, but ran a deficit. We accept that. Secondly, on page 35 of the *Public Accounts*, they present the carrying value of the long-term notes that we received in exchange for the short-term notes in which we invested \$36.3 million three years ago as being \$25.592 million as at March 31, 2010. That is certainly a decrease of \$10 million. I think anybody can understand that if you invest \$36 million and you have to carry it on the books as \$26 million, that's a decrease in value, not an increase.

I can only presume that the Premier, in explaining it differently, is confused by this irrational view that he maintains due to his desire to hold on to power, not due to the desire of the Official Opposition to assume office. So, again, if the Premier could answer what was the net total to date — because what we only have from audited public accounts is from the year ending March 31, 2010, of the interest adjustment to the negative side, offset against the earnings that he's very happy to mention. He always has that number at his fingertips. That was the number we were looking for. If that's too complicated a question for the Premier, I could read to him from the glossary in the front of the book, as well, but I don't think it would do any good, because the Premier has a deficit in his ability to explain it to Yukoners.

Hon. Mr. Fentie: The only thing I can add to that is, "Read the public accounts." That's why we present them. The maturity value is there. Interest adjustments are there and the earnings are all there. The difference here is the Yukon Party government has a plan in all facets of what it takes to govern and lead the territory and build a future.

The Liberals don't have a plan in any way, shape or form to build any future. They are busy trying to reconstruct the past. Good luck to the Liberals.

Ms. Hanson: This session started out so positively and we seem to have gone backward; it's unfortunate. At the outset, I just want to say that I intend to focus solely on the supplementary budget. I believe that we're talking about the supplementary, not the main estimates and not the history of the Yukon or any other thing that has been deemed necessary, particularly from the government side this afternoon.

I would beg the indulgence of the minister; I was not able to attend the briefing session, so I would like him to clarify, if he would, for the record: he mentioned the Canada health transfer and I understand that there's a constant process of updating

federal government data, but if he could clarify how far back, in terms of what cycle this would be, so I can grasp more clearly when we would actually have the accurate picture of the amounts. Is it a cyclical nature?

Hon. Mr. Fentie: The issue here can only be expressed in the manner that this process is continuous. During the course of any given period, there may be such things as a census, doing the undercount, but the overall year-by-year process is a continuous process which, in part, drives what the fiscal relationship between Canada and Yukon will be in areas like the CHT and the CST. In the overall TFF, there are much more complicated mechanisms and details that go with it. It's an ongoing continuous process.

Ms. Hanson: I understand the distinction there between the TFFA and the Canada health transfer; I was just trying to clarify the period of time. We've heard a lot and I agree that most Yukoners are happy to see a growing population because we anticipate that that really does mean that there's a growth in general wealth of the territory. I'd be interested in hearing from the Premier: when we project a significant decrease in personal income tax from the actuals last year of about \$7 million, how does that correlate to this dynamic growth in population that the territory is apparently experiencing under the Yukon Party?

Hon. Mr. Fentie: In some instances, it is Yukon making sure that it is keeping in step with federal taxation mechanisms. That is important. This Yukon Party government has been very focused on making sure our tax regimes overall are competitive. The personal income tax revenue is being reduced by \$752,000. I'll get the detail on what that reduction is based on if the Leader of the Third Party would just bear with us one moment. In this case, it is a one-percent reduction in this particular area based on a whole bunch of wonderful calculations, including federal calculations also. The end result is exactly as presented in the supplementary. By the way, part of this may be due to what happened previous to us during the global recession. Calculations based on tax earnings across the country were reduced.

The estimates show that for 2011-12 in the mains, we have another increase in terms of personal income tax overall. Overall, the percentage change in our mandate since we took office is about 81 percent to the positive.

Ms. Hanson: Just to stay focused on the supplementary, I will note, though, that it's a decrease from the last actuals over the revised vote for this year. It's a one-percent reduction for this supplementary budget, plus a significant decrease from last year. My question then — I will accept that you have additional calculations to be done but I think that this is something we will want to explore further in the mains. Can the Minister of Finance give an occupational breakdown? What we've heard a lot over the course of these last months is a significant increase in revenues to this territory based on the very dynamic stimulus budget that has flowed through here from the federal government, as well as increased exploration dollars. How much of this personal income tax revenue — that he has cited as increasing over the life of the government 80 some

percent — is directly as a result of mining and mining-related industries?

Hon. Mr. Fentie: It is the result of all personal income tax that we must calculate. It is just recently that the mining sector has begun to hire in the manner that they are in terms of number of employees. This covers the gambit. It covers tourism, small business, arts and culture, other industries, the IT sector, the service sector. There is a wide range of what is calculated here, and in every one of those areas, there are jobs for Yukoners. The statistics don't track this dollar for dollar by industry. It's calculated on the broader basis, all inclusive. What has happening in the Yukon is something that has been long awaited and we're very encouraged and pleased and indeed fortunate that we've managed to attain the levels that we have. Furthermore, calculations in this area are also on a go-forward basis, yet to be done in terms of our overall fiscal position in calculating our own-source revenues. Part of that means we have to calculate the 30 cents on every dollar we retain and the 70 cents on every dollar we return to Canada. There is always an ongoing calculation. Industry by industry, statistically, I don't even think the federal government keeps those numbers.

Ms. Hanson: I do believe that those numbers are kept and I think it would be helpful for us all to be able to have some occupational breakdown as part of our planning, as we look forward in this territory to the kinds of needs that we have from the broad range of housing, to education, to health care. I would ask again if there's any basis or any ability for the Department of Finance — and perhaps in cooperation, collaboration with Yukon statistics — to provide that kind of analysis so that all members of this Legislature can be better informed as to the basis for the projections that this House will be debating in the mains with respect to a very significant projected increase in personal income tax over the next number of years.

That being said, and the focus being on the supplementary budget, I hope we can get into greater detail in a productive conversation about the Department of Finance during the mains.

Hon. Mr. Fentie: We certainly will provide the Third Party leader all statistical data that is available and all statistical data that is actually produced.

I am sorry, though, Mr. Chair, with all due respect, the government side cannot provide information and data that is not produced, or information that is not calculated or tracked and so on. It does come down to plans. The Third Party did publicly state that it would be using this sitting to present to Yukoners what the NDP plan would be, and I think we have heard already some of what that is. We'll leave the NDP to explain that to Yukoners, but the Yukon Party government's plan is to carry on in building the future strategically and statistically — program and service delivery, investment in infrastructure, attracting private sector investment, continued growth in our population, and the list goes on — is certainly the intended outcome of the plan that we embarked upon so many years ago. I think the evidence all around us shows that there certainly has been success, and that success has resulted in the Yukon being a very special place these days in the nation.

Much of that effort goes to the many officials who have worked diligently in Finance and other areas of the corporate structure of government to deliver the goods — to deliver the programs and the services and to help plan the longer term, which we have done in multi-year fiscal plans and multi-year capital plans; to build in escalators, as we've done on operation and maintenance; to take a very careful approach to estimating what our revenues will continue to be, and the list goes on.

So, yes, we will provide the Third Party every possible piece of statistical information we have based on all the statistical information that we actually produce.

Chair: Any further general debate? Seeing none, we'll proceed line by line in Vote 12, Department of Finance.

On Operation and Maintenance Expenditures

On Treasury

Treasury underexpenditure in the amount of \$72,000 cleared

On Bad Debts Expense

Bad Debts Expense expenditure in the amount of \$72,000 agreed to

On Total of Other O&M Programs

Total of Other O&M Programs in the amount of nil cleared

Total Operation and Maintenance Expenditures in the amount of nil cleared

On Capital Expenditures

Total Capital Expenditures in the amount of nil agreed to Department of Finance agreed to

On Schedule A

Schedule A agreed to

On Schedule B

Schedule B agreed to

On Schedule C

Schedule C agreed to

On Clause 1

Clause 1 agreed to

On Clause 2

Clause 2 agreed to

On Title

Title agreed to

Hon. Mr. Fentie: I move that Bill No. 23, *Third Appropriation Act, 2010-11*, be reported without amendment.

Chair: It has been moved by Mr. Fentie that Bill No. 23, *Third Appropriation Act, 2010-11*, be reported without amendment.

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. 23, *Third Appropriation Act, 2010-11*, and directed me to report it without amendment.

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.

GOVERNMENT BILLS

Bill No. 94: *Act to Amend the Judicature Act (Trade Orders)* — Second Reading

Deputy Clerk: Second reading, Bill No. 94, standing in the name of the Hon. Ms. Horne.

Hon. Ms. Horne: I move that Bill No. 94, entitled *Act to Amend the Judicature Act (Trade Orders)*, be now read a second time.

Speaker: It has been moved by the Minister of Justice that Bill No. 94, entitled *Act to Amend the Judicature Act (Trade Orders)*, be now read a second time.

Hon. Ms. Horne: Mr. Speaker, the primary impetus for this legislation is to bring Yukon into compliance with the new provisions of the *Agreement on Internal Trade* due to the signing of the 10th *Protocols of Amendment*. The AIT is an intergovernmental trade agreement signed by Canadian First Ministers that came into force in 1995. Its purpose is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services and investment within Canada and to establish an open, efficient and stable domestic market.

The *Agreement on Internal Trade* consists of an overarching and enduring commitment to seek ways to further liberalize internal trade within Canada. The *Agreement on Internal Trade* contains six general rules that prevent governments from erecting new trade barriers that require the reduction of existing barriers in areas covered under the agreement.

These are as follows: non-discrimination, right of entry and exit, no obstacles, legitimate objectives, reconciliation, transparency.

Our government is committed to fully implementing the *Agreement on Internal Trade*. Amendments to the *Judicature Act* reflect a new government-to-government dispute resolution process. New obligations from this process include ensuring that any order for certain types of costs made pursuant to the new dispute resolution process can be enforced in the same manner as an order for costs against the Crown in that party's superior courts.

To do this, Yukon needs to introduce some amendments to the *Judicature Act*. The new government-to-government dispute resolution process ensures fairness and certainty for Yukoners. It also provides Yukon government with an effective and enforceable mechanism for resolving any trade-related disputes

with other Canadian governments. Currently, six of the 13 AIT parties have enacted similar legislation.

By passing this legislation, we will be a leader in the north, as Yukon is the first territory to enact such legislation. I urge all members to support this very important bill.

Thank you. Günilschish.

Mr. Inverarity: I won't be long on this this afternoon. I do have some questions that I would like to ask and I'll probably leave them, seeing the time, until we get into Committee of the Whole. But just to get them on the record in case we don't get there, I'm curious as to why, for example, this amendment to the *Judicature Act* needs to be done now, considering that the AIT agreement has been in place, as the minister said, since 1995. Has there not been a dispute resolution process prior to now? I would have thought that there would have been, so I have some concerns about that. The minister mentioned, and if I understand it correctly, there are only six out of the 13 jurisdictions that have actually implemented this. That brings up a bit of a concern for me, and while it's nice to be a leader, I'm wondering if there are any concerns as to why the other jurisdictions have not actually passed this similar type of legislation in terms of dispute resolution. Those are two questions that I think need to be addressed. I realize that I probably won't get those until we get into Committee of the Whole.

The other one that I guess comes up is: has the Yukon ever been subject to a dispute within AIT? I guess the next one is: have we ever won or lost a dispute? I would be kind of curious to see that, considering that this has been around. Is there any relevance to this particular amendment for this bill in relationship to the internal trade agreement, TILMA, that we have discussed previously in this House?

I think that's pretty much it for my comments here this afternoon. I believe that if we can get into Committee of the Whole we can get an answer to these and we can see if we can support the bill or not.

Speaker: Are you prepared for the question?

Some Hon. Members: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Madam Deputy Clerk, please poll the House.

Hon. Mr. Fentie: Agree.

Hon. Ms. Taylor: Agree.

Hon. Mr. Hart: Agree.

Hon. Mr. Kenyon: Agree.

Hon. Mr. Rouble: Agree.

Hon. Mr. Lang: Agree.

Hon. Ms. Horne: Agree.

Hon. Mr. Edzerza: Agree.

Mr. Nordick: Agree.

Mr. Mitchell: Agree.

Mr. Elias: Agree.

Mr. Inverarity: Agree.

Ms. Hanson: Disagree.

Deputy Clerk: Mr. Speaker, the results are 12 yea, one nay.

Speaker: The ayes have it. I declare the motion carried.

Motion for second reading of Bill No. 94 agreed to

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

The House adjourned at 5:30 p.m.