

**Yukon Legislative Assembly
Whitehorse, Yukon
Thursday, December 8, 2011 — 1:00 p.m.**

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

Prayers

DAILY ROUTINE

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

Tributes.

TRIBUTES

In remembrance of John Edzerza

Hon. Mr. Pasloski: I rise today to pay tribute to the late John Edzerza. Like my colleagues in this House, I was deeply saddened to hear of John's passing on November 25 after his struggle with leukemia. While I did not have a chance to work directly with John before his illness forced him to end his political career earlier this year, his passion and commitment to the people of Yukon was clear and felt by many. I shared a moment with John on November 5 at the swearing-in ceremony of the new government. Despite his illness, he came out to show his support — a humble and heartfelt gesture that touched me and I'm sure many others in this House today. John Belfry Edzerza was born on August 14, 1948 in Lower Post, British Columbia.

He was the 15th of 20 children born to Grace and George Edzerza. John was given the name Keneti, after Big Jackson, one of the original signatories of the 1910 Tahltan Declaration.

In the 1950s, the Edzerza family moved to Atlin, British Columbia, where John's love and enduring pursuit of gold mining began. John completed elementary school in Atlin and then, in 1965, went to Whitehorse to attend high school. In grade 10, he moved to 100 Mile House, but later returned to Whitehorse to complete a welding course.

John had an early addiction to alcohol, which he ultimately overcame and began a lifelong pursuit of helping others achieve and maintain sobriety.

He married Janice Johnson in 1968 and they had two children, James and Debra. In the late 1980s, John married Jennifer Ellis and adopted her two children. During the late 1980s, John and Jennifer became foster parents. John became an advocate for foster children throughout his life and helped initiate policies that are still in place today.

John was a very spiritual man. He reconnected with the Creator and in the 1980s, became a spiritual advisor, leader and mentor whose counsel was sought across this country.

He was open about the troubles in his life, using his experiences as lessons of life for others. His workshops on life were always full. He continued his spiritual learning and went on to help others in many ways. John began his political career as a councillor with the Kwanlin Dun First Nation and served for four terms. He continued to serve Yukoners in 2002, when he was elected as MLA for McIntyre-Takhini, a position he

held for nine years. During this time, John held a number of ministerial portfolios, including Education, Justice, Environment and the Public Service Commission.

Both inside and outside of this House, John spoke from the heart. He was clear and direct, an approach that helped him achieve his success and become a strong advocate for those facing challenges.

One of his many great contributions was his work with the Kwanlin Dun First Nation to create the Jackson Lake healing centre, a land-based addictions treatment centre. Jackson Lake healing centre is just one of the important projects that were close to John's heart. His work has touched the lives of many Yukoners and will continue to do so.

In 2010, John met Christine Ball at fish camp, and they were together until the Creator took him home.

In June 2011, John was diagnosed with leukemia. Treatments followed but they were not successful. On November 4, he returned to Whitehorse when the doctors could do no more for him. A steady flow of family and friends visited John upon his return. He was given the most attentive, loving care by his children, James and Debra, granddaughters Jocelyn and Robin, along with his niece Nancy Norby. John went to meet the Creator on November 25, 2011.

I would like to extend my heartfelt condolences to John's family and friends, some of whom are in the House with us today, including Debra. As you well know, John was much more than a political figure; he was an elder, a partner, a father, a grandfather, an advocate and a friend. John will be greatly missed but I am confident that his legacy will continue to be felt for many more years to come.

Thank you, Mr. Speaker.

Mr. Barr: Mr. Speaker, I rise on behalf of the NDP opposition to pay tribute to the late John Edzerza. John joined the Creator on November 25, 2011, six months after being diagnosed with leukemia.

It was a few short days prior to this that I was honoured — along with the Hon. Member for Riverdale South — to be invited to have a supper and visit with John at his request. We got to play some music. He loved music. There were many family members there, sitting and giving him hugs and coming in and saying, "Hi, Uncle John." I remember that we played just songs that he loved. At one point, we were playing this kind of up-tempo old country song and he was just dancing in his chair. It was just a very special moment.

I was very fortunate to have been able to speak to his loving brother Allan this morning about John. Allan said that right up to the last moment, John was fighting his disease. "The Creator put these challenges in front of me," he said, "and I'm going to beat it."

As one of the 20 kids born into the Edzerza family, with members in every community and workplace through northern B.C. and Yukon, John was born with the obligation to represent and be a leader. John became a leader in public life and within the Edzerza family.

As an MLA, he was tenacious and pragmatic, which sometimes perplexed people who questioned, for example, his deci-

sion to cross the floor but, for John, it was about getting results for the people.

I'd like to touch on a few of his major achievements. As Education minister, John worked on establishing the Individual Learning Centre to help youth who maybe didn't fit into the classroom, so they could get an education or training to be successful in life. I'd like to say that the ILC, as we call it, is a valuable piece for youth in our society today. Not only can they go there, but I know some of those folks come to the Sundog Carving Studio, the Northern Cultural Expressions Society, and are able to work on academics. It makes such a difference in their lives. I've seen it personally.

He was a tireless advocate for land-based treatment and advanced the Jackson Lake healing centre.

As I understand it, John attended the swearing-in ceremony of this government — when he had mere days to live — to seek a long-term commitment to funding programming at Jackson Lake.

John was deeply committed to the cause of accessible land-based treatment — a cause which I hope we can advance in the Yukon in John's memory.

As a leader in the First Nation government and in the territorial government, John never forgot he was speaking for all Yukoners, not just the aboriginal community. As Education minister, John opened up the Yukon native teacher education program, YNTEP, to all, not just First Nations. He wanted all people to have access and wanted First Nations' knowledge to flow to all people.

My daughter attended that program. We're not status, even though we have native ancestry. That program allows for those people who don't quite fit in, and all because, as John believed, we're all included.

John's overcoming addiction is well known and will forever serve as inspiration for all struggling to overcome their demons.

John was about 35 when he started sobering up. He told his brother that his greatest fear of quitting drinking was that there would be nothing to do with his free time. Well, it didn't take John long to find things to do. The first step was reconnecting with the land. He became an avid hunter, and he loved his skidoo. He went back to school to become a counsellor to help others on their healing journey. After John's celebration of life, I spoke with a young man who was tempted to drink, but had received John's wisdom and knowledge in the sweat lodge. John made deep impressions on many people and gave wise advice. This young man remembered his teachings; we went for coffee. He got involved with foster care and took in foster kids. When some of the kids disappeared, as teenagers do sometimes, John would climb up the clay cliffs and, using field glasses, would spot them. They would later say to him, "How did you find me?" John was creative in showing his care for their well-being.

Some of his brothers helped him build a house on the Fish Lake Road. Through this work, they were building family.

John became very spiritual as he moved into the last stage of his life. John was focused on reconciliation with his family, his kids and his grandkids. As his life neared its end, John was

truly happy. He was making significant connections to his ancestral Tahltan lands and his people there. John was planning to someday go back to Telegraph Creek to be involved in public life there, to speak for the land, the salmon and the animals, and to help others on their healing journeys in Taltan country.

An avid hunter, but also a man who was so tender with animals, John had birds in his home that would fly around to him and perch on his shoulder. As he struggled with leukemia, John was attuned to the sacredness of life. "Everything has a right to live," he said to his brother Allan. This made it hard for him to kill even a mosquito. I remember in many of the years — in all the years, actually — that I ran CAIRS Society, John was one of the few public figures to come on open-house day. He would come regularly and visit people who were struggling in their daily lives. He shared a game of pool with them; he would sit down, have some music, bring in something to eat and just be there.

John served the Yukon people with distinction and integrity. We in the Official Opposition mourn his death and salute John's many achievements. Our thoughts and prayers are with John's family and friends as they grieve their loss.

Mr. Elias: I rise today on behalf of the Liberal caucus to pay tribute to our friend and former colleague, the late John Edzerza, the MLA for McIntyre-Takhini. We were deeply saddened to learn of the passing of John Edzerza after his struggle with leukemia. John and I worked closely together on the Select Committee on Anti-smoking Legislation and it was during that time it became very evident to me that John was the same man, whether it was debating in this House, in front of the camera, or in a conversation in private. Once in awhile, over the years, John and I would bump into each other in the mountains of southern Yukon while we were hunting — not for lack of trying on my part.

To this day, I still don't know where John's secret sheep hunting spot is. All he would say to me with a smile on his face was, "It's near Zippermouth Lake." To this day, I can't find that lake on any maps in southern Yukon.

One of John's greatest passions was to develop a land-based addictions healing centre and treatment program. John had an in-depth knowledge of the struggles people go through with their addictions and knew the values of what a healing centre on the land would mean for many people: to get back to the land, back to Mother Earth and be able to rejuvenate — physically, mentally, emotionally and spiritually.

John was a strong and vocal advocate for an addictions treatment centre. He fought long and hard for this, and he saw this become a reality with the opening of the Jackson Lake land-based treatment centre, a legacy to be proud of.

Mr. Edzerza will be remembered as a man of determination and a politician who was always willing to listen and who found a way to reach his goals. He was a respected elder and leader in the First Nation community, where he taught life lessons about addictions and healing, an important journey John had taken himself.

John also served four terms as a councillor for the Kwanlin Dun. One of the things I admired about John was that when he

was faced with a challenge, backing down wasn't part of his vocabulary. In one of our conversations about Old Crow, I asked his advice, and I remember him telling me, "Don't let anyone tell you it can't be done." He had a warmth and calmness about him that was contagious, and I believe he had a unique political voice, in that when he spoke, it was obvious that he valued his traditional Tahltan teachings and spirituality. I think that's how people saw him.

I, too, salute John's public service and contribution over the years to improve the day-to-day lives of Yukoners. To John's family, his colleagues and friends, we offer our heartfelt condolences, and our thoughts and prayers are with you at this difficult time. John's wisdom, spirituality and sage advice will be missed by many people he has helped and encouraged to follow their own path. John has completed his life journey, and has asked to be taken back to his Tahltan homeland, where he will be at rest with the great Creator. Rest now, my friend. Rest in peace.

INTRODUCTION OF VISITORS

Ms. Hanson: Mr. Speaker, I would ask that the House welcome John's sister Millie Johnstone and her husband, John's brother Fred and John Wright, principal of Elijah Smith Elementary School.

Applause

TABLING RETURNS AND DOCUMENTS

Speaker: Under tabling returns and documents, the Chair has for tabling the following document: the Yukon Human Rights Commission annual report, April 1, 2010 to March 31, 2011.

Are there any other returns or documents?

Are there any reports of committees?

Petitions.

PETITIONS

Petition No. 1 — not received

Clerk: Mr. Speaker and honourable members of the Assembly, I have the honour to review a petition, being Petition No. 1 of the First Session of the 33rd Legislative Assembly, as presented by the Member for Takhini-Kopper King on December 7, 2011. The model petition, which is appended to the Standing Orders, indicates that to meet the requirements as to form, a petition must be addressed to the Legislative Assembly, must state a grievance, must contain original signatures, and must ask the Legislative Assembly to take an action in response to that grievance.

The first version of the petition is addressed to the Legislative Assembly and does state a grievance; however, the request for action is directed at the Government of Yukon, not the Legislative Assembly. The second version of the petition is not addressed to the Legislative Assembly and the request for action is directed at the Government of Yukon, not the Legislative Assembly. The third version of the petition is not directed to the Legislative Assembly, does not contain original signatures, and the request for action is directed at the Government of Yukon, not the Legislative Assembly. Therefore, none of the

versions of Petition No. 1 meet the requirements as to form of the Standing Orders of the Yukon Legislative Assembly. The petition will therefore be returned to the Member for Takhini-Kopper King.

Speaker: Accordingly, Petition No. 1 may not be received.

Are there any further petitions?

Are there any bills to be introduced?

INTRODUCTION OF BILLS

Bill No. 101: Introduction and First Reading

Mr. Elias: I move that a bill, entitled *Disclosure Protection Act*, be now introduced and read a first time.

Speaker: It has been moved by the Member for Vuntut Gwitchin that a bill, entitled *Disclosure Protection Act*, be now introduced and read a first time.

Motion for introduction and first reading of Bill No. 101 agreed to

Speaker: Are there any further bills for introduction?

Are there any notices of motion?

NOTICES OF MOTION

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

THAT this House urges the Yukon government to support the use of natural gas as an alternative to burning diesel fuel for electrical power production.

I further give notice of the following motion:

THAT this House urges the Yukon government to develop additional oil and gas regulations needed to manage and facilitate responsible development and use of the Yukon's oil and gas resources.

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

THAT it is the opinion of this House that the United Nations *Convention on the Rights of Persons with Disabilities* lists the convention principles in part as respect for inherent dignity, individual autonomy, including the right to make one's own choice, and independence of persons; and

THAT it is imperative that the Yukon government make every effort to include persons with disabilities in its workforce by ensuring the convention's principles are followed, through:

(1) non-discrimination;

(2) full and effective participation and inclusion;

(3) respect for difference and acceptance as part of human diversity and humanity;

(4) equality of opportunity;

(5) accessibility; and

(6) equality between men and women.

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

THAT this House urges the Yukon government to proceed to implement the recommendations of the select committee on amendments to the *Human Rights Act*, tabled in the House in 2010.

I further give notice of the following motion:

THAT this House urges the Yukon government to review all Yukon acts with a view to including in them the rights of persons in same-sex marriages to be in full compliance with the Yukon *Human Rights Act*.

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

THAT this House urges the Yukon government to work with Canada Post Corporation to ensure that Tagish, Yukon, has a local post office and mailboxes.

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

THAT this House urges the Government of Yukon to work with the governments of Canada and the United States and any agencies or industries involved in the development and implementation of safety standards for oil and gas drilling in the Beaufort Sea to ensure safeguards and contingency plans for spills are in place for all future oil and gas exploration and development.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to undertake a review of its secondary school students' travel subsidy.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to begin a client service assessment to determine the level of care required for our elders in Old Crow, including infrastructure requirements, staffing levels, access to health services, and the availability of the services that are enjoyed by other Yukon seniors and elders.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to work with the Government of the Northwest Territories, interested First Nation governments, and the Government of Canada to develop a strategy for the upgrading and reconstructing sections of the Dempster Highway.

Speaker: Is there a statement by a minister?

This brings us to Question Period.

QUESTION PERIOD

Question re: Yukon oil and gas

Mr. Tredger: Mr. Speaker, yesterday in response to my questions regarding the potential use of fracking, the minister directed this House to the Yukon government's *Energy Strategy for Yukon* for more information on fracking and the oil and gas industry in the Yukon.

After reviewing the *Energy Strategy* and other public information from the Department of Energy, Mines and Resources, I could find no mention, discussion or consideration of fracking as a method of natural gas extraction in the Yukon. In fact, language in government documents leads one to believe

that natural gas extraction would be done by conventional methods.

Mr. Speaker, since these documents contain no information on non-conventional methods, let alone fracking, how is the public to know that this government is considering this controversial option?

Hon. Mr. Cathers: I think, first of all, the Member for Mayo-Tatchun is not correctly understanding the situation. I would encourage him to again review what I actually said in the House yesterday. He seems to have misunderstood. I was in fact pointing the member to the references in our *Energy Strategy* to continuing to develop best practices in these areas, including the specific commitment as a priority action under the *Energy Strategy* to update best practices for environmentally responsible oil and gas exploration and development. The member is absolutely mistaken that the government is entertaining options right now on fracking. It is something that is certainly not a priority action for the government.

That is not to say it precludes a company from proposing it, but it's certainly not an area we are actively pursuing, as the member seems to be under the illusion about.

Mr. Tredger: The public had no knowledge that officials have been in discussions on the possibility of fracking in the territory until you mentioned it yesterday. There is no public information from the government on fracking. Water is a precious resource. The protection of Yukon's watersheds is of paramount importance to Yukoners. Fracking uses and diverts substantial water resources. It is new to northern climates. Studies do not take into account permafrost and climate change.

Quebec has decided that the risks are currently such that they have a moratorium on fracking.

Given the minister's comments about fracking in the Yukon, will the minister commit, here and now, to a moratorium until full and adequate public studies and consultations have been completed?

Hon. Mr. Cathers: Again, I have to encourage the Member for Mayo-Tatchun, the NDP critic in this area, to review what I actually said yesterday. He seems to have misread or misremembered what I did say on this subject. I would point out that the government has not identified this type of activity to pursue and promote, as the member is trying to frame the debate.

This is an area that if a company wished to pursue a proposal, they could pursue a proposal, but the Yukon's regulatory structure does require review. It requires assessment through the *Yukon Environmental and Socio-economic Assessment Act* process and, as I indicated to the member, the Yukon government, in areas pertaining to oil and gas, is continuing to update our best practices. That work is active right now as a priority action on the *Energy Strategy* to continue to update our best practices for environmentally responsible oil and gas exploration. That is something that I just have to point the member back again to *Hansard* from yesterday. He is raising public fears unnecessarily, and I would encourage him to read what I actually said.

Mr. Tredger: I certainly don't want to raise public fears, so I would encourage the minister opposite to commit now to a moratorium on fracking in the Yukon until further consultation and a complete public review of fracking is done.

Hon. Mr. Cathers: I know the NDP is big on moratoriums for everything, including moratoriums on air traffic over the downtown, which was a big issue for the NDP leader in a previous sitting. But, again, I point out that there are no active proposals in this area. The member is presumably relying on surfing the Internet or watching a newscast from down south related to this area and to specific situations, without understanding those situations themselves and the fact that hydraulic fracturing has actually been in existence since the 1950s. Currently, in North America, over 60 percent of all oil wells and 85 percent of all gas wells are hydraulically fractured, and those percentages are increasing. But there have been areas, obviously, where these types of wells have not worked well. Those are dependent to some extent on the type of gas that is being developed, the type of the resource, the aquifer, et cetera. The member is talking about specific examples, and it's like pointing to the mining industry and pointing out environmental liabilities, such as Faro as the example of what the member might view the entire industry to be like.

We're focused on ensuring that our modern regulatory structure addresses and deals with any potential risks and is aimed first and foremost at protecting public safety and protecting the safety of the environment.

Question re: Land development

Ms. Hanson: The members on this side do respect all the members of their constituency and do bring up issues that are important to our constituents, regardless of the opinions of the member opposite.

Yesterday Yukoners heard the news that unserviced lots in Grizzly Valley development sold for between \$125,000 and \$218,000 in a recent land lottery. According to reported comments from the lands branch, the prices paid reflect the cost to government of building the roads and other infrastructure.

Expensive lots like these are out of reach to most working and middle-class Yukoners, evidenced by the fact that not all of the lots were sold, and this will not solve the territory's affordable housing crisis. My question for the minister: why did the government choose to proceed with the expensive Grizzly Valley development, instead of pursuing options that would be affordable to working and middle-class Yukoners?

Hon. Mr. Cathers: First of all, with reference to the Leader of the NDP's first comment, I would remind the member that, under the Standing Orders, commenting on the previous question is out of order. I didn't interrupt her with a point of order, but I would point that out to her.

What I would note in this area is that the Grizzly Valley lot development started a number of years ago. At one point, it was held up for three years in consultation with First Nations in the area. This project has been underway for quite some time, dating back, in fact, previous to the last territorial election as a result of some of these delays — I'm speaking of previous to the 2006 election.

The money that had been invested in this project, of course, made it the appropriate thing to make these lots available. At this point, not all of them have been spoken for, but as our staff at the lands branch noted, once the snow is off the ground, there is a great likelihood that additional Yukoners will be interested once they can walk around and see the ground for themselves.

Ms. Hanson: Mr. Speaker, the reality is that the Grizzly Valley developments consist of a small number of very large lots. The cost per lot for roads and other infrastructure is therefore very high. The high lot prices are a direct result of the government choosing to plan this development in this way, as opposed to choosing to develop smaller, more numerous lots.

Furthermore, the unserviced Grizzly Valley lots will require buyers to spend tens of thousands of additional dollars for electrical hookups, water wells and septic systems. Again, this development is out of reach to most Yukoners and will not help address the territory's affordable housing crisis. Will the government commit now to better planning in the future to ensure that land for residential development is not only available, but also affordable?

Hon. Mr. Cathers: Again, the Leader of the NDP is not reflecting the history in this situation and recognizing that the development of these lots and the process leading up to them has been underway for roughly six years.

As I noted, there were some delays because of consultation with one of the First Nations involved. I believe it's roughly 20 percent of the costs in the project are related to specific accommodations made in that development, to address the requests and concerns of the First Nation.

The lands supply in this area — this is addressing one component of the demand for lots in Yukon. There are Yukoners who want small serviced lots in town; there are also Yukoners who want land that is more rural and larger in nature, and that is what these lots were originally intended to serve. Again, as I noted, this project began roughly six years ago, if memory serves, and it was of course the appropriate thing for government to put these lots on the market, rather than holding them up as it appears the Leader of the NDP would do.

Ms. Hanson: The member opposite is imputing a value or intention of this member and that's entirely incorrect. In fact, the NDP has been very clear that what we're looking for is a planned approach to making land available that is affordable to all Yukoners, as opposed to this government's ad hoc approach — this ad hoc approach which is simply not working. Unaffordable lots and one-off projects won't address the territory's worsening situation of housing availability and affordability. While the government is quick to rattle off — and he has continued to do — the list of housing projects under consideration — this has taken a long time and we know it has taken a long time — there has been no strategy.

This government has been unwilling, or perhaps unable, to deliver a housing strategy that will include all Yukon communities, have performance and risk-management measures, be comprehensive, innovative, practical, and achievable — that will increase the housing supply and improve housing affordability.

Will the minister commit today to the development and implementation of a comprehensive housing strategy, and an end to the current ad hoc approach that doesn't get results?

Hon. Mr. Cathers: Again, what I would have to point out is that I encourage the Leader of the Official Opposition to read the Yukon Party's election platform. The development and improvement of making available land to Yukoners, improving our processes for getting lots on the market, and increasing the engagement of the private sector in areas like the Lot 262 development that was a campaign commitment to make available a parcel of land near Range Road with a specific caveat that the end use had to be for developing rental accommodations — these areas are identified as priority action items in the Yukon Party platform. This is building on the work that has already been done in the past two terms in making lots available. Again, I have to point out to the member that she is referring to one-off approaches.

The member is simply not reflecting the facts and not reflecting that individual projects in areas — Grizzly Valley, Little Teslin Lake, development of Glacier Acres, the Willow Acres in Haines Junction. These are just a few off the top of my head, Mr. Speaker, of examples where government has been doing work to date in individual areas, individual communities. We are committed to improving our processes, making land more available. That's exactly why it was identified as a priority item in the Yukon Party platform. I'd urge the member to read it and our press releases on that subject.

Question re: Mining regulatory uncertainty

Mr. Silver: Mr. Speaker, now that the NDP, the Official Opposition, has had time to warm up our Member for Lake Laberge, I have a few questions for him as well. The Yukon Minerals Advisory Board provides advice to the Minister of Energy, Mines and Resources on many aspects in the mining industry. In its 2010 report to the minister, the board said the most significant issue for the YMAB in 2010 was the ongoing concern of regulatory uncertainty, especially following the Yukon Water Board's decision in the Carmacks Copper project. YMAB recommended the Government of Yukon clarify the role and jurisdiction of the Yukon Water Board and the Yukon Environmental and Socio-economic Assessment Board, work with these two organizations to harmonize their processes and investigate the concept of a process charter.

Speaker: Order.

Some Hon. Member: (Inaudible)

Speaker: Order please. Minister of Energy, Mines and Resources.

Hon. Mr. Cathers: I thank the new Member for Klondike for his question and welcome the member to the House and welcome him to his first questioning of me as Minister of Energy, Mines and Resources.

The area that the member highlighted is one that we agree, as the Yukon Minerals Advisory Board has identified, that there is room to improve the coordination of the regulatory processes. However, I would point out that, when I refer to coordination, I refer to asking for and utilizing information, not making additional, unnecessary or different information re-

quests in a way that creates conflict, while recognizing they are separate agencies and must remain so. By that, I mean the Water Board process, the *Quartz Mining Act* process and YESAB.

Work is underway — what we refer to as the licensing process improvement team — to coordinate things related to information requests and assessment standards while maintaining the independence of these regulatory agencies.

Speaker: I ask that the members keep their questions to one minute.

Mr. Silver: I will try my best, Mr. Speaker.

Let me return to the report. The issue of regulatory uncertainty is perhaps the most serious to face the Yukon mining industry in a number of years, in particular because of new developments in 2010.

Continued uncertainty has the potential to damage Yukon's investment attractiveness and the industry's ability to raise funds and thereby create economic activity and employment in the Yukon.

The heightened regulatory uncertainty has the potential to undermine the Government of Yukon's credibility. In YMAB's view, it is essential that the Yukon government demonstrate that it is aware of these concerns and that it is willing to work to address them quickly and provide certainty and clarity in the assessment and regulatory processes. It has been 18 months since the issue surfaced and the government has done nothing to address this fallout yet. Why not?

Hon. Mr. Cathers: I thank the member for the question and for highlighting what I agree with the member is an important issue. It is something for which, again, the work is underway through the licensing process improvement team to better improve the manner in which the Water Board process, the *Quartz Mining Act* process and the YESAB process work together while maintaining the independence of each of those regulatory agencies. The intention, of course, is to ensure that, collectively, we are reaching an outcome that is evidence-based and provides clarity to those who are applying and what they actually have to do to meet the appropriate environmental standards.

I appreciate the question from the member; it is an important area. I would also remind the member that I was sworn in as Minister of Energy, Mines and Resources on November 5, 2011 and, in the not-quite-six weeks since, we've been very busy on a number of files, including meeting with the Yukon Minerals Advisory Board about this very matter.

Mr. Silver: I can appreciate the small amount of time we have here. My point is, if we're open for business, let's make that business easy to accomplish.

In my opinion, the Yukon Minerals Advisory Board made some very sensible recommendations; namely, that the Government of Yukon clarify the role and jurisdiction of the Yukon Water Board and the Yukon Environmental and Socio-economic Assessment Board, and work with the two organizations to harmonize the process.

They are concerned about the impacts that this renewed regulatory uncertainty could have on our mining industry, and so are we. The response from the government has been radio silence — 18 months. It has not responded publicly to releases

of the report or even acknowledged the concerns that have been raised. I urge the minister to respond to these concerns, which the industry described as the most serious to face the Yukon mining industry in a number of years.

Will the minister be acting on these recommendations, and when does he plan to get started?

Hon. Mr. Cathers: I appreciate the challenge the Member for Klondike has in trying to frame the question to suggest that the government isn't acting in this area. As I pointed out to the member, as the member knows, this is an area where action has already been taken by the department. Again, as I noted, in the few weeks since being sworn in as Energy, Mines and Resources minister, I have met with the Yukon Minerals Advisory Board about this very matter and talked to them about the plans that we have at the official level: improve how that assessment process is working, try to reduce any lack of clarity or conflict between those processes while maintaining and respecting that those processes are independent regulatory agencies.

We want to ensure that collectively they are working together well in the best interests of Yukoners to assess what they must assess, protect our environment, address socio-economic issues but, fundamentally, ensure that projects are being assessed on the right things for the right reasons with the right outcomes, and that our process does not create any unnecessary delays, confusions, et cetera, in bringing good projects to fruition.

Question re: Mine training funding

Mr. Silver: I hope the Minister of Energy, Mines and Resources doesn't think we are picking on him, but these are concerns that are of great, dire consequences to my community.

Another important recommendation in the Yukon Minerals Advisory Board, 2010 report, focuses on mining training. The availability of a skilled workforce has become a significant constraint on mining development and will continue to be so unless addressed over the short and medium terms.

One of the issues clouding the future of mining training in the Yukon is the future of the Yukon Mine Training Association. It receives funding from various levels of government, including the Department of Energy, Mines and Resources and a lot of that funding is due to expire at the end of March.

Can the minister tell Yukoners if funding from this government will continue past the date and whether funding from Ottawa will continue as well?

Hon. Mr. Cathers: I do appreciate the member's question. We certainly recognize this area. As the member referred to, the government has already made a few significant investments in this area, including funding for the Yukon Mine Training Association. We have also taken action, which my colleague, the Minister for Education, can elaborate on about the increases in the program — the new mine training programming related to the college. We recognize some of the funding the member is referring to is federal funding for the Yukon Mine Training Association. The Yukon government is continuing to fund this organization and the good work it does and we are committed to not only continuing our investments

in mine training, but in fact expanding those and expanding those for Yukon College. Again, I can't resist the plug: I would encourage the member to read the Yukon Party platform; he will see some good information about that in our platform and press releases.

Mr. Silver: Mr. Speaker, platforms are one thing but when money runs out, that's a whole other issue.

There are several Yukon companies — several Dawson companies as well — that have used this money to train Yukoners. I know of one company alone that spent \$400,000 in training and had a handshake promise with Yukon Mine Training Association to do some of the funding for this, but the money ran out. I am meeting with many of these people in Dawson after this sitting. One of the biggest questions on their minds is the future of Yukon Mine Training Association funding. They cannot plan for next summer as they do not know where the funding is going to be available. What assurances can the minister provide that funding from this government will continue and that funding from Ottawa will also continue?

Hon. Mr. Kent: Of course, support for training in the mining industry is something that's very important to this government, as mentioned by my colleague, the Minister of Energy, Mines and Resources in the previous answer for the member opposite.

There have been a number of initiatives undertaken by Yukon College in this regard. I know that last summer, there was a partnership undertaken that had many partners, including the Yukon Chamber of Mines, to train camp maintenance supervisors in the traditional territory of the Na Cho Nyäk Dun First Nation.

So, of course, for members opposite — for all members of this House — training opportunities for all Yukoners training, when it comes to jobs and opportunities that are starting to come to fruition through the mining industry, is important and is something we'll continue to work on.

Mr. Silver: It is exactly what the minister speaks of that we're talking about. One of the main concerns raised by the report is a lack of coordination among these organizations and agencies. The 2010 YMAB report says that a number of industry-related education initiatives are occurring but appear to be functioning largely in isolation from one another. Some examples are YMTA, Yukon College, Skills Canada Yukon and the Northern Safety Network. The YMAB suggests that these initiatives might be more effective if it were a coordinated holistic approach to mining-related education, capacity building and skill development in the Yukon. As Dawsonites, we would love to be part of that solution, with some local answers to these training problems.

I have heard these same concerns from individual companies in Dawson. What steps, if any, is this government taking to coordinate mining training?

Speaker: Do you have a question?

Mr. Silver: What steps, if any, is the government taking to coordinate mining training?

Speaker: Order.

Hon. Mr. Kent: I know that work is underway right now at Yukon College with a number of training initiatives regarding the mining industry.

Again, of course, a commitment of ours during the recent election was to encourage the establishment of a school of mining as well. Actually, just prior to coming to the Legislature today I did have the opportunity to run into a couple of individuals — the Chief of the Tr'ondëk Hwëch'in First Nation as well as someone from one of the private companies of which perhaps the member opposite speaks. We are looking at coordinating a number of different training opportunities. The member is right, there is responsibility scattered through a number of different organizations, including the Yukon Mine Training Association, Northern Safety Network Yukon — as mentioned — Yukon College and others, for making sure that we provide the jobs, the opportunities and the training for those jobs and opportunities. It is something that is very important to this government and we will continue to work on that.

Question re: Housing as a human right

Ms. Moorcroft: December 10 is International Human Rights Day, which commemorates the *Universal Declaration of Human Rights* adopted as a common standard for nations to recognize the inherent dignity of all peoples and universal rights to equality and freedom from discrimination. The human rights principles are the foundation of international goals of achieving freedom, justice, and peace in the world.

Here in the Yukon, the Select Committee on Human Rights recommended that the language and principles of the act should reflect today's understanding of basic human rights. This was really great to see. The right to housing is a basic human right under the UN declaration. During the recent election campaign, all political parties agreed that housing for everyone is a key need. I hope this is something we in the Legislature can work on together. Will the Minister of Justice support amendments to the *Yukon Human Rights Act* to recognize housing as a human right, adding —

Speaker: Order please. The member's time is up. Thank you.

Hon. Mr. Kent: I rise in my responsibility for the Yukon Housing Corporation to respond to this question.

Of course there has been significant investment made on a number of housing initiatives, including affordable housing. Within the last two years, there have been 127 new units added to affordable housing. We've had significant investment in seniors housing under the previous Yukon Party governments as well as looking to partner with First Nations. Right now, the expression of interest is in the land at the junction of Range Road and Mountainview Road here in Whitehorse.

There are a number of initiatives that we're looking at to ensure that we can continue to provide the housing that all Yukoners need, including increasing the rental stock and providing attainable home ownership opportunities for Yukoners. That is what we are working on as far as the housing file goes, Mr. Speaker.

Question re: Duty to accommodate

Ms. Moorcroft: The Minister of Justice did not respond to my question, so I would like to rise to direct a new question to the Minister of Highways and Public Works regarding the duty to accommodate.

The Yukon *Human Rights Act* provides for a duty to accommodate to ensure that nobody faces discrimination. This means making changes to rules, practices, workplace cultures and physical environments to remove barriers that may prevent people from enjoying equality of opportunity and access to services and employment. This duty requires employers, landlords, service providers, businesses, unions and organizations to meet the needs of their employees, tenants, clients and members. The government in its role as an employer has a duty to accommodate people with disabilities in the workplace. Will the Minister of Highways and Public Works commit to evaluating how the government's buildings fulfill the obligations under the Yukon *Human Rights Act* by drawing up an inventory of all government buildings and assessing them for accessibility —

Speaker's statement

Speaker: Order please. We're running short on time, continually. Please reframe. The supplementary questions are to relate to the primary question — the first question. I'll look at the Blues when they come out.

Hon. Mr. Istchenko: In addressing the member opposite, the Member for Copperbelt South, we have many buildings and facilities and much staff. We operate with safety as the number one concern and also concern for people with disabilities. We look at all of our infrastructure, and access is of the utmost importance. We have codes, regulations and things like that. To answer the member opposite's question, it's a priority, as is safety of our highways. We have an inventory of our buildings and we make sure that our buildings are accessible for those with disabilities and any other thing.

Point of order

Ms. Moorcroft: If I may, on a point of order regarding the final supplementary, I believe that I indicated when I rose that this was a new question to the Minister of Highways and Public Works on the duty to accommodate. So this would be the first supplementary on that.

Speaker's statement

Speaker: We'll look at the Blues and answer then.

Ms. Moorcroft: Thank you. Governments must act as an example for other employers and services, particularly with regard to persons with disabilities. The duty to accommodate is not something that is optional. Last week, ministers opposite and members of our caucus attended a public event to acknowledge the UN *Convention on the Rights of Persons With Disabilities*. The government knows that there are buildings that are not accessible. For example, most of the government buildings in Dawson City are not accessible. Many competent people who may need to use a wheelchair or walker are unable

to work for government in this case. Will the minister commit to a program of renovating government buildings to end this violation of people's rights so that persons with disabilities can work for the government without discrimination?

Hon. Mr. Graham: I attended the public meeting, as did several members opposite. When we talk about persons with disabilities and our duty to accommodate, the Yukon government is committed to upholding the duty to accommodate needs, especially with our own employees, but also for all Yukoners.

We believe in the right of not only our employees, but all disabled people in the territory, to work with dignity and be able to access all of our buildings. Accommodation is intended to support not only the work environment for our own employees, but to support the ability of other disabled people in the workforce.

We also have a number of supports in place for these persons with disabilities, so yes, we are very aware of the difficulties of these people and we're trying to clear them up as much as possible.

Ms. Moorcroft: I'm glad to hear that the Minister of Health and Social Services has indicated they support the needs of people with disabilities. What I am looking for here is a commitment from the Minister of Highways and Public Works to a program of renovating government buildings to end the violations of people's human rights that occur when buildings are not accessible.

Will the minister commit to that?

Hon. Mr. Cathers: I thank the member for that question. What I would point out is I would remind the member of the significant investments that have been made under the Yukon Party in the past two terms in supporting people with disabilities. We've supported non-governmental organizations. We've changed the social assistance structure to provide additional assistance to persons with disabilities who are on social assistance. Steps have been taken, as the Minister of Highways and Public Works referenced, to improve access at Yukon government buildings. Those efforts are still ongoing, of course, but those significant steps have been taken and we will continue to do more in this area and continue to work with people with disabilities and people who advocate for them.

Another example that members of this House — myself as then minister and the Minister of Justice — have been involved in is the creation of the family supports for children with disabilities program, a very important initiative of this government that was put in place in 2008 that we've committed to expanding in this year's election platform to better enable people who are caring for a child with disabilities to provide them with the therapies they need and provide them with the home supports they need.

Also, again, I have to encourage the member to read our election press releases where we committed to additional supports for seniors with disabilities.

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

ORDERS OF THE DAY

Hon. Mr. Cathers: I move that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair (Ms. McLeod): Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 3, *Second Appropriation Act, 2011-12*. Do members wish a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Bill No. 3: *Second Appropriation Act, 2011-12* — continued

Chair: We will continue with general debate on Bill No. 3, *Second Appropriation Act, 2011-12*.

Hon. Mr. Pasloski: Madam Chair, just to reiterate what we were talking about yesterday, the 2011-12 mains were tabled back on February 3 with budgeted gross expenditures of \$1.089 billion, of which just under \$852 million was allocated to O&M and \$237.7 million was allocated to capital. It's worth noting that this is the third consecutive budget where gross expenditures of the Yukon government exceed \$1 billion, which is certainly a noteworthy and impressive statistic.

I also wanted to say that the government is in a very strong financial position. At the time the 2011-12 budget was tabled — and again noting that gross expenditures exceeded \$1 billion — annual surplus was forecast for 2011-12 to be approximately \$38 million. In addition, and perhaps more importantly, our government continues to avoid net debt with a very healthy net financial position forecast for March 31, 2012, of just over \$43 million.

I know we will be speaking of a number of challenges identified in the 2011-12 supplementary estimates tabled in the Legislature today, but I believe it's meaningful to revisit the 2011-12 budget as it sets out some context and understanding that the government continues to maintain a healthy financial position, allowing us to be responsive.

The strength of our financial position and our government's ongoing commitment to fiscal discipline allows us to continue to make resource allocation decisions, such as those identified in *Supplementary Estimates No. 1*, on behalf of all Yukoners. *Supplementary Estimates No. 1* provides for both

O&M and capital increases. Through this appropriation act, we will see total gross O&M expenditures to \$873.762 million and

Some Hon. Member: (Inaudible)

Point of order

Chair: Ms. Hanson, on a point of order.

Ms. Hanson: I believe there's a point of order here because, as I recall, when we left off yesterday, the Minister of Finance was responding to a question I had asked him, and the Minister of Finance, with respect, is speaking to matters other than the question under discussion. I had asked him a question specifically with respect to resource revenues, and I'm getting a listing of everything, not even remotely responding to the question I asked.

Chair: Mr. Cathers, on the point of order.

Hon. Mr. Cathers: On the point of order, I think the Leader of the NDP is misunderstanding the Standing Orders and not recognizing that, in fact, that section of the Standing Orders refers to speaking to a topic, for example, on legislation. If there were a bill related to Highways and Public Works, talking about other areas or other pieces of legislation in that debate would not be relevant.

This is general debate on the supplementary budget. The Premier is providing information related to topics related to the budget and related to the general issues that have been raised to this point in debate and that he feels are relevant to Yukoners. There is no point of order.

Chair's ruling

Chair: Thank you. The Chair has decided that there is no point of order. This is general debate and ministers are not committed to answer specific questions.

Hon. Mr. Pasloski: Thank you, Madam Chair. As I was summarizing, I know that the opposite side of the House had some concerns and I thought it would be appropriate to try to re-summarize a bit and then move forward. The Yukon government is contributing significant expenditures for the benefit of all Yukoners.

The first supplementary estimates of a fiscal year provides us with two opportunities. First, it provides us the opportunity to present to the Legislature and to the general public an update on the financial position that the government is in now. It's important for us as legislators to understand the issue of timing. I am confident that the members can appreciate that at the time the 2011-12 budget was prepared and tabled, we didn't have audited results for the year ending 2010-11; therefore, there were projections. This is the case every year, Madam Chair, because we don't get the audited results until after the point that we table the main budget. As a result, and now that we have the final 2010-11 results, *Supplementary Estimates No. 1* represents the first opportunity to provide the Assembly with a financial update inclusive of the final 2010-11 results.

Second, and more to the point of seeking the required spending authorities, this first supplementary estimate details the proposed expenditure changes that require legislative appropriation authority in addition to spending authorities previ-

ously granted by the Legislature when the main estimates were approved.

Madam Chair, the *Supplementary Estimates* provides for increased spending totalling \$40.123 million. Of this, \$21.899 million represents an increase in the O&M expenditures and \$18.224 million represents an increase in gross capital expenditures. These increases result in the total government expenditure of almost \$1.13 billion.

Moving on to our summary financial indicators, after incorporating the 2010-11 final audit results, and expenditure and revenue challenges detailed in the first supplementary estimates for 2011-12, our government does continue to be in a very healthy fiscal position.

Supplementary Estimates No. 1 presents a forecast annual surplus of just over \$29 million, resulting in an estimated accumulated surplus for March 31, 2012, of \$543.9 million. Now, to continue to avoid net debt, our year-end net financial position is projected at \$43 million. I really want to emphasize to all members the significance of having net financial resources as opposed to having net debt. Really what that means is that we are not relying on tomorrow's revenue to pay for today's services. This is an enviable position for Yukon, as very few governments are in this position. This is something to be very proud of.

Madam Chair, individual ministers will be pleased to provide members of the Legislature with complete details when we move out of general debate and into department-specific detail.

Now members will recall that a special warrant was issued on July 6, in which a number of expenditure initiatives were identified. In accordance with the *Financial Administration Act*, items previously authorized through a special warrant are to be included in the appropriation bill during the next Legislative Assembly sitting. The *Second Appropriation Act, 2011-12* and first supplementary estimates prepared are inclusive of this special warrant. This meets the requirements of the full actuarial accounting and brings the opportunity for scrutiny and debate and approval of the Legislature.

The special warrant provided for \$45.769 million, the majority of which — approximately \$38.6 million — was attributable to amounts provided in a revote from prior year lapses. Really, the remaining balance was approximately \$7.1 million, which was allocated to a number of important initiatives advanced by this government. These are initiatives such as: multiple sclerosis trial support; opening of six hospital beds at Whitehorse General Hospital; partnership with Kaushee's Place's housing society to provide secure, affordable housing for women in crisis; interim solution for Ross River; urgent care services for people without family doctors; and mine safety.

I'm disappointed that the members opposite chose to vote against such important priorities, such as hospital beds, Kaushee's Place, and extra services at the emergency ward for Yukoners.

I mentioned revotes earlier as the Yukon government continues to follow its tried and true practice of revoting funds to ensure that the capital projects continue to move forward as

appropriate. Almost \$38.6 million has been identified for revote. As a result, significant components of the requested expenditure authority for the first supplementary estimates came about because departments are seeking capital and O&M revote authority for lapses in the previous year. Much of this represents funding required to continue our investment in infrastructure projects.

Along with the theme of revotes, members will no doubt note that the Department of Community Services had identified a number of decreases for specific projects, detailed in the supplementary estimates. As I had discussed — you know, this is an ongoing process. Department officials are continually reviewing and adjusting project implementation plans as more and better information becomes available.

Community Services has determined, for a variety of reasons, that some of the work originally planned for 2011-12 cannot be completed during the current fiscal year. Accordingly, a number of these projects — the departments have adjusted the project implementation timelines, the results of which are reflected in the *Supplementary Estimates No. 1*. I want to remind you, Madam Chair, and all Yukoners, that these projects are not being cancelled. Really, they are just being moved forward. The Department of Community Services continues its excellent work in revisiting implementation timelines, and these projects will be picked up in future budgets as appropriate. I for one really appreciate the efforts at the department level of the officials as they continue to deliver infrastructure improvements on behalf of all Yukoners.

As the Minister of Finance, I am very pleased with this supplementary budget and of the financial position of this government. This *Second Appropriation Act, 2011-12* and accompanying *Supplementary Estimates No. 1* call for increased expenditures of \$40.123 million, resulting in total gross expenditures of almost \$1.13 billion for this fiscal year.

Over the past few years, ministers and their department staff have worked very hard to ensure that we achieve this sound financial management, while at the same time still ensuring strong, effective, prudent and sustainable investments for Yukoners.

The supplementary estimates build on that theme. We see significant spending initiatives undertaken by our government while maintaining a very strong fiscal position. We project an annual surplus for 2011-12. This contributes to our savings account, as we also see an increase in our net financial resource position of approximately \$14.5 million for the 2010-11 fiscal year.

Our positive net financial resources — really, our savings account — continues to avoid net debt. We are not delivering current services, programs and infrastructure at the expense of future generations of Yukoners. We continue to be prudent and disciplined, responsive and flexible, to the benefit of all Yukoners. I am proud of these expenditure initiatives, as they speak directly to our commitment to the Yukon and to Yukoners. I am doubly proud that we maintain a strong fiscal position, allowing our government to be responsive to emerging issues and priorities on behalf of Yukoners.

Ms. Hanson: I would like to go back to where I left off yesterday — I am kind of loath to say this — and am hopeful that if I sit down after asking a question that each response won't result in repeating the same thing.

I do agree with the Minister of Finance that a budget in excess of a billion dollars is noteworthy. I would suggest that for Yukoners it is more noteworthy, and will be noteworthy, if and when this House can prove and demonstrate to all Yukoners that that money has been spent wisely. It is within that context that the Official Opposition has approached its responsibilities as we reviewed both the record of the government and as we look forward to matters affecting the decisions on how we spend the resources of all Yukoners.

I asked the Minister of Finance yesterday where I would see in the revenue stream or the revenues of this government the royalty revenues; that is, he made reference yesterday, I believe, to the \$1.4 million in additional monies. It had nothing to do with resource royalties but everything to do with mines, leases and other fees associated with that activity.

What I was looking for was the increased revenues for the past fiscal year. I ask this because, as I believe the Minister of Energy, Mines and Resources — well, for that matter, probably every member opposite and the election campaign of the Yukon Party — spoke to the very boisterous economic times that we're in, in this territory. We're all aware and very happy to see that we have three operating mines and three more in the permitting stages in this territory and that we've heard over and over again that the value of minerals to be extracted is estimated to be in the billions of dollars. That's wonderful. But despite the significant investment by Yukon taxpayers in everything from new roads, infrastructure, grid extensions, et cetera, the current royalty regime under the Yukon quartz mining system works against the likelihood of a real return to Yukon in the near future.

Earlier this fall, I attended the Yukon Chamber of Commerce's Opportunities North conference, and I believe the Premier was there briefly, as were one or two other ministers. There were many excellent presentations, primarily by representatives of resource extraction companies with current or planned projects in the Yukon.

What was most noticeable was that in most of the presentations made, the projected mine life was seven to eight years. Not all the mines would have the seven- to eight-year life projection, but many of them do. That's what was set out in their presentations, which are available on-line if you're interested in looking at them.

However, what caught my attention — and not for the first time — was that that same seven- or eight-year time frame also coincided with the profitability of those mines — that is, the time when a given mine would begin to declare a profit and they would then be obliged to begin to pay royalties to Yukon for the non-renewable resources that are extracted from our land. While these companies are extracting our resources, they are selling them and shareholders are receiving proceeds from those sales. That's all shareholders, except the primary ones — Yukoners — Madam Chair — you and me and everyone else who lives here.

So until the resource companies declare that profit, they don't pay royalties, and even though the various operating mines have publicly acknowledged and announced financial benefits flowing to them, the Yukon gets zero. We know that's on the quartz mining side. We know that today gold is valued — it varies day-to-day, but probably \$600 USD an ounce. When we ask most Yukoners what they think of the royalty revenue from gold in the Yukon, we get all sorts of answers, and I will be asking the Minister of Finance to comment on that as well. They do give you a shocked look when they realize that the total land and mineral leases and royalties for this territory — at least, from my ascertainment — is projected to be \$187,000. I'll be asking the minister to confirm or find some other explanation to what I see in the paper — the black and white. Although this government might not get it, most Yukoners do — that valuing gold that is extracted from the Yukon at 37.5 cents an ounce — a value that was set at gold rush times — may be the law, but for most people that is seen as — well, bizarre.

Related to this, the Minister of Finance has made much of the negotiations with the federal government to increase the current \$3-million cap on resource royalties that is set out in the devolution transfer agreement. I think that the last figure that I heard him speak of at the Chamber of Commerce's luncheon when he was launching the election campaign, was something around the figure of \$40 million as an upper cap.

The goal, I believe, being something comparable to what the Northwest Territories might get if a devolution transfer agreement is concluded with that territory. I am curious, as I am sure many Yukoners are, as to when the Minister of Finance projects that there will be resource royalties to actually move toward that cap of, first of all, \$3 million — resource royalties, not mines and all the other leases and land lease issues, but royalties.

I guess my questions for now, Madam Chair are, number one: what are the resource royalties for this past fiscal year — a year of unprecedented growth in the mining sector, with unprecedented prices for all commodities, including gold? Second, when does the Minister of Finance expect that the Yukon will exceed the current \$3-million cap? Third, what is the progress with respect to the \$40 million — he could perhaps clarify for this House what the negotiated new cap would be.

Presuming our current economy will continue to be as active and dynamic as it is, and we see the completion of some major mines in this territory with, as we've heard from some members opposite, a projected healthy long life for those mines, we should be seeing billions of dollars of commodities or minerals extracted from our lands. If there are more royalties to be obtained in this territory, and there is flexibility on that upper limit that has been renegotiated — or he can confirm that it has been.

The fourth aspect to that question: I'm curious, and I think many members of this Legislature are curious, to have confirmation of what role, in some precision, have Yukon First Nations played in the discussions with respect to the resource royalty? How does this factor into the resource royalty sharing provisions of chapter 23 of the First Nation final agreements?

How are those without final agreements to be accommodated going forward, as we talk about resource royalty sharing?

The Minister of Finance mentioned yesterday — well, first of all, in 2012, when I look at the documents before us, the total revenue generated from within Yukon — that's our own-source revenues — approximates 10 percent of the total budget. Can the Minister of Finance — this would be, I guess, my fifth question — tell this House the comparative difference in that number from say, 2002 — because he did raise it yesterday — and I'm doing this because unless I speak now, my sense is that the minister opposite will go on for half an hour, and I'd prefer to get my questions out there and not have to do this piecemeal and have a 15-minute response to every single question, so I'll ask my five questions now so that we can be efficient, perhaps, in the use of our time this afternoon.

Can the Minister of Finance tell this House the comparative difference in that number from say, 2002, because that's the date he referred to yesterday? Yesterday, he said Yukon revenues had increased by 63 since 2002. So, of that 63 percent, how much is attributable to own-source revenue?

My sixth question: I'm interested in knowing how the Minister of Finance could explain — because it's an area that I find kind of intriguing, and I'm sure that many other members of this Legislative Assembly do as well, and that's with respect to how debt obligations and government guarantees for corporate debts — for debts that have been accumulated, are accumulating now and into the future with respect to Yukon Hospital Corporation. These are corporations; they're separate arm's-length entities, but their debts are ones that we, as Yukon taxpayers, carry into the future. The same is for Mayo B. So the hospital debt and other debts — if he could explain what the corporate debts are that we have and where they're recorded, where I might see those as a member of the Legislative Assembly.

As we have all acknowledged, most of us in this House are new to this game, with a few exceptions. Even though we may have past experience in budgeting in large organizations, each and every organization is different and, as we're starting out in this together for the next several years, it would be good to all be starting with the same common base of information.

I appreciate your indulgence, Madam Chair, as I raise these questions and I look forward to the response from the Minister of Finance, and I'll sit down at this moment.

Hon. Mr. Pasloski: Well, you know I think on this side of the House we would like to really take a broader context around revenues as opposed to just resource revenues. You know, we don't focus just on resource revenues, but truly take a broader approach to the money that we have. I would have to say one of the questions from the Leader of the Official Opposition was about resource revenue. I think that there is nothing more than an unbelievable story to be told here, and she has requested some numbers. Yukon's resource revenue summary for 2009-10 totalled \$3.144 million. In 2010-11, totally audited figures are \$5,005,027.

Some Hon. Member: (Inaudible)

Point of order

Chair: On a point of order.

Ms. Hanson: Madam Chair, if I may be indulged, could I ask the speaker to reference the document that he is reading from so that we at least have some way of following that.

Hon. Mr. Cathers: On what I assume is a point of order, even though the member didn't reference it was a point of order, there is no point of order. The Premier is reading from documents that are presenting publicly available information.

Ms. Hanson: Excuse me, Madam Chair — just in the terms of collegiality, I'm simply asking, as we said yesterday — and I beg the indulgence of the Chair in this Chamber — we are trying to all learn this process. So, as we found yesterday, not everyone was on the same page. Perhaps it would be helpful just to simply reference the page or the document so that we all are not sort of sitting there looking like stunned bunnies.

Some Hon. Members: (Inaudible)

Chair's ruling

Chair: One moment, please. The Chair doesn't accept that a point of order exists, but I would ask Mr. Pasloski to reference what material he's reading from, just for the benefit of all members here. Thank you.

Hon. Mr. Pasloski: Thank you, Madam Chair. You know, I will continue to refer to the Official Opposition as Official Opposition or the New Democratic Party; however, if they would like to be referred to as the stunned bunnies, then we could do that.

In response to the question from the Leader of the Official Opposition, the data is through the Department of Energy, Mines and Resources.

Some Hon. Member: (Inaudible)

Hon. Mr. Pasloski: No, it's not in the supplementary.

Speaking to the question from the Leader of the Official Opposition, it was around \$3 million in terms of resource revenue. What I was pointing out is that, in fact, the last two years we've exceeded that dollar figure in resource revenue.

I want to start off by talking more about the impact this industry has on Yukon, and it's much more than \$3.1 million in 2009-10 or \$5 million in 2010-11. We are talking about 600 direct jobs in the mining industry, 1,200 direct jobs in the exploration industry — but that's only direct jobs. Then we can start to talk about indirect jobs. Indirect jobs would be the airline companies, the helicopter companies, the expeditors, the tire shops, the fuel distribution, the grocery stores, the assay labs and the retail sector.

Madam Chair, this is a pyramid and this pyramid has resulted in thousands of jobs, thousands of jobs. These people are working in the Yukon, they've moved back to the Yukon. We have a record population in the Yukon and, as a result, the positive financial impact that there has been in the Yukon as a result of this has been immeasurable.

Really, the biggest royalties for this territory are the jobs — the jobs that are created, the people who are working, the people who are paying taxes in this territory, who then give this

government money to deliver on services and capital investments reinvested back into this territory to make this a better place for all of us.

When we talk about resource royalties, the Leader of the Official Opposition was indeed correct in that we were able to renegotiate with the Prime Minister of Canada a new revenue-sharing deal, acknowledging the fact that we believe that not only does this investment create more opportunities for us but also for Canada and that we deservedly should share in a larger portion of the revenues that are earned directly from this industry.

In fact, First Nations have been the recipients of a tremendous amount of revenues directly from the mining industry. In 2010-11, First Nations collected \$3.8 million in royalties and that doesn't include such things as investment in Pelly Crossing to Selkirk First Nation — I think it was approximately \$1.4 million in early childhood development.

There is also the opportunity for these companies to reinvest in the communities — maybe pay fewer royalties, but invest in the communities — and I'll have to argue that is a good thing for Yukoners. It's a good thing for the communities and we certainly are encouraging them to be able to use those opportunities that are out there, to be able to continue to reinvest in those communities.

We were questioned about the formula. The negotiations with Canada are a bilateral negotiation in terms of the devolution transfer agreement and the formula that will result in increasing resource revenues for the Government of Yukon. However, we do have an obligation and we have been consulting with First Nations. It began in September 2010 when Premier Dennis Fentie informed First Nations, asking them if they would like to discuss Yukon's resource revenue offset agreements and the Government of Yukon would engage in a dialogue. Yukon officials met with representatives of Yukon First Nations. All 11 governing First Nations agreed with three principles to advance: greater comparability, more dynamic arrangements and the removal of disincentives for development.

Since that time, we did have a letter from then Premier Fentie to the Prime Minister back in the spring and then through ongoing negotiations, we were excited in Haines Junction back in late August to have the announcement that the Government of Canada was willing to work out a deal with us that would be similar to the Northwest Territories, though not exactly the same, because we already had an agreement in place through the devolution transfer agreement.

So, right now, the final details are continuing to be hammered out. There has been another round of consultation in October with the First Nations to keep them up to speed as to where those negotiations are. We're very much looking forward to the conclusion of this new arrangement, which will ensure that we continue as Yukoners to get the rewards of this investment in the Yukon.

So many things — the comment about placer miners — again, I would have to say and said in this House yesterday, you know, where our family roots came from are very, very modest roots. My grandparents on both sides were really settlers on the prairies. You know, I really compare the placer

mining industry to Yukon's farmers. These are small, family-owned operations. The whole family is involved in these operations.

I continue to hear a misunderstanding between royalties on quartz mining versus royalties on placer mining. Quite honestly, again, when it comes to the placer mining industry, this an industry that has for the last 20 years seen declining returns and declining amounts of production — ounces produced. We really feel that, again, where we benefit as a territory, as a government, is in the jobs that go around this industry. These people are working and all of the jobs and all of the people in the support industries around this job — that is really the true royalty. We could raise those royalties and then in an industry that has been marginal at best for a number of years, almost eliminated — you know, during the time with the conflict with the Department of Fisheries and Oceans and until there was a creation of a new placer miners regime, we almost lost that industry. We will work to ensure that we create an environment that supports these jobs that we get as a result of this industry. Really, that is the real true royalty that we have from that industry.

We are talking about employment and I have to say that Yukon's unemployment rate for November was five percent; tied with Alberta for the lowest in the country. The number of employed Yukoners set a record high of 19,100 and Yukon's labour force increased by 300 in November, compared to October. This is a success story. This is a success story as a result of investment and creating the environment here in the Yukon to ensure that we can have success. With that success and with the creation of all of these indirect jobs, it really creates the opportunity for more diversification within our industry as well.

I want to say, it was this year or last year, that the Yukon was recognized fourth in the world out of 51 jurisdictions when it comes to attractive jurisdictions for exploration, development and production in the mining sector.

We have created a really great balance of the attractiveness for investment and, through the strong process we have through the YESA Board, through the Water Board, through the Yukon Fish and Wildlife Management Board, renewable resources councils — we have the opportunity to create the legislation and regulations and the opportunity for consultation, including First Nations, to create this environment — to really see that we have strong economic growth, and that we ensure it's responsible growth and that we're also protecting our environment.

A lot of questions were asked. I want to talk about debt, because that was mentioned too. This is an interesting comment, where historically I have seen members opposite have had a bit of misunderstanding. Debt is not new to the Yukon. In fact, members opposite should be very aware of this — given the size of the economy relative to the capital projects required, Yukon has a long history of borrowing and repaying to fund activities.

The Yukon Party government has borrowed, and we all know that the NDP certainly did when they were on this side of the House. Between 1987 and 1998, successive NDP governments borrowed in excess of \$100 million and that is in “those-

years dollars”. By March 2009, the Yukon Party government had reduced these debts to under \$51 million, from that \$100 million of NDP debt.

On March 31, 1992, for example, the Public Accounts, under Tony Penikett's NDP government, shows that debts totalling \$88 million: \$25 million — Yukon Housing; \$55 million — Yukon Development; \$8 million — Yukon government, totalling \$88 million. The budget for the year ending March 31, 1992 totalled \$334 million. This meant that borrowing represented 26 percent of the entire budget.

Interest rates were at the 9-to-13-percent range at that time, so servicing costs on that \$88 million would have been equivalent to servicing in the range of \$160 million to \$230 million today. In other words, the cost of servicing that debt was likely larger than what it would be to service any borrowings by the Yukon Party government in the past two mandates.

YDC at the time financed the failed sawmill in Watson Lake and Totem Oil's presence to compete with local businesses.

The NDP lent money to private companies to compete with other businesses. Madam Chair, that's absurd. Comparisons should be made to the merits of those failed projects versus the hospitals and power plants that will provide the needed infrastructure for our citizens for the years to come. We are very proud to be building for the future.

So it's the government's intention to continue the prudent financial management demonstrated by our predecessors in the past two terms. As of March 31, 2002 — the fiscal year prior to the Yukon Party beginning its first mandate — the corporations and the government had debts of approximately \$76 million. The government had been paying down this legacy debt at a rate of approximately \$5 million a year. Much of that legacy debt was incurred to fund day-to-day operations, as opposed to building capital assets that would benefit multiple generations of Yukoners — a huge difference.

To use an analogy, past governments were really using their Visa to buy groceries and fix their car. What we have done is taken out a mortgage to buy a house. Financial planners will tell you there is a difference between good debt and bad debt.

Maybe just take a minute to look at the recent borrowing of this government. Yukon Development Corporation borrowed \$100 million primarily to fund Mayo B and the Carmacks-Stewart transmission line for the second phase connection of the two grids. I'm sure all members of the Legislature are aware that utilities across Canada borrow for all major capital projects. In fact, it's required by regulators in every province. B.C. Hydro, for example, is allowed to borrow up to 80 percent of the cost of their project. It's no different here.

In fact, the utility's source of capital is entirely funded by equity. In fact, if the utility source of capital is entirely funded by equity — i.e. we just paid cash, the taxpayers are paying for it directly — the regulator would require a return on that equity. There needs to be a return on that investment. What that would ultimately mean is higher power bills for everybody.

Unlike the opposition, the regulator realizes that ultimately this is a cheaper option for the ratepayer.

Ms. Hanson: Well, that was a rather boisterous response from the member opposite, the Minister of Finance.

I would just remind the Minister of Finance that comparisons are indeed odious and when you go down that path you tend to get yourself into avoiding, actually, the questions asked. I wasn't asking him to justify the decisions taken by his government. I was asking him to simply clarify and explain, to provide me with some answers based on the data, which I assume is in here. I am not looking for a political defence or an interpretation of the past 20 years of the Yukon. I would note for the member opposite, for the Minister of Finance, that in fact his government started with a savings account of \$202 million in 2006, and has merrily spent it down to the \$14.3 million I believe he said today. I leave it to the citizens of Yukon to say whether or not that is good financial management.

I will return, though, to the Minister of Finance. He made a number of broad and sweeping statements, none of which were directly related to any of the questions I asked, and I will ask him to answer.

Perhaps we can get some focus. He made reference to how we are not talking about just resource revenues; we are talking about a much broader approach. Well, I would hope you are when you are talking about the revenues that are potentially available to the management of this territory. In fact, the question I was asking — because we are talking in general debate about revenues — one aspect of the revenue of this territory is resource royalties. He avoided any response to that, although he made reference to pyramids. Pyramid schemes have a bad history and I would hope that we aren't planning to run the territory like a pyramid scheme.

He said the royalties in this territory are our jobs. What he didn't tell us, and I am looking forward to him telling us with some certainty, is how many jobs have actually been created. Can he tell us how many of those jobs reflect people who live in the Yukon? When he talks about how taxes are paid, I am asking him: where are those taxes being paid? Where are all these new people with new jobs paying their taxes? Are they paying them in the Yukon, Madam Chair, or are they paying them in British Columbia, Alberta or elsewhere? There are other territories and provinces that have ways of tracking this.

We have asked this as the Official Opposition, we asked as the NDP opposition last spring, for the Minister of Finance to actually provide data, like other jurisdictions, such as Alaska, do provide — detailed analysis of the impact of the resource sector to their state. When I asked the Minister of Finance the question, he made some reference to the \$3.8 million with respect to royalties that First Nations achieved in 2010.

I recall a letter I received from the predecessor to the Government House Leader, the Minister of Energy, Mines and Resources, in direct response to my question, because as a responsible parliamentarian, I was trying to ask the question. I did ask the question regarding the revenue from royalties.

In August of this year, he responded by telling me that he could advise that \$4,259,000 were quartz revenues, comprised of application fees of \$1,092,610, payment-in-lieu on claims of

\$1,550,000, certificate of work fees of \$1,014,843, purchase of claim tags of \$351,734.

He goes on to clarify and say that no royalty payments are reflected in this revenue. Currently, the only royalty payable is for Capstone Mining — Minto mine — which is a royalty paid to Selkirk First Nation. He does say also that administration and receipt of this royalty, although completed by Yukon as part of our responsibility for administration of the mine licence, is not Government of Yukon revenue. So my question was quite valid earlier when I asked with respect to — and I will ask it again — the royalties.

I do appreciate that the Minister of Finance makes a distinction, as we all do — and I said in my speaking notes to him and my question to him — there is a difference, of course, between the placer regime and the *Quartz Mining Act*. I clearly delineated the understanding of the difference. I was asking for a confirmation from this minister of the resource royalties that have accrued to this territory in this last fiscal year. I got no response. It was interesting that he made the comment again about — in general terms, again, we've got this great new cap — the \$40 million that we can earn in terms of resource royalties. Well, I say to you, Madam Chair, that 100 percent of zero is zero. The Minister of Energy, Mines and Resources tells us this last fiscal year it was zero. So, if we're going to get 100 percent of zero, that's great, but that's not what the public is being told here.

What I asked the Minister of Finance to explain in my question was — and perhaps I'll ask him again so that we could try this again and see if we could get an answer, as opposed to a bunch of political statements about whatever it was. What resource royalties for this past fiscal year — a year, as I said, of unprecedented growth in the mining sector, unprecedented prices for all commodities, especially gold. When does the Minister of Finance expect to exceed the \$3 million — the current cap under the devolution transfer agreement? When does he expect that?

Number two: he did explain — I'll grant, Madam Chair, that the Minister of Finance did speak to the progress with respect to the \$40 million. I asked him to confirm whether or not, in his negotiations as the Minister of Finance — he spoke about his meeting with the Prime Minister this summer with respect to the renegotiation of the cap on the devolution transfer agreement. Has he had the foresight to envision there might be a time when we might actually get some revenues? I talked about the potential — hopeful potential — of long-term longevity of the life of some of these mines, so that we would have the flexibility for upping that \$40 million.

He did not speak to the question I asked with respect to the resource royalty-sharing provisions of chapter 23. He went off on a tangent there and spoke to the side deals that First Nation communities, to their credit, have negotiated and continue to negotiate with the resource sector on impact benefit agreements and other areas like that. What I am asking with respect to chapter 23, the provisions of the final agreements, which are treaties that all of us are party to in this territory, is how that factors into this sharing arrangement? Perhaps he may wish to reference that with respect to the — up until this date, the gen-

eral use of that has been focused primarily, I would suggest, and he could perhaps clarify for the House if that has been primarily used on the oil and gas side. I wouldn't want to mistake that, and certainly I would ask him to clarify that.

I asked the Premier as well — which he didn't respond to, which is why I raise it again — to provide a comparison of — if we are in this boom economy and there is so much new revenue coming into this territory as a result of this boom, then we would hope to see an increase in the own-source revenue — what we are generating in this territory from all the new industries, all the new people employed, personal income taxes — because there is an increase in our economy here.

I would hope he will demonstrate for me and Yukoners how much of the 62-percent increase in the revenues of this territory is attributable to own-source revenue. Is own-source revenue now 62 percent higher than it was in 2002? Or, is it still 10 percent? Tell us in the Legislature what it was in 2002 and tell us what it is in 2011.

I think that's a fairly straightforward series of questions, and I hope we can stick to that. We would then have the ability to move on, because I know there are other members in this Legislature who have questions they would like to raise with the Minister of Finance. These are of a general nature — they set the backdrop, in terms of the financial resources we do have.

As I said at the outset, I was not suggesting, as a member on this side of the House, asking the minister to justify — and I didn't understand that the budget debate was that. I wasn't asking him to justify the decisions. There are other places, and we'll have other fora to talk about why these debts are there.

I'm just asking: how are these debt obligations and government guarantees of these corporate debts recorded? How and where? It's an information piece, because as a member of the opposition trying to work with the government in performing my job, in terms of accountability, I simply want to have the proper tools and not be misrepresenting anything. I'm simply asking the Minister of Finance to clarify how these debt obligations and government guarantees of corporate debt are recorded and if he could provide that information — how and where — that would satisfy my questioning for the moment.

Hon. Mr. Pasloski: Well, I will continue to provide the answers to the Leader of the Official Opposition. I probably needed to bring a longer piece of paper to get all of the questions down at one time. I am trying to answer them, but when you throw so many at one time — I guess I'm going to start off by clearly stating that I think everything that has been asked is on the record and is available in the Public Accounts.

The answers are in there. Maybe to just quickly answer the very last question you asked about the debt — page 45 of the Public Accounts. It's listed right there, in terms of the debt. Going forward now, as the Leader of the Official Opposition, the member will be the chair of the Public Accounts Committee, so there will be the opportunity to look at what is in there.

I'm going to talk a little bit about what an incredible story we have to tell here in the Yukon. One of the questions the member opposite was asking was about where we are with our own-source revenues and what is going on. I'm proud to say

that, since 2002-03, when the Yukon Party took over, own-source revenues have grown by 68 percent. Our territorial formula financing grant, as a percentage of our total revenue, has dropped from 69 percent to 63 percent of total revenues, which says that it's really based on comparable services.

So as we generate more own-source revenues, they're giving us a smaller percentage of our total revenues, because of the success, and because of how well we're doing financially. So something that we can be very proud of is the fact that our percentage continues to drop. Now only 63 percent of total revenues are through our direct grant.

As I mentioned earlier, our tax revenue has grown by 62 percent during that same time when there has only been an inflationary increase of 15.6 percent, despite several new tax credits, lowering the tax burden for all Yukoners, such as the child tax credit and the adoption tax credit. We've increased some credits like the dividend tax credit; medical credit was increased, and of course, increased the Yukon child benefits. All of these reductions on the Yukon tax burden have reduced potential income for the Yukon government by \$5.9 million annually. So even though we've reduced the tax burden by \$5.9 million annually, we've increased our tax revenues by 62 percent. It speaks to what I believe is the strongest royalty we have and that is creating a strong economy, creating more jobs — more people paying taxes.

We also sort of talked a bit about — we were talking about that economic activity and how much have we benefited from economic activity since the Yukon Party has taken over. It has been significant. According to the Yukon Bureau of Statistics, in the time period of 2002 through 2009, the real GDP of Yukon in constant 2002 dollars grew by 25 percent. The mining and oil and gas extraction sector accounted for 21.5 percent of that growth. This sector's share of GDP changed from 4.3 percent to 7.8 percent of the territory's GDP after growing 169 percent during this period. The portion of GDP attributed to the public administration, health care and social services and educational services fell from 39 percent to 36 percent of GDP in this period, and that's a good thing.

The labour force grew from 16,900 to 19,500 — almost 3,000 more Yukoners working.

Clearly, the growth in the last decade has benefited Yukon citizens. When we talk about royalties and we are talking about money that comes into the Yukon, this is really what we are talking about.

How has this impacted the financial health of the Yukon government? From March 2003 to March 2011, the Yukon population changed from 29,880 to 35,388 an increase of 18.3 percent. As the number of citizens is a key cost driver for governments, it is interesting to look at a per capita spending to see if the Yukon government's service to its citizens has benefited from the economic development. In the fiscal year, 2002-03 government revenue and expenditures per capita were approximately \$18,000. By fiscal year 2010-11, government revenue and expenditures per capita were approximately \$26,900, a 49-percent increase. This compares very favourably with the approximately 19 percent of CPI inflation during that period. In other words, real spending for each and every Yuk-

oner has increased substantially since the Yukon Party has come into power, Madam Chair.

The member opposite made a comment about pyramiding.

Some Hon. Member: (Inaudible)

Hon. Mr. Pasloski: I did? Okay, then I'll leave that.

We're creating an economic climate to ensure that we can foster jobs. I know that the members opposite are also aware of the fact that when you combine royalties with the corporate tax — combined together for companies that are in the base metal industry — we in fact have the highest level in the country already. So these companies are paying potentially the highest amount of taxation and royalties out of any jurisdiction in this country. The opposition party would like to increase that even more. I have to say that, if you create an environment that creates disincentive for investment, what's going to happen? All these jobs that have come about as a result of this investment will disappear. We'll have what we saw happen during the last NDP government. We had double-digit unemployment. Thousands of people, primarily between 25 and 40 years of age, left the Yukon.

The true legacy of those governments we see every month on our power bill. When you combine the tax structure and the royalty structure that exists already for quartz mining companies, you also have to realize there are increased costs of energy and transportation that are a challenge where we are geographically.

If you want to add more, what are we going to have? I think that is fundamentally a major difference we see in terms of philosophy between the Yukon Party government and the members opposite.

Going back to the royalties, the first comment I want to make is that royalties are paid by companies that are making a profit. If you're not making a profit, you're not paying royalties at that point. It's the same in any business. We are creating the environment to create the jobs and investment within the territory and allowing them to front-load some of their expenses that defer when the royalties will start.

But this is also looking at the big picture to ensure that we have that investment here in the Yukon, because you know what? These companies can go anywhere. They can go anywhere to do what they're doing and they're investing here and we're all benefiting from it.

When it comes to the royalties, the Leader of the Official Opposition talked about \$40 million. Actually, I think, based on 2010 numbers, it would be \$41 million. However, it's not a fixed number. Actually it's five percent of the gross expenditure base. So as the gross expenditure base goes up, so does the number. So it's not a fixed number, where right now what we see is a \$3-million cap. We get the first \$3 million; after that, Canada gets everything else. So that is the significance.

As we continue to see this industry prosper and mining going into full production and reaching profitability, we will continue to see that number increase and that will benefit us for many years to come.

The other thing to mention as well is that, you know, royalties are paid by the mining industry. That isn't to speak of the \$300 million to \$325 million that will be invested this year,

2011, in the exploration industry, which annihilates the previous record of approximately \$150 million in 2010. That is an industry that, again, is creating a tremendous amount of economic opportunity in the Yukon, but there is no royalty tagged to the exploration industry. The number is 108,000 claims in the first nine months of 2011. We are seeing \$40 million in the staking industry — huge numbers — and I know some of my son's friends are having a very good year at university this year as a result of the well-paying jobs that they were able to acquire this summer.

Royalties really represent only a small part of the overall benefit to Yukon of the hardrock mining industry.

Since devolution, the Yukon government has focused on modernizing the resource legislation and policies and procedures to facilitate growth in the Yukon's economy. This strategic approach has paid off. In 2003, the hardrock mining industry was very small, with only \$5 million of exploration, no producing mines and nothing in development. This year, exploration will exceed \$300 million, with three mines in production and over 600 jobs created directly by hardrock mines in the territory and thousands more in exploration and the service industry, as I've already mentioned.

In terms of First Nations, I spoke of the \$1.4 million in the early childhood development. The community and economic development expense allowed for qualified expenditures related to community infrastructure or economic development. This is something that this government has included and, again, it's another opportunity for reinvestment in the communities.

So that \$1.4 million, instead of being profit, was expensed and spent directly in that community. We believe that that is an excellent policy, in terms of how we can continue to ensure that we have strong communities and have this industry look at and help deal with the challenges and opportunities that they have in these communities.

Capstone Mining has paid a royalty to Selkirk First Nation — in 2008, \$1.5 million; 2009, \$5.9 million; 2010, \$3.8 million. Just so we're clear on it, there is no special deal for Capstone Mining, in terms of royalties for their mine. All of the royalty money is collected and submitted to Yukon government. It's the same for everybody. The Yukon government actually forwards the money to Selkirk First Nation. There was some talk about special deals. There was no change. They were dealt with the same way.

I think that I have addressed everything that was asked for by the Leader of the Official Opposition in her questions.

Again, I need to say that, truly, the creation of jobs and wealth is truly the biggest royalty for Yukoners.

Ms. Hanson: Well, the Minister of Finance has a novel way of describing resource royalties. I think that every Yukoner would wholeheartedly support the importance of well-paying employment — particularly well-paying employment — that will flow to people who reside in the Yukon and who pay their taxes in the Yukon.

What we haven't heard from the Minister of Finance is any demonstrated evidence of the number of jobs that are actually created out of this massive boom for people resident in the Yukon, as opposed to spending two or three months, four

months, maybe up to six months here and the balance in some other part of the world.

But that's not the point of the discussion here today, and I don't believe when the Minister of Finance was discussing with his Finance counterparts in Ottawa and then with the Prime Minister, that the notion of "royalties are the jobs" was actually ever factored in, because the royalties they would have been talking about would have been the money — the financial royalties that flow to this territory as a result of the resource extraction industry. And that was, in fact, the question I asked.

I thank the Minister of Finance for his answer to my third question. We made some progress. It was good to know that there is an indexing provision, that the GEB will be adjusted — or the adjustment is based on changes to the gross expenditure base. I don't have a problem with that. That was the question I asked the first time around, so thank you for the answer.

It would be helpful if we could just simply get the answers to the questions, as opposed to going off on wherever we're going with some of the answers.

Perhaps I'll just ask the Minister of Finance, given that we have a current cap under the devolution transfer agreement of \$3 million, can he tell this House when he expects this territory will exceed that \$3-million cap? The second question: what are his projections as to when we might move toward the upper limit that he has successfully negotiated with the Prime Minister — the \$40 million?

If we could just leave it at that because, the more we go on to these others, we get on to unrelated tangents — not a very productive use of our time. I know that there are other members of this Legislative Assembly who have questions they would like to raise with the Minister of Finance. If I could ask your indulgence in asking the Minister of Finance to answer those two questions I've raised.

Hon. Mr. Pasloski: Well, when we talk about jobs, I think I actually mentioned this already. A true indication of the jobs is the increase in population. People came here because they had a job. That's why they came back. They left in the '90s when an NDP government created an environment where there was an exodus that occurred. Our unemployment rate in November was five percent, tied with Alberta for the lowest in the country; a record high employment in the Yukon of 19,100. And our labour force increased by 300 between October and November.

There are direct jobs to mining. There are direct jobs to exploration, and then there are countless indirect jobs because, when you hire more people at Shoppers Drug Mart because you are busier, that is an indirect result of the increase in economy — we have more people who have moved here. That job, if I can just use that as an example — it does not mean that I am prejudiced against that drug store — but that job is a result of an indirect increase in employment in this economy because of the industry.

Of course, we do have other industries as well that are very important to the Yukon and we continue to focus through the good work of the Minister of Economic Development and other portfolios to diversify the economy. But to ask exactly how many jobs it is, the true indication is: all of the increase. That is

what it is because, whenever there are more people working, there are more opportunities. There are more people here and there are more chances for different types of business to be successful — when they are getting so busy they have to hire more staff at Tim Hortons or Walmart or Erik's Audiotronics or Shoppers Drug Mart — and retail is at the bottom.

They're really a tertiary industry. But it's a good indication as to how things are doing in the economy — that we have all of these jobs.

I really want to say that, during the leadership race back in April and May of this year, there were a couple of things that I did say — succeeding in becoming the Leader of the Yukon Party — that were a priority for me as a leader and a new Premier. One is negotiating — finalizing that deal — with the federal government to expand the resource revenue opportunity for this territory. The other thing I said that was important was ensuring that we increase that funding for health care — the territorial health system sustainability initiative, which gives us almost \$8 million extra every year to help maintain the high quality of health care that we enjoy. I'm very proud to say that, before the end of the summer, before we even went into an election, we had actually accomplished both of those.

Another accomplishment was signing the letter of understanding with the Kwanlin Dun First Nation, which again realizes the opportunity that we have out there as a result of what has happened in our economy. We need more energy and we need more housing options out there.

Conversely, if we look historically to what has happened under the NDP governments, these wouldn't be issues because if you have people leaving, you don't need more energy and you don't need more housing. I think these are issues that are a result of the fact that we have a growing population and a growing economy.

Let me also mention that, when we're talking about records, the record amount, for example, in retail sales — month after month, year to year, the records have been, in terms of wholesale and retail numbers — I was going to get you that number.

Record in exploration; record in quartz claims; record in mineral production; record in building permits and record in retail sales.

This is truly an indication of where we are. We're using this opportunity to continue to deliver for Yukoners in a prudent fiscal manner, to ensure we can continue to deliver on the programming and services, continue to reinvest in infrastructure, work with First Nations, in terms of partnering in the economy, work with the Government of Canada through programs like Building Canada to see that we are addressing the needs of Yukoners — such as clean water, waste water, and the list goes on.

There's nothing here, Madam Chair, but good news.

Ms. Hanson: After three attempts, I guess we would have to let the record show that the Minister of Finance is either unwilling or unable to answer the questions I posed to him, that he is unwilling or unable to tell this House what resource royalties were for this past fiscal year for the territory. He's unwilling or unable to tell us when he expects this territory can

begin to see resource royalty revenues that will exceed the current \$3-million cap, or approach anywhere near \$40 million or \$41 million.

Having had that for the record, it's unfortunate because I had hoped that we would actually get into a situation where we could exchange information and not get into flights of rhetoric.

The Minister of Finance raised the important issue of health and the importance that he places on that. We always look, as I'm sure the Minister of Finance — our job is to talk about how we can and, as government, demonstrate, good fiscal management. One of the areas that I note in the documents before us is declining revenues in the Canada health transfer — I believe those revenues decline about \$1.3 million — and a smaller Canada social transfer.

I will ask the Minister of Finance two questions — two questions this time; not a list of four or five, but two questions. What accounts for that? Are there any program cuts? Are there job cuts? Secondly, could the Minister of Finance apprise the House of the status of negotiations with Canada before the health transfer agreements expire?

Hon. Mr. Pasloski: For the record, I will repeat that I actually answered the question on the resource revenues already.

It also speaks to really being able to know — I mean, in fact, I am thinking back to how the *Yukon News* had made a quote about misrepresentation on the issue and not really understanding the way that it is by the Leader of the NDP.

The resource revenues under minerals, forestry, water and lands for 2010-11, I will repeat, was \$4,765,685, which exceeds the \$3-million cap, so I did state that figure once, but for the record I will state that record again.

The other part I think that was confusing was we were talking about the fact that we do concentrate on resource revenues as the sharing under the devolution transfer agreement speaks to resource revenue sharing. There are royalties and revenues. It is a bit confusing, but I think that with some time everybody will have an opportunity to understand that.

Now, on to your other question. I really have a couple of things to say and one is I am very disappointed in the inference that there are jobs being lost; I don't know where that came from. I don't know.

Some Hon. Member: (Inaudible)

Hon. Mr. Pasloski: I have the floor, thank you. I think that inference we kind of heard in — that sort of leading question we heard in Question Period as well. What I would speak to will be — going back to the Northern Premiers Forum April 28 of this year — really, the common goals from the forum were to ensure the long-term sustainability of territorial health care systems. In a letter to the chair of the provincial/territorial finance committee, Prime Minister Harper has committed to maintaining the Canada health transfer escalator of six percent beyond 2014 for two additional years, as well as to work with the provinces and territories to renew the Northern Health Accord.

Yukon is currently working with the Council of the Federation and the provincial/territorial finance committee in coordinating a common approach for major transfer renewal. Any

improvement in territorial-specific health funding must come from a territorial proposal for a long-term replacement and/or extension of the territorial health system sustainability initiative or similar funding mechanisms.

Also, to coordinate the continuation of the territorial health system sustainability initiative with the renewal of the Canada health transfer and the Canada social transfer ending March 31, 2014. An extension of this funding to March, 2014 was confirmed at the northern premiers meeting with the Prime Minister that I spoke about earlier on August 21. This funding will provide \$30 million annually for the three territories, from which we benefit with approximately \$8 million. This funding bridges the gap between the previous termination date of 2012 and the expiry of the transfer agreement in 2014.

Now our Canada health transfer is slightly down, but this is due to revised population and tax point values. As value of tax points, which includes corporate and personal tax, as these go up — that is, the economy is getting better — the cash dividend by Canada goes down. This speaks again to Yukon looking after itself. I have to quote that, as in the TFF, this is a good news story.

Regarding the Health department, I would actually ask to defer the question until we get into the departmental specific questioning.

Chair: Order. We're requesting a 15-minute break. Are we agreed?

All Hon. Members: Agreed.

Recess

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

Ms. Stick: I have one question here for the Minister of Finance.

The Office of the Ombudsman is one resource we refer constituents to when they feel they have been treated unfairly by government. As of this morning, I am aware that the Office of the Ombudsman cannot open any new files, except emergency ones where safety or health might be at risk or it might impact someone's health. They will not be able to open any new files until the end of January 2012.

The Office of the Ombudsman and Information and Privacy Commissioner are together one half-time position — one half-time equivalent. Can the Minister of Finance tell us why there is no new funding that would increase the position of the Ombudsman and Privacy Commissioner to enable them to do their jobs? I am not suggesting they are not doing their jobs well. They actually do excellent work, and it's important that our constituents are able to expect to go in there and receive service and not be told that in fact they are going to have to wait until the end of January at this time.

Hon. Mr. Pasloski: Thank you for the question. Actually, this issue is really the responsibility of the Members' Services Board, on which the opposition has a seat. It is the Members' Services Board that reviews such things as the wages and the budget for this position. So I will defer that question to the responsibility of the Members' Services Board.

Mr. Elias: Madam Chair, I believe this is the first time you've allowed me to speak in the Legislature so I congratulate you as well on your new position and I wish you well.

I, too, would like to get up and say a few things in general debate. I've been listening over the last couple of hours here and I must say that some of the questions that were asked were important. However, I do take issue with some of the things I have heard from the Premier today because it's the Premier who sets the tone in this House and I want to remind the government members on the other side that 60 percent of Yukoners and voters voted for this side of the Legislature.

I remind the members opposite — I'm starting to see some blinding arrogance coming out of the tone —

Some Hon. Member: (Inaudible)

Point of order

Chair: Mr. Cathers, on a point of order.

Hon. Mr. Cathers: Madam Chair, referring to other members of this House with terms such as those just used by the Member for Vuntut Gwitchin, accusing members of blinding arrogance, has certainly been ruled out of order in the past, and I would submit to you that's contrary to the standards of our Legislative Assembly.

Chair: Mr. Elias, on the point of order.

Mr. Elias: On the point of order, I didn't say the words "blinding arrogance" pointing to any particular individual in this House. I didn't finish my sentence; I was going to use it in a general fashion, so I don't think there is a point of order.

Chair's ruling

Chair: The Chair rules that there is no point of order. Mr. Elias, please continue.

Mr. Elias: I will get into finances with regard to general debate on the Department of Finance, but I did recognize that the Premier decided to go back decades with regard to finances and was painting a picture. I believe he said it was all good news, and that this side of the opposition voted against things like money going to Kaushee's Place, et cetera.

I want to bring some factual information to this Legislature as well. It's not only what we vote for that's in this document; it's what we do not vote for that's not in this document. We don't vote for things because they're not in the document. Solid indifference about important issues will not go unnoticed by me.

As I've said before, I've heard these words before. I hope this Yukon Party is not going to start sounding like a one-string banjo, because 60 percent of Yukoners are tired of that same old tune and I've heard those words before. When the Premier stands on his feet and says that the opposition voted against important issues — I'll tell you what I vote against.

I voted against a lack of vision. I voted against the Yukon Party government breaking the *Financial Administration Act*. I voted against comments that are unbecoming of a minister. I voted against \$36.5 million of bad investments. I voted against the shutting down of the Yukon Forum. I voted against — unbelievably, the Yukon Party held back \$16 million of money that was allocated toward housing during a housing crisis in

this territory. That's what I vote against. I vote against the suggestion that only the ideas in the Yukon Party platform are worthy of recognition when 60 percent of voters voted for what's in our platforms on this side of the House. I vote against using the *Umbrella Final Agreement* as a political weapon. I vote against pernicious political posturing —

Some Hon. Member: (Inaudible)

Point of order

Chair: The Hon. Member for Lake Laberge.

Hon. Mr. Cathers: Madam Chair, for the Member for Vuntut Gwitchin to refer to the government and suggest that the *Umbrella Final Agreement* is being used as a political weapon, I would suggest is the type of matter that has been ruled out of order in the past. It is contrary to the practices in this Assembly and is also offensive to the *Umbrella Final Agreement* and all who signed it.

Mr. Elias: On the point of order, Madam Chair. Once again, it was used in a general context, and I don't think it's a point of order. I'm talking about things that have happened in the past and that has not been ruled out of order in this House.

Chair's statement

Chair: The Chair rules that there is no point of order. The member was merely making a general statement.

Mr. Elias: I vote against the Yukon Party deficit budgets. I vote against the Yukon Party government picking and choosing which laws it follows. I vote against infrastructure deficits in rural Yukon. I vote against the selling out of our energy future. I vote against copping out on climate change. I vote against democratic deficits. I vote against irate interference in the Peel planning process. I vote against the terrible graduation rates of our children in this territory, especially First Nation children. I vote against the lack of political compassion, and I vote against the rigid ideology that seems to be continuing, and the actually dinosaur-like, dogmatic views that I see coming out of the discussion. When people ask what I vote against, those are some of the things that I vote against.

I was hoping that the dialogue would not continue like this from the 32nd Legislative Assembly. Leadership, Madam Chair.

Now back to the task at hand. We've only got a few days left to go through a number of budgetary items and a lot of departments. I do see, on page S-10, under Vote 51, Community Services, that there is a lapse of \$10.5 million. To me, that constitutes possibly projects that have not been completed or finished. I understand that under the rules of Committee of the Whole I can ask about lapses in the Department of Finance under a specific department. So I'd like to ask that specific question and then move on to the other departments. I believe the Department of Environment is next, and so I have that one question for the Finance minister.

Hon. Mr. Pasloski: Well, I am, I guess to start, a bit disappointed with the approach we are hearing from the Interim Leader of the Liberal Party in terms of the negative context in which he's going. I will refrain from further comment on that. Dinosaur pragmatic approach — I think what we've been speaking to in general debate, you know, really, truly does

prove that — why would we want to change something that has been so successful to this point?

We will continue to be successful. I don't know that "dinosaur" is the right description, because perhaps we could look at the previous records and the accomplishments of the members opposite and their parties and truly talk about the extinction of opportunity.

As to the specific question put forward by the Interim Leader of the Liberal Party, I spoke directly to this in my speech for Community Services and I would therefore then say that we will defer this to debate on the department.

Mr. Barr: Thank you, Madam Chair, and congratulations — fine job.

My question is to the minister responsible. When I think of the addictions in our territory and the troubles that extend, it is a family disease. When I think of family and extend it to anyone, you know, there is that degree of separation.

I don't think there would be any one of us in this room who doesn't know somebody or hasn't been touched by somebody with alcoholism or drug addiction. I guess my question is — in growing up and to further express this — my grandchildren, my kids — we all saw little kids walking around with a teddy bear hugged to themselves. A teddy bear means comfort to me and to children. So it seems that to market the selling of teddy bears in a liquor establishment seems a little inappropriate. I would hope that we could be more creative and separate those things in marketing to draw people in to a place that causes such destruction in our society, and that we could leave the teddy bears to be sold in toy stores and small businesses and not even create competition with our tiny stores in the Yukon — that we could leave the selling of those teddy bears and come up with other ways if we are to promote — personally, I don't think we need to even really promote alcohol sales in the territory. We offer the service.

I would like to also point out the fact that with our close to \$12-million alcohol revenue, that in the territory we will subsidize the sale of alcohol so that it's level in all rural communities, including Whitehorse, but we won't help with the cost of other essential goods, such as milk and bread and maybe diapers.

I would ask if the minister would be willing to entertain some changes to this so that maybe it would reflect some of our true values here as Yukoners and as families — that we want to help people get bread versus making sure they can drink liquor cheaper.

Hon. Mr. Pasloski: I thank the member opposite for the question. You know, I did speak a bit about addictions earlier. I think the members opposite are aware that I operated a couple of businesses in downtown Whitehorse for 20 years. So, I mean, I had opportunity to witness, on a day-to-day basis, some of the challenges that exist with a problem that I have said is truly a health issue, not a justice issue.

I have spoken about addictions as being something that is taxing our EMS and filling our emergency ward. It's filling the court dockets; it's filling up our jails; it's taking the time of our police officers, and truly taxing the budgets of health and justice and social services. You know, it is creating homelessness.

It is essentially leaving some children without parents. Addictions are instrumental and a cause of FASD, and as well, unfortunately, probably a cause of violence against women.

I believe that this truly is one of those issues that is of paramount importance — not just in this territory, but across our society.

We have talked about our plans and what we plan to do in terms of really addressing the cause of this and extending programs to give people the opportunity and the coping skills to break this cycle that exists today.

Further to the member opposite's comment, I want to talk for a minute about some of the accomplishments of the Yukon Liquor Corporation in achieving a better quality of life for Yukoners. Liquor infractions observed by liquor inspectors continued to decline in 2010-11 to less than two percent. In other words, only 28 infractions were noted in the course of 2,077 premise checks, indicating improved compliance by licensees and permit holders. The observation infractions resulted in 14 warning letters and three suspensions, none of which were successfully appealed.

With licensee input, Yukon Liquor Corporation updated the Be a Responsible Server, or BARS, program and added a self-study version. This program focuses on server responsibilities, recognizing signs of intoxication, and ways to identify and manage difficult or intoxicated persons, as well as how to deal with minors, over-serving and overcrowding. The BARS program was further revised in 2009 and 2011 to reflect changes to the *Liquor Act* and regulations. In 2010-11, this program was provided to 171 participants in 15 sessions throughout the Yukon.

The Yukon Liquor Corporation provided funding for a restart of the PARTY program, which is Prevent Alcohol and Risk-related Trauma in Youth, coordinated by the Whitehorse General Hospital. In partnership with the RCMP, the Yukon Liquor Corporation continues to undertake regular identification blitzes. As part of the ongoing commitment under the *Yukon Substance Abuse Action Plan*, the Yukon Liquor Corporation partners with the RCMP and licensees to enforce and educate about minors in bars, helping to reduce underage drinking and selling liquor to minors.

Amendments to the *Liquor Act* and regulations and to the fines and summary convictions regulations substantially increase the penalties for liquor-related offences. *Alcohol As We Age*, a booklet aimed at helping seniors, their families and caregivers understand the risks related to alcohol consumption as we age, was released in English and in French.

The Yukon Liquor Corporation launched the Protect Yourself, Protect Your Drink campaign. This shared initiative with the Department of Justice, the Women's Directorate and Yukon College has educated the public on date-rape drugs. The Yukon Liquor Corporation provides a financial contribution to the substance-free grad celebrations and the Yukon Liquor Corporation released, in English and in French, the booklet, *Be Prepared to Talk to Your Children about Drinking*, a tool to help parents discuss drinking and drinking-related issues with their children.

The last thing I would like to comment on is the fact that with the teddy bear program, the second bear in the purchase is given to a needy child who otherwise probably would not be able to have a teddy to hug.

Mr. Barr: I appreciate that the Premier is aware of addictions and talks about the things that they're doing. I was more interested in actually trying to get a simple question answered about teddy bears being removed from liquor stores; simply let them be sold if somebody wants to give a child a teddy bear, they can go to a store and buy it.

Further to that, in my questions — I would like to ask a couple here — I'm wondering if the Premier is aware of the number-one date drug actually — what that is.

I would also ask, then — because I hear that there's willingness to support addictions in the territory — would you support and explore the subsidizing of essential food costs in our rural communities, such as Mayo, Dawson, Watson Lake and Teslin?

Hon. Mr. Pasloski: I would like to refer the member opposite to addressing the specific questions at the time when we actually debate the department.

Mr. Barr: I understand that, seeing as there are no differences, it's only in this general debate that we are able to bring up these types of questions.

Hon. Mr. Cathers: Again, as the Premier has noted, these questions are best asked in the departmental debate, in a specific question to the minister or perhaps by form of letter if the member has specific questions. The Premier, of course, has emphasized right from the point where he began his leadership campaign a Team Yukon approach, which includes ministerial responsibility and accountability.

As the Premier indicated, the best time for responding to details relative to a department is in departmental debate.

Madam Chair, I move we report progress.

Chair: It has been moved by Mr. Cathers that the Chair report progress.

Motion agreed to

Hon. Mr. Cathers: I move that the Speaker do now resume the Chair.

Chair: It has been moved by Mr. Cathers that the Speaker do now resume the Chair.

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

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

Chair's report

Ms. McLeod: Mr. Speaker, Committee of the Whole has considered Bill No. 3, entitled *Second Appropriation Act, 2011-12*, and directed me to report progress.

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. 2: *Fourth Appropriation Act, 2010-11* — Second Reading

Clerk: Second reading, Bill No. 2, standing in the name of the Hon. Mr. Pasloski.

Hon. Mr. Pasloski: I move that Bill No. 2, entitled *Fourth Appropriation Act, 2010-11*, be now read a second time.

Speaker: It has been moved by the Hon. Premier that Bill No. 2, entitled *Fourth Appropriation Act, 2010-11*, be now read a second time.

Hon. Mr. Pasloski: Members will recall that the 2010-11 Public Accounts — completed with a clean, unqualified audited opinion issued by the Auditor General, which is a clean bill of health — were released back in October 31.

Our 2010-11 year-end financial statements reflect that the Yukon government continues to maintain a healthy financial position. In summary, on a consolidated basis, as of March 31, 2011, the government reported an enviable net financial resource position of \$169 million. This consolidated results from the 2010-11 yielded annual surplus of \$1.16 million, contributing to an accumulated surplus of \$721 million.

As I said back in October, our government recognizes that as we carry out our new mandate, continued prudent financial management is critical in order that we meet the challenges that are ahead. The 2010-11 Public Accounts reflects our government's commitment to disciplined financial management. Our positive net financial resource position and our positive surplus position are significant and important indicators of the Yukon's financial health, providing the Yukon government future opportunity and future flexibility to respond to potential emerging issues and priorities important to Yukoners.

I appreciate that members have taken the opportunity to review the 2010-11 Public Accounts and will have noted the Auditor General's observation that four departments exceeded their vote during the 2010-11 fiscal year. Contravention of the *Financial Administration Act* is a matter not to be taken lightly. Under our new mandate, we are committed to ensuring all departments better manage their financial pressures within approved votes. Notwithstanding, where year-end expenditures in excess of the approved votes do arise, of course these expenditures require scrutiny, debate and approval of the Legislative Assembly. Today I am pleased to present the *Fourth Appropriation Act, 2010-11*, and the accompanying final supplementary estimates for 2010-11. This *Fourth Appropriation Act, 2010-11* fulfills requirements of the *Financial Administration Act* and provides the opportunity to the Legislative Assembly to debate and grant statutory authority for departmental expenditures.

Members will note the total of \$4.092 million required in this *Fourth Appropriation Act, 2010-11* is allocated between four departments: Health and Social Services, Yukon Housing Corporation, Child and Youth Advocate Office and the Public Service Commission. In general terms, these expenditures were required due to unanticipated pressures that arose toward the

end of a fiscal year. For example, the largest expenditure of \$2.353 million from the Department of Health and Social Services was required to offset out-of-territory hospital claims.

Of the \$1.72 million for the Yukon Housing Corporation, \$1.25 million was required to record an environmental liability associated with the Korbo Apartments in Dawson City. Mr. Speaker, the minister responsible for each specific portfolio requiring this supplementary appropriation will be pleased to discuss it in more detail during general debate.

At this time, I would like to take this opportunity to highlight some of our 2010-11 accomplishments. Bolstered by federal, territorial and municipal partnerships, our government continued to make significant investments in community infrastructure during 2010-11. Under the Canadian strategic infrastructure fund, expenditures totalling \$14.711 million, including \$2.227 million for the Carcross waterfront, \$2.155 million for the Whitehorse waterfront and \$10.002 million for the Kwanlin Dun Cultural Centre.

Moving on to the municipal rural infrastructure fund, we see expenditures totalling \$5.105 million, including \$3.324 million for the Champagne and Aishihik First Nations cultural centre in Haines Junction. Of course, the Building Canada fund continued to be a significant funding program for Yukon during 2010-11, with \$29.259 million invested in a number of important infrastructure projects across the Yukon.

With the Building Canada fund, we have placed significant focus on addressing water and waste water deficiencies at the community level, including Dawson sewage treatment and district heating, Carmacks sewage treatment and waste water system improvements, and Watson Lake water and sewer pipe replacement.

The Building Canada fund also provides Yukon the opportunity to invest in our transportation infrastructure — in highways at the territorial level as well as roads and streets at the community level. During 2010-11, under the Building Canada fund, we saw significant investments in the Campbell Highway, Atlin Road, the Pelly bridge, as well as upgrades to roads and streets in Old Crow, Teslin and Carcross.

Availability of building lots is a priority for Yukoners, and our government is working to address this priority with \$12.643 million invested in 2010-11, including almost \$5.5 million for Whistle Bend, just over \$3 million in Haines Junction for the Willow Acres and urban residential developments, and \$3.585 million in the Ingram-Arkeil subdivision.

We see our investment in land development beyond 2010-11 to be very significant, with over \$41 million allocated in the 2011-12 fiscal year and, though we are still working on finalizing our 2012-13 budget and multi-year capital plan, Yukoners can expect to see significant future investments by our government in support of land development.

Yukon was able to leverage an opportunity under the knowledge infrastructure fund and secured funding through a partnership with the federal government and Yukon College for the development of community college campuses. During 2010-11, a total of \$4.261 million was spent under this program, including \$2.412 million for Dawson City and \$1.849 million for Pelly Crossing.

The affordable housing funds provided under the federal economic stimulus initiative have also contributed significantly toward government's investment in Yukon infrastructure, with \$30.314 million allocated for a number of key projects and initiatives across the territory.

The replacement of Korbo Apartments in Dawson, the family-focused housing project in Whitehorse, and the Watson Lake seniors complex are just three examples of how our government is strategically investing these funds to address some of the housing issues facing Yukoners.

Earlier, I mentioned a number of examples where the Building Canada fund has been allocated to target a number of transportation-related projects, supporting both the territory's highway system, as well as community-specific needs. Our transportation investment was not limited to the amounts allocated under the Building Canada fund. Through the Department of Highways and Public Works, our government made additional investments, totalling almost \$32 million, for roads, bridges and airport infrastructure. I am confident that members and all Yukoners can appreciate the significance of our continued investment in the Yukon's transportation infrastructure in support of the current and future strength, diversity and resilience of the Yukon economy.

I must admit, I have — and it is easy to do so — focused on the capital side of our accomplishments. These are very visible, significant investments made on behalf of Yukoners. Not only do these investments provide direct, ongoing service improvements to Yukoners, they put Yukoners to work supporting continued economic growth in the territory.

I would be remiss, however, if I did not take the opportunity to highlight a number of our other accomplishments, perhaps less visible than the obvious, tangible capital investments we see, but no less important, as many of these initiatives have provided direct service-level enhancements for Yukoners, contributing to an improved quality of life for our citizens.

During the 2010-11 fiscal year, working with the Yukon Hospital Corporation, the Department of Health and Social Services provided funding to begin work on renovations and upgrades to the Thomson Centre, with the goal of creating 19 intermediate-care beds and 10 extended-care beds. The department is moving forward in a phased approach: first, opening the 19 intermediate-care beds, following up with the opening of the 10 extended-care beds.

Admittedly, there have been delays. However, I am pleased to say that the department has opened 19 beds, with client intakes having started this past September. The minister is actively working with the department to finalize the implementation plan for the remaining 10 beds. It will be our government's pleasure to make the formal announcement once this work has been completed.

Access to quality health care is a priority for our government, and we have been working toward modernizing the facilities in both Watson Lake and Dawson City. During the 2010-11 fiscal year, the Department of Health and Social Services and the Yukon Hospital Corporation worked collaboratively on the transfer of the Watson Lake Hospital, which offi-

cially moved from control of the government to the corporation on April 1, 2010.

We are confident that through this collaborative effort between the government and the corporation, rural Yukoners will have access to and receive improved community-based health services.

The minister, the department, and the corporation are actively working on a similar transfer agreement for Dawson City, and it will be our government's pleasure to make the formal announcement once this work has been completed.

Our efforts to provide access to quality health care for Yukoners extend beyond these joint initiatives with the Hospital Corporation. The Yukon government continued to play an active and lead role for the three territories and successfully secured a two-year extension to the territorial health system sustainability initiative, totalling \$15.866 million. This is significant funding for the Yukon that supports health reforms, strengthens community-based services and builds Yukon capacity. Our government continues to work with our territorial neighbours, making the case to Canada for the continuation of this funding. Availability and access to education and training is also a priority for Yukoners.

Mr. Speaker, one of the tenets, pillars if you will, embraced by the Department of Education is the ongoing support of lifelong learning. With this principle front and centre, the department continues to provide and support programs, services and opportunities for Yukoners of all ages — children, youth and adults alike. A few examples come to mind. I mentioned access to education as being a priority for Yukoners. During the 2010-11 fiscal year, the Department of Education continued with its multi-year New Horizons initiative with an investment of \$1.4 million. New Horizons focuses on student achievement with particular attention toward engaging and assisting First Nation students. A number of key initiatives have been implemented, including a new web-based student information system, an assessment framework, a land-based experiential program to support First Nation student achievement.

In addition to its efforts under the New Horizons initiative, the Department of Education was provided with increased funding in 2010-11 for additional paraprofessionals, commonly referred to as "education assistants" and "remedial tutors" in the classroom. This initiative supports a restorative justice model intended to address barriers that may exclude some students. The objective is to improve access to education for all students and encourage students to stay in school by building on their interests and capacity.

The department's efforts are aided through ongoing monitoring by a stakeholder committee that provides recommendations to ensure progress continues in the development of appropriate and effective programming for all students.

I spoke of lifelong learning, and our government continues to ensure education and training opportunities are extended to all Yukoners. In this regard, it is important for the Yukon government and Yukoners to have a say in determining programs and services required to best meet Yukon's needs.

During 2010-11 the labour market and labour market development agreements were transferred to Yukon. These agreements give Yukon direct participation in and responsibility for employment and training programs delivered on behalf of Yukon residents and assist participants to re-enter the labour market.

The benefits to the Yukon under these agreements are significant. Our government is now better positioned with greater flexibility to respond to changes in Yukon's economy and labour market, to ensure better coordination of federal and Yukon programs, and to more effectively meet Yukon's unique labour market priorities and local employment and training needs.

Of course, Mr. Speaker, Yukon College is a significant partner in addressing the education and training needs of Yukoners. With funding support from the Yukon government, Yukon College continued with its licensed practical nurse program during 2010-11. The program fulfills a demonstrated need to develop and retain LPNs within the territory. The success and effectiveness of this program is readily apparent as all graduates have passed the national LPN examinations and all graduates are either working or have opportunities to work in the Yukon health care field. This is the type of home-grown program that Yukoners can take pride in.

Pride — Yukoners can also take pride in a strong Yukon economy. The Yukon Bureau of Statistics reports that GDP — gross domestic product — growth for 2010 over 2009 was 3.7 percent. This puts Yukon in the top five — actually, number 4 for 2010, well above the national average of 3.2 percent.

Yukon continues to offer opportunities for all Yukoners and it appears that these opportunities are generating an interesting Yukon as an attractive jurisdiction in which Canadians and future Canadians can live, work and prosper.

Yukon continues to see strong population growth. In 2010, Yukon saw an increase of 2.6 percent — that's per Stats Canada — representing the largest increase in Canada, as well as well above the national average of 1.2 percent. With economic prosperity and population growth, emerging challenges in parties do become evident. One obvious challenge is ensuring that our infrastructure meets the needs and expectations of Yukoners. I have already highlighted a number of capital projects and initiatives that speak to this challenge. We are proud of our efforts to maintain and improve Yukon's infrastructure. Other challenges arise — challenges that may be perceived as less tangible, but no less important. As the Yukon's economy continues to be strong and we see annual increases in our population, we see increased demand on the public safety services provided and supported by our government.

Specifically, I am thinking about our ongoing commitment to policing and emergency medical services. Let me provide a quick reminder to members. Back in 2006, the government initiated the street crime reduction team as a pilot project in collaboration with the RCMP.

During 2010-11, we built on the success of that initiative. Working with the RCMP, a significant, ongoing investment was made in our policing services agreement that supports the establishment of additional permanent members. Through the

2010-11 budget, the government approved just over \$1 million. The addition of new members to the watches and the addition of a crime-reduction coordinator has enabled the RCMP to permanently entrench crime reduction in their front-line operations. This allows for a better coordinated and proactive Yukon-wide approach to tackling crime. These resources are an investment in front-line policing members to effectively respond to calls for service and to enable coordination and collaboration with partners, which will help to build safer communities throughout the Yukon.

Establishing ongoing service enhancements by investing in our policing capacity is an important component of ensuring that Yukoners remain safe while we continue to grow. It is, however, not the only component. Back in December 2007, the government undertook to transfer responsibility for Emergency Medical Services — EMS — to the Department of Community Services and committed to improve the services provided to Yukoners.

Since that time, we have seen the funding allocated to EMS increase from approximately \$4.5 million to just over \$7.3 million in 2011-12. Specifically, just over \$1 million in additional ongoing funding was provided during the 2010-11 fiscal year. Community Services has undertaken to restructure the ground and air teams and implement an additional 24/7 ground team, emphasizing the need to ensure appropriate and timely EMS response in each unique circumstance. With challenges come great opportunities, and the Department of Community Services is striving for service excellence and remains committed to patient care. The department continues to refine and implement various components outlined in its business and strategic plans, and I anticipate seeing continued service improvements as EMS continues to work to position itself for long-term success.

We all know that the environment is an area of significant importance to Yukoners. The Yukon government continues to address environmental issues in a number of ways.

The establishment of the site assessment and remediation unit within the Department of Environment is an important step for our government to create a corporate, integrated approach to liability recognition and remediation activities.

In addition, during 2010-11, the Yukon government took measures to ensure that appropriate environmental liabilities were recognized by the Department of Environment, as well as the Yukon Housing Corporation. Mr. Speaker, recognition of our environmental liabilities is an important step and satisfies the expectations of the public that the Yukon government disclose its related obligations. As we move forward, the Yukon government will continue with site assessments, liability recognition as appropriate, and restoration work based on approved remediation plans. This seems an appropriate segue as I shift my focus from the government's prior-year achievements to the reporting of our financial results for 2010-11.

The Office of the Auditor General has been consistent in its desire that Yukon properly reflect, within its consolidated financial statements, our future obligations stemming from environmental liabilities. In receiving an unqualified opinion, we have met the Attorney-General's requirements.

I opened speaking about the 2010-11 Public Accounts and the unqualified opinion on the Yukon government's consolidated statements issued by the Auditor General.

I also spoke of the strong financial health of our government, as reflected in those consolidated statements.

These are not inconsequential observations. They speak to our accountability to all Yukoners for the legal entity that is the Yukon government, inclusive of departments, corporations, agencies and enterprises, the college and the hospital. I've referred to the consolidated statements in order to provide some additional context for the final supplementary estimates for 2010-11, which reflect the unconsolidated statements only.

To clarify, the unconsolidated statements include only those departments and corporations that have their respective spending authority — that is, their budgets — approved via appropriations of the Legislative Assembly. This is the traditional and historical presentation to the Legislative Assembly. This presentation allows members to focus on the results of those departments and corporations for which the Legislature voted spending limits specifically through an appropriation act.

Before I move on, let me highlight for all members that the Department of Finance is working with all other departments, corporations, agencies and enterprises to investigate and implement presentation changes for the 2012-13 fiscal year.

I anticipate that our 2012-13 budget will include summary line-by-line information related to the consolidated entity, thereby providing for a complete picture of the Yukon government at the time the budget is tabled. This will be an important presentation change that I look forward to discussing in full detail when our 2012-13 budget is tabled during the spring sitting.

As I noted earlier, the *Fourth Appropriation Act, 2010-11* provides four departments and corporations with additional spending authority totaling \$4.092 million. This is offset by expenditure lapses of almost \$59 million. After recognition for revenue changes and the recording of required accounting adjustments, the unconsolidated statements reflect the net financial resources as of March 31, 2011 of \$28.443 million, an accumulated surplus of \$514.897 million and an annual deficit of \$6.675 million.

Some may be perplexed by the idea of an annual deficit; our government is not.

Do not misunderstand me, Mr. Speaker: our government is committed to fiscal prudence, to fiscal discipline and I believe this is reflected over the multi-year horizon on which we base our fiscal framework. Over time, over a multi-year horizon, annual surpluses do offset annual deficits. Rightfully, any government should be criticized for realizing successive and ongoing annual surpluses. Translated for the typical Yukoner, this may be interpreted that the Yukon is overtaxing or underservicing Yukoners. At the same time, government cannot sustain annual deficits.

Again, translated to the typical Yukoner, this may be interpreted to mean that the Yukon is spending more than its revenue streams can sustain in the long term. Our government is indeed committed to managing the fiscal framework. That is, managing the Yukon government's finances over a multi-year

horizon. This means we will experience annual deficits; we will experience surpluses. Our government is not in the business of overtaxing our residents. Ultimately, our government's goal is to continue to provide Yukoners with a range of services, programs and infrastructure that Yukoners deserve on an ongoing and sustainable basis.

This is our business. Allow me to use recent experience to add some context. Since the Yukon government adopted full accrual accounting in the 2004-05 fiscal year, the government recognized on an unconsolidated basis, an annual surplus for five consecutive years from 2004-05 through 2008-09. This period of annual surpluses has indeed been followed by annual deficits on an unconsolidated basis for each of 2008-09 and the 2009-10. As members will note from the *Supplementary Estimates No. 1* for 2011-12, already tabled, we are returning to annual surpluses for the 2011-12 fiscal year. These annual deficits coincided with the economic downturn and uncertainty experienced around the world. Our record of sound fiscal management allowed Yukon during these difficult times to draw down its net financial resources and continue to invest in programs, services and infrastructure important to all Yukoners. We did this while maintaining a positive net financial position that is the envy of many.

I encourage members to consider our positive net financial resource position. As of March 31, 2011, it sits at a very healthy \$28.443 million and is projected to increase by March 31, 2012, to \$43 million. Our government has delivered significant investments that have provided much-needed infrastructure while stimulating the economy. We have done this without breaking the bank and, as I have just noted, we continue to be in a positive net financial position.

Our government has a savings account. We continue to avoid net debt and this bodes well for our government's financial outlook. Our government will continue to invest in service enhancements that address issues of importance to Yukoners. I for one am proud of these achievements.

I look forward to discussing the supplementary appropriation more fully in general debate.

Ms. Hanson: I will keep my comments on the second reading of this bill very brief, as it addresses expenditures in the 2010-11 fiscal year, which ended more than eight months ago.

We are much more interested in continuing the department-by-department debate in Committee of the Whole on the supplementary estimates for the current fiscal year.

I am happy to hear the Premier, the Minister of Finance, indicate that we will see some changes proposed for the 2012-13 budget document. However, I would also like to make a couple of comments about the government's current approach to financial reporting. This is an area that I do intend to pursue in further detail before the end of the week, and I spoke briefly to the Premier yesterday about this.

You know, around the world, people are looking for governments to be more and more accountable and also the elected members of legislatures and in the parliamentary system in particular, where we are structured with a loyal opposition,

which is elected by the people to hold the governments to account. To ensure that the information is made available to all members of the Legislature is both timely and accurate, there have been a number of initiatives undertaken to make that so.

As it stands in Canada, based on the best practices that were recommended by the OECD, the federal parliamentary budget officer has recommended that regular financial updates at the federal level be provided to Members of Parliament throughout the year.

If members opposite or any other members in this Legislature were to go on to the parliamentary budget officer's website, you would in fact see that the practices of reporting have changed substantively over the last few years. Certainly, in the last few years — well, the office of the parliamentary budget officer is relatively new. But what it does allow for is any member of Parliament to have access to current data — current expenditures, line by line — so that we don't get into these — if you'll pardon my expression — relatively inane budget debates. In fact, any member in this Legislature, if we were to begin to look at practices that are becoming common, would be able to know what we voted for, or did not vote for, and that we might in fact see more cooperation across the floor if we knew what was being proposed could actually be tracked at some time — and you don't get these rather vague statements and then no ability to track it.

As I said, the federal parliamentary budget officer has made recommendations. They are being implemented, and I believe that all party caucuses in this House have expressed unequivocal support for the improved government openness and transparency. I think I have heard it echoed in every single Speech from the Throne.

It is my sincere hope that the Premier and the Leader of the Third Party will respond favourably to my suggestion that I will be outlining later this week — that the Yukon consider adopting a more modern, current and timely financial reporting practice that would enable us — all of us, as members of this Legislative Assembly — to more effectively carry out our duties.

Mr. Speaker, I think there is a fine line, and I appreciate that the Premier has expressed great pride in all of what he has stated here. I have to note, though, that I think there is a fine line between pride and hubris. I think hubris is a dangerous and unstable basis for good governance. As Leader of the Official Opposition, I would suggest that the Yukon is made stronger and more resilient and we will ensure that no Yukoner is left behind if we, as the elected servants of the public, approach our duties with more of a spirit of cooperation and compassion.

I do look forward to beginning a discussion with the Premier and the Leader of the Third Party about how we share information and how we can make that information more timely and accurate, so that we can actually do that. Thank you, Mr. Speaker.

Mr. Elias: I, too, will keep my comments short. I appreciate the detailed and thorough nature in which the Premier explained the budgetary items within the *Supplementary Estimates No. 3, 2010-11*. We, too, look forward into getting to

Committee to go into greater detail in line-by-line items. We do have questions with regard to what seems to be a — well, what is a deficit, a \$6.6 million deficit on page S-1 — and delving into an explanation about that further, as well as something that we have asked Yukon Party governments in previous years to provide, which is a breakdown of actual operations and maintenance and capital expenditures by individual community. Those types of issues are of importance, especially to rural members. But again, I just want to thank the Premier for his detailed and in-depth explanation of the budget before us here today. Also, it's important to note — fleshing out the relationship that the Crown corporations actually play in having an annual surplus or deficit on a year-by-year basis and how they're stated in the books, basically.

So those are the types of questions we have and I appreciate the Premier's indulgence and explanation for the budget, thanks.

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

Hon. Mr. Pasloski: I think that we've really spoken a lot about what has been accomplished, and through those times when the economy in the world was headed down the toilet we were able to continue to invest. Because of that prudent fiscal management, we have money in our bank account, so that we were able to continue to make those investments. So essentially, we really didn't see a hiccup at all when the rest of the world went into some major economic recession through 2008-09. So we're very proud of that. It's also realizing and understanding that it's about staying in a net financial position so that we have money in the bank.

However, that means that, based on the needs, some years we could have a deficit and some years we'll have a surplus. We had five consecutive years of surpluses, where we built up our bank account, then the world went into a recession. We used that money to keep things going forward and we're proud to say again that, for this current fiscal year, 2011-12, we will again return to a surplus with a planned net financial position of \$43 million at the end of this year.

It is really looking at a fiscal framework that looks at a horizon of a number of years where we intend to continue to move forward to build that money so we have that savings account, because you never know when things will happen that we will need to react to. We're committed to not spending today on revenues from tomorrow. We need to make sure that we can live within our means. We're able to do that and this has shown that this management has allowed us to — while there are decisions to be made within the budgeting process and that's always difficult, we work together with the community and all the groups involved and with the departments collaboratively to make those decisions. But we're very proud of the fact that we're now going back this year to a surplus.

I was excited today to give a bit of detail on the fact that, moving forward within the next fiscal year of 2012-13, this government will continue to provide more transparency by adding the consolidated numbers. I think that that speaks to

what I, as a leader, and this party have spoken to in terms of transparency.

With that, I think that's really all that I need to say at this time, so thank you, Mr. Speaker.

Motion for second reading of Bill No. 2 agreed to

Hon. Mr. Cathers: I move that the Speaker do now leave the Chair and 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 the House resolve into Committee of the Whole.

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair: Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 2, *Fourth Appropriation Act, 2010-11*. Do members wish a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Bill No. 2: *Fourth Appropriation Act, 2010-11*

Chair: The matter before the Committee is general debate on Bill No. 2, *Fourth Appropriation Act, 2010-11*. However, before the Committee proceeds to general debate, the Chair would like to remind members of certain procedural matters regarding the reading of supplementary appropriation bills.

Once general debate is concluded, the Committee will only deal with those departments, corporations and other entities that have new appropriations identified in Schedule A. These amounts can be found in the column "sums required this appropriation".

Should members wish to ask questions or make comments about a department, corporation or entity that does not require new appropriations, or if they wish to discuss other issues, such as revenue or lapses, they should do so within the context of general debate.

Hon. Mr. Pasloski: I'm pleased to present the *Fourth Appropriation Act, 2010-11* and the accompanying third and final supplementary estimates for the 2010-11 fiscal year.

Madam Chair, I spoke of this in my second reading speech, but it does warrant repeating. Our government takes the authority of the Legislature very seriously and contravention of the *Financial Administration Act* is a matter not to be taken lightly. Under our new mandate, we are committed to ensuring all departments better manage their financial pressures within approved votes.

Having said that, situations do arise where year-end expenditures in excess of the approved votes are necessary. The tabling of the *Fourth Appropriation Act, 2010-11* and the accompanying *Supplementary Estimates No. 3* provides for scrutiny, debate and approval by the Legislative Assembly. In summary, four departments were over their respective approved votes. These are detailed in the *Fourth Appropriation Act, 2010-11* and the *Supplementary Estimates No. 3*.

The Department of Health and Social Services accrued a significant overexpenditure due to out-of-territory hospital claims. Interjurisdictional reporting has its challenges. The department is reviewing opportunities to improve information exchange between jurisdictions in order to mitigate these types of significant year-end variances.

Late in the 2010-11 fiscal year, Yukon Housing Corporation became aware of a potential environmental liability resulting from an oil spill. Although the liability could not be more precisely estimated until well after year-end, the estimate was material for Yukon Housing Corporation. Due to the materiality in accordance with the public sector accounting standards, the liability was expensed for the 2010-11 fiscal year, largely contributing to the corporation being over on its O&M vote for 2010-11.

I spoke at some length about our 2010-11 accomplishments — an impressive list, to be sure — but I will limit my comments to the summary highlights reflected in the *Supplementary Estimates No. 3*. As noted, the government reported an annual deficit for 2010-11 of \$6.675 million. I commented on, and I believe that Yukoners should not necessarily be concerned about annual deficits, provided they occur in the context of a multi-year fiscal framework. The give and take of savings and spending, spending and savings, reflects on our commitment to practice prudent and disciplined fiscal management. We save when we can, and we spend when we need to.

Our government manages the Yukon's fiscal framework over a multi-year horizon. We were able to weather the storm, so to speak, during the recent global economic downturn and the resulting uncertainty. In fact, we need to keep in mind that the current financial crisis experienced in Europe may have negative consequences for the Yukon economy. If I can simplify our general philosophy, we had five years of annual surpluses and during this time we built up our bank account. In response to the global economic hard times, we were able to draw down on that bank account and continue to invest in Yukoners.

Certainly, through our investment and spending decisions, we experienced two years of annual deficits, but, as we see with *Supplementary Estimates No. 1* for 2011-12, our government has projected a return to an annual surplus for 2011-12. Again, we build on our bank account. Saving when we can, spending when we need to in support of Yukoners — this is what our government has done. This is what we will continue to do. We did so and maintained a healthy fiscal framework, as evidenced by our net financial resource position of \$28.443 million, our bank account as of March 31, 2011.

I believe all Yukoners can appreciate the services, programs and infrastructure that we have delivered. I believe all

Yukoners can appreciate we did this through difficult global economic times without breaking the bank. My hat is off to all department officials who so diligently and conscientiously worked to deliver these important programs, services and infrastructure to Yukoners while maintaining a healthy financial position.

Thank you, Madam Chair. I look forward to discussing this opportunity — the supplementary appropriation — more fully in general debate and, seeing the time, I move that we report progress.

Chair: It has been moved by the Hon. Premier that the Chair report progress.

Motion agreed to

Hon. Mr. Cathers: I move that the Speaker do now resume the Chair.

Chair: It has been moved by Mr. Cathers that the Speaker do now resume the Chair.

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

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

Chair's report

Ms. McLeod: Mr. Speaker, Committee of the Whole has considered Bill No. 2, entitled *Fourth Appropriation Act, 2010-11*, and directed me to report progress.

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

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

Hon. Mr. Cathers: I move that the House do now adjourn.

Speaker: It has been moved by the Government House Leader that the House do now adjourn.

Motion agreed to

Speaker: This House now stands adjourned until Monday at 1:00 p.m.

The House adjourned 5:29 p.m.

The following Sessional Paper was tabled on December 8, 2011:

33-1-11

Yukon Human Rights Commission, April 1, 2010 to March 31, 2011 Annual Report
(Speaker Laxton)